



(Opelousas, LA)

Are TIF districts in our future?

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The fate of a Tax Increment Financing district to help fund a new hotel for Opelousas has generated a great deal of controversy, but that debate has also created a great deal of interest in such districts.

Although there has never been a TIF district in St. Landry Parish, they are an increasingly popular option in the state.

Even Opelousas Alderman Blair Briggs, who is strongly opposed to the proposed TIF district for a proposed Opelousas hotel project, said he can see them in the city's future.

"I'm for TIFs. I can see them for our downtown and for the south side of Opelousas. We are going to need TIFs to attract more business," Briggs said during a debate on TIF districts held by the Opelousas-St. Landry Chamber of Commerce Thursday.

The idea of TIFs was also supported by Yvonne Normand, who serves on the chamber's board and also heads the city's parks and recreation advisory committee.

"This could be used for our parks and recreations," said Normand, who urged creating a TIF to fund the long-delayed city youth sport park.

"That would allow us to attract tournaments. That would be a draw. Our hotel occupancy rate would go up. We need to look at these for economic development," Normand said.

Ray Cornelius, an attorney with Adams and Reese LLP of New Orleans, who wrote the state's TIF law, said funding recreation facilities is currently one of the most popular uses for these districts.

"TIFs are a really powerful tool," Cornelius told the chamber board.

In its simplest form, a TIF district is a special tax — usually a sales tax — levied on a tightly defined area to raise the funds needed to pay for the infrastructure and other improvements that area needs to grow.

As an example, Cornelius spoke of a TIF district that is being created by the City of Scott in Lafayette Parish.

That city, located just south of Interstate 10, has recently incorporated a stretch of the highway to the north.

Because of its location on one of the nation's busiest highways, the area north of the interstate is expected to quickly attract hotels, restaurants and other amenities.

But millions of dollars Scott doesn't have will be needed to put in the water and sewer lines, create the service road beside the highway and make other improvements these businesses will need.

Scott's answer is to create a TIF district for the area, with the extra taxes created by all the new businesses to retire the bonds needed to pay for the project.

He spoke of another TIF district in New Orleans. The naval base in the area was closing down and thousands of jobs were being lost. A TIF district was created to upgrade the area where the base had been.

"Now thousands of jobs are returning," Cornelius said. "They are being used for a lot of things in this area."

Although he is a strong supporter of TIF districts, Cornelius said they are not necessarily good or bad.

"It is all about what you use them for," Cornelius said.

The idea of using TIFs for economic development is also being debated by the St. Landry Parish Council, which this week voted to invite St. Landry Parish Economic Development Director Bill Rodier to its December meeting to discuss what TIF districts can and can't achieve.

"We need to look at business development in our rural areas," said Councilman Timmy LeJeune. "Hopefully we can do something to get people excited about locating in our parish to create a reliable revenue source."