

## City of Winooski Tax Increment Financing District Policy

### Purpose Statement:

This policy shall address the manner in which the City shall account for the retention and use of increment authorized through legislation and dedicated to the Tax Increment Financing (TIF) district.

### Definitions:

**Increment:** Taxable value and associated tax revenue over and above the original taxable value of the TIF District.

**Non-increment revenue:** Any revenue available to a municipality to pay for TIF District improvements, debt, and related costs not derived from the increase in the taxable value of the district.

**Original Taxable Value:** The value of all real property within a Tax Increment Financing District as of April 1 of the calendar year in which the District was created.

**Tax Increment Financing (TIF) District:** Area designated as parcels bordering on Main and East Allen Streets bounded by the rail road tracks and Winooski River approved by the legislature in the State of Vermont in Act 159 (2000) and implemented on April 1, 2004

**Tax Increment Revenue:** Increase in tax revenues due to increase in taxable value from development within the Tax Increment Financing District.

### Applicable Standards:

Act 159 (2000)

And sections related to Winooski in

Act 190 (2008)

Amendments to 24 V.S.A. Chapter 53 Sub-Chapter 3 in 2014

Amendments to 30 V.S.A. 504(a) in 2014

TIF Rule issued by Vermont Economic Progress Council

Policy on Written Directives (City of Winooski) – Division Policies



**Statement:**

The City of Winooski shall account for tax increment revenue from the municipal and education fund separately. Any non-increment revenue shall be accounted for in a separate department within the fund, making it clear which source of funds was used to defray the principal and interest on the allowable debt and which is used to defray other expenses.

The Finance Director will create a report annually summarizing the sources and uses of funds in the TIF fund and track the actual amount of increment versus other revenue that is used in each of those categories (principal and interest on approved debt and other expenses.) Other expenses can be broken down into related costs and other.

In addition, where there is a fund balance generated solely by the increment, interest on those funds must be allocated to the increment department.

The City Manager and Treasurer shall assure that the increment is used appropriately and that debt is allocated are required.

**References:**

Tax Increment Finance Districts Adopted Rule

**Author:**

Angela Aldieri, Finance Director

**Review/Approval:**

Finance Commission Review: 12/8/2020

City Council Approval:

