



To: All Candidates
From: Sara Ott, Sr. Project Manager
Date: September 13, 2013
RE: Additional Tax Increment Financing (TIF) Information

Based upon the information provided in the tax increment financing memo dated 9/12/13, a candidate sought additional clarification related to how TIF projects are determined, how TIF districts operate, and if the implementation of a TIF district impacts income tax revenue. The answers provided are below.

During the time that a TIF is in place, the service payments generated (service payments are made in lieu of property tax payments, but the amount paid by the property owner is the same) go to fund the infrastructure improvements. The TIF simply redistributes where those dollars go. Normally, property taxes are distributed to a number of entities, including Franklin County, Washington Township, Dublin Schools, Tolles JVS, the library, the zoo, and the City of Dublin. The City gets approximately 3 percent of the property taxes. However, in a TIF, the taxes are diverted from those agencies to the city (in a 'straight' TIF) or to the city and schools, including the JVS (in a 'non-school' TIF). There are also sharing agreements that fall anywhere in the middle that the city and schools can agree to.

Once the TIF expires, the amount paid by the property owner doesn't change but the distribution of those dollars goes back to the normal distribution of property taxes.

The implementation of a TIF does not change the income tax requirements of the businesses located within the area. So in the case of the Vnable skilled nursing facility, the city will collect the income tax revenue.

As far as timing, the City pursues the establishment of a TIF when a development is in the works and is fairly certain to happen. Our investment in infrastructure is driven by development. To implement a TIF, upfront the costs of the infrastructure improvements without certainty that a development is going to come to fruition would not be in the best interest of the City as there would be no revenue generated if the development didn't happen to pay the city back for the improvements.

If you have any questions, please feel free to contact Angel Mumma, Deputy City Manager/Director of Finance at amumma@dublin.oh.us or Sara Ott at sott@dublin.oh.us

