

Senator Clodfelter's statement on tax increment financing, the Local Government Commission and the Randy Parton Theatre feasibility study

"Project feasibility" is at the core of this method of financing. Everyone in the development sector understands that, whether the Local Government Commission (LGC) staff does or not. If the feasibility study said, as I understand it did say, that the non-theater components of the development needed to be in place and up and running before the theater itself was constructed with public funds, then that is a highly material point about the feasibility of the theater component of the project. Even if the full text of the feasibility study were not provided to the LGC members, I would have expected that such a material point would have been presented in any summary or analysis prepared by the staff.

The Project Development Financing Act clearly requires that the LGC is to consider the feasibility of the private development project in determining whether to approve the public debt issue. For the LGC staff to say that they only consider the unit of government's overall ability to repay the proposed debt is simply not in accord with the statute. It is important to note, I think, that the "project feasibility" criterion included in the PDF Act is NOT found in G.S. 159-52, which sets out the general criteria for LGC approval of a proposed local government bond issue. This difference between 159-22 and 159-105 is not something that the LGC can ignore.

Senator Clodfelter was the author of the TIF legislation and is currently co-chair of the Senate Finance Committee.