

Tax Increment Financing

There's been a lot of talk of a new development program called Tax Increment Financing (TIF). We've put together a three-part series designed to describe how this program works and highlight what TIF can do for downtown.

TIF Projects.

So far, two exciting projects have applied for Tax Increment Financing (TIF). Both projects fit within the vision for downtown supported by the SBD Board, the Sasaki plan, and by all the citizens involved in the city's Visioning Process.

Both projects will encourage economic development in areas currently underutilized--the Avenue of the Columns and the eastern edge of downtown--by bringing additional customers into *The District* as workers, residents or overnight visitors.

Tenth & Locust.

The Tenth & Locust project is a 100,000 sf mixed-use building with 10,600 sf of ground floor retail, 16,280 sf of second floor retail/office space, 58 residential units and 11 parking spaces. Total cost of the project is \$17.2 million with \$3.3 million (19%) to be funded with TIF. The remaining \$13.9 million will be funded by the property owner.



10th & Locust - Current



10th & Locust - Proposed

As far as retail tenants, the property owners are currently looking at a salon and spa and a grocery store that would serve the needs of both their tenants and surrounding residents. We tend to see waiting lists for downtown apartments, particularly those geared towards non-college students. There's also a shortage of large office space--3,000 sf plus--in *The District*. Business spin-offs from the University, for instance, lack large spaces close to campus.

Public improvements include stormwater facilities construction and relocation, utility construction and relocation, alley improvement and repaving, removal and replacement of deteriorated sidewalks and curbs and landscaping of public spaces.

The property currently generates \$101,360 in tax revenues. The new building would generate \$3,661,885 in tax revenues.

Tiger Hotel.

The Tiger Hotel is a Columbia landmark but is currently standing empty save for a handful of professional offices. (Bleu restaurant is actually in a separate building.) Although the exterior of the building has been improved, the interior is not suitable for use.

Proposed is a boutique hotel with a total of 62 rooms. Historic hotels have been very successful in other areas and the projects are so extensive they usually require both Historic Preservation Tax Credits and TIF. The historic President Hotel in Kansas City--which used both Historic Tax Credits and TIF--served as a crucial part of the redevelopment of the Power & Light Entertainment District. Likewise, the Bothwell Hotel in Sedalia helped revitalize their downtown and continues to draw people into this small town.



Tiger Hotel - Current



Tiger Hotel - Current



Tiger Hotel - Proposed



Tiger Hotel - Proposed

Total cost of the project is approximately \$9 million with a little under \$1.8 million (20%, the upper amount allowed) to be funded through TIF.

Improvements to public infrastructure include streets, sidewalks, curbs, gutters, utility systems, lighting, and landscaping to create an attractive and cohesive environment in support of the development.

Over the next 23 years, the Tiger Hotel as is would generate \$1,805,981 in tax revenue. If the project goes through, it would generate \$12,734,981 in tax revenue over the life of the project.

Important Links

Missed Part 1 of the TIF Series?

Go to: [TIF - Part 1](#)

Want to compare tax revenues with and without these projects?

Go to: [Tax Revenue Comparison](#)

Have more questions about TIF and how it will help downtown?

Go to: [TIF Frequently Asked Questions](#)

Next time, learn why TIF projects are so important to the downtown economy.
