

# City of Springfield

## TIF Policy Guidelines

The purpose of these policies are to provide investors, developers, elected and appointed officials and community members with sufficient information to guide decision making related to the provision of local tax incentives, which take the form in Massachusetts of temporary exemptions of incremental property taxes (Tax Increment Financing or TIF).

### Goals

1. Stimulate Job Creation of permanent jobs paying above the average per-capita income for Springfield.
2. Redevelopment of existing Brownfield sites, commercial or real estate properties.
3. Reconstruction/renovation/demolition of vacant commercial or industrial real estate properties.
4. Encourage existing businesses to expand
5. Attract new Businesses including
  - a. Industrial
  - b. Commercial – Downtown only
  - c. Research facilities
  - d. Service – Professional
  - e. Hotel
  - f. All other

### Guidelines:

1. To assist businesses the City shall designate areas, in which Economic Opportunity Areas and Tax Increment Financing may be offered.
2. Prior to recommending a TIF, City staff, upon reviewing an application for Certified Project designation submitted by the project proponent, shall provide an analysis of the impact of the project including a competitive analysis of the project versus alternative sites outside the City.
3. While job creation is a principal basis for granting a TIF, the jobs created can not be speculative or temporary in nature, i.e. construction jobs are temporary. Retail TIFs proposed for speculative development are not favored as frequently the jobs created are not directly tied to the TIF proponent. A Retail TIF where the developer is the retailer or where there are firm retail commitments for an extended period of years may be considered in appropriate circumstances.
4. Job creation performance will be tied to the actual TIF received. For example if the TIF proponent achieves 75% of their job employment goals, then they will receive 75% of the agreed upon TIF. The City reserves the further right, however, to determine that a project's actual job creation number is materially at variance with the information and projections contained within the Certified Project application, and request decertification of the Project and a termination of the benefits due under the TIF Agreement.
5. TIFs shall be pro-rated based upon prior Springfield practice. This will maintain, to the extent feasible, a level paying field.
6. To maximize the reuse of vacant and abandoned property, the TIFs should be used in conjunction with other tax abatement measures when back taxes are owed on the

property.

7. Any investment made after written notification of intent by the City to enter into a TIF shall qualify in the calculation of the public benefit.
8. In order to achieve these goals, TIFs may be used to:
  - a. Cover the costs of relocating a business to Springfield.
  - b. Gap financing.
  - c. Improve landscaping, or facade treatment.
  - d. Increase the level of private sector investment.
  - e. Incubate new business uses and models
9. As otherwise required by the state, a TIF may not be used for the sole purpose of accessing the 5% credit on state excise tax.
10. Prospective projects will be considered for a TIF. Projects upon which construction has commenced or leases have been entered into shall be disfavored, except in exceptional circumstances where financing issues have caused a material alteration in project feasibility or other unique features of the project that require action by the City to secure the development. In these circumstances, the City shall employ a but/for analysis to determine whether or not the use of a TIF is justified, i.e., but/for the provision of the TIF, the project is unlikely either to be developed or to achieve economic sustainability.