

TAX INCREMENT FINANCING



Tax rebate to developer approved by County & City government and Industrial Board.



Challenged/Underutilized area in need of revitalization..



Strengthens tax-base for the district and spurs the way for new development;
Facilitates creation of tax dollars that would not exist otherwise.

Note: TIF is NOT rezoning, although it may require a developer to apply for rezoning.

ROLE OF TIF



NECESSARY WHEN PROJECT'S RATE OF RETURN IS TOO LOW TO FINANCE ALL REQUIREMENTS.

EX: TO OFFSET RISING CONSTRUCTION COSTS, EXCESSIVE GRADING OR CREATE ROAD FRONTAGE



PROVIDES PUBLIC GOODS / INFRASTRUCTURE TO COMMUNITY

TAX INCREMENT FINANCING EXAMPLE

Base tax before development:

\$100

Tax after development:

\$100,100

Taxes* retained by City/County for debt and base:

\$25,100

Taxes available for rebate for developer:

up to \$75,000

Taxes rebated until eligible expenses are recovered

Taxes after eligible expenses recovered:

\$100,100

**ESTIMATED*