Tax Increment Financing Districts: *Shift Benefit Analysis*

September 11, 2025

TWO QUESTIONS:

Impact of the sum of ALL TIF Districts in the Current Fiscal Year

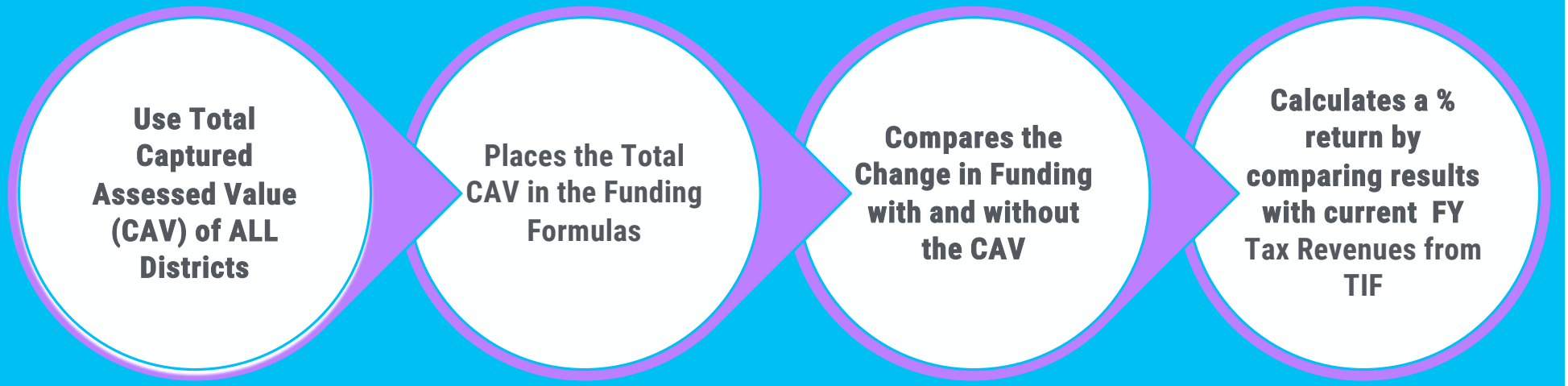
Impact of a SINGLE district projected for the Term (Length) of District

How is a "Benefit" Created in TIF?

- State formulas use Total Valuation as proxy for "wealth"
- Assumes that "Wealthy" communities need less assistance
- TIF District Allows Municipality to defer adding the valuation created for life of the District*

Lower Valuation = higher reimbursements

Estimates:


Use Total Captured Assessed Value (CAV) of ALL Districts
Places the Total CAV in the Funding Formulas
Compares the Change in Funding with and without the CAV
Calculates a % return by comparing results with current FY Tax Revenues from TIF

Estimates & Time Travel

State formulas use the State Valuation of Municipalities

State Valuation has a 2-year time delay

State Valuation 2025 matches the 4/1/23 Town data

The benefit calculated for the current year is based on CAV from 2 years prior

HOWEVER

We calculated the % of reimbursement to current levels of Tax Collection

Estimates & Consistency

Each formula uses different inputs:

School Funding Formula:

- 3-years of State Valuation
- (2022, 2023, & 2024)
- (Town FY 20, 21 and 22)
- Number of Students

Revenue Sharing Formula:

- Population in 2023
- Tax Assessment based on 4/1/23
- 2025 State Valuation

RESULTS

Total Benefit in FY 2026:



$1,527,386

22% of the FY 26 revenues from CAV in Tif Districts

Keep in mind this represents a combination of data going back to 2020

The Benefit continues 2 years beyond the end of TIF Life

Projection

- Projection calculates a single TIF District
- Keeps the projection aligned with year created
- Keeps the rate of reimbursement the same throughout the projection
- Seeks to calculate an average benefit for the single TIF District over a period of years.

COMPARED TWO SOURCES:

Using valuation projections from Dunstan TIF:

Source 1: Ave Benefit over 30 Years:
$707,102/Year (52.3%)

Source 2: Ave Benefit over 30 Years:
$796,055/Year (58.8%)



22% in
FY 26



55.6%
Ave of 2 Sources
For FY 27

TIFS IN CUMBERLAND COUNTY (ACTIVE IN 2024):

93 Tax Increment Financing Districts

10,951 Acres

20 Different Communities