

ECONOMIC SPOTLIGHT

Building the future: How incentives can encourage growth



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Tax abatements are a strategic tool communities use to promote growth and development such as the good things that are happening at Sofidel, a leading manufacturer of toilet paper.

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Tax abatements are a way for governments to encourage growth and investment in their communities. A tax abatement is when the government temporarily reduces or eliminates property taxes a business would normally pay. This helps make it easier for businesses to start new projects, expand, or improve existing properties.

Community Reinvestment Areas (CRAs) and Tax Increment Financing (TIF) are specific mechanisms associated with tax abatements. A CRA is an area where property owners can receive tax abatements for renovating existing buildings or constructing new ones. The goal is to encourage investment. TIF is a method of financing public infrastructure improvements like roads or utilities, by using the

increased property taxes coming from new investment.

The benefits of tax abatements to a community can be significant. They are a strategic tool communities use to promote growth and development. By lowering the tax burden on new developments or improvements, abatements make it more appealing for businesses to invest in areas.

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This leads to more jobs, better property values, and enhances the quality of life for residents by fostering a thriving local economy.

Once the abatement period ends, the improved property or new business begins paying full taxes, providing increased revenue for public services such as schools, infrastructure,

and public safety.

Stay tuned for articles providing more information about incentives in the future. Interested individuals can also access earlier articles from the Economic

Development Spotlight series on The Herald's website or at pickawayprogress.com/news.

Lexi Heidish is the Assistant Director of Pickaway Progress Partnership (P3) and the Pickaway County Port Authority. Much appreciated!