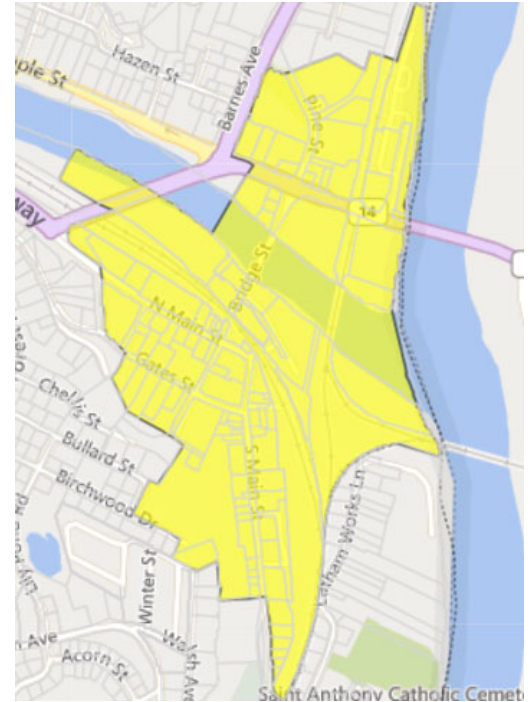




Current TIF District Program

Tax Increment Financing (TIF) is a tool that municipalities use to finance improvements for public infrastructure like streets, sidewalks and storm water management systems, which are needed to leverage private developments. The private investments increase grand list values and generates incremental revenue which is then used to repay the debt incurred for the public improvements.



Hartford TIF District

Acres: 127.64
Parcels: 146
OTV: \$33,514,500

of Projects: 14
of Debt Incurrences: 10+
Total Anticipated Debt: \$13 Million
Total Anticipated Increase in Grand List: \$47,323,100

Projects

TIF Districts use municipal bonds to finance construction of multiple public projects within the TIF District over a 10-year period. As these public improvements are completed, the private sector follows with multiple investments in new and renovated buildings. The incremental revenue that is generated is enough to fully repay debt service payments.

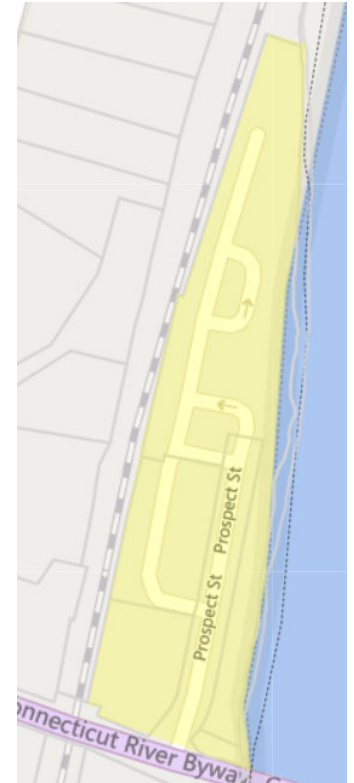
Reporting

TIF Districts report annually to VEPC on the progress of their public projects and the resulting private developments. Typically, the projects are occurring during the first 10 or more years of the TIF District and require a fair amount of municipal staff time to manage until all improvements are completed. Districts also report to VEPC on multiple TIF District Specific performance requirements, such as brownfield remediation, improvements to transportation, development of affordable housing, and new business developments.



Project-Based TIF

Project-Based TIF uses simplified version of the TIF District tool. The primary difference is that with Project-Based TIF is used to finance one public improvement project, using one incurrence of debt. The area containing private development in Project-Based TIF is significantly smaller in parcels and acreage than in TIF Districts. To illustrate how the program would work, the details below are provided using just one of Hartford’s projects as an example – Prospect Street.



Project-Based TIF Boundary **Hartford: Prospect Street**

Acres: +/- 5 acres

Parcels: 3

OTV: \$545,700

of Projects: 1

of Debt Incurrences: 1

Total Debt: \$900,000

Total Estimated Increase in Grand List: +/- \$4.5 Million

Projects

In the example of Prospect Street, the project entailed upgrading town water, wastewater and storm sewer systems; realignment, reconstruction and extension of the existing Town road; undergrounding utilities; lighting; landscaping; restoration of riparian buffer for river embankment with development of public park and walkway; and intersection improvements at Maple Street. Total debt for that project was \$900,000 (2014 costs), with an additional \$178,000 in other Non-TIF Sources used. These public improvements allowed for development of the property to include the construction of two commercial and office buildings.

Reporting

Depending on the size of the public improvement projects, the total new tax revenue may be enough to pay for the debt incurred, in other cases it may not be. S.83 requires that towns demonstrate they are leveraging other sources of revenue and an ability to manage the project. A town may use a “coordinating agency” to assist them with administering and coordinating the project, as well as reporting on project costs to VEPC. These costs will then be verified during monitoring visits by VEPC staff. Once the project is complete, a town report will continue to report annually on the increase in Grand List value for the involved parcels, debt service payments, and tax increment until all debt is retired.