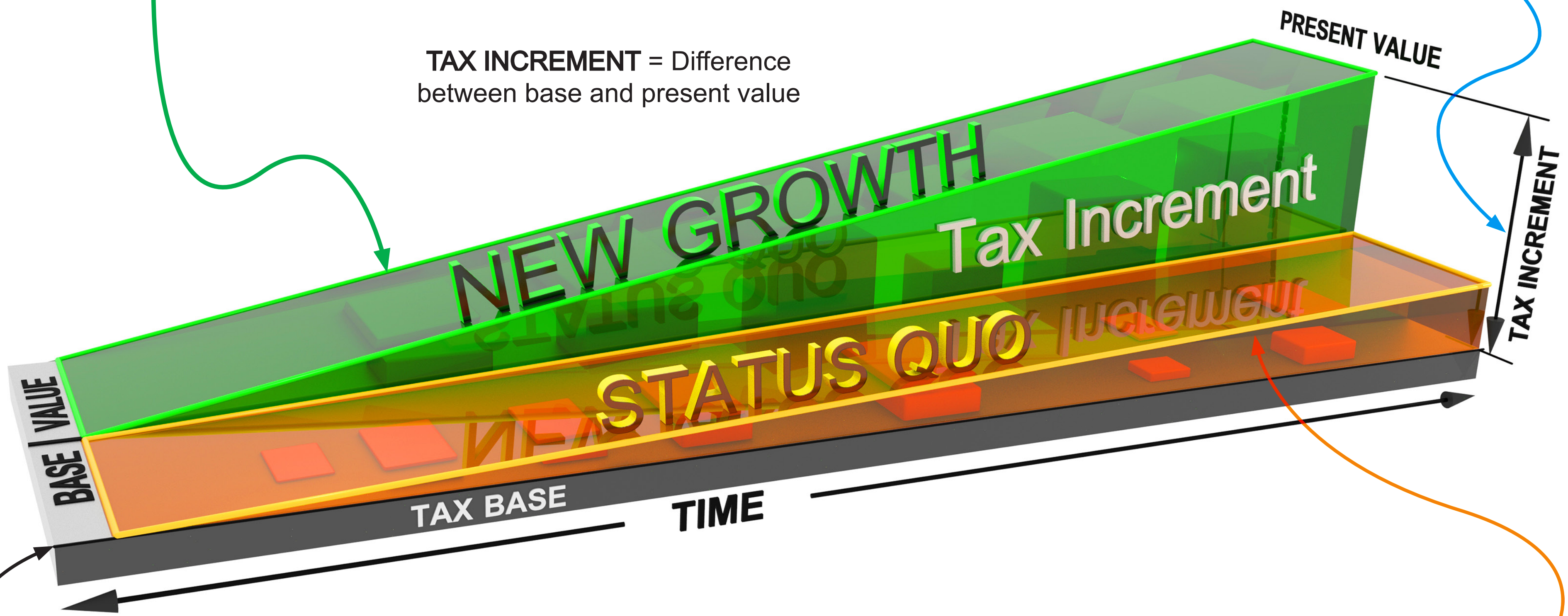
REDEVELOPMENT: **New Growth** (**green**) based on **new investment, new infrastructure, new construction** (**green line**). New growth is stimulated by new improvements, new buildings, new public infrastructure funded through tax increment, and more investment occurs

TAX INCREMENT: is the **Difference** in taxes paid between the "**base**" tax valuation and **current tax valuation**. Property valuation is 'frozen' in each district area at the time a plan is initiated. "Base" tax funds are still provided to each taxing entity. As property values increase **over time** due to market demand, inflation, or new development, the difference in new property taxes versus the base is paid to a Redevelopment Agency to pay for infrastructure and other improvements to promote growth.



BASE: Tax valuation at the point in time an urban renewal project area is initiated or the year agreed upon during Plan approval; shown by the **black line**

Status Quo: Potential increase (or decrease) based on **inflation** (**orange**) and **historical market trends** (**orange line**) continue throughout the urban renewal area plan term

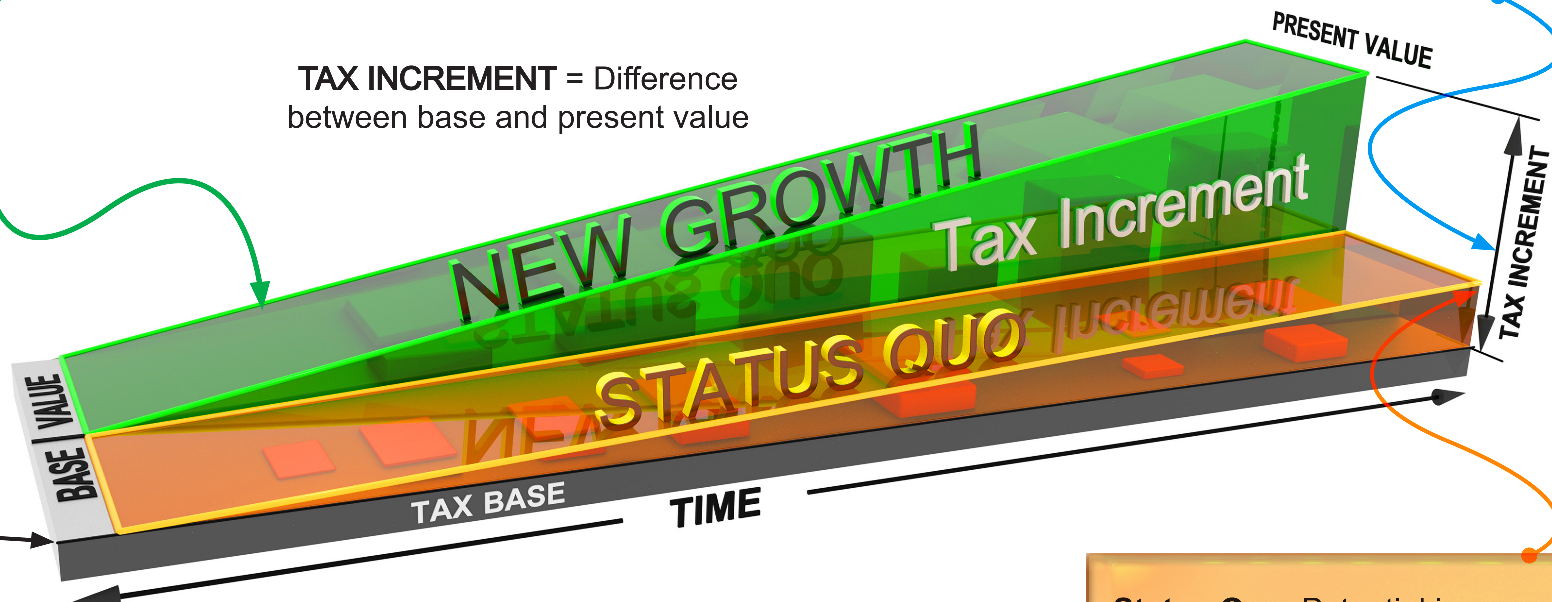
REDEVELOPMENT: **New Growth** (**green**) based on **new investment, new infrastructure, new construction** (**green line**). New growth is stimulated by new improvements, new buildings, new public infrastructure funded through tax increment, and more investment occurs

Property taxes are collected **the same way** all other property taxes are collected for similar property, based on property valuation.

Once collected, **distribution of the taxes** by the County will vary based on the taxing entity agreements and each urban renewal area plan

TAX INCREMENT: is the **Difference** in taxes paid between the "**base**" tax valuation and **current tax valuation**. Property valuation is 'frozen' in each district area at the time a plan is initiated. "Base" tax funds are still provided to each taxing entity. As property values increase **over time** due to market demand, inflation, or new development, the difference in new property taxes versus the base is paid to a Redevelopment Agency to pay for improvements and other items to promote growth.

TAX INCREMENT = Difference between base and present value



BASE: Tax valuation at the point in time an urban renewal project area is initiated; shown by the **black line**

- LCURA approves plan, legislative body adopts plan
- Property Taxes are collected as typical
- County distributes to urban renewal agency per agreements
- urban renewal agency spends funds per URA Plan:
  - public improvements, utilities, demolition, etc.
- urban renewal agency closes district after term ends per plan

Status Quo: Potential increase based on **inflation** (**orange**) and **historical market trends** (**orange line**) continue throughout the urban renewal area plan term

Taxes collected in the "base" before a redevelopment area is initiated **continues to be paid** to each taxing entity throughout the urban renewal area plan term

URBAN RENEWAL is a **great tool i**f used properly; it allows **development to pay for development**. It provides a mechanism to create an 'equal playing field' by removing impediments to development on less desireable property. It helps fund public improvements and other items typically not funded through conventional institutions, or funds items that often do not provide a return to the investor such as sewer, curb & gutter, etc. over time. It is a tool to attract new development that would not otherwise occur, and infrastructure unaffordable or untimely to local government, but essential to economic growth.