

**POSITION ON RESOLUTION R29-14  
AND PROPOSED DOWNTOWN T.I.F. DISTRICT  
Ian Thomas, 16th February, 2014**

1. I support downtown development, which is consistent with Columbia's Comprehensive Plan, and I am very concerned about the lack of available infrastructure capacity in the area and the resulting "hold" on new development.

2. At the same time, I am not convinced that a Tax Increment Financing (TIF) District is the only (or best) way to fund emergency construction of sewer and electrical capacity in order to allow development to proceed, as has been stated by the City Manager.

- I understand 7 MW of additional electrical capacity will be delivered to the area, next year.
- I also believe we can adjust capital improvement plan priorities to construct the required sewer capacity, next year.

3. More fundamentally, I believe Columbia's current schedule of New Development Impact (NDI) Fees may be set at an unsustainably low level. I estimate that only 20-50% of the cost of constructing the infrastructure capacity (water, electrical, sewer, storm water, and roads) needed by new development is allocated to the new development, leaving the general community to pay for the remaining 50-80%. I also believe Columbia charges substantially lower NDI Fees than comparable cities.

- Columbia charges a total of less than \$2/square foot, based on data provided by the Community Development Director.
- In comparison, Fort Collins, CO charges \$15-\$17/sq. ft., according to a Colorado developer.

4. Unsustainably low NDI Fees would help explain why there is a shortage of available infrastructure capacity in the downtown area. It is extremely important to answer this question as quickly as possible so we can update our NDI Fees to a sustainable level without falling further behind, if necessary. Therefore, I request City staff take the following actions immediately:

- Review Columbia's NDI Fee structure to determine how the cost of constructing infrastructure capacity to serve new development is currently allocated between the new development and the general community.
- Complete a study of NDI Fees in comparable cities.

5. With regard to Resolution R29-14, I do not support moving ahead with the proposed TIF District on the City Manager's proposed timeline because of public opposition to the proposal. Rightly or wrongly, there is a widespread belief that the TIF District proposal has been developed in secret with the specific goal of "rushing it through" to avoid community input. While I believe a TIF District may be an appropriate mechanism to fund some of the projects listed in Appendix A of R29-14, I am opposed to moving forward with it until we have explored all of the possible funding options (including higher NDI Fees) and implemented a better public communications campaign.

6. In the meantime, if there are specific development projects that require urgent approval in order to proceed, I support the interim approach of allocating the 7 MW of new electrical capacity and re-prioritizing sewer projects, while re-negotiating NDI Fees on the basis of an initial study.