

January 21, 2005

TO: Mayor Rines and City Councilors

FR: Jeff Kobrock

RE: Tax Increment Financing Workshop

This fiscal year is the first year we are receiving any significant revenues from our tax increment financing (TIF) agreements. This past fall Councilors Doiron and Rambo volunteered to spend some time with Chris Paszyc and I to develop a proposal for Tax Increment Financing revenues. By the end of last year we had developed a model to share with the entire Council.

The model projects TIF revenues and proposes TIF expenses. The process would become a regular part of the budget development and adoption as the ultimate result is to reflect TIF activity in our Ways and Means statement, such that this document more closely mirrors the calculations required by the State in adopting a mil rate.

As a part of the workshop we will review spreadsheets that project TIF revenue and expense for both this current fiscal year and future years so that the Council can properly anticipate the role of TIF activity in the budget process.