TIF DISTRICT INFORMATION

Town Of Windsor Locks

Tax Increment District Statutes

Sec 7-339cc (11)- “Tax increment district” means that area wholly within the corporate limits of a municipality that has been established and designated as such pursuant to section 7-339dd and that is to be developed under a district master plan.”

Sec 7-339dd (1) – “To acquire, construct, reconstruct, improve, preserve, alter, extend, operate or maintain property or promote development intended to meet the objectives of the district master plan. The municipality may acquire property, land or easements through negotiation or by other means authorized for municipalities under the general statutes;”

TIF Definition and Use

"Tax Increment Financing (TIF) is a local economic development tool, permitted under Connecticut law, that allows municipalities to use all, or a portion of the tax revenues generated from a new capital investment to assist in that project's financing. TIF is designed to encourage industrial, commercial, retail or mixed-use development; increase employment opportunities; and broaden the tax base of the Town of Windsor Locks."

Town of Windsor Locks Tax Increment Financing Policy adopted October 4, 2016

TIF Agreements

"TIF Agreements. TIF is a tool that permits a municipality to participate in local project financing by using some or all of the new property taxes from a capital investment within a designated geographic district. The Town has the right to retain TIF proceeds for public infrastructure improvements or TIF eligible expenses. The municipality has the option of using the "incremental" taxes to fund eligible municipal economic development activities, retire bonds it has issued for the project, or reimburse a developer or business for development project costs (via a Credit Enhancement Agreement) ."

Town of Windsor Locks Tax Increment Financing Policy adopted October 4, 2016

The Town of Windsor Locks currently has 2 Credit Enhancement Agreements active in the TIF District at this time.

- Montgomery Mill has a 10-year CEA
- Trinity Acquisitions upon completion of phase 1 has a 20-year CEA

TIF Districts

"TIF Districts may be designated for up to 50 years. The designation of a TIF district requires proper notice, a local public hearing, an advisory opinion of the Planning and Zoning Commission, Board of Selectmen approval, and the majority vote of the municipal legislative body (Town Meeting)."

Town of Windsor Locks Tax Increment Financing Policy adopted October 4, 2016

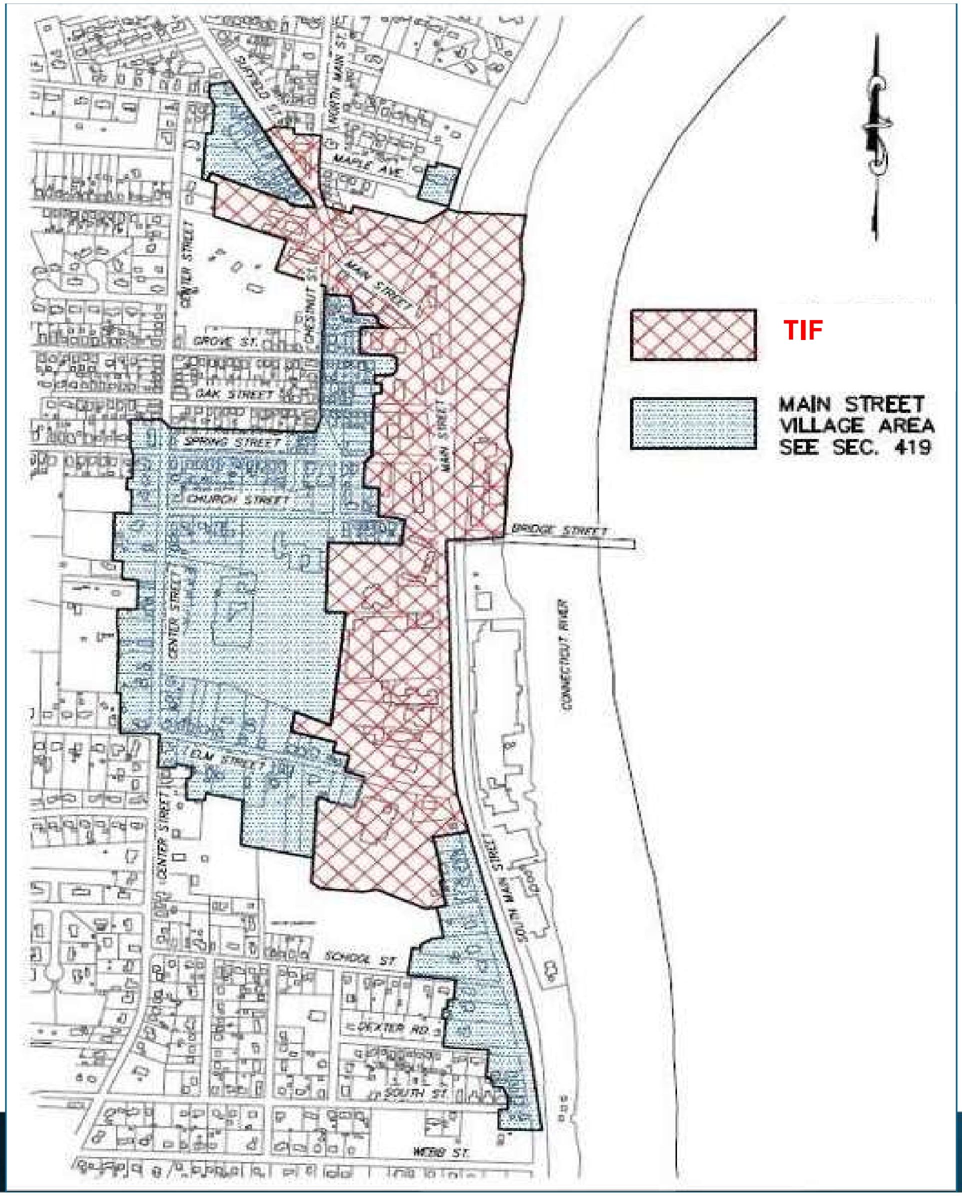
Windsor Locks adopted a ***20-year*** TIF District which began October of 2016 and enacted starting with the 2015 Grand list this means the TIF District will last until 2036.

Eligible TIF Expenses

- **Eligible TIF Expenses-Capital & Infrastructure**
- Eligible TIF expenses include costs associated with the acquisition, construction, improvement, rehabilitation, and development of property and infrastructure within a Tax Increment Financing District.
- Examples of eligible capital and infrastructure expenditures include:
- Acquisition of land and property
- Construction and improvement of buildings and structures
- Roads, streets, sidewalks, and transportation improvements
- Water, sewer, drainage, and other infrastructure improvements
- Demolition, site preparation, and environmental remediation
- Improvements to public facilities and other infrastructure
- Engineering, architectural, design, and other professional services directly related to capital projects
- Financing and other costs associated with eligible capital improvements
- **The primary focus of TIF resources should be on capital investment and infrastructure that supports development, improves public assets, and advances the long-term economic and physical development of the TIF District.**

TIF Properties

- The TIF District consists of 68 properties
  - The properties fall on the following roads –
    - Canal Bank, Chestnut St, Elm St, Grove St. Main St, North Main St, Oak St, South Main St, & Spring St
- When the TIF District began on the 2015 Grand List the 68 properties totaled 14,558,400 in assessment.
- Those same 68 properties on the 2025 Grand List are now totaling 42,083,750 in assessment.



The properties in the TIF District pay the same amount of taxes as if there is no TIF District. The monies are put into the appropriate account based on their original valuation upon entering the TIF and their current valuation.

How much money goes into the TIF Fund?

The amount varies from Grand List to Grand List depending mostly on what the mill rate is, the exception is when the values change during a revaluation.

The difference in value between 2015 and 2025 multiplied by the mill rate is the tax dollars put into the TIF Fund.

The original value from 2015 multiplied by the current mill rate is the tax dollar amount that is deposited into the General Fund.

EX-

A building on Main St on the 2015 Grand List is assessed at 1,000,000 but on the 2025 Grand List is assessed at 2,750,000.

The difference in value between 2015 and 2025 multiplied by the mill rate is the tax dollars put into the TIF Fund.

2,750,000 – 1,000,000 = 1,750,000 assessed difference

1,750,000(assessed diff) x .02225 (22.25 mill rate) = **$38,937 goes into TIF Fund**

1,000,000(2015 assessment) x .02225 (22.25 mill rate) = **$22,250 goes into General Fund**