

JOURNAL OF COMMISSION SPECIAL WORK SESSION
February 11, 2013

City Commission Special Work Session

Mayor Winters presiding

CALL TO ORDER: 1:00 p.m.

PRESENT: City Commissioners present: Michael J. Winters, Bill Bronson, Fred Burow, Bob Jones and Bob Kelly.

STAFF PRESENT: City Manager, Deputy City Manager; Interim City Attorney; Directors of Planning and Community Development and Public Works; and the City Clerk.

TAX INCREMENT FINANCING (TIF) PRESENTATION

Janet Cornish, Community Development Services of Montana, a consultant for the City on tax increment financing (TIF), discussed the procedures and steps necessary for expanding an existing TIF district and creating a new TIF district.

Ms. Cornish provided a PowerPoint presentation. She explained that tax increment financing is authorized pursuant to § 7-15-4282, MCA. TIF districts enable communities to direct property taxes from new development within a designated blighted and/or infrastructure-deficient geographic area to various development activities. A base year is established from which incremental increases in property values are measured. The base value continues to be distributed among the taxing entities. The incremental increases are the tax dollars that are directed back into the district for improvements. Tax increment financing is a strategy for stabilizing, diversifying and expanding the tax base in critical areas. In many cases, new development wouldn't occur without the incentive of a TIF district. There is no financial effect on individual property owners. However, property owners benefit because improvements are made in the area in which their properties are located.

Ms. Cornish concluded that a successful TIF program provides incentives to businesses and industries to locate in areas of greatest need, improves the overall tax base, enables locally driven economic development, and creates economic vitality.

ADJOURN

There being no further discussion, Mayor Winters adjourned the special work session of February 11, 2013, at 2:15 p.m.