

TAX INCREMENT FINANCING: DISCUSSION OF ARGUMENTS FOR AND AGAINST



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New Castle County, DE
Finance Office
87 Reads Way - 2nd Floor
New Castle County, DE 19720

Econsult Corporation was retained by New Castle County to evaluate the impact of a legislative initiative that would effectively enable municipalities to establish economic development districts (Tax Increment Financing or Special Development) to provide public development subsidies in the form of tax incentives. New Castle County had a number of concerns about their likely impact on the county's future fiscal condition and the appropriateness of establishing this kind of local public subsidy for economic development.

Econsult conducted an in-depth review of the academic literature and interviewed numerous public officials and economic development practitioners to advise New Castle County regarding the costs and benefits of these types of financial instruments. This analysis provided a key role in quashing the legislative initiative. Econsult continues to advise New Castle County on related legislative initiatives.