

From the Mayor...

July 10, 2015

Sometimes it makes sense to reflect on a bit of local history. It helps us understand how we got here and where we hope to go. Let's talk about the formation and purpose of our tax increment finance (TIF) districts.

Former Mayor Jeff Plank established Warsaw's first TIF district, the Redevelopment Allocation District, in 1993. These early "TIF" districts were established by the state legislature to give local communities a means to fund public improvement projects. Many of the early "TIF" districts were also established to address funding of downtown revitalization projects.

How do TIF districts work? When someone builds a commercial or industrial facility, the real estate improvements and business/manufacturing equipment is subject to local business personal property taxes. If the new development occurs within a designated TIF district, instead of going into the city's operational funds, those taxes go to the Redevelopment Commission as TIF revenue. Those monies are used to fund street, sewer, sidewalk, Internet fiber, and other utility improvements within the TIF district. With modern infrastructure, quality accessible roads, and utility upgrades, the TIF district becomes more attractive to stimulate future growth and development

When a TIF district is established, only tax revenue from new development is "captured." Property tax revenue from development that existed before the TIF district was established remains for operational use. Creating a TIF district does not change the tax rate. TIF districts do not increase taxes.

The Redevelopment Allocation District includes Central Park, the Zimmer Biomet Corporate headquarters, North Buffalo Street, and a portion of the historic downtown. TIF funds generated from construction of the original Zimmer building were used to improve supportive infrastructure for that building, build Central Park, fund downtown improvements, and remodel the current city hall.

Just last month, Redevelopment Allocation District TIF bonds were sold to fund infrastructure development for the new North Buffalo Street Project. This project will connect the downtown with Center Lake and Central Park along North Buffalo Street and include a mix of residential townhomes and light commercial development.

The Northern TIF district, which includes commercial and industrial property mostly north of US 30 and west of State Road 15, was established by Mayor Ernie Wiggins in 1999 and was expanded to include the new Warsaw Tech Park in 2012. Water and sewer services were hindering development in an otherwise prime location for growth. TIF revenues helped to fund the current sewage treatment plant and interceptor line, frontage road improvements along the commercial

sections of State Road 15, and other utility and transportation improvements to the area.

More recently, Northern TIF revenues have funded acquisition of and infrastructure improvements to the new Warsaw Technology Park, with the goal of stimulating industrial growth. Next week, after four years of planning and improvements, Polk Drive will be opened as a gateway into the Tech Park. A brand new expandable shell building and three adjacent lots, all served with sewer, high-speed fiber, gas, electric, and water, are now available to attract industrial development.

Responsible use of these revenues has allowed our community to progress. The benefits are foundational to our growth. TIF works well in Warsaw.