



CITY OF CHARLESTON PROPOSED WEST ASHLEY TIF DISTRICT - INFORMATION SHEET

What is Tax Increment Financing?

- Tax Increment Financing (“TIF”) is a funding method and economic development tool that reallocates taxes generated from increased property values in a designated TIF district to make public investments and stimulate private investment within the district area.
- TIF does not raise property tax rates but rather redirects incremental increased tax revenue from improved property within the TIF district.
- TIF does not take money away from the taxing entities. Tax revenues resulting from property tax values within the TIF district prior to the creation of the TIF district continue to be paid to the overlapping taxing entities as before; only taxes derived from increased redevelopment projects and increased property values go into the TIF fund for public improvements. See Figure 1.1.

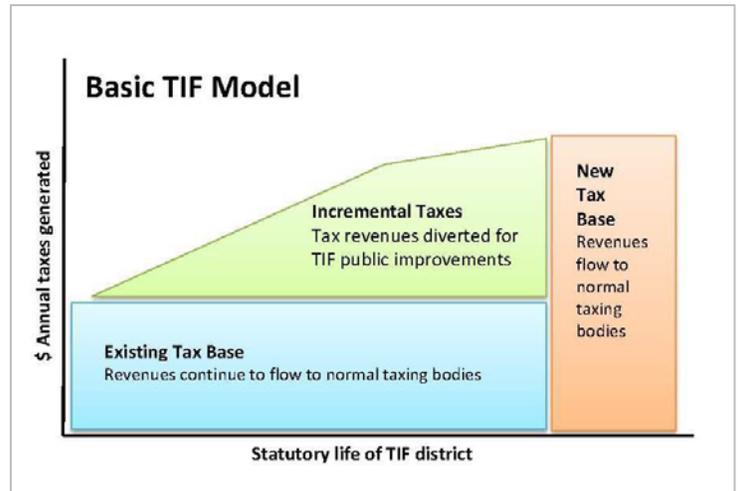


Figure 1.1

What are the benefits from TIF?

- Public investments such as park space, public facilities, roadway improvements and drainage infrastructure can be constructed using TIF funds rather than raising taxes to fund such improvements. The entire community – residents, business owners, workers, students and visitors – would benefit from such improvements made within the West Ashley TIF District area.
- Funding public investments within the West Ashley TIF District through tax increment financing will enable the City of Charleston to make the necessary infrastructure and public realm improvements that will, in turn, **catalyze private reinvestment in the area which will result in increased revenue flows to all taxing entities.** In adopting the State’s Tax Increment Financing Law, the South Carolina General Assembly recognized "the benefits of an increased assessment base" resulting from "the benefits of tax increment financing" for all local governments.
- TIF funded public investment in strategic projects can successfully result in the revitalization of distressed areas, additional jobs, an improved quality of life, the creation of new vibrant places to live, learn, work, play and visit thereby making West Ashley more competitive on a regional scale.

Proposed West Ashley TIF District.

- The proposed West Ashley TIF District includes a robust redevelopment plan keenly focused on the Sam Rittenberg Corridor area, one of the primary commercial districts in the heart of West Ashley. In its current state, the area will not attract appropriate reinvestment opportunities and revitalization will lag unless the West Ashley TIF District is implemented.
- The proposed West Ashley TIF District is comprised of 155 parcels and is roughly 425 acres. See Figure 1.2. Approximately sixty one percent (61%) of this area is commercial, ten percent (10%) is office, ten percent (10%) percent is vacant and the remaining is residential, institutional or other uses. The proposed TIF District includes Citadel Mall, numerous underused strip retail centers, aging office buildings, expansive parking lots, and commercial corridors that need to be enhanced. Only

properties within the City's municipal jurisdiction in the subject area may be included in the TIF District.

- The proposed West Ashley TIF would have a term of 25 years.
- The 2016 assessed property values within the proposed West Ashley TIF District = \$18,216,020.
- The 2041 estimated assessed property values within the proposed TIF District = \$55,911,344.
- Public investment projects within the West Ashley TIF District will help facilitate the transformation of obsolete land uses and aging corridors into vibrant redevelopment opportunities and thereby increase the tax base.
- The following proposed investment projects would be to the benefit of the entire community:
 - New public spaces and parks; improvements to existing parks;
 - Construction of civic buildings, cultural facilities and/or recreation/sport facilities;
 - Streetscape improvements;
 - Transportation infrastructure improvements (sidewalks, bike & transit);
 - Street network improvements – existing/new streets, intersections;
 - Stormwater infrastructure improvements;
 - Parking facilities.
- The estimated cost of the proposed public investment projects is \$130,832,000. It is anticipated that the TIF District will cover approximately \$69,312,000. Remaining costs would be funded from a variety of other sources such as grants, federal and state funding, and other appropriations.
- Within the proposed TIF District certain conditions of blight currently exist including poorly maintained, vacant and obsolete properties, unattractive corridors and a lack of necessary infrastructure.
- The West Ashley TIF redevelopment plan promotes a new vision for the area and establishes a revitalization framework for creating public spaces, recreational facilities and parks; streetscaping improvements; mobility options, improved transportation infrastructure and drainage and mixed-use developments including commercial, office and residential. TIF is necessary to bring this revitalization plan to fruition.
- Impact on educational facilities will be low. The nature of the redevelopment within the West Ashley TIF District – retail, office, mixed-use, and apartments – will generate far fewer school age students per hundred housing units than typical suburban single-family developments.

Examples of Success: Waterfront Park & King Street Gateway TIF Districts

- The City of Charleston has had tremendous success in utilizing the provisions of the TIF law to provide services which benefit the citizens of the City, the County and the School District.
- Waterfront Park TIF District:
 - Public investments include: Waterfront Park, Adgers Wharf Park and a parking garage.
 - TIF District term expired June 2016 (30-year term). Beginning with the upcoming tax year, the School District will receive \$740,000 in additional tax revenues from this TIF District and the County will receive \$203,000 in additional tax revenues. These revenues are expected to grow in the future.
- King Street Gateway TIF District:
 - Public investments include: streetscaping, Marion Square renovation, drainage improvements, Camden Shed Towers, harbor access, public parks, parking facilities, traffic/pedestrian improvements and the Gaillard Center, which provides programs for next door neighbor Buist Academy and all Charleston County students.
 - The Charleston County School District received, upon expiration of the TIF term 2013, additional tax revenues from this TIF District of approximately \$4,900,000 in the 2013 tax year, a sum which is expected to grow in the future.

