

TAX INCREMENT FINANCING (TIF) FREQUENTLY ASKED QUESTIONS



Northeast Area TIF

What is a TIF District?

A Tax Increment Financing (TIF) District is a defined geographic area in which future increases in property tax revenues are collected and used to pay for public improvements that support and encourage new private development in that area. A TIF district provides a means for a city to use future tax revenues to pay for the immediate costs of redevelopment an area. TIF is used to encourage private development that would not occur without improvements made by the city.

How are TIF revenues generated?

When a TIF District is created, the County Auditor calculates the total tax valuation of each property in the district. This is known as the “base value.” Any increase in taxable value above the base value, which is usually the result of property improvements (e.g. building renovation or new construction) or general appreciation, is referred to as “incremental value.” This incremental value is taxed in the same manner and rates as the base value, but rather than being distributed to the same taxing entity accounts, the revenues are deposited into a TIF fund. These TIF funds can then be used to pay for public improvements within the district.

Why is the city proposing creation of a TIF District?

The city hopes to create a funding source to assist with new development and redevelopment of underperforming properties in the Route 4 corridor and industrial areas in the Northeast part of the city. Long-term public improvements could include streetscaping, roadway improvements, and the acquisition and demolition of obsolete or blighted properties to facilitate new development.

Will property taxes increase if a TIF District is created?

No. The creation of the TIF, in and of itself, will not increase property tax payments, now or in the future. The TIF District will not have any impact on any potential future voted levies.

How were the TIF boundaries determined?

The proposed boundaries of the Northeast Area TIF were based on the existing City of Fairfield Community Revitalization Area (CRA) boundaries. The proposed TIF district generally follows the CRA boundaries although residential and school-owned properties were excluded. Approximately 3,500 acres in size, the proposed district contains many opportunities for new development that can be leveraged to support redevelopment activities within the district.

How is the school district impacted?

The Fairfield City School District and Lakota Local School District will be held harmless, meaning that each will receive the same amount of tax revenue that each district would receive without implementation of any TIF districts. The school districts will receive funding generated from the TIF directly, before funds are available for any other purpose. Additionally, the long-term revitalization of this area will be positive for the school districts and future revenues.

How can I learn more?

An informational meeting will be held for the public to learn more, ask questions, and provide feedback to city staff on October 29, 2020 at 4:00 p.m. at the Fairfield Municipal Building at 5350 Pleasant Avenue. If you cannot attend or have additional questions, please contact Nathaniel Kaelin, Economic Development Manager, at (513) 867-5345 or nkaelin@fairfieldoh.gov. Additional information is also available online at www.fairfield-city.org/162/Development-Services.