

# Tax Increment Financing (TIF) Program



The EDGE Tax Increment Financing (TIF) program encourages development in the City of Memphis and unincorporated Shelby County, by investing a part of any increase in property taxes within the designated TIF area to support growth.

## EDGE TIF PROGRAM OVERVIEW

Tennessee has three Tax Increment Financing (TIF) programs that utilize property taxes to assist development – and one that uses sales tax. The EDGE (Industrial Development Board) TIF program is based on the increase in property taxes within an approved TIF area. Once approved, the increase in property taxes is collected annually and allocated to the project, as outlined in the approved “Economic Impact Plan” which describes what funds are collected, how the funds will be disbursed, and for what purpose the funds can be used.

- Projects: The EDGE TIF program can assist individual projects or larger districts.
- Eligible Uses: Public infrastructure, public improvements, and parking.
- Special High-Impact Projects: With added approval by the State of Tennessee Comptroller and the Director of the Tennessee Department of Economic & Community Development, TIF funds can be used to pay for privately-owned assets within the approved TIF area.
- Basic TIF Calculation: Once the EDGE TIF is approved, annual property taxes paid from the designated TIF area are compared to the “Base Year” – taxes paid from the approved area the year before the TIF was approved – to determine the increase. That increase is then allocated to the project, as outlined in the Economic Impact Plan.
- Application: Applicants must submit an Economic Impact Plan that addresses the requirements of TCA §7-53-312.
- TIF Term: Typically, up to 20 years.
- Percentage of New Property Taxes Going to the TIF; Typically 50% -to- 75%.
- Approval Process:
  - Briefing for Memphis City Council (if located within the City of Memphis) and the Shelby County Commission Economic Development Committees.
  - Approval by the EDGE Board of Directors, after EDGE holds a public hearing on the project.
  - Approval by the Memphis City Council (if located within the City of Memphis) and the Shelby County Commission.
- Disbursement of TIF Funds – TIF funds can either be used on a ‘pay-as-you-go’ basis, or can be used to pay for debt used to fund the project. It is the Applicant’s responsibility to determine the appropriate financing and arrange debt associated with the proposed project.

## LOCAL TIF PROJECTS

Three main organizations are authorized to issue TIFs in Shelby County: EDGE, the Community Redevelopment Agency (CRA), and all five suburban Industrial Development Boards. In Memphis and Shelby County, there are six active TIF projects.

- Uptown Memphis (CRA) Uptown
- Highland Row (CRA)
- Graceland (EDGE)
- The Shops at Millington Farms (Millington IDB)
- The Lake District (Lakeland IDB)
- University District - Highland Strip (EDGE)
- Binghampton (CRA)
- Parkside (EDGE)
- Poplar Corridor (EDGE)
- Union Row (CCRFC)
- Raleigh Town Center (EDGE)

*This EDGE TIF overview provides general program information. For authoritative information regarding the EDGE Community Builder PILOT program, please review the EDGE TIF Policies & Procedures document on the EDGE website, [www.growth-engine.org](http://www.growth-engine.org).*

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