



Armstrong  
Teasdale

# Overview of Frequently-Used Economic Development Tools

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Presented by Robert D. Klahr

[rklahr@atllp.com](mailto:rklahr@atllp.com)

314-552-6683

# Frequently-Used Economic Development Tools

- **Tax Increment Financing (TIF)**
- **Tax Abatement**
  - Industrial Development – Chapter 100
  - Urban Redevelopment – Chapter 353
- **Special Taxing Districts**
  - Transportation Development Districts (TDD)
  - Community Improvement Districts (CID)
  - Neighborhood Improvement Districts (NID)
  - Special Business Districts (SBD)
- **Project Examples**

# Tax Increment Financing

- Uses incremental tax revenues generated by development to finance certain project costs
  - 100% of incremental Payments in Lieu of Taxes (PILOTS)
  - 50% of incremental Economic Activity Taxes (EATS)
- Available for “blighted” or “conservation” areas
  - **Conservation area** – 50% of buildings are at least 35 years old
  - **Blighted area** – an area which, by reason of the predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use

