

TAX INCREMENT FINANCING IN

NEBRASKA



Executive Summary

This report examines the requirements, activities, and outcomes of Tax Increment Financing (TIF) projects in Nebraska. TIF is a critical economic development tool that fosters growth and revitalization by leveraging future property tax revenue to fund redevelopment efforts.

TIF Process in Nebraska and Key Requirements

TIF is used to redevelop blighted areas to promote economic activity and community growth. Redevelopment often includes improvements to public infrastructure, such as expanding streets, upgrading utilities, and preparing sites for new development, but may also involve rehabilitating existing properties or constructing new buildings. To qualify for TIF, officials must designate an area as blighted, demonstrating conditions that hinder private investment. The approval process includes transparency measures, such as public hearings and detailed project planning, to ensure accountability. Additionally, projects must pass the “but-for” test, confirming that redevelopment would not occur without TIF assistance. By following these steps, TIF helps transform distressed areas into productive spaces that attract further investment.

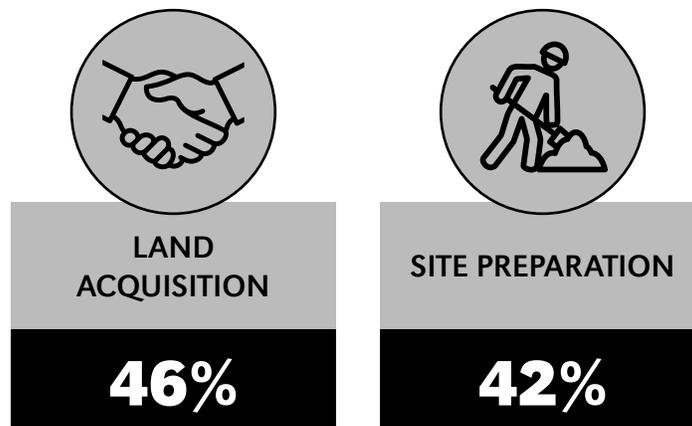
Scale of TIF in Nebraska

Most counties in Nebraska — 67 out of 93 — have at least one active TIF area, spanning 136 cities and villages. This widespread adoption underscores the importance of TIF as a flexible tool for addressing diverse local needs.

Categorization of TIF Projects

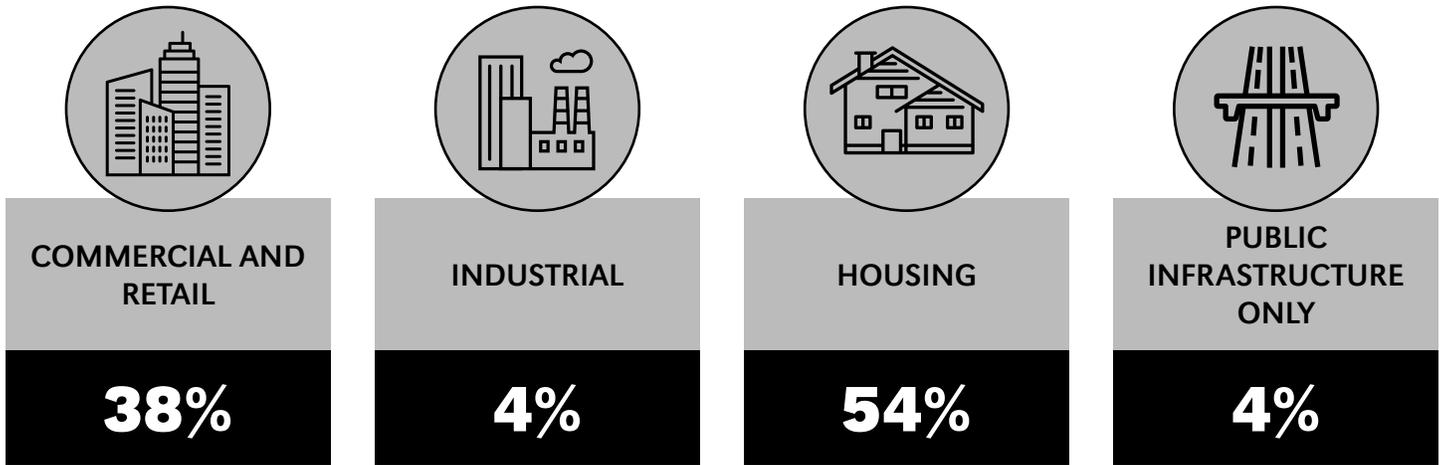
Our analysis also examined a sample of TIF project activities and their intended outcomes in Nebraska.

Activities-Based Categorization of Active TIF Projects in Nebraska



*The balance of projects are classified and discussed in the full report.

Outcomes-Based Categorization of Active TIF Projects in Nebraska



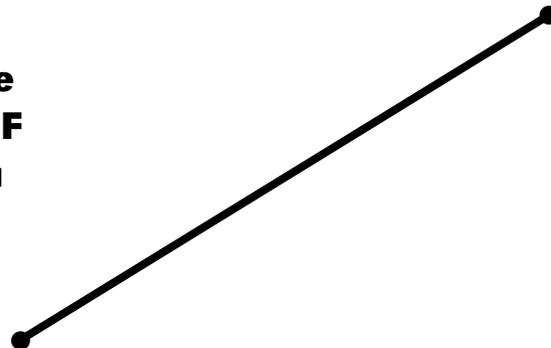
Impact on Property Valuations

The analysis also examined changes in property valuations to assess the impact of TIF projects:

- Between 2020 and 2023, property valuations increased in all but one county in Nebraska.
- Property valuations in all active TIF areas in Nebraska have increased from their base values, supporting the premise that TIF investments lead to higher property values.

2023 Value of Active TIF Areas in Nebraska = \$8,044,368,969

**Percentage Change
in Value of Active TIF
Areas in Nebraska
as of 2023 = 324%**



Base Value of Active TIF Areas in Nebraska = \$1,897,221,416

- Adjacent areas to TIF projects experienced an average increase in property values of 19.5%, while countywide valuations grew by 21.5%.
- These results suggest that TIF projects contribute positively to property valuations within and beyond TIF area boundaries, benefiting the broader community.

Conclusion

TIF is a vital tool for addressing blighted areas and fostering economic growth across Nebraska. By enabling municipalities to redevelop underutilized areas, TIF supports housing development, commercial growth, industrial site creation, and public infrastructure improvements. While this analysis does not capture all possible economic impacts or the full extent of cost recovery for local governments, it underscores the extensive use of TIF and its importance to Nebraska's economic development strategies. These findings highlight the value of TIF in addressing the unique challenges and opportunities facing Nebraska's communities.

TAX INCREMENT FINANCING IN NEBRASKA

Tax Increment Financing (TIF) is a widely used tool to finance economic (re)development and community revitalization projects. Employed in all states but Arizona, TIF has become particularly popular in the Midwest.¹ In 2015, Iowa led the nation with 2,485 active TIF areas.² Nebraska has also embraced TIF with 1,347 currently active TIF projects according to data from the Nebraska Department of Revenue.³

TIF has become a valued tool for economic development because it provides a clear financing mechanism for redevelopment projects. Redevelopment goes beyond construction, encompassing broader infrastructure investments, such as roads and utilities, that enable underutilized land to be transformed.⁴ These projects are often challenging to fund due to their scale, but redevelopment efforts focusing on land availability, infrastructure, and quality of life are among the most effective strategies for community-led economic development.⁵

In Nebraska, TIF is not just a useful tool, it is an essential response to the economic and demographic challenges reshaping communities across the state. According to the University of Nebraska at Omaha Center for Public Affairs Research (CPAR), from 2010 to 2020, the state's population grew by 7.4%, yet 69 of Nebraska's counties, largely rural, experienced population loss, a trend that extends back to previous decades as well.⁶ Even in the few counties that have grown over the past decade, that growth has been largely driven by natural change, which is expected to wane due to an aging population and declining fertility rates. International migration has provided some growth but remains limited and could diminish. Historically, Nebraska has struggled to attract new domestic migration, a key factor for sustained population growth.

¹ Nguyen-Hoang, P. (2021a). Is Tax Increment Financing a fiscal bane or boon? *Journal of Planning Education and Research*, 41(1), Article 1. <https://doi.org/10.1177/0739456X18774121>

² Ibid

³ <https://revenue.nebraska.gov/PAD/research-statistical-reports/tax-increment-financing-annual-reports-legislature>

⁴ <https://www.planning.org/policy/guides/adopted/redevelopment.htm>

⁵ Moore, T., Meck, S., & Ebenhoh, J. (2006). An economic development tool box. *American Planning Association, Chicago*.

⁶ Center for Public Affairs Research. 2023. "Nebraska's Changing Demographics." <https://perma.cc/MB64-UWGV>

Population stagnation and decline present critical economic development challenges.^{7,8} For one example, recent estimates suggest that a 10% increase in the proportion of the population aged 60 and older reduces growth in gross domestic product per capita by 5.5%.⁹ Today, 16.5% of Nebraska’s population is age 65 and older, compared to 13.5% in 2012, with many rural counties reporting much higher rates. Moreover, population stagnation or decline limits the ability of local governments to generate new revenue, making tools like TIF indispensable.¹⁰ By leveraging future property tax revenue generated from increased property values, TIF empowers municipalities to fund critical economic and community development projects without immediate tax increases or reliance on state and federal grants.

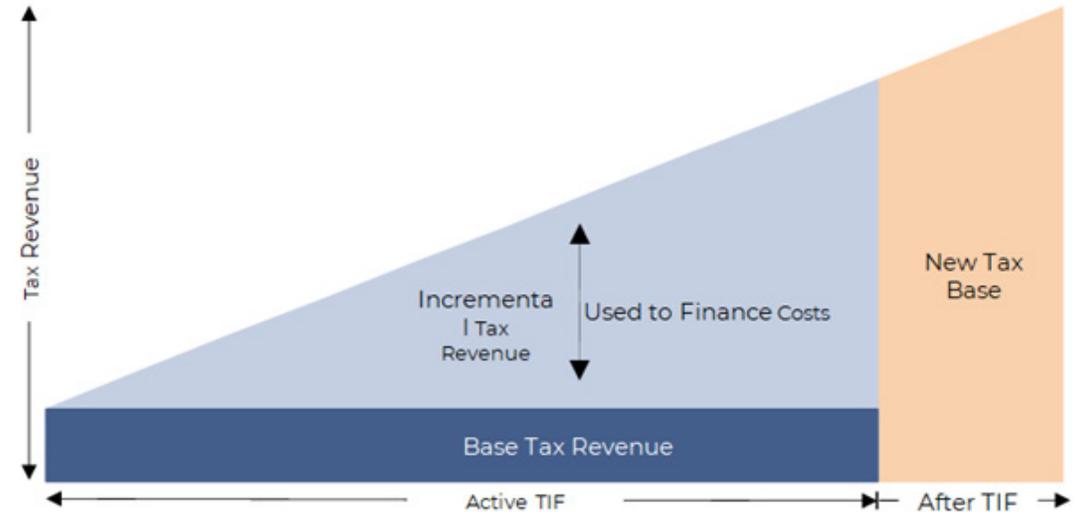
Overview of TIF

A TIF area is a specifically defined geographic area established for a set time. When the area is created, the existing property tax value is frozen. As new development within the area increases property values, the additional tax revenue, known as the “increment,” is collected separately. Instead of being added to the general tax pool, this increment is used to fund improvements within the area that support further development. Once the

TIF period ends, typically after 15 to 20 years, all property taxes, including the increment, are returned to the general tax pool. The figure, developed by Kansas Legislative Division of Post Audit as part of their recent evaluation of TIF,¹¹ demonstrates the financing mechanism.

This approach expects that the costs of redevelopment are covered by the growth generated within the area, while the base tax on the

Model of Tax Increment Financing



Source: Kansas Legislative Division of Post Audit

area continues to fund essential services. In this way, TIF projects are self-financing — the cost of large-scale redevelopment is paid for by the future revenue generated because of the increased tax base.¹² Evaluations of TIF have generally shown the costs of redevelopment have been recouped although not always, discussed later.

⁷ Jones, C. I. (2022). The end of economic growth? Unintended consequences of a declining population. *American Economic Review*, 112(11), 3489-3527.

⁸ Maity, S., & Sinha, A. (2021). Linkages between economic growth and population ageing with a knowledge spillover effect. *Journal of the Knowledge Economy*, 12(4), 1905-1924.

⁹ Maestas, N., Mullen, K. J., & Powell, D. (2023). The effect of population aging on economic growth, the labor force, and productivity. *American Economic Journal: Macroeconomics*, 15(2), 306-332.

¹⁰ Hall, J. L., Shin, G., & Bartels, C. E. (2022). Measuring the effect of performance management in local economic development policy: the case of tax increment finance districts in the Dallas-Ft. Worth metroplex. *Local Government Studies*, 48(4), 628-654.

¹¹ Estimating the Economic Impacts of Tax Increment Financing Districts – Kansas Legislative Division of Post Audit, <https://www.kslpa.gov/audit-report-library/estimating-the-economic-impacts-of-tax-increment-financing-districts/>

¹² Fisher, B., Leite, F., & Weber, R. (2023). Value creation, capture, and destruction: Hudson yards and the false promise of self-financing mega-projects. *Journal of the American Planning Association*, 89(1), 134-145.

TIF in Nebraska

The explicit authorization of TIF for municipal governments in Nebraska was established through a constitutional amendment in 1978, followed by the passage of TIF-enabling legislation in 1979. The framework for the implementation of TIF in Nebraska’s cities and villages is provided in the Community Development Law.¹³

This law establishes several key requirements. The TIF process typically begins with a municipal government acting as or creating a Community Redevelopment Authority (CRA). The city, or the CRA, is responsible for preparing a redevelopment plan that defines the project area boundaries, proposed land uses, population estimates, and other relevant details. A critical step in this process is the designation of the TIF area as “blighted.” Additionally, the redevelopment plan and related information are made public, and public hearings must be held to ensure transparency and community input. Additionally, a new TIF area must pass the “but-for” test, which ensures that TIF is used only when development would not occur without it. Each of these requirements are outlined in more detail.

After the city’s approval of the redevelopment plan, “TIF bonds may be issued for the acquisition of property, site preparation, and public improvements”.¹⁴ These purposes distinguish the uses of TIF from many other community-led economic development strategies. The TIF area is transferred to the developer of record at “fair-market value”¹⁵ who undertakes the activities as outlined in the redevelopment plan. Throughout redevelopment the base property valuation remains available to the authorized taxing entities within the TIF jurisdiction, for example the city, county, and school district. The increase in property value over the time of the TIF is accounted for and used to pay the debt on redevelopment. In Nebraska, projects are generally 15 years but may range to 20 years for “extremely blighted” areas.

Blight Designation

The project area must be designated as “substandard or blighted.” Several metrics are used to assess blight as enumerated in the Community Development Law, including:

PHYSICAL DETERIORATION	DEFECTIVE LAYOUTS	UNSANITARY OR UNSAFE CONDITIONS	DIVERSITY OF OWNERSHIP
A significant number of deteriorated or deteriorating structures.	Issues with street or lot layouts that affect accessibility or usefulness.	Environmental hazards or other conditions posing health risks.	Fragmented property ownership that hinders development.
TAX DELINQUENCY	OBSOLETE PLATTING	ENDANGERMENT	
Overdue taxes or special assessments exceeding the land’s fair value.	Outdated subdivision plans that impede current development standards.	Conditions that threaten life or property due to fire hazards or other causes.	

¹³ <https://nebraskalegislature.gov/laws/statutes.php?statute=18-2157>

¹⁴ https://revenue.nebraska.gov/sites/default/files/doc/pad/research/TIF_Reports/TIF_REPORT_2023.pdf, pg. i.

¹⁵ Ibid.

In addition to these metrics, the legislation requires that at least one of the following conditions be present:

HIGH UNEMPLOYMENT Unemployment rates at least 120% of the state or national average.	AGING STRUCTURES The average age of residential or commercial units is at least 40 years.	UNIMPROVED LAND More than half of the plotted property has remained undeveloped for 40 years within the city or village.
LOW INCOME Per capita income below the municipality's average.	POPULATION DECLINE Stable or decreasing population based on the last two decennial censuses.	

Transparency

In Nebraska, transparency is a fundamental component of the TIF process, ensuring accountability and community input. Key transparency requirements include:

MANDATORY HEARINGS A public hearing is held by the planning commission to review the redevelopment plan, followed by a hearing by the city council or governing body for final approval.	NOTICE REQUIREMENTS Notices are sent to nearby neighborhood associations and affected political subdivisions by certified mail. These notices include critical details such as project boundaries, land use plans, and potential impacts on the community.
PUBLIC INPUT AND ACCESS Community members are given the opportunity to review project documents and voice their opinions during the hearings. This process ensures that stakeholders are informed and their concerns are considered in the decision-making process.	RECORD KEEPING Municipalities are required to retain all redevelopment plans and supporting documents to ensure accountability and provide a reference for future evaluations.

But-For Test

In Nebraska, the “but-for” test is another critical component of the TIF approval process, ensuring that TIF is used only when necessary. This requirement mandates that redevelopment projects demonstrate they would not occur without TIF support. Developers seeking TIF assistance must submit financial statements that clearly illustrate a financial gap or potential financial loss if the project were to proceed without this funding. Municipal governments are then tasked with evaluating the developer’s financial information and must document their findings in writing, confirming that the project would not be viable without (“but for”) TIF funding.

These requirements establish a rigorous process designed to ensure transparency and financial integrity. While TIF is widely used and generally accepted across the United States, states vary in their specific processes and requirements. Nebraska’s approach has faced some critiques, including concerns about the

lack of specificity in the blight designation and the ambiguities surrounding the “but-for” demonstration (for example, see Maher, Park, and Park, 2019). Nonetheless, Nebraska’s overall process aligns with those in other states, offering meaningful opportunities for consultation and oversight while promoting transparency and community engagement in redevelopment efforts.

Evaluating the Impact of TIF in Nebraska

There are many ways to evaluate the impact of TIF. Some studies focus on whether redevelopment investments generate enough revenue to cover their costs, assessing return on investment, or the extent to which expenses are fully recouped. For instance, a recent study of six TIF projects in Kansas found that while three successfully covered costs on time, the other three fell short.¹⁶ However, this type of analysis presents challenges. The data needed to track project costs and revenues over time is not always available in a ready-to-use format, and projects vary widely in timelines and expenses, making direct comparisons difficult.

Other studies attempt to measure broader economic impacts, such as job creation. Traditional economic impact assessments, like those using IMPLAN analysis, are designed to quantify how funding affects employment growth within specific industries. While this approach works well for evaluating tax incentives aimed at business recruitment, it is less suited to TIF. TIF is primarily focused on infrastructure and redevelopment, which stimulate economic growth in more indirect ways—enhancing productivity, improving accessibility, and shaping the built environment. These benefits unfold over time and are not easily captured by models that emphasize short-term, industry-specific impacts. Additionally, the long-term nature of TIF projects complicates efforts to measure accrued benefits after development is completed.

Given these complexities, our study takes a different approach. First we describe the uses of TIF in Nebraska in detail. Second, rather than focusing on cost recovery or industry-specific job creation, we examine how property values have changed in TIF areas. This shift reflects both practical constraints—such as data availability—and the need for a more comprehensive understanding of TIF’s effects. While recouping costs and job creation are important considerations, they do not fully capture the value of TIF.¹⁷ To provide a clearer picture of its impact, we employ additional metrics that assess the broader economic and community effects of redevelopment.

Data and Methods

To conduct these analyses, the primary data source used was the annual report to the legislature, *Community Redevelopment Tax Increment Financing Projects*, available on the Nebraska Department of Revenue website for 2023.¹⁸ For the first analysis, we examined projects by county.

Next, we categorized TIF projects by purpose in two ways, focusing on projects from 2019 to 2023. Many TIF projects are completed in phases or tied to specific parcels, and while these were included in the overall analysis, we removed duplicate descriptions for this categorization, resulting in 572 unique projects. TIF descriptions vary widely in format, detail, and preparation, depending on the drafter. This variation introduces some subjectivity, as descriptions may contain inconsistencies or errors. We used a computer-aided approach to assist with categorization; however, classification remains interpretative, and another reviewer might categorize projects differently.

¹⁶ Estimating the Economic Impacts of Tax Increment Financing Districts – Kansas Legislative Division of Post Audit, <https://www.kslpa.gov/audit-report-library/estimating-the-economic-impacts-of-tax-increment-financing-districts/>

¹⁷ Greenbaum, R. T., & Landers, J. (2014). The tiff over TIF: A review of the literature examining the effectiveness of the tax increment financing. *National Tax Journal*, 67(3), 655-674.

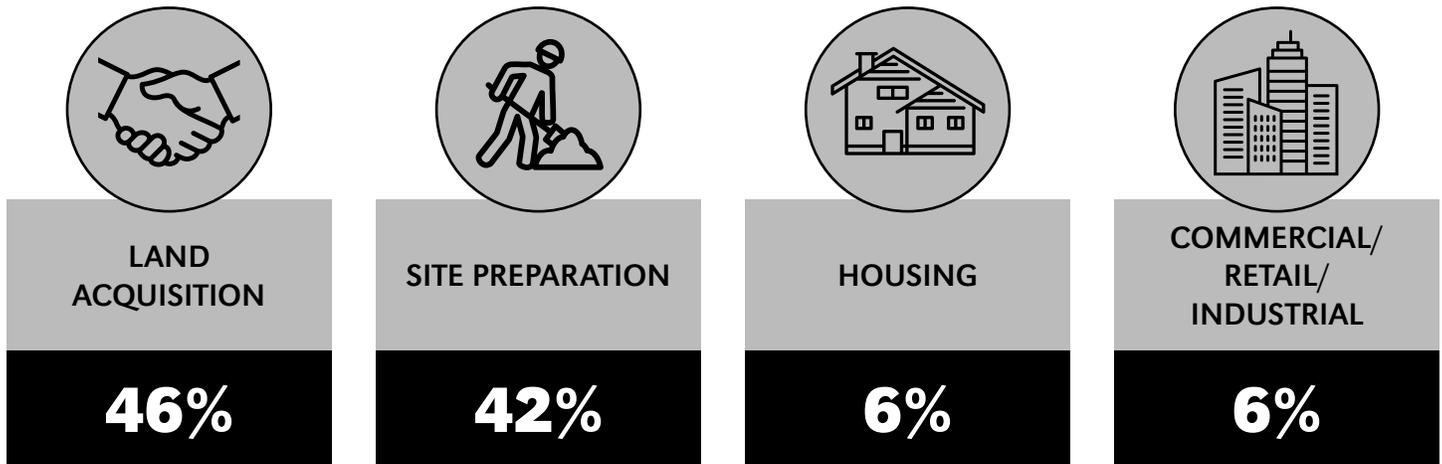
¹⁸ <https://revenue.nebraska.gov/PAD/research-statistical-reports/tax-increment-financing-annual-reports-legislature>

Scope of TIF in Nebraska

Next we categorized TIF projects in two ways. The first approach focused on the specific efforts and activities undertaken during the tenure of the TIF area. As noted, most TIF projects, consistent with the redevelopment goals of the tool, are related to land acquisition and infrastructure-focused site preparation.

The following figure summarizes the activities of TIF projects in Nebraska from 2019 to 2023.

Classification of TIF Projects by Activities



For this classification, projects that mentioned land or site acquisition were categorized as land acquisition. In the sample, 46% of projects included some form of land acquisition. However, most of these also allocated funds for site preparation. To provide clarity, examples of land acquisition projects are listed below. Full project descriptions are included to highlight the broader scope of these efforts.

- 2023, Adams County, Hastings – “TIF funds used for site acquisition, site preparation, architectural and engineering costs, installation of infrastructure including sewer, water, paving, electrical and gas, capitalized interest, legal fees and other eligible public improvements required in the construction of attached townhomes for sale or rent.”
- 2021, Saline County, Dorchester – “TIF funds used for land acquisition, public infrastructure improvements including street improvements, utility improvements, grading, site preparation, erosion control improvements, eligible engineering fees and other eligible expenses in association with approximately 10 single family homes, townhomes, and/or duplexes built in five phases. Phase One will include one new home.”
- 2019, Douglas County, Omaha – “TIF funds used for site acquisition, architecture and engineering fees, environmental Geotech Phase I & II, site work, public improvements, which include burying utility lines on the south and west side of property, attractive street lighting fixtures, landscaping, new right-of-way street trees and tree rings, bus stop shelter, street parking and tree island, wide sidewalks, new concrete curbs and street repairs necessary for construction of a four-story 195,440 square foot student housing structure and parking stalls.”

If land acquisition was not mentioned, but site preparation was, the project was categorized as site preparation. Site preparation activities encompass public infrastructure improvements, such as streets, utilities, parking, stormwater management, landscaping, and grading. This category captures the critical groundwork required to enable development or enhance existing infrastructure.

Of the projects reviewed, approximately 42% were related to site preparation without land acquisition. Examples of site preparation projects are listed below. Full project descriptions are included to demonstrate the scope of these efforts.

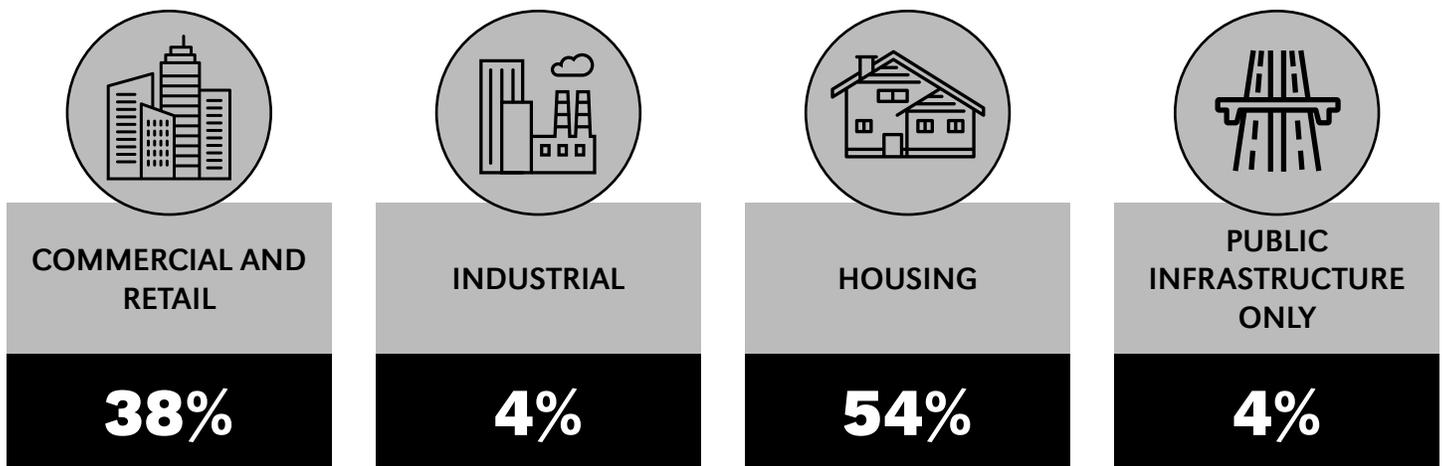
- 2022, Cherry County, Valentine – *“TIF funds used for sewer and water extension and sidewalk installation required for the construction of an estimated 10,500 square foot commercial structure intended to house a retail store.”*
- 2021, Keith County, Ogallala – *“TIF funds used for site preparation, construction and installation of City utilities to connect to City services, public infrastructure improvements, and construction and improvement of the public street adjacent to the Project Site, and other eligible public improvements necessary in the construction of approximately 15,000 square foot concrete containment pad for bulk fertilizer blending and storage and associated improvements.”*

A few projects did not explicitly mention acquisition or site preparation. These were categorized based on the type of development, such as commercial, retail, or industrial projects, which made up about 6% of the sample, or residential housing projects, which also accounted for 6%. However, project descriptions vary in detail, and the absence of site preparation in a description does not necessarily mean it was not undertaken.

The second classification of projects focused on outcomes – the intended final product of the TIF area. It is important to note that TIF is used to advance these goals, not for their ongoing operation. Through a review of the data, four common outcomes of TIF projects were identified: Commercial and/or Retail Development, Industrial Development, Residential Housing Development, and Public Infrastructure.

The following figure summarizes the percentages of projects in the sample by outcome classification.

Classification of TIF Projects by Outcome



The Commercial and/or Retail Development category includes the creation of commercial and retail spaces. In the sample, 38% of all projects utilized TIF to support the development of commercial/retail properties. Below are a few examples of projects in this category. For brevity, only the portion of the project description related to its categorization is noted. However, it is important to remember that TIF projects often include significant infrastructure development, which is detailed in the full descriptions.

Some examples of Commercial and/or Retail Development projects include:

- A 2023, Merrick County, Central City, project to create a *“professional office building.”*
- A 2021, Dawson County, Cozad, project for a *“54 room hotel.”*
- A 2019, Otoe County, Syracuse, project *“needed for the construction of a new bank.”*

The development of industrial sites involves creating or enhancing locations for purposes such as manufacturing, logistics, warehousing, processing, or large-scale storage. In the sample, approximately 4% of projects were categorized as industrial redevelopment.

Examples of Industrial Development projects include:

- A 2022 Lincoln County, North Platte, project used for infrastructure improvements to the *“Twin Rivers Industrial Park.”*
- A 2019 Perkins County, Elsie, project for the construction of *“a dry fertilization plant.”*

Residential housing development accounted for 54% of the sample, making it the most common use of TIF. This category includes projects ranging from single-family homes to large apartment complexes and subdivision developments.

Examples of residential housing development projects include:

- A 2023 project in Sarpy County’s City of Bellevue to provide infrastructure for a *“164-unit apartment community.”*
- A 2022 project in Madison County, Norfolk, to support a development that includes *“approximately 41 single-family homes, 8 townhouses, and 105 multi-family dwelling units.”*
- A 2021 project in Dakota County, South Sioux City, for the construction of multiple *“single-family homes”* as part of a phased development.

The final classification was reserved for projects that did not specify an outcome beyond the public infrastructure development central to TIF. These projects are primarily related to site preparation activities.

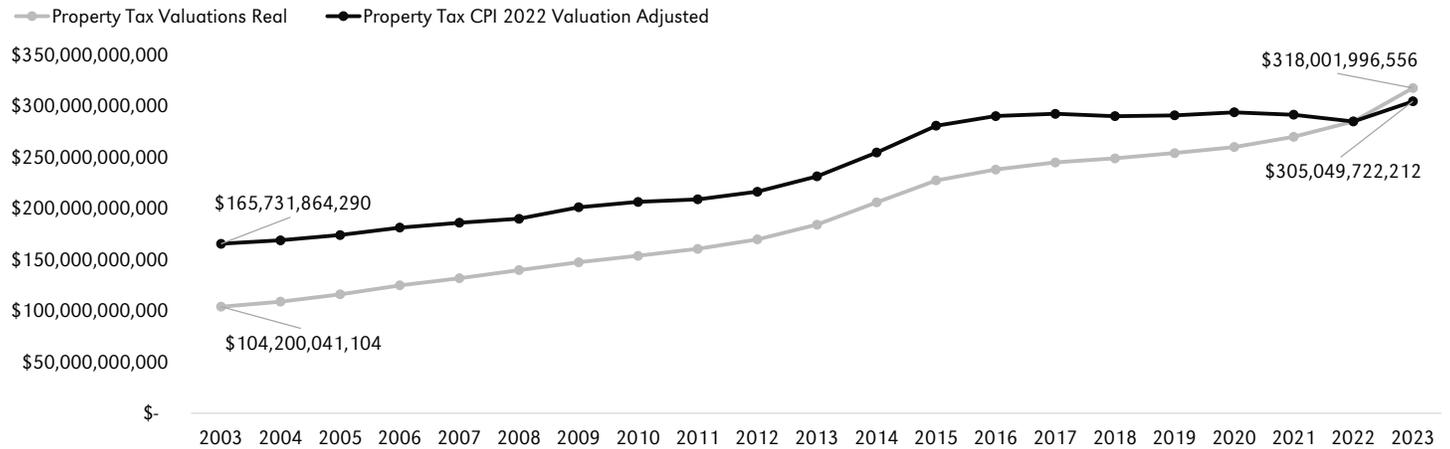
Examples of projects classified as Public Infrastructure Only include:

- A 2022 project in Butler County, David City, *“...for administrative and legal expenses, architectural and engineering fees, project inspection fees, site work and demolition and removal required in the construction of a new sewage facility for the David City community.”*
- A 2020 project in Lancaster County, City of Lincoln, *“...toward the construction of public improvements and enhancements within and adjacent to the public rights of way, including street, streetscape, and other right of way improvements and facade enhancements.”*
- A 2019 project in Nemaha County, Auburn, *“...to create a viable and sustainable urban environment to lessen the impact of the blighted and substandard conditions located in the Redevelopment Area. Portions of the area are critical to the redevelopment of and property clearance of substandard conditions within the City, as well as preparing the area for redevelopment and/or the development of redevelopment projects.”*

TIF Impact on Property Values

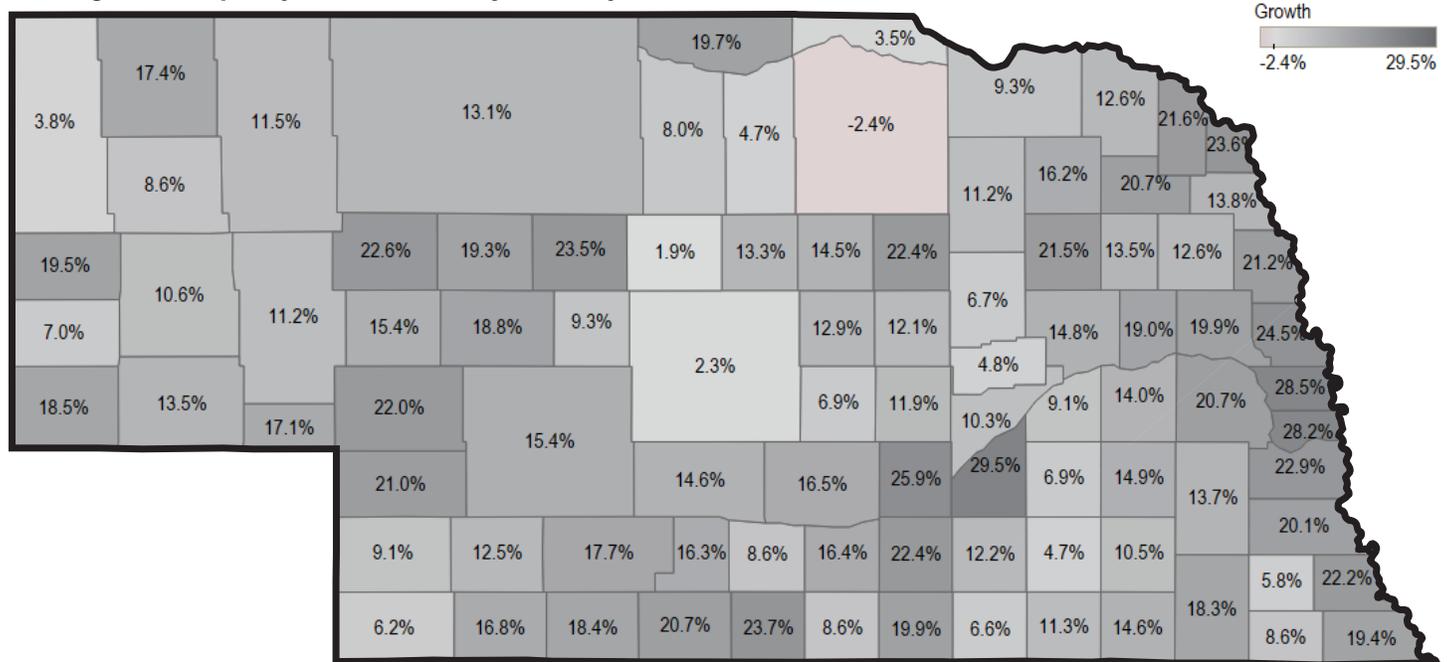
Core to the premise of TIF is growth in property valuations. Statewide, property tax valuations have increased by 205% since 2003, according to CPAR. When adjusted for the 2022 Consumer Price Index (CPI) to account for inflation, property valuations have grown by 84%.

Property tax valuations increased by 205% in real dollars from 2003 to 2023, or by 84% in adjusted dollars (2022 CPI)



Between 2020 and 2023, all but one county in Nebraska, Holt County, experienced growth in property valuations, as shown in the image. On average, counties saw a 15% increase in property valuations over this short time frame.

Change in Property Valuations by County 2020 to 2023



This pattern suggests that rising valuations can support redevelopment in Nebraska. However, looking at overall growth does not reveal how valuations have changed specifically within TIF areas. That is the focus of the next section.

TIF Area Value Change

The use of TIF is based on the premise that improvements will drive an increase in land value, with that growth covering the cost of improvements. Given the long-time horizons of TIF and the variability in improvement costs, we do not attempt to assess return on investment. Instead, we examine the change in property values for identified TIF areas. For this analysis, we focused on active TIF projects. Using data from the Nebraska Department of Revenue, we obtained the base valuation for TIF areas and summed these values at the county level. We then compared the 2023 valuations of TIF areas to their base values to assess growth.

Consistent with the overall increase in property valuations across the state, our findings indicate significant growth in the value of active TIF areas in every county. The total base valuation of active TIF areas in Nebraska was approximately \$1.9 billion, while in 2023, the valuation of these parcels exceeded \$8 billion, an average percentage increase of 324%.

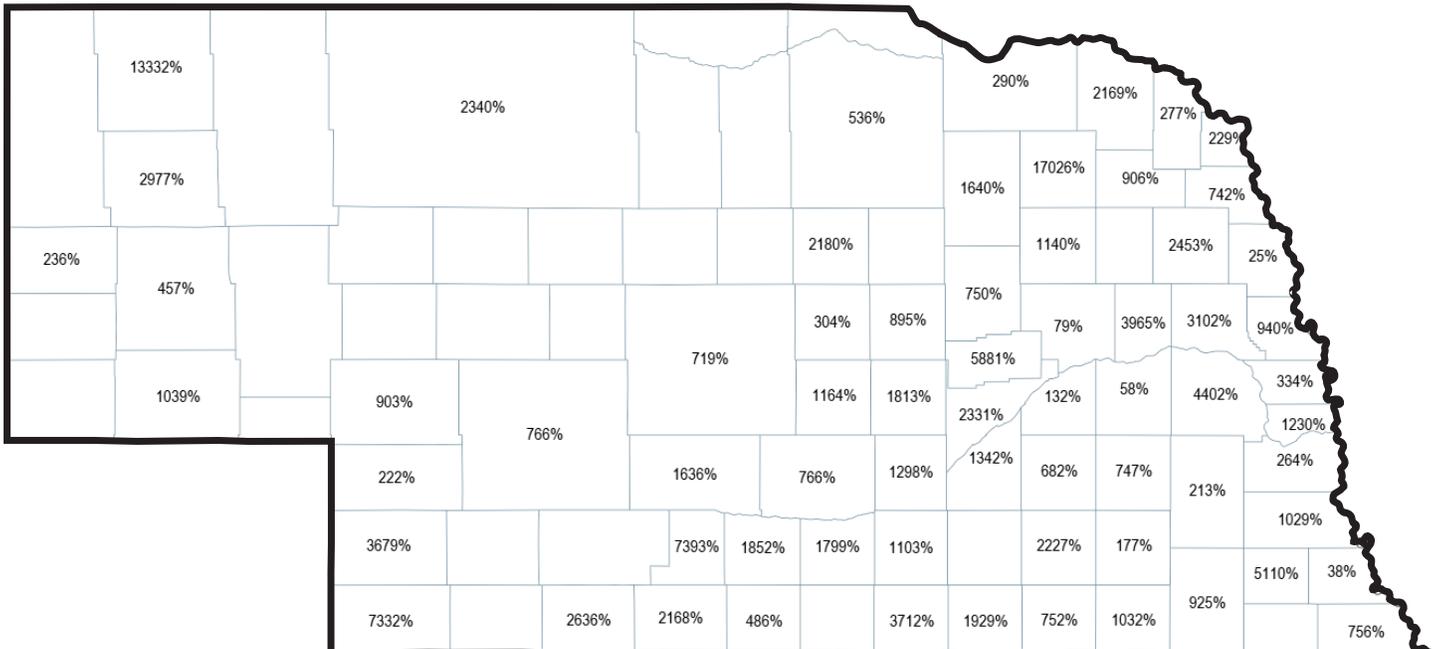
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Base Value of Active TIF Areas in Nebraska = \$1,897,221,416

All counties with active TIF projects reported growth from their base valuations. The percentage increase ranged from 25% in Burt County to over 15000% in Pierce County. The accompanying map illustrates the percentage change in the value of active TIF areas, comparing their reported base values to their 2023 valuations.

Percent Change in Value of Active TIF Areas as of 2023 by County



It is important to note that large percentage increases can result from the long-time horizon of many TIF projects. Newer TIF projects typically show smaller valuation changes compared to those that have been active longer, allowing more time for property values to rise. Additionally, the base values of TIF areas vary significantly across active projects due to numerous factors, including geographic location and the size of the designated areas.

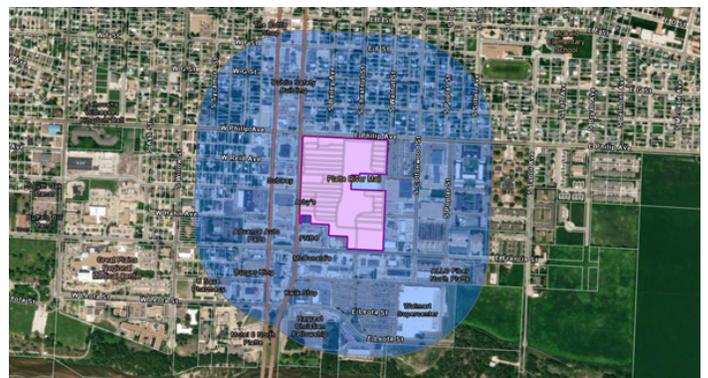
Despite these variations, the consistent growth across all counties reinforces the core premise of TIF — that targeted improvements lead to increased property valuations over time. Additionally, each TIF area is required to track increases in taxable value, ensuring that the key economic development merits of the project are both intrinsic to its design and consistently reported. While this analysis does not determine whether the increases fully covered all improvement costs within the expected timeframe, the growth in valuations is a positive indicator that it could.

TIF Impacts on Adjacent Property Values

While property valuations are expected to rise within the TIF area itself, redevelopment projects may also have broader effects, increasing the desirability of areas surrounding the district without incurring the same redevelopment costs or sequestering taxable value.

To examine if these broader benefits occur, we analyzed changes in property valuations in areas surrounding TIF projects, using a sample of four projects located in Lincoln, Omaha, Grand Island, and North Platte. For this analysis, adjacent areas were defined using a geographic buffer around each TIF project, capturing parcels within 1,200 feet of the project site. An example image illustrates how the area of the analysis was identified, showing a 2022 North Platte TIF project to redevelop their mall, shown in purple and the adjacent buffer area highlighted in blue.

Example of North Platte TIF Project with Buffer Area for Evaluation



We analyzed property valuation changes in areas surrounding each TIF project from 2020 to 2023 and compared these changes to overall property valuation trends in the corresponding counties. Across the sample projects, the average increase in property valuations in the surrounding areas was 19.53%. All areas in the sample experienced an increase in property valuations. Over the same period, the counties analyzed showed an average increase of 21.50%.

While county valuations increased slightly more, this result is largely expected due to the adjacency of the analyzed areas to blighted regions and the fact that many TIF projects are not yet completed. These results, though limited, suggest that TIF projects are likely to contribute to increased property valuations beyond the area itself, demonstrating a broader community impact even over a relatively short timeframe.

Conclusion

This analysis examines the role TIF plays in fostering economic and community development across Nebraska. By providing a financing mechanism to address blighted areas, TIF enables municipalities to spur redevelopment, enhance infrastructure, and support growth.

We found that TIF is widely used to support redevelopment in communities of all sizes, with active projects spanning 67 of the state's 93 counties and 136 cities. This broad adoption highlights the importance of TIF in addressing diverse local needs, from revitalizing blighted areas to facilitating the development of housing, commercial spaces, industrial sites, and public infrastructure. An analysis of TIF activities and outcomes clarifies how these projects are utilized and underscores their significance in responding to Nebraska's unique challenges and opportunities.

Critically, we find that property valuations have increased in all active TIF areas in Nebraska, reinforcing the core premise that investment in these areas leads to higher values. Additionally, we provide a brief assessment of how TIF projects impact adjacent neighborhoods, showing growth in property valuations beyond the TIF areas over a short time period. Combined with a review of other studies on TIF's effects on property values, this analysis supports the conclusion that TIF contributes positively to the economic growth of Nebraska communities. While this analysis does not comprehensively measure all possible economic impacts of TIF, nor the extent to which local governments recoup costs associated with its use, it underscores the breadth of the tool's application across the state and highlights its vital role in Nebraska's current economic development efforts.