

Red Lodge North Urban Renewal District

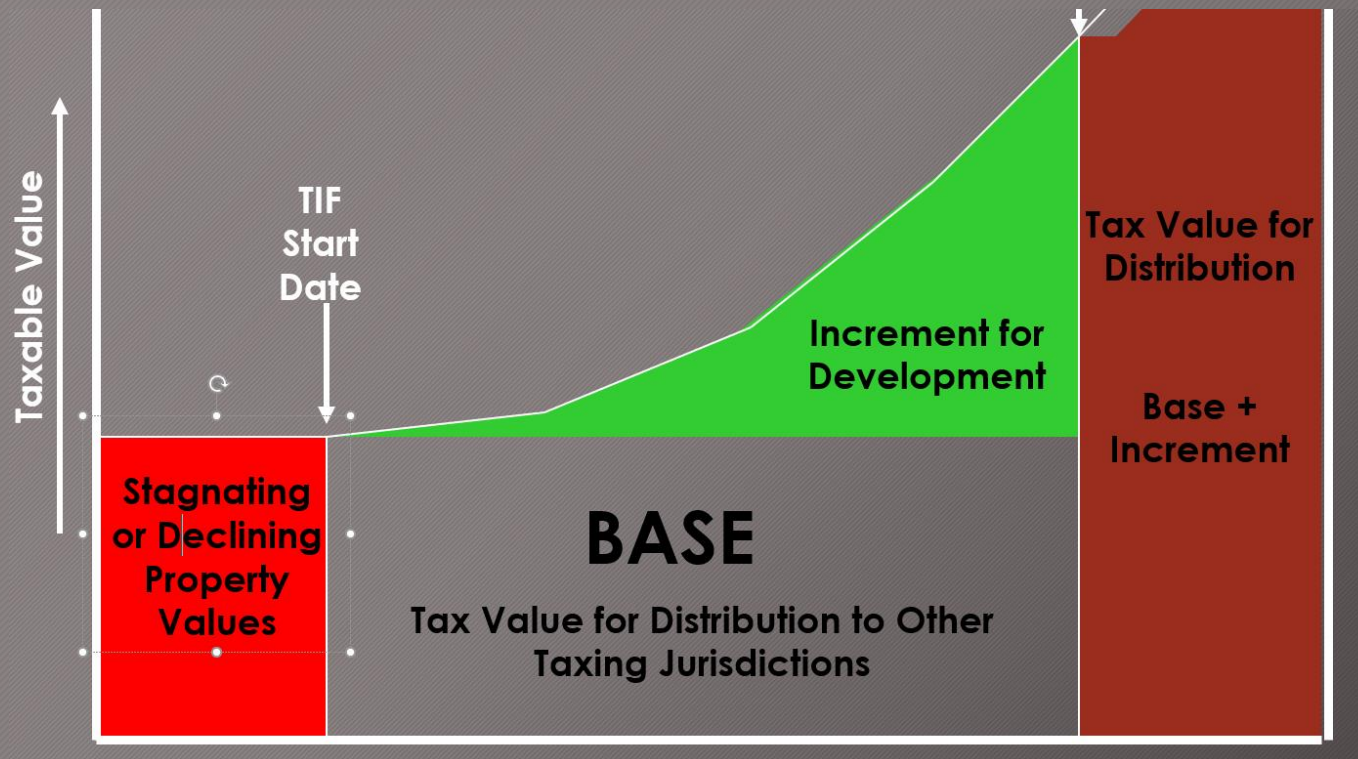


• September 9, 2021

How does Tax Increment Financing Work?

-how can the City increase invest in a district without a property tax increase?

2



Why, What & How

3

- Why is the City considering the creation of and Urban Renewal District (URD) here?
- What is an URD?
- URD Goals & Priorities - Housing, Support Business Development, Public Infrastructure Improvements, Promote Historic Preservation & Cohesive Urban Design Identity
- Questions & Discussion

What is the Vision?

4

- Growth Policy objectives for the Community Entrance
- Zoning requirements in the Community Entrance
- Active Transportation & Coal Miners Park goals
- How do residents, taxpayers and taxing jurisdictions benefit from those goals being realized?

The Calculation

- Assume: \$10,000,000 dollars of net New Appraised Value
- Assume: Class 4 commercial property valued at a tax rate of 1.89% (2019)
- Taxable Value = \$189,000
- Assume: 600 *net* mills (total mills minus the six-mill university levy and any voted mills after TIF effective date)
- Tax Increment = \$113,400



Allowable Uses of TIF Funds

6

Stabilize and/or renovate historic buildings

Construct and connect public infrastructure

Remove unsafe decay

Improve streetscapes and green spaces

CDS - 2021
Improve accessibility

Study, plan and promote



Termination of Tax Increment Financing Provision

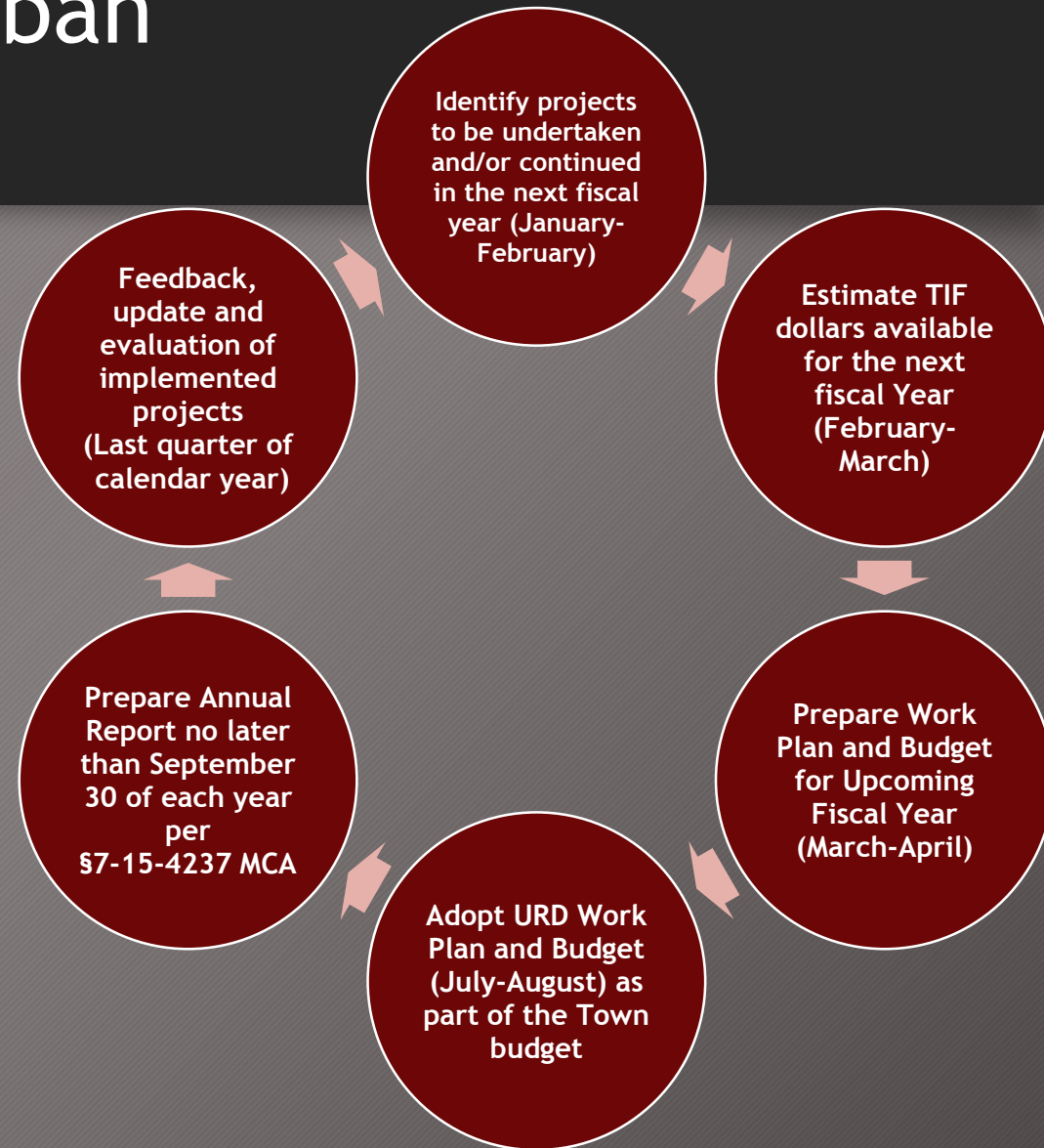
7

- A tax increment provision terminates upon the later of:
 - The 15th year following its adoption or
 - The payment in full of all urban renewal bonds payable from the tax increment derived from the district (Bonds may be issued for up to 25 years.)
- Note: The TIF provision “sunset” date cannot be extended by bonds issued later than those issued during the first fifteen years.



Management of an Urban Renewal District

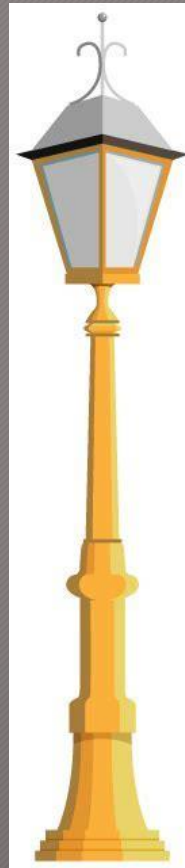
- Ongoing process of project identification, analysis and implementation
- Work plan and budget
- Annual report due by Sept. 30



Urban Renewal Experiences Across the State

9

- Capital improvements
 - Water main replacement
 - Sewage system expansion pro-rata share
 - Repave/rebuild streets
- Branding/Beautification
 - Utility box graphics/anti-graffiti
 - Decorative streetlights
 - Unified street fixtures/colors
 - Intersection identification



- Economic development
 - Parking lot construction
 - Revolving loan fund
 - Historic Façade Improvements
- Safety
 - HAWK (High Intensity Activated Cross Walk) light
 - Streetlights
 - Fire hydrant connections
 - ADA in public owned buildings

Experience (cont.) and Cautionary Tales

10

- Neighborhoods
 - Sidewalks
 - Streetlights
 - Connectivity
 - Leverage LMI grant application
- Decay
 - Acquisition
 - Removal
 - Resale

CAUTIONS

- Single use districts
- “Build it and they will come”
- Lack of buy-in
- Dependency on centrally assessed taxpayers
- Change in taxable status

Goals & Objectives

- Goal #1 Increase Housing Units Near Downtown
 1. Increase housing options for a range of incomes, with an emphasis on a core of quality urban-scaled affordable long-term rental units for young professionals, workers and older generations that are multi-modal to downtown Red Lodge.
 2. Support mixed-use buildings that provide a combination of businesses and new residential dwelling units.

- Goal #2 Support Business Development
 1. Address environmental issues such as brownfield designations which hinder new investment.
 2. Address private infrastructure improvements required for fire suppression which includes fire sprinklers, water flow requirements, fire hydrants and fire engine access.
 3. Provide for demolition and site preparation for abandoned buildings.

- Goal #3 Public Infrastructure Improvements
 1. Invest in transportation infrastructure which improves vehicular, pedestrian and bicycle safety and connectivity.
 2. Invest in the “amenity-driven model” which attracts private investment with public space improvements such as trees, lighting, benches, sidewalks, wayfinding signs and “welcome” signage.
 3. Invest in City-owned property, particularly in and around Coal Miner’s Park to provide a regional sports destination that also includes trails, and access to, and protection of Rock Creek.
 4. Improve storm drainage and pipe capacity,
 5. Provide for “complete streets” in areas where streets only contain driving lanes. Pave gravel streets.
 6. Increase the life expectancy of streets with sealants and chip seals.
 7. Rebuild failing streets, particularly east 2nd Street.
 8. Incorporate Green Infrastructure principles into the design of developments.

- Goal #4 Promote Historic Preservation and Cohesive Urban Design Identity
 1. Invest in the reuse of vacant historic buildings, particularly the Pea Cannery.
 2. Develop an urban design identity for the Community Entrance North and create Architectural Design Guidelines by using the Red Lodge Revitalization Plan, Zoning Regulations and Growth Policy as guiding documents.
 3. Promote and facilitate facade improvements.

What if no significant projects occur?

12

- The district does not see significant TIF invested in the district
- Improvements identified in City plans are slower to develop

Questions for you:

13

- Should any block or portion of the proposed URD be removed?
- What kinds of public improvements would you like to see in the area? ie. streets, sidewalks, water, sewer, parks
- Would you be interested in being appointed to an Urban Renewal Agency that makes spending recommendations?

Questions

