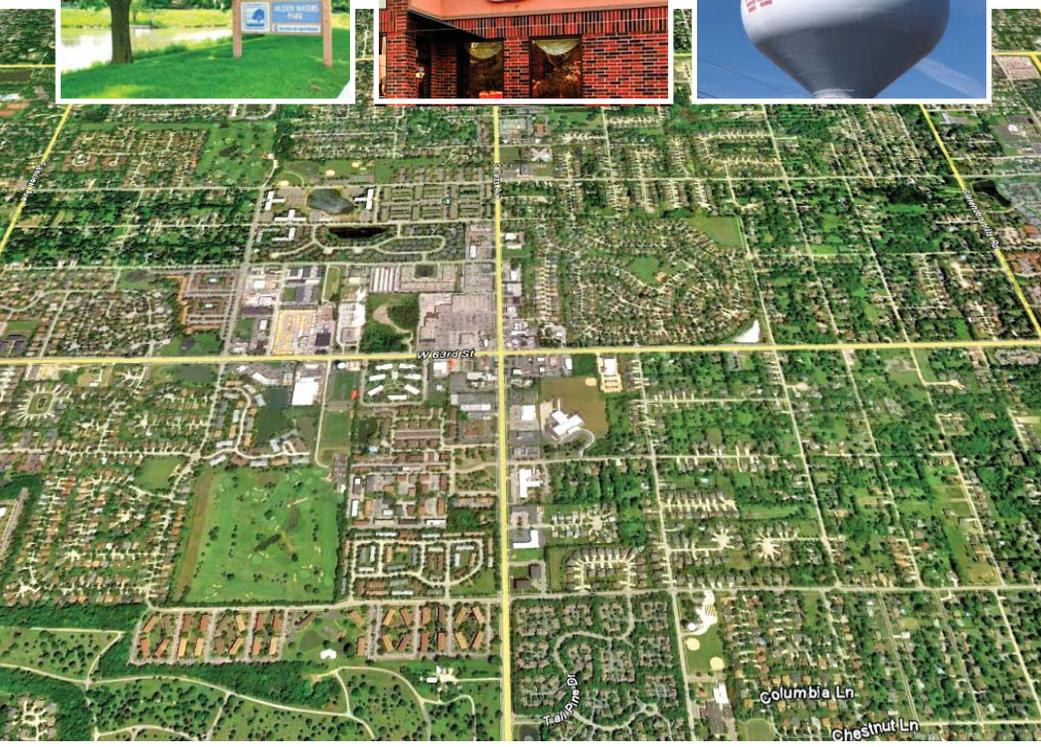


# WESTMONT, ILLINOIS

THE PROGRESSIVE VILLAGE  
SINCE 1921



**TIF**  
TAX INCREMENT  
FINANCING

ALLOCATING FUNDS  
TO CULTIVATE YOUR COMMUNITY

TESKA ASSOCIATES INC. | EST. 1975





## What is TIF?

Tax Increment Financing (TIF) is a public financing method which allocates future increases in property taxes from a designated area to pay for improvements only within that area. Municipalities use TIF to attract private development and investment to areas that have not seen appropriate growth. TIF may only be used when private development would be too difficult or costly without improvements and incentives sponsored by the municipality. The cost of the improvements or incentives funded by the TIF are repaid by the increased property tax revenues that arise when new development occurs. The maximum life of a TIF District is 23 years, however, it can be shorter if the municipality determines that a shorter period is more appropriate.

## What can TIF funds be used for?

- Roadway, stormwater, & streetscape improvements
- Relocation and demolition costs
- Facade improvements, building rehab, interior remodeling
- Land assembly and demolition
- Utility extensions and enhancements
- Planning, architectural, engineering, legal and other services
- Bond financing costs
- Certain redeveloper interest costs
- Costs of construction/rehabilitation of housing for low/very-low income
- Job training

## How does TIF work?

Tax increment financing is not a tax nor does it generate tax revenues by increasing tax rates; it generates revenues by allowing the municipality to capture, temporarily, the new tax revenues produced by the increased value of properties in the Project Area. Under TIF, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the Project Area. Taxes are not "frozen" under TIF. Taxing districts can, through normal means, increase their tax rates. They can also receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs have been paid. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

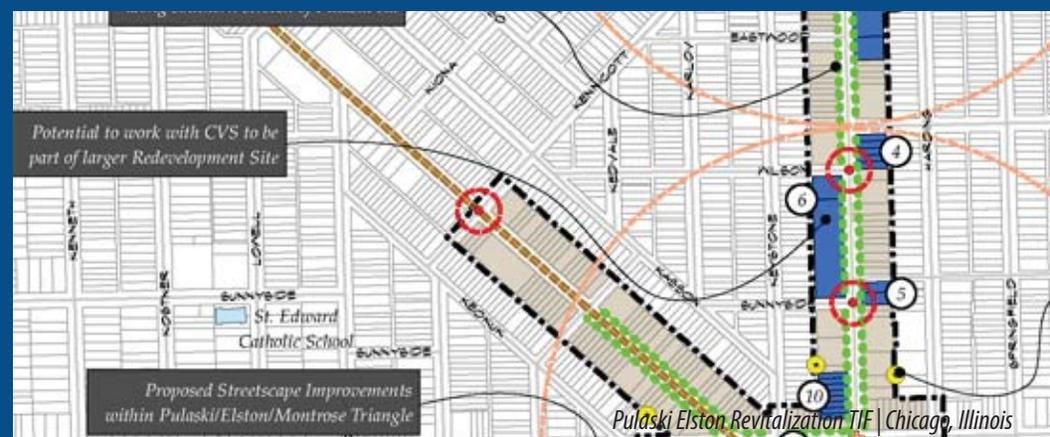
## What about "Conservation" and "Blight"?

There are two ways to qualify an improved area: (i) a blighted area, or (ii) a conservation area. Designation as a "blighted area" requires that least 5 of 13 listed criteria are found to a meaningful extent and reasonably distributed. Designation as a "conservation area" requires that more than 50 percent of the buildings in the study area are 35 or more years of age, and that at least three of the listed criterion are found, including dilapidation, obsolescence, deterioration, excessive vacancies, etc.

*\*\*Please note that the TIF law does not require every parcel in the area must have blighting characteristics for the area to qualify either as a blighted or a conservation area. In fact, new construction can exist in the proposed area. Rather, the blighting factors must be present to a meaningful extent and reasonably distributed throughout the area.*



Joliet City Center TIF | Joliet, Illinois



Pulaski Elston Revitalization TIF | Chicago, Illinois