

PLANNING AND DEVELOPMENT

TAX INCREMENT REIMBURSEMENT PROGRAM (TIRP)

SEPTEMBER 16, 2025



Raleigh





With Growth Comes Development



Partnerships



Opportunities

Project Financing Example (City Only)



\$6M



\$60M

Project Financing Example (City Only)



Project Financing Example (City Only)



Project Financing Example (City Only)



Reimbursement
for Developer
comes from this

History

May 4, 2021

**Tax Increment Grant
policy adopted**

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October 18, 2023

Reimbursement
Authority ordinances
adopted

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Tax Increment
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Key Features



FLEXIBLE

Can fund any sized future project with the City's legal authority and policy alignment.



LOW RISK

The City borrows no money. Payments don't start until benefits are constructed and in public use.



RESPONSIBLE

Guarantees participating developments will generate net positive revenue.

What Projects Can We Use TIRP for?

Economic Development

- Job creation
- Key economic sectors
- Tax base growth
- Infrastructures, facilities, or attractions open to the public (sports venue)

Photo: Raleigh Magazine



What Can We Use TIRP for?

Public Infrastructure

- Off-site or publicly accessible on-site
- Parks, greenways, traffic calming, pedestrian improvements, etc.



Project Requirements

- Aligns with **City plans and goals**
- Agreement value $<$ tax increment and \geq **\$200,000**
- Would not occur **but for** the program
- Generates sufficient **incremental tax revenue**
- Developer must make a request to **Wake County** for participation

Financial Aspects of a TIRP

Risk

The developer assumes the project risk and funding during construction

Incremental Property Tax Revenue

Reimbursement cannot occur until project is complete and tax payment has been received

Capacity Limits

2% of annual property tax levy to balance general fund stability

Transparency

Annual budget will provide details for the approved projects

What's Changed from TIG to TIRP

	TIG	TIRP
Legal Basis	Economic Development statutes	ED statute, reimbursements, development agreements
Eligible projects	Large job-producing projects	Any project with sufficient increment
Reimbursement schedule	50 – 75% of increment, 10 – 15 years depending on location	Negotiated
Process	Custom process different from other partnerships	Uses adopted partnership policy process

TIRP, TIF, and MSDs

	TIRP	TIF	MSD
Geography	Specific project site and immediate surroundings	Project site or a larger multi-site district	Large area to support enhanced services
Contracting	Developer constructs the public benefits	City undertakes public improvements	Enhanced services can be provided by City or by contract
Financing	Developer fronts the project cost	City borrows against future revenues	PAYGO for services, can issue debt but not pledge the special assessment
Tax Rate	Unchanged	Unchanged	Additional rate levied within the MSD boundaries

Next Steps

- Work session discussion today
- Tax Increment Reimbursement Policy to return (with any revisions) as a Special Item for City Council vote