

1 Introduced June 10, 2014, by Councilman
2 Cusimano, seconded by Councilwoman
3 Harbison (by request of Administration)

4 **RESOLUTION R14-16**

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6 A resolution establishing a policy of the City of Slidell, Louisiana relating to
7 Tax Increment Financing Districts.

8 WHEREAS, the City of Slidell, Louisiana (the "City") is committed to the high
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10 quality and balanced growth and development of the community while preserving the City's
11 unique character and while revitalizing and redeveloping areas of the City; and
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13 WHEREAS, economic development is a joint responsibility of the private and
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15 public sectors, working closely together creating a positive business environment and to
16 encourage commercial development and expansion in the City; and
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18 WHEREAS, the economic development goals of the City include the
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20 expansion of existing businesses, development of new businesses, economic
21 development activities which are environmentally sound, diversification of the economy,
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23 and the creation of quality jobs; and

24 WHEREAS, to meet these economic development goals, the City recognizes
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26 the need to assist in the redevelopment of property located within the City by the creation
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28 of economic districts; an economic development tool established by Louisiana R.S.
29 33.9838.31 (the "TIF Act") for the financing of qualified redevelopment projects; and
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31 WHEREAS, redevelopment activities, due to complexities of existing
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33 infrastructure and development, often require larger financial investments and meet a
34 larger public goal; and
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4 WHEREAS, the City finds it in the best interest of the public to establish
5 certain policies and guidelines for the consideration of proposals that may be presented to
6 the City by applicants requesting Tax Increment Financing ("TIF") assistance; and
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9 WHEREAS, all projects must demonstrate financial and economic reasons
10 such that they would not otherwise go forward and be viable, but for conditions of blight,
11 extenuating circumstances which exist in the site, location, or other factors related to the
12 proposed development.
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15 NOW THEREFORE BE IT RESOLVED by the Slidell City Council, the Tax
16 Increment Financing policy for the City of Slidell, Louisiana, will be as follows:
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18 **SECTION ONE: POLICY STATEMENT:**
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20 It is the policy of the City to consider the judicious use of TIF for those projects
21 which demonstrate a substantial and significant public benefit by constructing public
22 improvements in support of developments. For the purposes of this policy "a substantial
23 and significant public benefit" may include one or more of the following benefits: creating
24 new jobs and/or retaining existing employment, eliminating blight, strengthening the
25 employment and economic base of the City, increasing property values and tax revenues,
26 reducing poverty, creating economic stability, upgrading older neighborhoods, facilitating
27 economic self sufficiency, promoting projects that are of community wide importance, or
28 implementing the Comprehensive Plan and economic development goals of the City.
29 Projects which encourage redevelopment congruent with City goals, plans and/or policies
30 will be considered more favorably. The City Council also encourages projects that will be
31 sensitive to the environment and contain elements which promote energy efficiency.
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4 SECTION TWO: PROCESS:

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6 1. An applicant wishing to request the City to create an economic district within the
7 City of Slidell shall first submit a detailed written proposal to the Mayor. The
8 proposal shall include, but is not limited to: (a) a proposed comprehensive plan
9 that identifies all the proposed redevelopment project areas and that identifies in
10 a general manner all of the buildings and facilities that are proposed to be
11 constructed or improved in each redevelopment project area; (b) description
12 and map of the proposed redevelopment district; (c) description of the proposed
13 boundaries of the redevelopment district; (d) information regarding expected
14 capital expenditure by the applicant; and (e) a proposal for development
15 assistance.
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17 2. The applicant shall furnish such additional information as requested by the
18 Mayor or his designee in order to clarify and evaluate the submittal.
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20 3. The Governing Body shall then determine whether it desires to commence the
21 statutory process to create an economic district as set forth in the TIF Act. City
22 staff shall make available to the public in timely manner information summarizing
23 the TIF Act and the process for evaluating a request to create a redevelopment
24 district. The City's process for considering the request to create a
25 redevelopment district within the City will emphasize transparency, while
26 balancing the potential need for some applicant information to remain
27 confidential. Further, the City's process for considering a request to create an
28 economic district shall encourage public participation and comment.

25 SECTION THREE: POLICY GUIDELINES. The following criteria are to be used
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27 by the Governing Body and staff to evaluate TIF Proposals:

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29 1. Each TIF proposal must demonstrate that "but for" the use of TIF, the project
30 would not be completed. Such evaluation may include a review of appropriate
31 market returns for a project that takes into consideration the type of the project,
32 the site and other relevant factors.
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34 2. TIF proposal reimbursements will be made from the additional incremental taxes
35 collected, not the existing taxes collected.
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37 3. All TIF proposals requesting the issuance of bonds or notes will be required to
38 demonstrate that the incremental taxes and/or the economic activity taxes
39 expected to be generated will be sufficient to provide a debt coverage factor of
at least 1.25 times the projected debt service on the tax increment bonds or
notes. Debt service coverage greater than 1.25 times may be necessary to

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4 market any notes or bonds that are limited to public offerings. At the discretion
5 of the City, applicant or bank purchased bonds may be less than 1.25 times debt
6 service coverage. Alternatively, applicants may provide a guarantee or other
7 credit enhancement to cover any shortfalls in revenue in a manner that is
8 satisfactory to the City.

- 9 4. The total amount of TIF assistance provided for projects will be based on the
10 economic payoff expectations of the project and its significance to the
11 community.
- 12 5. Each TIF proposal must include evidence in a form acceptable to the City that
13 the applicant has the financial ability to complete project and operate the
14 proposed project for a minimum of three years.
- 15 6. The City will require satisfactory assurance that the project will be completed in
16 a timely manner in accordance with the redevelopment project plan and
17 redevelopment agreement.
- 18 7. TIF proposals for the redevelopment of existing commercial and industrial areas
19 will be viewed more favorably. Projects to stabilize current commercial and
20 industrial areas that have or will likely experience deterioration will also be
21 viewed more favorably.
- 22 8. Those TIF proposals for redevelopment for use of public infrastructure of 80% or
23 greater will be view more favorably.
- 24 9. TIF proposals including the use of local businesses for the redevelopment will be
25 viewed more favorably.
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28 **SECTION FOUR: CERTAIN ECONOMIC ACTIVITY TAXES.** Sales taxes, property
29 taxes, or other applicable taxes may be considered for purposes of the tax increment
30 derived from TIF economic activity taxes. The City may make incremental City Sales
31 Taxes and/or Hotel Taxes associated with the redevelopment district available as TIF
32 incentives. Generally, the City will make available no more than 80% of the additional
33 incremental sales and hotel taxes for a redevelopment project.
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4 SECTION FIVE: METHOD OF FINANCING.
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6 In deciding which method of financing to use, the prevailing factor in making the
7 determination will be total costs and the security for the bonds. The City will not provide
8 credit enhancements for the special obligation bonds; however, credit enhancement
9 provided by the applicant on any bonds will be viewed favorably. Private financing of
10 improvements will be encouraged by the City and viewed more favorably. Generally, the
11 City will not issue General Obligation Bonds for TIF eligible costs. The proposed method
12 of financing will be clearly shown in the application and the redevelopment project plan.
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14 The City has sole determination of the method of financing.
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18 SECTION SIX: OTHER CONDITIONS. The City reserves the right to modify or
19 waive any or all of these policies in accordance with the approved redevelopment project
20 plan and/or redevelopment agreement.
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23 SECTION SEVEN: AUTHORITY OF GOVERNING BODY. The Governing Body
24 reserves the right to deviate from any policy, but not any procedure set forth in this
25 Resolution or any other procedural requirements of state law, when it considers such
26 action to be of exceptional benefit to the City or extraordinary circumstances prevail that
27 are in the best interests of the city.
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31 SECTION EIGHT: EFFECTIVE DATE. This Resolution shall take effect
32 immediately.
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4 **ADOPTED** this 24th day of June, 2014.

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7 Landon Cusimano
8 President of the Council
9 Councilman-at-Large

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12 Thomas P. Reeves
13 Council Administrator
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