

**Attachment: Business/Finance Committee Meeting
Tuesday, December 3, 2013**

Preferential Land Assessment Reference Guide

Local Economic Revitalization Tax Act (LERTA) was created to improve the economic and business climate of certain residential and commercial districts by lessening the tax burden on new development. A LERTA provides 10 year tax abatement on new development. The property owner receives 100% property tax abatement in years 1 and 2, 90% abatement in year 3 and 4, 80% abatement in year 5 and 6, 70% abatement in year 7 and 8, and 60% abatement in year 9 and 10. The property owner pays the full property tax amount in year 11 and beyond.

Tax Increment Financing (TIF) is a financing instrument used to finance development in blighted areas. Tax increments from a proposed site are used to fund public infrastructure improvements at or around the site.

Transit Revitalization Investment District (TRID) is financing instrument that is used to spur transit oriented development. A TRID is similar to a TIF in the sense that tax increments are used to finance improvements. In the case of the TRID, the tax increment from properties within a define area is used to fund public transportation capital improvements, public infrastructure, related site development improvements, and maintenance.