

FACT SHEET

Executive Order CRN 09-02

WHAT IS CRN 09-02?

CRN 09-02 is an Executive Order issued by Mayor C. Ray Nagin to establish a City-Initiated Tax Increment Financing (TIF) policy targeted to areas that are blighted, dormant or established Federal Renewal Communities. The new policy will be driven by the geographically defined areas approved by the Office of the Mayor and ratified by the City Council. TIFs are used to:

- Finance public improvements:
- Enhance existing public infrastructure: and
- Support investment needs that demonstrate clear public benefit

TIFs will be used to stimulate commercial and residential development.

WHAT IS THE PURPOSE OF CRN 09-02?

The purpose of this Executive Order is to develop the policies and procedures for the establishment, administration, and monitoring of City-Initiated Tax Increment Districts (TIDs) that utilize TIFs in Orleans Parish.

WHY DOES THE CITY OF NEW ORLEANS NEED THIS POLICY?

Mayor C. Ray Nagin recognizes that there exist areas in New Orleans that are dormant and evidence a clear need for commercial, residential, or public redevelopment consistent with City-adopted plans and that but-for the use of tax incremental financing, in concert with private-sector investment, such priority redevelopment would not likely occur in the reasonably foreseeable future.

WHERE/HOW WILL TIFs BE USED?

According to Mayor Nagin's Executive Order, TIFs will be used only in the geographical areas, identified as Tax Increment Districts (TIDs). TIDs are areas that are dormant, blighted, and in which revitalization would not occur within the foreseeable future but-for the use of the TIF, and where the lack of such development has potential to cause instability or suppressed development in other areas of the City.

IN WHAT AREAS WILL TAX INCREMENT DISTRICTS (TIDs) BE UTILIZED?

TIDs will only be established in one or more of the following area types:

- Federal Renewal Communities
- Blighted areas
- Recovery areas
- Special Economic Development or Redevelopment Areas

TIDs are designed to contribute to the provision of neighborhood-scale retail, affordable housing or to facilitate development within economic sectors such as International Trade, Energy, Advanced Manufacturing, Arts and Culture or Biomedical/Biotechnology.

Generally, a TIF will only be utilized in those instances in which matching State tax increments have been contributed to the TID.

WHAT IS THE MAXIMUM CITY PARTICIPATION?

The maximum guaranteed tax increment dedicated to a project shall be 50% of incremental tax revenues over and above the base-level ad valorem and sales taxes. The remaining incremental tax revenues over and above the base-level ad valorem and sales taxes shall go to the City's General Fund. The City may elect to increase the available increment above 50%, if the City-Initiated TID would address multiple priority redevelopment goals as determined by the City.

WHO IS RESPONSIBLE FOR PROJECT OVERSIGHT?

All program approvals are within the Executive and Legislative Branches of local government. The TIF Team is responsible for the daily operations which include but are not limited to program implementation, oversight, monitoring and compliance.