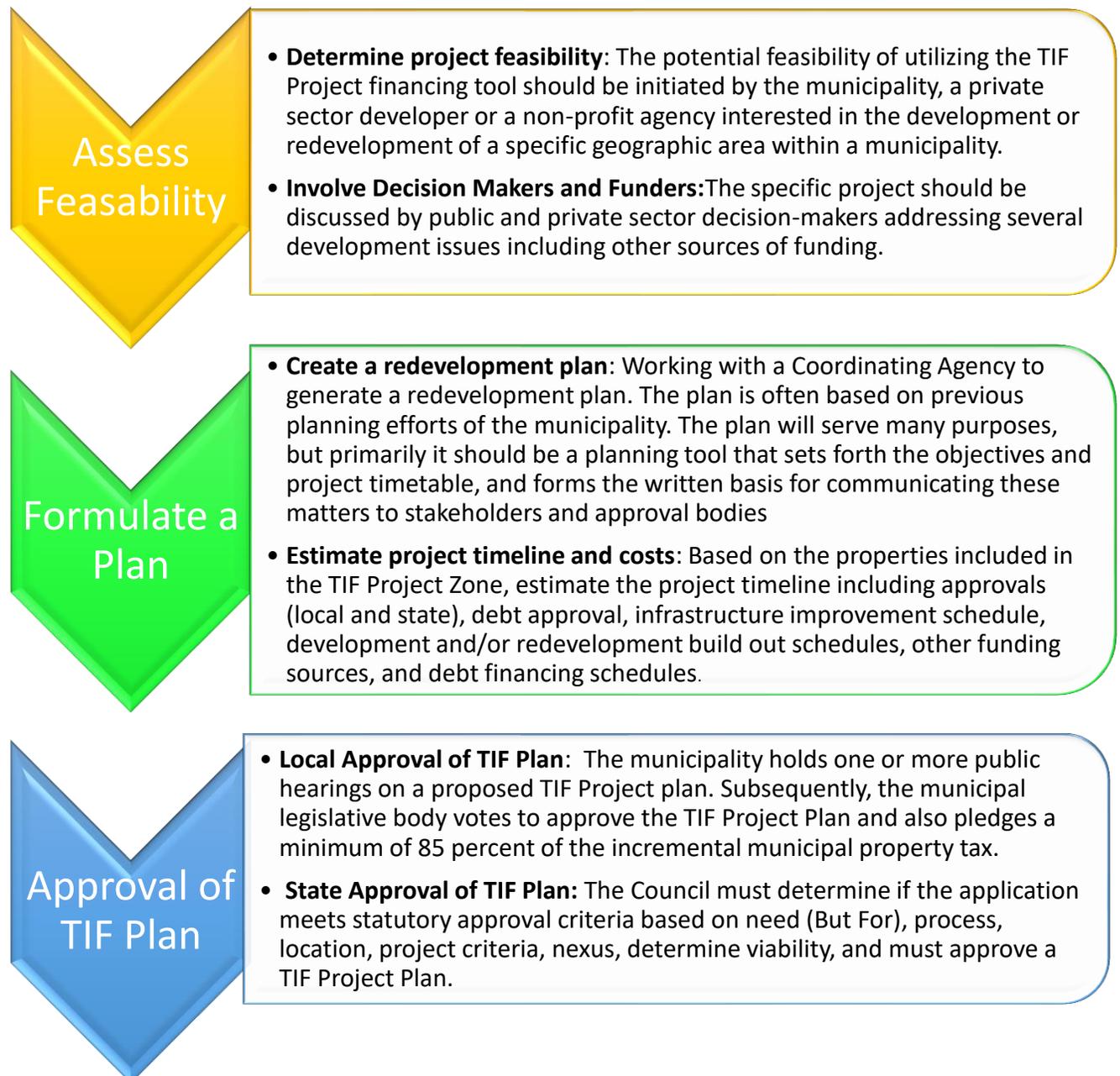


CREATING A TAX INCREMENT FINANCING PROJECT IN VERMONT

The following is an outline of the proposed process to create and implement a Tax Increment Financing Project in Vermont, including application to the Vermont Economic Progress Council (VEPC) for authority from the State of Vermont to utilize incremental Education Property Tax revenue to finance public infrastructure improvements to ensure the development or redevelopment of the District.





Implement Plan
to Incur Debt

- **Finalize Municipal requirements for infrastructure project:** The municipality, through its appropriate legislative body, enacts any ordinance, zoning or other changes required to implement the TIF District improvements. Apply for grants, establish development agreements.
- **Seek voter approval to incur debt:** Request to pledge the credit of the municipality for the purposes of financing tax increment financing improvements.



Manage TIF
Finances

- **Life of a TIF Project and borrowing period:** Incurrence of debt must happen within 3 years of VEPC's approval (of 6, only if granted a 3 year extension). Incurrence refers to the actual execution of the debt instrument, not the public vote.
- **Calculating the Tax Increment:** In each year for which the assessed valuation exceeds the original taxable value, the municipality's treasurer must hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property in the district which the excess valuation bears to the total assessed valuation. The amount held apart each year is the "tax increment" for that year and is calculated with Property Valuation & Review's property management system (currently NEMRC). Not more than 70% of the education property tax revenues and no less than 85% of the municipal property taxes, must be segregated by the municipality in a special account on its official books and records until all TIF debt has been fully paid.



Build Public
Infrastructure

- **Design:** Complete engineering and building plans. Bid project out for construction.
- **Construct:** Build public infrastructure and implement private-public partnerships to accomplish real property redevelopment.