

# **Tax Increment Reinvestment Zone (TIRZ) Analysis for the South Central Waterfront**

*South Central Waterfront Advisory Board  
July 16, 2018*

# Context

- June 2016 - South Central Waterfront Vision Framework Plan adopted by City Council.
  - Included Tax Increment Financing (TIF) as a tool to fund infrastructure improvements and affordable housing.
- February 2018 - South Central Waterfront Advisory Board recommended Council conduct the necessary studies of a TIF as part of the review of the 425 W. Riverside PUD.
- May 2018 – Council approves the 425 W. Riverside PUD with direction to staff to initiate TIF study.
- June 2018 - Charles Heimsath with Capital Market Research contracted to conduct analysis.
  - Capital Market Research – Has conducted TIF studies for Homestead Preservation Districts and Airport Boulevard.

# Study Scope/Deliverables

- Prepare a Market Analysis to include an absorption forecast for the commercial and residential uses proposed in the plan.
  - Analysis to include:
    - Historical population and housing trends
    - Historical employment trends
    - Regional apartment, condo, office and retail demand
    - Historical Downtown capture rate by product type
- Confirm or recommend a mix of uses proposed in the plan with consideration of emerging market trends.
  - Current market inventory
  - Occupancy rates
  - New projects
- Project potential revenues to fund existing and future infrastructure improvements in the TIRZ.
  - Assume City regulating structure in place to reflect the adopted South Central Waterfront Vision Framework.
    - Identify historical values for all parcels within the district.
    - Estimate future value based on square footage and units added over 20 years.
    - Estimate annual tax revenues for City.

# Next Steps

***Report completed in August.***

***Determine impact on infrastructure and affordable housing.***

***Prior to the end of the year, Council determines if a TIF is appropriate in the context of District goals and citywide needs.***