



Greenville County Schools and City of Greenville Reach Financial Agreement on Tax Increment Financing (TIF) Districts

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GREENVILLE, SC --- Greenville County Schools and the City of Greenville announced tonight that they have reached an agreement for the reallocation of tax revenue for two Tax Increment Financing (TIF) districts established by the city. Under the agreement, beginning in fiscal year 2017, the school district will receive additional tax revenue over six years from the Central Business and West End TIF districts. The agreement was based in part on the current property tax revenue distributions to the school district and city, which are 53% and 25%, respectively.

The school district will use its funds to advance student learning and achievement, retain and recruit quality personnel, and further the goals of its Strategic Education Plan, Long Range Facilities Plan and Capital Improvement Program. The city will direct its allocation to continued public improvement projects in the downtown area, such as new parking facilities and sidewalk improvements.

The city has also agreed to terminate the Viola Street TIF district on June 30, 2016, as the goals outlined in the district plan were achieved ahead of schedule; however, the city will retain the flexibility to fund projects in that area. Additionally, as part of the agreement, the city will conclude the West End TIF a year early to coincide with the expiration of the Central Business TIF on September 8, 2021.

“We worked together to reach an agreement that not only upholds our respective commitments to the communities we serve, but expands and strengthens our individual capacities to effectively carry out those commitments,” said Dr. Crystal Ball O’Connor, Greenville County Schools Board of Trustees Vice-Chair, and Mayor Knox White in a shared statement.

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“This agreement enhances our options to address both instructional and operational needs, which may include bond payments for completed school construction projects and for future school needs including projects to relieve overcrowding,” added Dr. O’Connor.

“Nearly \$1.5 billion in private investment in the downtown area has occurred as a direct result of the public investment and improvements made possible by the creation of the TIFs. This agreement allows the city to continue, uninterrupted, the incredible momentum fostered by the TIF districts—ensuring that years from now, downtown Greenville will be even more vibrant than it is now,” said White.

TIF districts, established by the State Legislature, provide local governments such as municipalities with a means to generate revenue for redevelopment and infrastructure for blighted areas. Once a TIF district is established, tax revenues for properties within the district are frozen for other taxing entities such as school districts—though these entities still benefit from the increased assessed value of the properties located within and outside the district, as blight is gradually replaced with viable development.

Local governments establishing a TIF district specify the end date of the district, improvements to be made and the funding source, which is typically the issuance of bonds. Property tax revenues from properties within a TIF district are used by the local government entity setting up the TIF district to pay off the bonds and fund redevelopment project costs. Once a TIF district ends, all governmental entities resume collecting taxes at the present day assessed value of the properties, which typically have higher tax assessments as a result of development.

Property values in the Central Business district have increased 465% since inception of the TIF district in 1986, and property values in the West End district have increased 753%. In contrast, assessed values of properties throughout Greenville County and within the City of Greenville grew 282% and 201%, respectively, in the same timeframe. As the city invests its allocation in public improvement projects in the Central Business and West End districts throughout the next six years, assessed property values are fully expected to continue their upward trend, thus magnifying the long-term benefits for all local taxing entities, as well as the broader community.