

Q & A
MAINSTREET SOUTH TIF DISTRICT EXPANSION

Q: What is Tax Increment Financing?

A: Tax Increment Financing (TIF) is an economic development tool to utilize revenue generated within the district to pay for public improvements within the guidelines of State statutes.

When a TIF district is created, tax revenue for that district is frozen at a base year, in this case, 2003 for the original TIF and 2007 for the expanded TIF. Should the Assessor's office determine that there is an increase in property value, there would be a growth increment available for the Village of Tinley Park. Any incremental growth in tax revenue is allocated through the County to the Village of Tinley Park. Tinley Park can then use these incremental growth revenues to pay for public improvements.

For example, a house in a TIF district – 2007 tax bill of \$4,000
-- 2008 tax bill of \$4,300

In this instance, the property owner pays the full tax bill as they normally would pay. The County would allocate the \$300 growth increment to the Village. The balance of the \$4,000 would get distributed to all other taxing bodies by the County as part of the normal process.

Q: Will my taxes increase because of the TIF district?

A: No. The Township Assessor's office determines the tax assessment on your property, and that assessment is not affected by inclusion or exclusion in a TIF district. Your property is assessed based on its value just as any property within the community would normally be assessed.

Q: Does my assessed valuation go up because I am in a TIF district?

A: Your assessed valuation goes up only if your property value increases as determined by the Township Assessor's office as part of their normal assessment process and based upon comparable properties.

Q: Will my tax bill or how I pay my taxes be affected if I am within a TIF district?

A: No. Your tax bill will look the same and be paid in the same manner as in the past. The property owner is responsible for the full payment of the taxes as is currently the case.

Q: I have a senior exemption for my home. Will a TIF district affect how much I pay in taxes?

A: No. If you have a senior exemption, that exemption is applied as usual and you will pay your assessed tax bill as determined by the Township Assessor's office.

Q: Why was I notified of the TIF expansion by the Village of Tinley Park?

A: State statute requires the Village to notify all property owners within 750 feet of the current and proposed TIF district. This notice advises the property owner of the availability of an Eligibility Report and a Redevelopment Report. These reports, along with a copy of the TIF map are available on the Village's web site at www.tinleypark.org.

Q: What is an Eligibility Report?

A: An Eligibility Report is a study to determine if the proposed expansion area meets the State of Illinois guidelines to form a Conservation Tax Increment Financing district. The study investigates such factors as: the age of properties; whether or not the properties meet current planning standards; if properties have excessive land coverage and/or overcrowding; if properties have environmental clean-up issues; and if there is a lack of community planning. The eligibility report has determined that the expanded area does meet State guidelines for a TIF district.

Q: What is a Redevelopment Plan Study?

A: This redevelopment plan highlights the reason the Village is considering an expansion of the TIF district, determining that the district meets the eligibility conditions and establishes a not-to-exceed budget for specific categories as outlined by State statute. These categories include some of the following:

- Cost of rehabilitation of property;
- Cost of construction of public works improvements;
- Environmental clean-up;
- Payment in lieu of taxes; and
- Interest and job training.

Q: What are the Village's goals for the TIF district?

A: The primary goals for the TIF district are:

- Assure long-term viability of the central business district;
- Secure the viability of adjacent residential neighborhoods;
- Provide a significant downtown as a community focal point; and
- Provide a safe, efficient and effective transportation system, including foot traffic, vehicular traffic and rail traffic.

Q: What types of public improvements are being considered by the Village?

A: The Village is considering numerous traffic enhancements such as a lighted intersection at 175th Street and Oak Park Avenue; dedicated turn lanes at 171st Street and Oak Park Avenue; expanded Metra and municipal parking; expanded plaza at the Metra station for community activities; upgrades at our storm sewer and water lines; enhanced landscaping in public rights-of-way.

Q: When will the vote for the TIF district take place?

A: The Village will have a public hearing on March 6, 2007 at 7:00 p.m. with a final vote before the Village Board on March 27, 2007 at 8:00 p.m.

Q: As a residential property owner, how will the TIF benefit me?

A: TIF districts can benefit a property owner in a number of ways, such as:

- The surrounding area can benefit from improvements in public landscaping, street improvements and utility improvements funded through TIF revenue rather than using general fund dollars; and
- The TIF district can also make your property more valuable should you ever wish to redevelop.

Q: Is the Village interested in buying my property and/or will I have to sell my house?

A: The Village is not acquiring single family homes or commercial businesses for economic development purposes and will not be utilizing eminent domain for economic development. Should a property owner wish to consider selling their property, this would be a matter entirely between the home owner and buyer and/or developer.

Q: How long will the TIF district last?

A: TIF districts can last up to 23 years. Both the main and expanded TIF districts would expire in 2026.

Q: How does the TIF district affect other taxing bodies?

A: Other taxing bodies would receive the same revenue that they received as of 2003 and/or 2006. The benefit for the other taxing bodies is the increased economic development that can occur through the funding of public improvements. As part of the TIF process, all taxing bodies are part of the Joint Review Board that meets annually to discuss TIF district activities. The Village has not received opposition from the other taxing bodies with regard to our TIF district.

Q: Will my school district be adversely affected should additional school-aged children be a result of the TIF district redevelopment?

A: If a project is incented with TIF dollars and there are new grade or high school students enrolled into the school districts due to the redevelopment projects, Tinley Park is obligated by State statute to pay a per-pupil rate each year to the schools.

Q: Will TIF revenue be used for private redevelopment activities such as the proposed North Street project?

A: Revenue to be utilized for private projects is dictated by State statute. Items such as public improvements for the project, land costs and interest costs are TIF eligible items under State statute. Other items such as internal build-out, developer profit or other private costs are not eligible for TIF funds.