



## **Mariner's Way TIF District and Master Plan FAQs**

### **Definitions**

TIF – Tax Increment Financing

TIF Master Plan – the overall plan that guides the collection and distribution of TIF funds

TIF District – the properties included in the TIF Master Plan

### **Answers to FAQs**

The TIF Master Plan does not create a new tax or increase tax rates.

When redevelopment within the TIF District (Mariner's Way) results in an increase in tax revenues on properties within the TIF, 50% of those new revenues will go into an account for reinvestment in the TIF District. Likewise, 50% of the new tax revenues will go into the Town's General Fund to support town wide services. "Reinvestment" in the TIF District could include, but is not limited to, funding soft costs such as legal or engineering fees or hard costs such as streetscape improvements or other infrastructure.

Reinvestment in the TIF District will not occur unless tax revenues in the TIF District increase above current levels.

TIF will not divert tax revenues away from existing town wide services. Current tax revenue levels will continue to be directed into the Town's General Fund. If redevelopment occurs in Mariner's Way, 50% of resulting new tax revenues will go into the General Fund.

If the Mariner's Way TIF District is approved at a Town Meeting, a TIF Advisory Board will be established to direct the reinvestment of TIF Funds in the TIF District.

The TIF Master Plan and TIF District can be changed at any time by a vote at a Town Meeting. This includes changing how TIF funds are used, adding or subtracting properties that are included in the TIF District, and dissolving the TIF District. TIF funds are subject to the normal budgetary checks and balances. Money spent must be approved by the Board of Selectmen, Board of Finance and the townspeople.

The TIF Advisory Board is not required to use any of the TIF funds. The TIF funds are available and should be used to incentivize projects that meet the Town's redevelopment vision for Mariner's Way.

When the TIF District sunsets or if it is dissolved, all the funds set aside in the TIF fund will go back into the Town's General Fund.



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### How TIF Works

The TIF District Graphic below demonstrates how the TIF works. It only applies to the properties within the TIF District; for Old Saybrook, the TIF District includes only properties along Route 1 East in Mariner's Way.

The green sections indicate tax revenues fixed at current levels during the 20-year life of the TIF and after the TIF sunsets.

The blue section indicates the tax revenue as it rises during the 20-year life of the TIF with anticipated development.

The white hatched section indicates the tax revenues that continue to go into the General Fund for town wide use.

The blue section above the white hatched section indicates the tax revenue that will be set aside for reinvestment in the Mariner's Way TIF District.

