

## **Tax-Increment Financing Revenue (TIF)**

The primary funding source for a community redevelopment agency comes from tax-increment financing. The Community Redevelopment Act allows for the creation of a Tax Increment Financing (TIF) district within a CRA.

- TIF revenue is determined by the formula as established in Florida Statutes, Chapter 163, Part III. A base value is established when the Property Appraiser reassesses the property values within the CRA. The Increment Value is the difference between the annual value and the base value.
- The TIF Contribution is captured in a trust fund to be spent within the district, as authorized by the CRA Board, on projects and programs identified in the Redevelopment Plan.

TIFs are a significant redevelopment tool available to CRAs. The usual term for both a TIF and the CRA is thirty years

- TIF revenues can only be invested to benefit the CRA in which they are generated.
- Typically, the needs of a CRA cannot be met with only TIF funds on a pay-as-you-go basis. Alternative financing techniques that can be utilized include bonding, which St. Johns County chose to utilize to ensure that redevelopment initiatives identified in their redevelopment plans could be realized.

An annual budget is adopted by the St. Johns County Board of CRA Commissioners for each CRA area.

By September 30 of each fiscal year, funds identified for each of the individual CRAs have to be spent, encumbered or appropriated. These funds must be for the specific redevelopment projects specified in the approved Community Redevelopment Plan and the projects or programs are set to be completed within three years from the date of the appropriation.