

# **TIF ASSISTANCE APPLICATION**

## **Village of Lena, Illinois**

1. Name and Address of Applicant:  
(Location where project will occur):
  
2. Are you a Tenant or Owner:
  
3. Description of Project (use back, or another sheet if you need more space):
  
  
  
  
  
  
  
  
  
  
4. Schedule of Project:
  
  
  
  
  
  
  
  
  
  
5. Amount of Village Assistance Requested:
  
  
  
  
  
  
  
  
  
  
6. Estimated Cost of Your Project:
  
  
  
  
  
  
  
  
  
  
7. Indicate Status of Your Financing:
  
  
  
  
  
  
  
  
  
  
8. Will Additional Employment or Local Taxes Result From Your Project (Explain):

**VILLAGE OF LENA REVIEW SHEET**  
**(To Be Completed by the Village)**

1. Project Name and Location:
  
2. Project Cost and Schedule Verified: (Yes) \_\_\_\_\_  
(No) \_\_\_\_\_
  
3. Estimate of Tax Increment Likely to Occur:
  - a. Real Property Tax: \_\_\_\_\_
  - b. Village Sales Tax: \_\_\_\_\_
  - c. State Increment: \_\_\_\_\_
  
4. Number of Jobs Verified: (Retained) \_\_\_\_\_  
(New) \_\_\_\_\_
  
5. Financial Aspects Verified:
  - a. Status of Applicants Proposed Financing:
  - b. Existing Debt Amount (if any):
  - c. Viability of Business:
  
6. Recommendation and Benefits To Village:

\_\_\_\_\_  
Reviewed by (on behalf of Village)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

AN OUTLINE  
OF AN  
ILLINOIS  
TIF DISTRICT

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Tax Increment Financing (TIF) is a local tool for economic development available to Cities, Villages and Towns. TIF was created by the Illinois Legislature and approved by the Illinois Supreme Court. Today, more than 40 states have adopted similar statutes to promote and assist economic development. In Illinois, a TIF District needs no approval by the state or any other local government unit.

TIFs help fund new development by dedicating the increased real estate taxes generated by that development to the developer to defray eligible costs. The real estate tax increment includes all real estate taxes generated – school, county, park district, city, etc.

The new taxes generated are deposited into a special TIF Fund with the Village and are used to pay for certain eligible expenses. Such expenses include: land costs, sewer, water, streets, demolition, repair, renovation, parking, site work, landscaping – but not the costs of newly constructed buildings.

All of these costs may be funded by the Village's issuance of TIF Bonds as a part of the financial structuring of the development. The principal and interest due on the bonds are repaid from the increment generated by the project itself. The Village and developer enter into a long-term Redevelopment Agreement at the outset of the creation of the TIF District.

TIF Districts can last for 23 years from the date of creation of the District and Bonds are issued for up to 20 years. All funds generated by the District must be used for projects located within the District.

## TIF ELIGIBLE COSTS

“Redevelopment Project Costs” mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan and a redevelopment project. Such costs include, without limitation, the following:

1. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services;
2. Properly assembly costs, including by not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
3. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures;
4. Costs of the construction of public works or improvements;
5. Costs of job training and retraining projects;
6. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
7. All or a portion of a taxing district’s capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;
8. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by Federal or State law;
9. Payment in lieu of taxes;
10. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in

a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code.

11. Interest buydown, not to exceed 30% of the annual interest costs incurred by the developer; the total of such interest payments may not exceed 30% of the total redevelopment project costs. If TIF bonds are issued, then 100% of interest is eligible.