

# Memorandum

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**To:** Scott Dadson  
**From:** Shirley Hughes  
**Date:** 10/13/2009  
**Re:** New Tax Increment Financing (TIF) District

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I have had a lengthy conversation about extensions of the existing TIFs (1 and 2) and the creation of a new TIF with Paul Trouche. As discussed, there is a timing issue with creating a new TIF. It revolves around the fact that we are approaching the end of the current calendar year and have just completed the revaluation of properties. This is the time that the value of the proposed properties is at its lowest point for tax purposes. South Carolina does not bring onto the tax rolls any new or improved properties until the end of the year. There are currently properties, in the targeted area, that will increase in value when included at year end. In order to take advantage of any potential increases (increment), we need to get the new TIF in place before the end of this calendar year.

The rules for creating a new TIF require a first reading and a public hearing that must be noticed 45 days in advance of the hearing. Both of these events need to occur prior to a second and final reading.

It is my recommendation that Council proceed with first reading on October 13, and schedule a public hearing and second reading for December 8. This would leave some flexibility for a second meeting in December if necessary. Paul is available to attend a Council work session on October 20 at 5 PM to have a thorough discussion of the issues and options that surround both the extensions of the existing TIFs as well as the creation of a new TIF. This will give Council additional time to review and discuss what these options would mean for the City.

Once Council has had the opportunity to review and discuss, they still retain the option to not approve the creation of an additional TIF at this time.

I have scheduled Paul for the 20<sup>th</sup>.