



# Tax Increment Financing (TIFs)



# TIFs

Tax Increment Financing = Originated in California in 1952.

Introduced to initially fund urban redevelopment.

Available to Townships, Cities, and Counties.

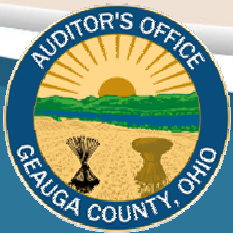
A diversion of property tax revenue for increases in Assessed Value (AV).

Not a true tax exemption.

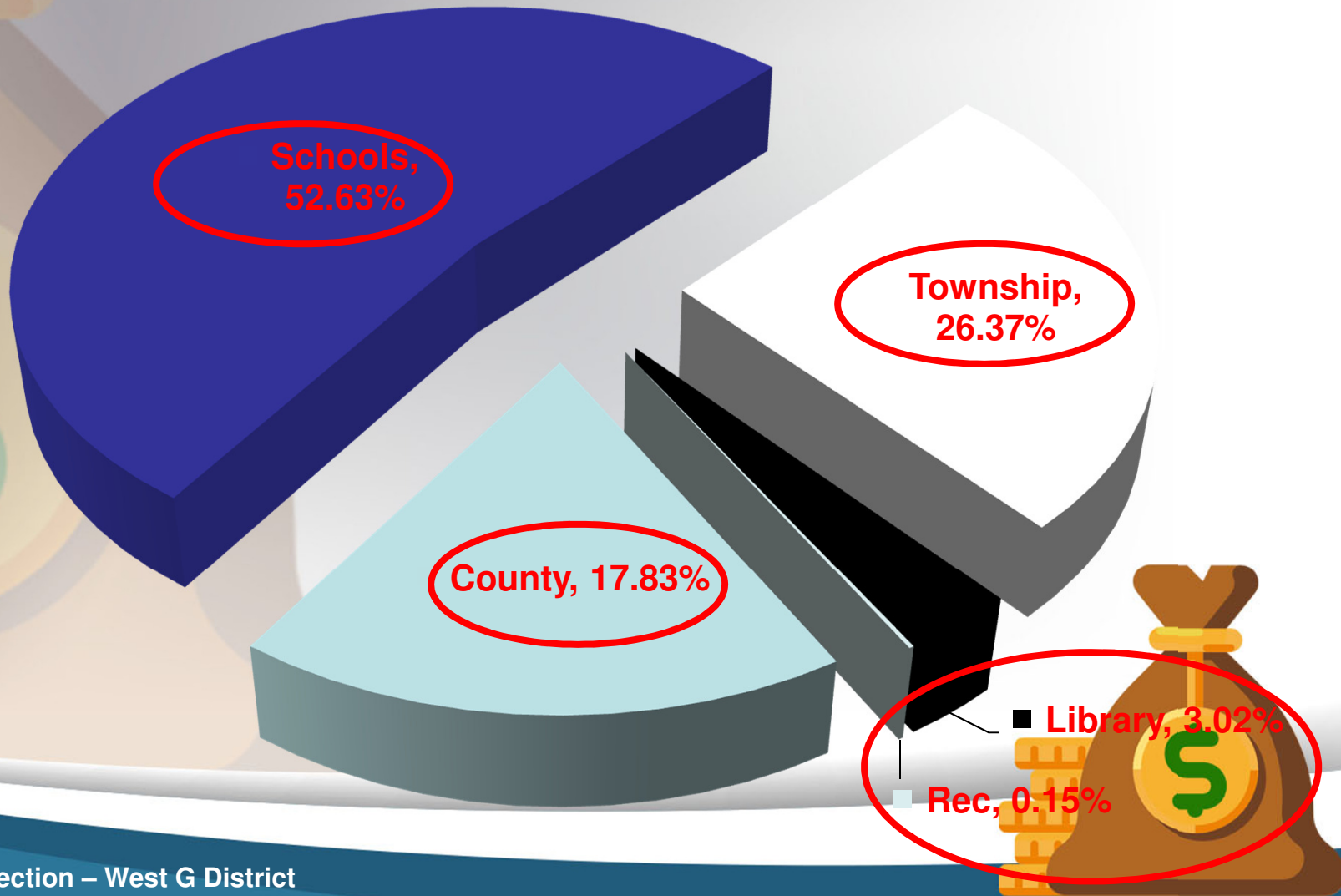
ORC 5709.40 and 5709.41

Base AV (including Re-Valuation) stays with tax districts; increase due to improvement is diverted to TIF authority to pay for improvements.

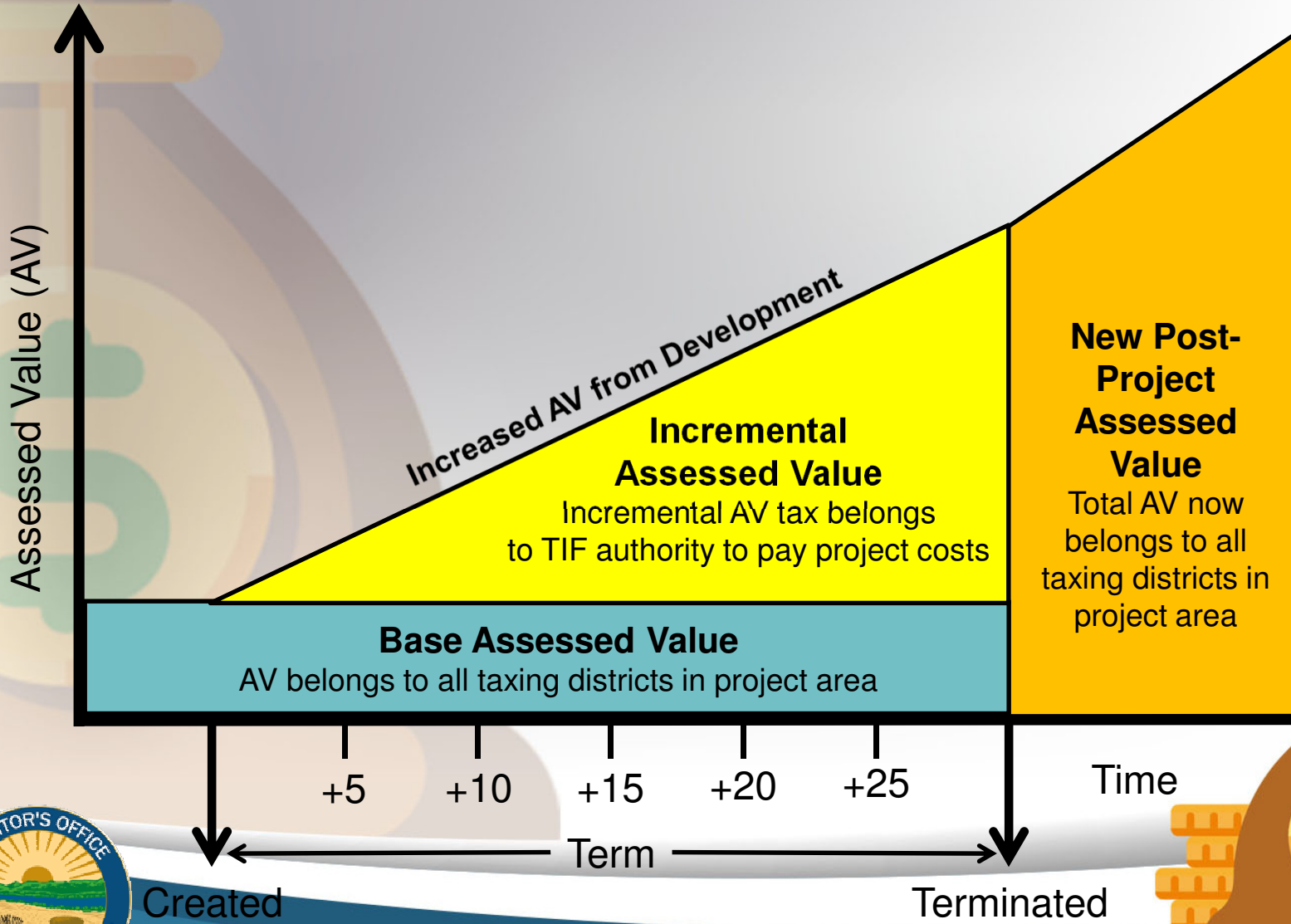
Term can be up to 30 Years, school tax diversion can be up to 100%; If more than 10 Year term or 75% of school tax diversion, then school approval is required.



# Where Do Your Tax Dollars Go?



# TIF Assessed Value (AV) Over Term



# TIF –Notables

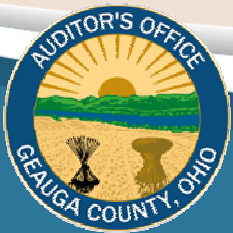
Multiple parcels in TIF run independent of each other (not necessarily coincident), depending on improvement.

Each parcel is tracked independently by parcel number; actual TIF term can span many years.

TIF establishment is an open public act.

TIFs can create ill will between affected stakeholders (dialog recommended with schools as to how the improvements benefit their stakeholders)

*(Residential Improvement Districts (RIDs) and Business Improvement Districts (BIDs) are often just specific TIFs but could also be tax abatements like Community Reinvestment Areas (CRAs).)*



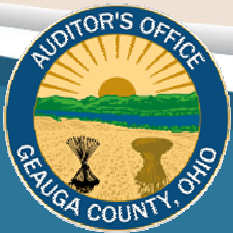
# TIF – Examples

## City of Chardon:

2014, 121 parcels, commercial/industrial, 30 Yr term.  
0% school tax diversion, 100% county tax diversion,  
100% library tax diversion.

2014, 32 parcels, residential/agricultural, 30 Yr term.  
0% school tax diversion, 100% county tax diversion (first 10 yrs)  
then 50% (remaining 20 yrs), 50% library tax diversion.

2020, 3 parcels, residential, 30 Yr term.  
0% school tax diversion, 100% county tax diversion  
(first 10 yrs) then 50% (remaining 20 yrs),  
50% library tax diversion.



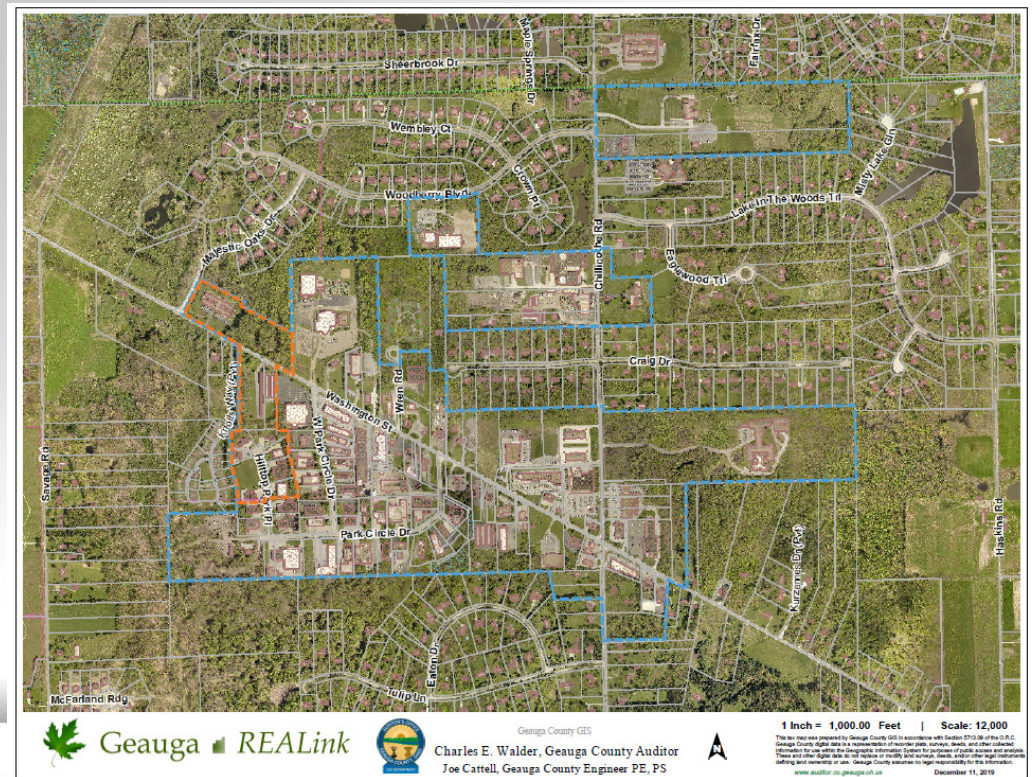
# TIF - Examples

## Bainbridge Township:

2019, 74 parcels, mostly commercial/some residential, 10 Yr term.  
75% all real property tax increment diversion.

## Trustee Action:

Pass Resolution  
DTE 24 (per Parcel)  
Create Capital Fund



# TIF – Next Steps

## Russell Township:

- Identify potential TIF parcels
- Identify potential projects that could be funded by TIF
  - LED street lights
  - Intersection improvements (backup generator for traffic, curbing or turn lanes, lighting, sewer plant upgrades, plantings, etc)
  - Other Improvements that increase SAFETY or REDUCE RISK to our residents
- Reach out to legal counsel for an estimate of costs and scope of work they can offer RT
- TIME SENSITIVE – TIF is based on INCREASE (capture improvements at intersections)

