

DEVELOPER REQUEST FOR COMMUNITY IMPROVEMENT DISTRICT

within

Lyla Corners Redevelopment Area

and

Silver Maple Estates Redevelopment Area

Summary of Request: The Developers of the Lyla Corners and Silver Maple Estates tax increment financing (“TIF”) redevelopment areas, both entities controlled by Mike Seitz, are requesting the addition of a 1% CID sales tax within each of the areas in order to accelerate reimbursement under the TIF contracts.

Current

Reimbursement: Under the TIF contracts, the City has agreed to reimburse the Developers for certain public and private costs associated with the Lyla Corners and Silver Maple Estates developments. This reimbursement will come from the increased property tax generated by the developments and 50% of the increased sales taxes generated by the developments.

**Request to add
CID Sales Tax:**

The Developers’ request is to form a separate Community Improvement District (“CID”) encompassing the commercial portion of each of the two developments that would add a 1% sales tax to taxable retail sales within such areas.

Formation:

Each CID could be formed by the City after receipt of a petition from the property owners within the proposed CID and certain notice (mailed and published) and hearing proceedings. Each CID would authorize the sales tax through a mail-in election.

Costs:

Costs of formation would be paid by the Developers, subject to reimbursement from CID sales tax revenues. Ongoing operational costs of the CIDs would be paid from CID sales tax revenues.

Use of Proceeds:

The CID sales tax, after payment of formation and operational costs, would be split as follows: (1) 50% would be captured by TIF and applied directly to TIF reimbursable costs under the TIF contracts, and (2) 50% would go to the CID, which would pay CID-eligible costs (a portion of the TIF eligible costs) to the Developers. No additional reimbursement would result over what the Developers are currently due. The addition of the CID sales tax would simply pay the Developers back more quickly.

Limitations:

The maximum sales tax is 1% and the maximum CID duration is 27 years.