

Town to Consider Creating a Tax Increment Financing (TIF) District

Public Hearing to be Held to Consider a Tax Increment Financing District

The Town Council will hold a public hearing regarding the development of a Tax Increment Financing (TIF) district and reinvestment zone as a part of the regular Town Council meeting on Tuesday, December 1 at 7:30 p.m. at Town Hall. The information below was developed to help explain tax increment financing, its purpose and how it works.

Where will Fairview's TIF District be?

Fairview proposes to implement a TIF within the boundaries of the Commercial Planned Development District (CPDD), generally bounded by US 75, Frisco Road, land along State Highway 5 and Stacy Road. [A copy of the boundaries of the district can be viewed here.](#)

What is a TIF district?

A tax increment financing district allows cities to invest tax revenue from new development within the District into infrastructure and other public improvements needed in order to encourage future development. TIFs are established in a defined area of town for a set period of time and money. They are dissolved once all the improvements made to the district have been paid for by the tax increments collected within the district. Infrastructure improvements that can be made using tax increment financing include improvements to roads, utilities, drainage, parks, public buildings and other public improvements.

What is a tax increment?

A tax increment is the increase in property tax revenue due to the increase in a property's value as a result of development or appreciation. The Town will select a percentage of that new revenue to use in the TIF and the rest of the tax revenue will continue to be sent to the Town's general fund. This is revenue the Town is not currently collecting as it is based on future development and appreciation.

Will it raise taxes?

A TIF is not an increase in taxes. There is no change to the tax rate when establishing a TIF. It is simply a different way of allocating property tax revenues by assigning a portion of tax revenues generated from new development or appreciation within the TIF District to the TIF fund, rather than to the Town's general fund, to be used for the construction of public improvements.

Why a TIF for Fairview?

The Town of Fairview designed the CPDD as the commercial center for Fairview. Significant areas in the CPDD remain undeveloped largely due to the lack of infrastructure such as roads, sewers or waterlines, needed in order to support the businesses that could be interested in that land. By forecasting the growth that will come to the area once improvements are made, the Town is able to capture those future tax revenues in the TIF and spend a portion of that money to make needed improvements. These are improvements that the Town would otherwise make using other financing tools. In essence, new growth within the District will pay for public improvements needed within the District.