



MEMORANDUM

TO: MRA Board of Commissioners

FROM: Ellen Buchanan, Director *EB*

DATE: February 22, 2021

SUBJECT: Proceed without Prejudice Policy

Staff would like for the Board to have a discussion about the applicability of the prohibition of work commencing on a project before MRA approval of funding. MRA has been inconsistent over the years with respect to where this applies. The primary question revolves around interior demolition/deconstruction work which does not qualify for any type of TIF assistance. This issue is particularly prevalent with Façade Improvement Projects where the majority of the work is interior and the improvements that can be most influenced through the use of TIF funding are exterior improvements and work in the public right of way. One of the primary reasons for the prohibition of an applicant starting work prior to funding approval is the impact on the ability of MRA to influence design in a way that benefits the public realm and aesthetics of the area. Interior deconstruction rarely has an impact on that, but could enter into design decisions.

Below is the language that is included in our program narratives and application instructions. It refers to approval before **construction** starts with no specific reference to deconstruction, particularly on the interior of the building, as well as to “Costs to be paid with MRA Program funds”, which clearly does not include interior deconstruction.

FIP and TIF Program Narratives:

MRA BOARD APPROVAL REQUIRED BEFORE CONSTRUCTION: Failure to receive approval of an Application before construction starts WILL affect a project’s eligibility for Tax Increment Financing. The MRA Board of Commissioners generally meets once per month. Upon request to MRA staff that includes adequate project information, the MRA Board of Commissioners may waive this rule.

Program Application:

Costs to be paid with MRA Program funds may not be incurred by the Applicant prior to funding approval and the satisfaction of any conditions of such approval.

Staff does not have a strong preference as to how this should be applied; however, clarification and the Board’s preference leading to consistent application is important.