

## **TIF Review and Resolution for Consideration by the Oriole Advocates**

### **Tax Increment Financing—the Basics**

A Tax Increment Financing (TIF) district is a development tool that municipalities use to encourage growth. When a property is developed initially or re-developed for a new use, the infrastructure and buildings predictably increase the assessed value of the parcel. This increased assessed value results in more property taxes due. When creating a TIF district, the local municipality pledges this incremental increase in property tax to the re-development commission which, then, in turn can be used to defray the cost of the project, such as infrastructure. This pledge may be time limited or capped at a maximum amount.

While the use of a TIF represents an intermediate term loss of property revenues to local taxing entities like schools, libraries and townships, the ultimate goal is to drive growth in the locality. Hopefully, the newly developed (or re-developed) land will help bring jobs and income taxes to the community resulting in a net positive impact.

This development mechanism is well-established, but always represents a trade-off/judgement call on the part of municipalities. Local Commissions and Councils must believe the net positive impact outweighs the potential negative effects on local governmental agencies that receive property tax revenues.

[http://www.bakerdstreamingvid.com/publications/IN\\_Tax\\_Increment\\_Finance.pdf](http://www.bakerdstreamingvid.com/publications/IN_Tax_Increment_Finance.pdf) *Provides an overview focused on Indiana Code.*

<http://ieda.org/wp/2013/11/20/tax-increment-financing/> *Provides an overview from an economic development perspective.*

### **Impact on Avon Community School Corporation**

In Avon, the property tax caps hit hard—revenue losses of over \$36 million over seven years. With the property tax amounts constitutionally capped, the only thing that can increase these revenues for Avon’s schools is an increase in the assessed value of Washington Township properties. These revenues are used to pay for Debt Service (payments on bonds), Capital Projects (including technology purchases), Transportation Services and Bus Replacement. Thus, the Oriole Advocates are generally supportive of economic growth and development in Washington Township.

How do TIFs factor into this discussion? The increased property taxes generated by new developments increase the assessed value of the property, and, in turn, generate more property tax revenues. Within a TIF, however, these revenues are pledged to the town’s local redevelopment commission for infrastructure and economic development projects, not to the local taxing entities, like schools. When commercial, retail and manufacturing develops within a TIF district, the schools are not worse off. That is, they don’t get additional revenues, but these types of developments don’t bring more students either.

The balance changes when certain types of multi-family developments occur within the TIF. In that case, the schools may be expected to provide services to new students but without receiving the associated property tax revenue. This means that the school system must shoulder additional transportation, bus replacement and sometimes even capital costs without any new revenue to support the increased demands.

<http://indianapublicmedia.org/stateimpact/2014/01/21/xx-essential-questions-indianas-property-tax-caps-answered/> This is an easy-to-read overview of tax caps in Indiana—how we got them and how they impact schools.

**RESOLVED**

This Resolution is not directed toward any particular entity, developer or location, nor is it intended to impede economic growth and development. Instead, it is simply a statement that the Oriole Advocates believe represents the sound use and implementation of Tax Increment Finance (TIF) districts.

This resolution is consistent with our Mission, Vision and Guiding Principles as provided below.

***The Oriole Advocates believe that –***

***If multifamily residential housing is to be considered within a TIF district anywhere in Washington Township, then there should be provisions that require the increased tax revenues to pass through directly to the schools and other local taxing entities.***

The above resolution was approved unanimously by the Oriole Advocates present at the meeting of August 27, 2015. This document was subsequently edited for technical accuracy and finalized by the executive committee on September 10, 2015.

**Oriole Advocates Executive Committee**

Rosie Blankenship	Karen Eglén
Trilby Berry-Tayman	Jennifer Mills
Kyle Campbell	Sarah Parent
	John Sparzo

**Oriole Advocates Membership in Favor**

Susan Caveney	Steve Pearl
Julia Collings	Angelia Ridgway
Linda Dobbs	Mark Rodgers
Suzann Gray	Amanda Sparzo
Nancy Johnson	Martha Sparzo
Christopher Kates	John Torbit
Kristi Kerr	Dana Unison
Kent Mueller	John Unison

# Oriole Advocates

## Our Mission, Vision and Guiding Principles

### Mission

Oriole Advocates will lend a voice to the students, teachers and staff of the Avon Community School Corporation (ACSC) to promote student achievement and community engagement.

### Vision

Oriole Advocates will engage the Avon-Washington Township community and local and state-level leaders to help ACSC remain one of the premier school corporations in Indiana and to be appreciated as a key asset to the citizens of the state.

### **Guiding Principles**

- **Unity with the Community (“CommUNITY”)**--The Oriole Advocates are residents, business owners, and other concerned citizens who believe that strong schools are critical to the area’s growth and success. We desire to produce an aligned vision among the public at-large that promotes a stronger community. To this end,
  - We abstain from and do not support purposely divisive statements or language intended to disparage those with differing views.
  - We engage in communication that is helpful, informative, and respectful while also being supportive of ACSC’s students, staff, and administrators in an effort to bolster their efforts to remain a leading educational institution in the state of Indiana.
  - We seek common ground to help bind the schools and the community together more tightly.
- **Alignment with the Schools**—We are separate from ACSC, but strive to develop goals and communications that align with the real world needs of the schools by maintaining healthy interaction with school leadership.
- **Promoting ACSC Causes with Elected and Appointed Officials**--The Oriole Advocates (either directly or via groups with similar goals and objectives) will develop and maintain robust communications with local and state officials who impact public policy relative to education.
- **Truthful, Transparent Information**—We strive to produce accurate, verifiable communications in an open manner to both actively highlight successes and to realistically portray the challenges that face ACSC.
- **Inclusive Membership**—Anyone who shares a passion for supporting and improving the ACSC can be considered for membership in Oriole Advocates, provided that he/she agrees work in the spirit of these mission, vision and guiding principles statements.