

MIDDLETOWN LEADS

WHAT IS MIDDLETOWN LEADS?

Middletown Leads is a weekly newsletter intended to connect the Middletown community by providing information about civic undertakings by the Town.

WHAT IS A TIF?

At the Nov. 5, 2018 meeting and after two public hearings, the Middletown Town Council approved what is known as a TIF (Tax Incremental Financing) to support improvements in the Atlantic Beach area.

The TIF is a way to pay for capital improvements with minimal impact on the tax rate. It works this way: The Town conducts a complete outside reevaluation of property every 3 years. It conducts local reviews in years 2 and 3.

Depending on the balance of revenue and expenditures, the assessment for residential property could increase or decrease in any year, according to the current price an owner could expect in a sale of that property.

When a property owner makes substantial improvements, the value of the property is likely to increase as will the tax assessment.

Commercial property is re-evaluated similarly except that the result is based on its current economic value (as opposed to the potential sale price). When substantial improvements are made to commercial property, the economic value increases and is reflected in the increased tax assessment.

A TIF will allow the town to separate new additional tax money gained from substantial improvements to commercial properties in a specific area and dedicate that new tax money to pay for improvements in the same general area that were identified for the TIF.

The recently approved TIF will be used in the Atlantic Beach area initially to fund the undergrounding of utilities and other beautification projects in order to create an attractive walking area for both local residents and visitors.

What impact does the TIF have on Town revenue? It does not alter the natural balance between revenue and expenditures.

The increased tax assessment to the improved commercial properties will be used to fund payments on the bond (plus the interest) that was needed to make the improvements. The tax assessments to other property across the town will be determined according to longstanding practice.

HOW WILL THE TIF IMPROVE THE ATLANTIC BEACH DISTRICT?

The TIF will provide revenue to make the Atlantic Beach District more attractive and accessible for local residents and visitors alike. Such improvements will also encourage investment, which will result in more tax revenue - a cycle that multiplies itself.

Replacing the telephone poles and utility lines by putting them underground will make the area more visually appealing. Pedestrian lighting will create a welcoming atmosphere in the evening.

Improvements to the sidewalks and intersections will enhance the surroundings and promote public safety.

An attractive, compact commercial area, walkable and close to the beaches, will provide a pleasant, well-rounded experience for locals and visitors alike.

The most important benefit is that the TIF will support those improvements without additional burden to the taxpayers.

WILL THE ATLANTIC BEACH DISTRICT TIF BENEFIT THE TOWN AS A WHOLE?

Legislative approval of the TIF is not limited to a single event. While a proposed TIF in a different area of Town would require state approval of the new plan, the initial legislative action enables the Town to again use the method of financing improvements if an opportunity arises.

In short, it can be done again in another area of town as, for example related to the West Side Strategic Plan, if a proposed plan meets the legislative requirements.

HOW CAN A MIDDLETOWN RESIDENT BECOME ACTIVE IN TOWN GOVERNMENT?

Middletown has a number of Boards and Committees whose members are residents in the community with an interest in public affairs and the Town's proposed activities.

Members are appointed for various terms, and some of the groups even have term limits that serve to encourage new participation. Vacancies are published in the local newspapers, and now they will also appear here to reach a larger audience.

It was noted at the Civic Workshops that, while experience and knowledge of the community has its benefits, a static membership might enable more influence than is appropriate for a community that needs to be looking forward rather than backwards.

Next week's newsletter will provide more information about Middletown Boards and Committees as well as a listing of the vacancies that will soon need to be filled.

FOOTNOTE

Weekly essays about Middletown community and municipal affairs will appear on the Middletown Public Library website. Questions and suggested topics are welcome.

Additional essays may appear in the following blog: MiddletownLeads@blogspot.com.