



City of LaSalle

La Salle County, Illinois

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Tax Increment Financing (TIF)

Description

Tax Increment Financing (TIF) district uses property and/or sales tax revenues in a designated redevelopment area to enable private development to occur. The property tax revenue attributable to an increase in the value of the property in this district above the base established when the district was created (the tax increment) goes into a special allocation fund. This fund is used to pay for redevelopment costs. The property tax revenue that is attributable to the value of the property in this district prior to the creation of the TIF, continues to go to the taxing bodies (school districts, city, county, community colleges, park districts, etc) just as if the TIF had not been created.

Currently, LaSalle has eight TIF Districts in place: TIF I, TIF II, TIF III, TIF IV, TIF V (Downtown TIF), TIF VI (Water Park), TIF VII (Industrial Park), and TIF VIII (Community Partnership TIF).

Description of Eligible Project Costs for a Tax Increment Financing District in Illinois Categories of permissible redevelopment costs included in the Illinois TIF Act:

- Cost of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan. Example, professional service costs: architectural, engineering, legal, financial, planning; administrative costs related to implementation of the redevelopment plan. (Private & Public)
- Cost of marketing sites. (Private & Public)
- Property assembly costs. For example, acquisition of land and other property, real or personal, or rights or interests therein; demolition of buildings; and site preparation. (Public & Private).
- Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings. (Private & Public)
- Costs of construction of public works or improvements. For example, streets, sidewalks, water, sanitary and storm sewer, etc.; and new public buildings (with some limitations). (Private & Public)
- Costs of eliminating or removing contaminants and other impediments such as site improvements that serve as an engineered barrier addressing ground level or below ground environment contamination, including parking lots and other concrete or asphalt barriers; and the clearing/grading of land. (Private & Public)
- Costs of job training and retraining projects. (Private & Public)
- Financing costs—up to 30% of interest expense. (Private & Public)
- Approved Capital Costs of taxing districts. For example, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district (including the municipality) in furtherance of the objectives of the redevelopment plan and project when approved by the municipality. (Public)
- Relocation costs. (Private & Public)
- Payment in lieu of taxes. (Public)
- Up to 50% of cost of construction of low income and very low income new housing, owner occupied or rental. (Private)