



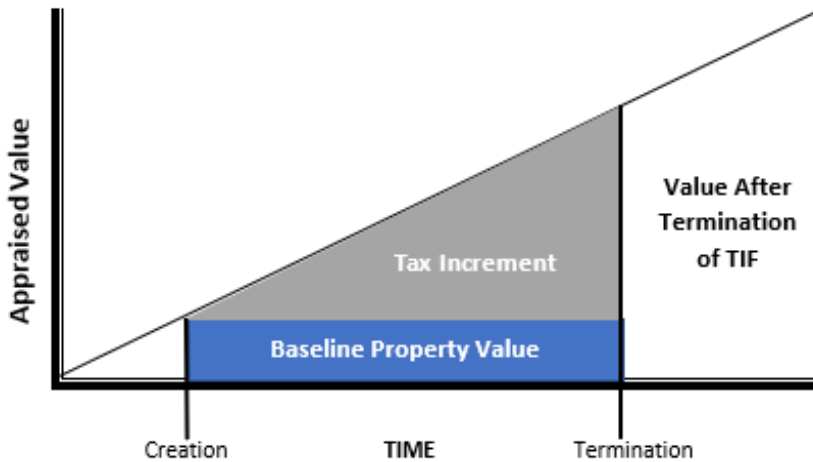
# TAX INCREMENT FINANCING (TIF) 101

**What is TIF** – A financing tool authorized by the state for local governments to support economic development initiatives.

## How is a TIF Created in New Haven:

- The New Haven Redevelopment Commission works with the city to identify area
  - Define boundaries
  - Create economic development plan
  - Create tax impact study
- New Haven Redevelopment Commission approved Declaratory Resolution
- New Haven Plan Commissions approved resolution
- New Haven Council approved resolution
- New Haven Redevelopment Commission approved Confirmatory Resolution
- Baseline value is determined the year TIF is adopted
- Increment portion is captured in a separate fund and kept locally to support economic development initiatives
- After termination of TIF, funds will be going to the taxing units in that district

## How a TIF Works:



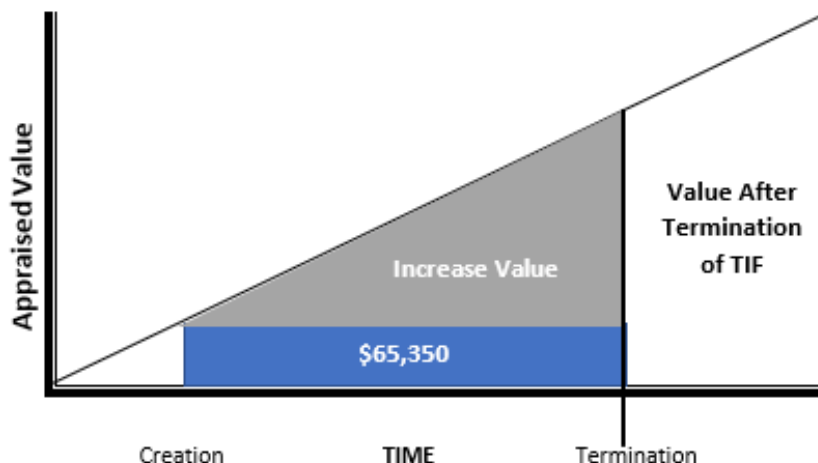
## What can TIF funds be used for?

- Infrastructure
- Development support
- Environmental clean up
- Support adaptive reuse
- Consultation – Studies

## Where TIF funds can be used?

- Can only be used to benefit the TIF area that was created
- Cannot support areas that are not within or connected to the TIF area

**Parcel** 02-14-18-100-002.000-046



## How TIF projects are funded?

- Bonding – allows city to provide funding up front
- City-lead pay-as-you-go – using TIF to pay for future projects
- Developer-lead pay-as-you-go – developer pays for improvement, and city agrees to pay a percentage of tax increment received