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Successful use of tax increment financing requires collaboration upfront from all parties involved

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Tax increment financing captures the future tax benefits of real estate improvements to pay the cost of those improvements.

It seems popular enough. Forty nine states and the District of Columbia have enabling legislation for TIF.

But, we know complexities concerning TIF exist. How does one bring together a TIF community, including economic developers, bond issuers, private investors, public agency representatives, financial advisors, legal and environmental professionals, and other stakeholders?

At the Connecticut Development Authority (CDA), we believe the successful use of TIF requires collaboration upfront and from all private and public parties involved in community redevelopment. Clear communication at every stage - from planning to design, from neighborhood to government relations, from legal and financial issues, from public to media outreach - is necessary to create a fluid and transparent movement of facts, developments, even possible delays and revisions concerning TIF projects.

Because TIF is sought for large-scale economic development projects that most likely will add a substantial amount of employment, these projects create, by their nature, a great deal of buzz - intended or unintended - that needs nurturing or clarification.

The Connecticut Development Authority believes in transparency. As the state's bank, CDA's mission is to stimulate economic expansion and job creation. We have the authority to issue self-sustaining tax-exempt and taxable bonds to help finance significant economic projects throughout Connecticut. TIF projects are approved at CDA's board of directors' meetings which are opened to the public, and the results are posted on our website, www.ctcda.com.

You will read, for example, that in Killingly, Connecticut, a new 85-acre project, known as Killingly Commons, has redeveloped a former one million s/f manufacturing and warehouse facility into a 520,000 s/f shopping center with parking for 2,500 vehicles. Strategically located at the intersection of I-395 and State Rte. 101, this new "Retail Power Center Destination" creates a one-stop shopping mecca. Benefits to the town go beyond concentrated growth to include new jobs, improved building and operational efficiencies, aesthetics and safety for the community.

Construction continues for new buildings to house major tenants, including Stop & Shop Supermarket Company; Lowe's Home Improvement; Target; Staples; Bed, Bath & Beyond; and Michael's Arts & Crafts.

The Connecticut Brownfields Redevelopment Authority, a subsidiary of CDA, approved a \$1.5 million TIF for site remediation. Remediation components included soil and ground water contamination, and the excavation and off-site disposal of contaminated soil from volatile organic and petroleum-based products.

Â Another source of TIF-related information is available from the Council of Development Finance Agencies (CDFA), a national association dedicated to the advancement of development finance concerns and interests. According to its website, www.cdfa.net, "CDFA has taken the lead nationally to bring the tax increment finance industry together through the creation of the Tax Increment Finance Coalition (TIFC). The TIFC is a standing coalition within CDFA dedicated to professionals and organizations working in the tax increment finance industry.... In developing the TIFC, CDFA becomes the first national organization to address tax increment financing head on."

The site includes information about TIF seminars, a TIF Resource Library, and overview and events relating to CDFA's Tax Increment Finance Coalition.

Information is key to the growth of TIF programs and potential. By working closely with all parties and communicating results clearly, we can all make the opportunities for TIF-supported projects easier to understand and implement.

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