

CITY OF OREGON

Help us help you!



TAX INCREMENT FINANCING (TIF) GUIDE

815-732-6321

FREQUENTLY ASKED QUESTIONS

WHAT IS TIF?

TIF STANDS FOR TAX INCREMENT FINANCING. AS OF 2017, THE CITY OF OREGON HAS BEEN PARTICIPATING IN TIF. TAX INCREMENT FINANCING IS A POWERFUL TOOL THAT ENABLES MUNICIPALITIES TO SELF-FINANCE ITS REDEVELOPMENT PROGRAMS. TIF FUNDS CAN PAY FOR PUBLIC IMPROVEMENTS AND OTHER ECONOMIC DEVELOPMENT INCENTIVES USING THE INCREASED PROPERTY TAX REVENUE THE IMPROVEMENTS GENERATE.

HOW DOES IT WORK?

THE TIF DOES NOT INCREASE ANY TAX RATE. THE PROPERTY OWNER'S TAXES WILL CONTINUE TO CHANGE ALONG WITH THE PROPERTY VALUE AS NORMAL. HOWEVER, ANY INCREASE IN TAXES ON THE NEW PROPERTY VALUE ABOVE THE PROPERTY VALUE AT THE TIME THE TIF WAS CREATED WILL BE DEPOSITED INTO A CITY ACCOUNT TO BE USED FOR ECONOMIC DEVELOPMENT PROJECTS.

WHO CAN PARTICIPATE?

THE CITY WILL CONSIDER APPLICATIONS FOR INCENTIVES FROM ANY OWNER OF COMMERCIAL PROPERTY WITHIN THE TIF BOUNDARIES. PROPOSED RENOVATIONS OR DEVELOPMENTS SHOULD CONTRIBUTE TO UNIQUE AND SIGNIFICANT BUSINESS DEVELOPMENT WHICH SUBSTANTIALLY ADD TO PROPERTY VALUE.

HOW MUCH COULD I GET?

DOING A MAJOR UPGRADE TO A COMMERCIAL BUILDING WITHIN THE TIF WILL RESULT IN AN INCREASE IN YOUR PROPERTY TAXES. A PERCENTAGE OF THE TAX INCREASE AMOUNT CAN BE REBATED FOR UP TO 23 YEARS. THIS CAN BE USED TO OFFSET REHAB COSTS, THE PURCHASE OF THE BUILDING AND EVEN INTEREST ON A REHAB OR PURCHASE LOAN. THE PERCENTAGE YOU RECEIVE IS BASED ON THE VALUE OF THE IMPROVEMENT TO THE OVERALL ENHANCEMENT OF TIF DISTRICT ECONOMIC DEVELOPMENT.

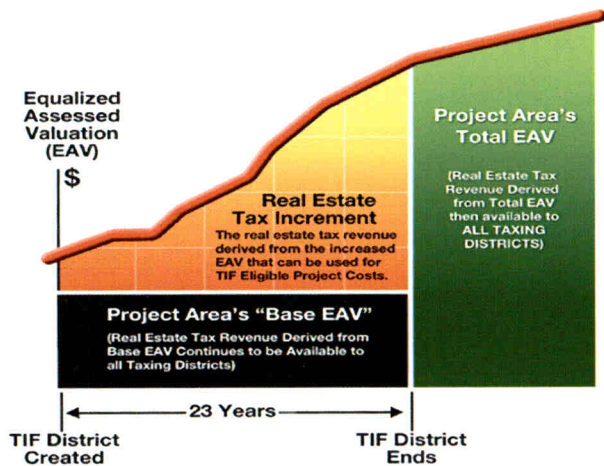
HOW DO I APPLY?

FILL OUT THE APPLICATION AND SUBMIT TO CITY HALL. IF YOU HAVE QUESTIONS, PLEASE CONTACT MAYOR KEN WILLIAMS (BUSINESS CARD ATTACHED).

WHAT TYPES OF EXPENSES QUALIFIES FOR TIF MONEY?

QUALIFIED EXPENSES FOR PROPERTIES WITHIN THE TIF DISTRICT INCLUDES THE FOLLOWING ITEMS:

1. PURCHASE OF THE PROPERTY
 2. REHAB OF THE PROPERTY
 3. INTEREST ON ANY LOAN TO PURCHASE OR REHAB THE PROPERTY
- EXPENSES WHICH DO NOT QUALIFY INCLUDE ANY NON-CAPITAL ITEMS SUCH AS FURNISHINGS, DRAPES, OR NON-FIXTURE ITEMS.



IMPORTANT TIDBITS

- 1.) TIF AREA PROPERTIES ARE ASSESSED AND TAXED THE SAME AS IN NON-TIF AREAS.
- 2.) TIF DISTRICT TAX REVENUES CAN BE SHARED WITH SCHOOLS.
- 3.) PROPERTY TAX REVENUE GENERATED FROM PRIVATE DEVELOPMENT WITHIN A TIF IS CONSIDERED TO BE NEW REVENUE, WHICH WOULD NOT HAVE OCCURRED WITHOUT PUBLIC INVESTMENT/SUPPORT.
- 4.) THE CITY OF OREGON CONTROLS THE ALLOCATION AND DISBURSEMENT OF FUNDS WITHIN THE TIF DISTRICT.
- 5.) THE ILLINOIS TIF ACT ALLOWS TIF DISTRICTS TO EXIST FOR A MAXIMUM OF 23 YEARS.
- 6.) THE FULL TAX BASE, INCLUDING THE NEW GROWTH, BECOMES AVAILABLE TO ALL TAXING BODIES FOR THEIR USE AFTER THE TIF DISTRICT ENDS.

FOR MORE DETAILED INFORMATION, PLEASE VISIT:
[HTTP://WWW.TIFILLINOIS.COM/FAQ.HTML](http://www.tifillinois.com/faq.html)

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ARE YOU IN THE TIF DISTRICT?

