

City of Carlyle Tax Increment Financing (TIF)

To promote economic development, the City of Carlyle has created a Tax Increment Financing (TIF) district. Developers that plan to construct or renovate in a TIF district are able to receive financial assistance for the development from dollars that would be paid to property taxing districts because of the increase valuation of the property with the improvements.

For TIF purposes, the value of property and its improvements are frozen prior to the time that improvements are made. After improvements, the increased value of the property causes property taxes to increase. Owners of property in TIF districts are charged the increased amount of property taxes resulting from the improvement, but the amount of taxes resulting from the improvements (the increment) are held in escrow until activities commence that are reimbursable and when dollars in the increment are sufficient to allow for reimbursement.

The following types of activities may be reimbursed using TIF revenues:

- Studies, surveys, and planning activities completed by professional services, such as architects, engineers, attorneys, among others.
- Acquisition of property and its preparation, such as demolition and grading of land.
- Reconstruction or remodeling of existing buildings and fixtures.
- Construction of public works and improvements.
- Costs of job training and retraining.
- Certain amounts of financing costs, including construction and bond interest.

When a developer and the City reach an agreement on the eligible activities that will be financed using TIF revenues, expenses become eligible for TIF reimbursement.

CITY OF CARLYLE TAX INCREEMNT FINANCING (TIF) DISTRICT

In order for the City to consider entering into a redevelopment agreement for property located within a TIF District, the following information is required to be provided in written form. (All information provided is confidential until such time as a formal request for approval is submitted to the City Council.)

DEVELOPER'S CHECKLIST

1. **Site Plan and Control**
Include a legal description of the property and site plan for proposed project. Also include information on land control, i.e., is it owned by the developer or will it be leased property. Copy of option for purchase or lease agreement must be included. Include current equalized assessed valuation (EAV) of the property, as well as estimated EAV when project is completed.

2. **Total Project Cost**
Please report a total project cost (total should reflect total of breakdowns below).

3. **Cost Breakdown – On Site (Engineer or Contractor Estimates)**
Provide a breakdown of the total project cost, including all property assembly costs, demolition, clearing or grading of land, infrastructure costs, itemized breakdown of all project costs.

4. **Cost Breakdown – Off Site (Engineer or Contractor Estimates)**
Provide a breakdown of all off site costs related to the project, including cost of infrastructure extensions, cost of financing the project, etc.

5. **Project Description**
Include a narrative detailing the scope of the project.

6. **Zoning Requirements**
Discuss the current zoning of the property in question, and discuss any potential zoning changes that may be necessary.

7. **Jobs Created/Retained**
Please provide an estimate for the number of full-time equivalent (FTE) jobs that will be created and/or retained because of TIF assistance for the project in question. In order to determine FTE jobs, two part-time jobs (from 20 to 39 hours worked per week) equal one FTE job. Include an estimate of the payroll that will be generated to employ the jobs created/retained. Provide a general description of the type of work for which people will be employed.

8. **Financing Package (Bonds, Conventional, Etc.)**
Please discuss the method by which the proposed project will be financed. Be sure to discuss total amounts that will be financed for the project, and provide detail on

estimated rates and costs of financing. Additionally, provide information on the equity that will be injected by the developer into the project.

9. **Additional Information**

Please provide any additional information that you think may be necessary to be discussed by the City regarding this project. Include narrative which will assist in clarifying or providing detail on any unusual circumstances which may be unique to the proposed project. Following initial project review, additional specific information may be required by the City.

NOTE: If sales tax revenue will be generated by this project, projects showing the anticipated annual revenue from this source will also assist in the review process.

10. **Why is TIF Assistance Necessary?**

Please discuss why TIF assistance is necessary for the proposed project to proceed in Carlyle.

ELIGIBLE EXPENSES FOR TIF PROJECTS:

The following is an incomplete list of the expenses the cost of which may be reimbursed using TIF dollars. For a complete list and to peruse the language that governs the eligibility of project expenses, please see the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-3 [q]).

1. **Professional Fees:** cost of studies, surveys, development of plans, and specifications, and costs related architectural, engineering, legal, marketing, financial, planning, or other professional services. Please note, expenses incurred prior to a commitment by the City of Carlyle to entering into a TIF agreement are *not eligible*.
2. **“Buydown” of land:** property assembly costs, including demolition and grading of land.
3. **Rehabilitation of buildings and fixtures:** cost of rehabilitation, reconstruction, or repair/remodeling of existing buildings and fixtures.
4. **Public works infrastructure:** cost of construction and materials for public works improvements.
5. **On the job training:** costs related to job training and retraining.
6. **Interest “buydown”:** Up to 30% of annual interest costs incurred by the redeveloper for financing the project, further subject to a maximum of 30% of the total cost paid or incurred by a developer for a project, excluding property assembly costs.
7. **New construction of private buildings NOT eligible:** Costs directly related to the actual construction of new, privately owned buildings (such as, materials and labor) are not eligible.