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## Local officials: TIF useful

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### Tool used to make infrastructure improvements

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Despite a Ball State University study claiming TIF (Tax Increment Financing) a "popular but ineffective tool" for economic development, local officials say TIF is working well.

According to a release from Ball State University, TIF districts were created by the Indiana General Assembly in the 1980s and are

run by redevelopment commissions. The idea behind them was to give local governments a chance to "redevelop downtrodden areas by making infrastructure improvements," according to a release. They are used to incentivize businesses to move or expand in the area without raising taxes or using general fund money.

Once a TIF district is established, it freezes the assessed value of the area, Bryn Keplinger, director of the Huntington City Department of Community Development and Redevelopment, said. The money from the property taxes at the time of the district for-

mation will continue to go to the benefiting government units at the same rate for however long the TIF district lasts (usually 20 to 30 years).

According to the website for the Indiana Department of Local Government Finance, cities, counties, schools, townships and libraries and other special districts such as fire districts and solid waste districts all receive money from property taxes.

"They don't lose out, they continue to get (the money)," he said. "Now, let's say we go and we put a waterline and a sewer line and a road by this property

and ABC Manufacturing comes in and says 'We're going to build a million-dollar plant.'"

The increased assessed value from that plant, called an increment, will go into TIF to help pay for the cost of the improvements, he said. After the district expires, the property taxes from that plant go back toward all the funds that benefit from property taxes.

Keplinger said this only affects non-residential properties. "Six (Huntington) mayors have worked with TIF and from everything I've seen where TIF has been used by the City of Huntington,

it has been designed to promote economic development, create infrastructure for economic development to happen, to create quality of life amenities that make Huntington an attractive place to live," Huntington City Mayor Brooks Fetters said.

Everything TIF funds are used for, he added, are infrastructure-related projects doing things like helping build streets to help grow the city and make it a more attractive place to live.

Overall, Fetters said TIF money is used in relation to

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implementing the Huntington City Comprehensive Plan.

Keplinger said from 2008 to 2014 the city has done several projects with TIF funds that yielded big returns.

"(The projects) include a water main for the Yellow Retirement, which is up behind Walmart, that was a little more than \$15,000 to put that water main in, it generated a \$2 million private investment," he said. "That's what we use TIF for, to put in that infrastructure and, in turn, it

makes that private investment possible."

From 2008 to 2014, the city invested around \$740,000 on significant projects, such as the Park Lofts and Helena Chemical, which yielded \$34.5 million in private investment, Keplinger said.

"If that's not a powerful economic development tool, I really don't know what is," he added.

Ever since the first Huntington project in 1988, TIF has been used to help with economic development, he said.

"I don't put a lot of stock in (the Ball State University study) because I think it makes a lot of generaliza-

tions," Keplinger said. "When we have a project that comes in and we're evaluating how to package our incentives, we look at what they're going to generate (and choose how to fund it)."

For example, if there aren't a lot of jobs created, TIF funds would be used to allow the city to make more money on the increment and finance other projects, he said.

"That's how we've stretched the revenues from Walmart and were able to pay cash for Etma Avenue and improve the infrastructure and the drainage down there and make that area more desirable," Keplinger said.