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TIF Communication: Requests for information from Mr. Grimm

1 message

Heather Cole <heather.cole@como.gov>

Thu, Oct 26, 2017 at 11:11 AM

To: Andrew Beverley <andrew.beverley@columbiabancshares.com>, Andy Waters <awaters36@gmail.com>, Christine King <chking@cpsk12.org>, "Ernie Wren, III" <erniewren@gmail.com>, "Grimm, Mark (G&B)" <MGRIMM@gilmorebell.com>, Heather Cole <Heather.Cole@como.gov>, Helen Wade <hwade@cpsk12.org>, Jeremy Root <Jar281@nyu.edu>, "John G. Clark" <jgclark@mchsi.com>, June Pitchford <jpitchford@boonecountymmo.org>, Ken Pearson <Kmpearson11@gmail.com>, Lynn Cannon <LMCANNON@gocolumbiamo.com>, Maria Oropallo <maria.oropallo@gmail.com>, Martin Ghafoori <ghafoorim@stifel.com>, Melissa Carr <mcarr@dbrl.org>, Michael Kelly <michael.kelly@lssliving.org>, Nancy Thompson <Nancy.Thompson@como.gov>, Paul Cushing <pcushing@cpsk12.org>, "Tony St. Romaine" <Tony.St.Romaine@como.gov>

Good morning,

Please see the communication below from Mr. Clark and the response from Mr. Grimm.

Mr. Clark inquired:

Ms. Cole:

The purpose of this email is to submit a request to Mr. Grimm for additional information about the carrying costs interest rate that can be charged (ie considered as a TIF cost of the Project) in the agreement between the City and Project. I respectfully request that this information be sent to TIF Commission members as soon as possible.

Mr. Grimm:

Could the TIF Commission recommend/could the City Council negotiate a cap or limitation on the interest rate on a TIF bond or under a pay-as-you-go reimbursement arrangement that will includable as qualified TIF cost of the Project?

For example, if TIF bonds were issued with a 5% interest rate, could the TIF Commission recommend/could the City Council designate that only 2% (only 40% of the total interest) would be a qualified TIF cost of the Project?

Rationale: Inclusion of only part of the carrying cost on bonds or other obligations would:

--shift some of the carrying cost of such long-term lending as opposed to initial equity investment from the taxpayers/taxing entities to the developer; and

--reduce the risk that the project would not generate sufficient funds to pay off both the initial TIF obligation plus the carrying costs.

All the best,

John G. Clark

Mr. Grimm replied:

The Commission is welcome to make recommendations to the Council regarding provisions to incorporate into a redevelopment agreement. Those recommendations are not binding on the Council.

Heather Cole

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