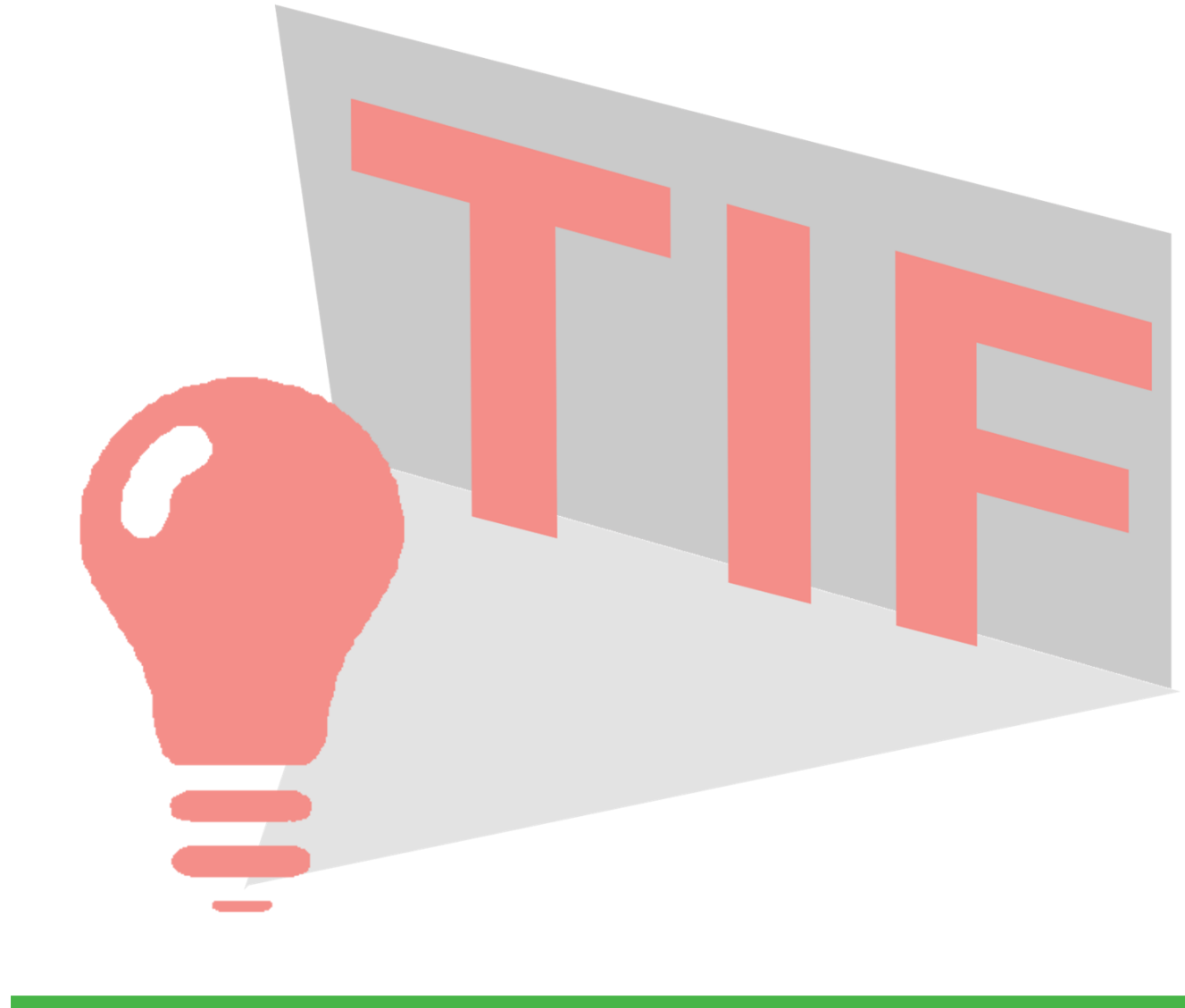


Most Frequently Asked Questions about TIF & BDD

KATHLEEN FIELD ORR

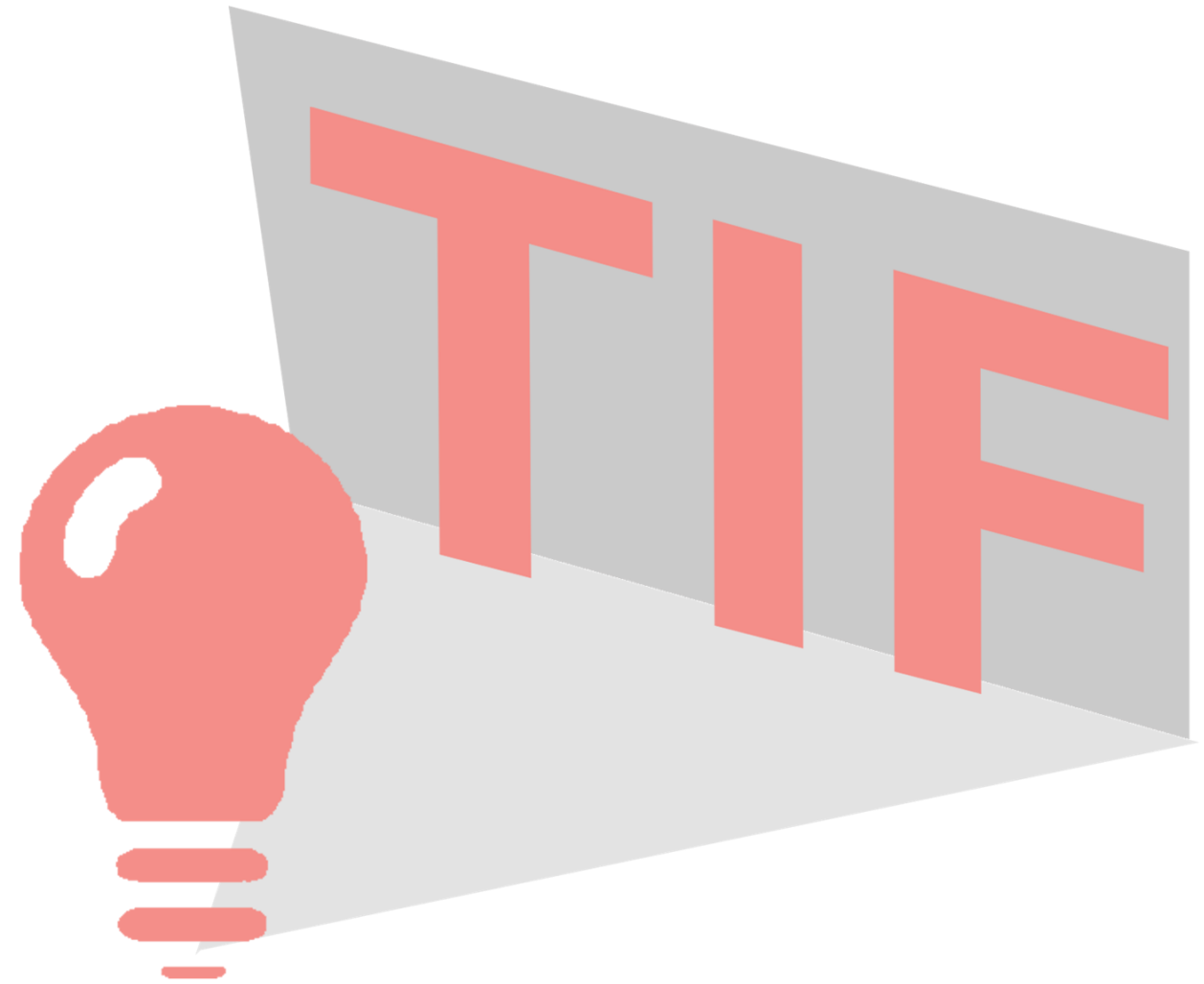
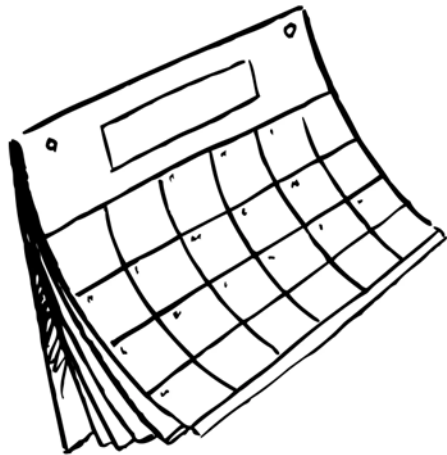
FAQ 1

- How come one consultant allows a payment and another consultant does not? Which determination should be followed?



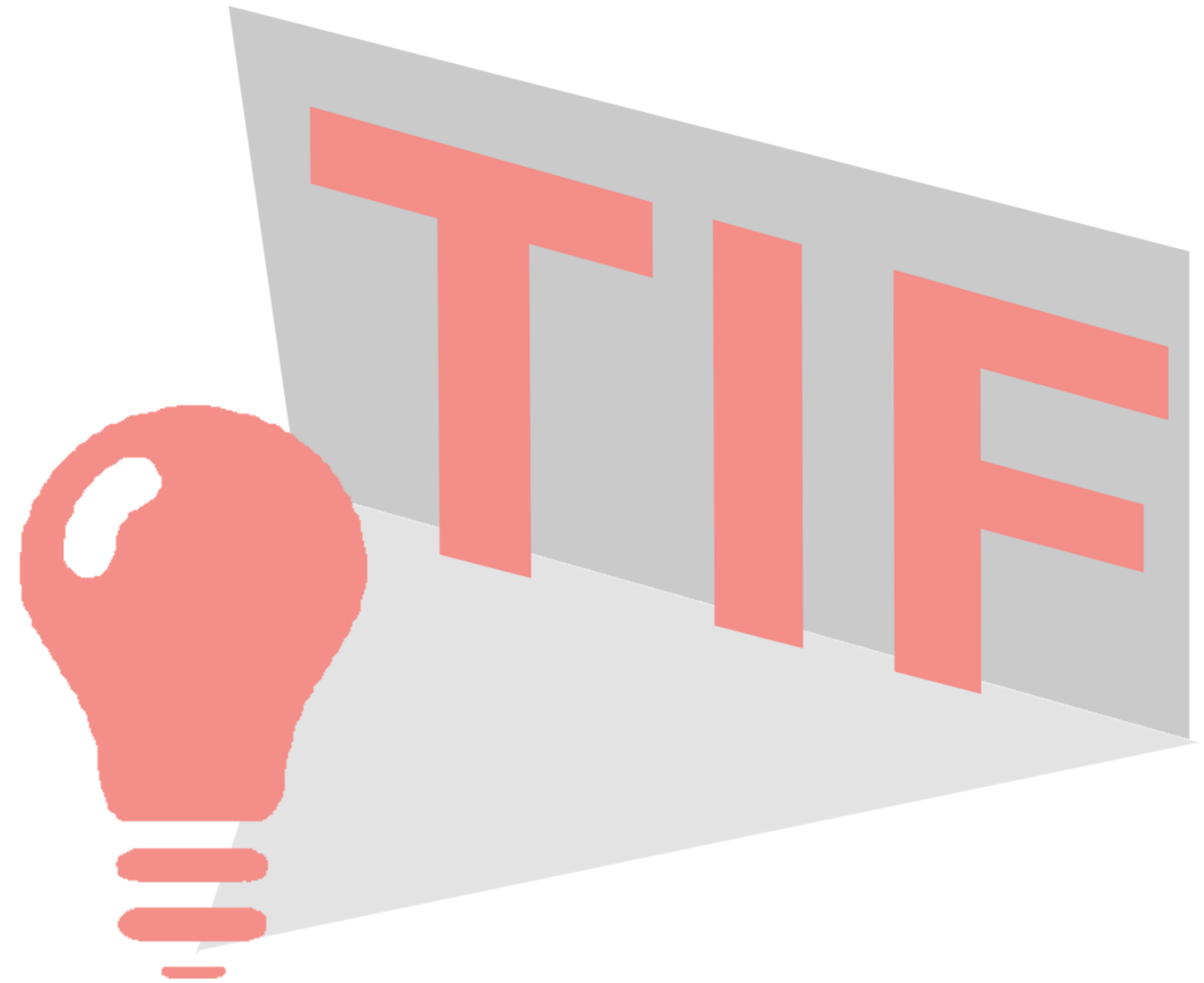
FAQ 2

- What happens if the publication date for the public hearing has not been met?



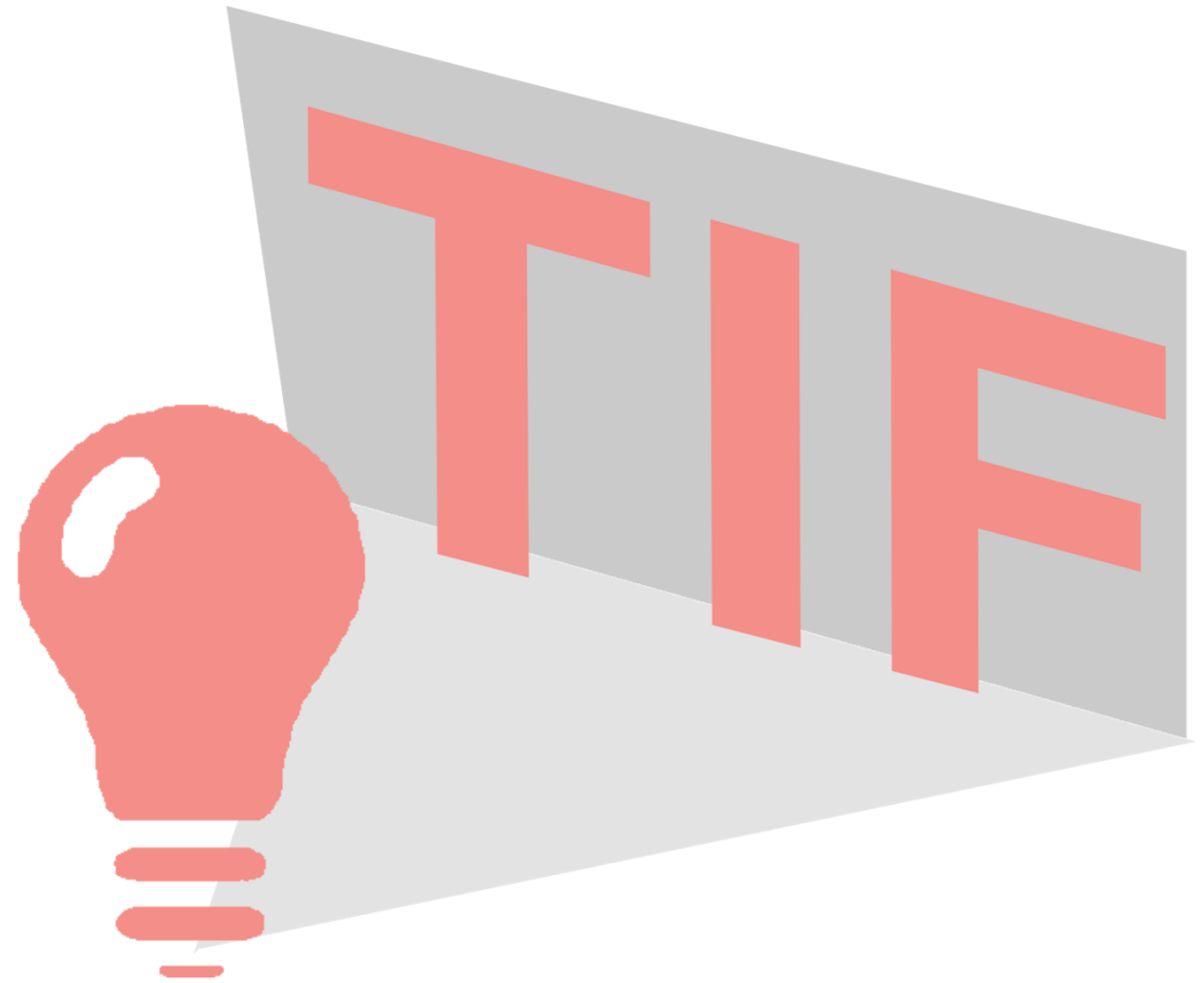
FAQ 3

- What if more than ninety (90) days are needed between the public hearing and the adoption of the TIF?



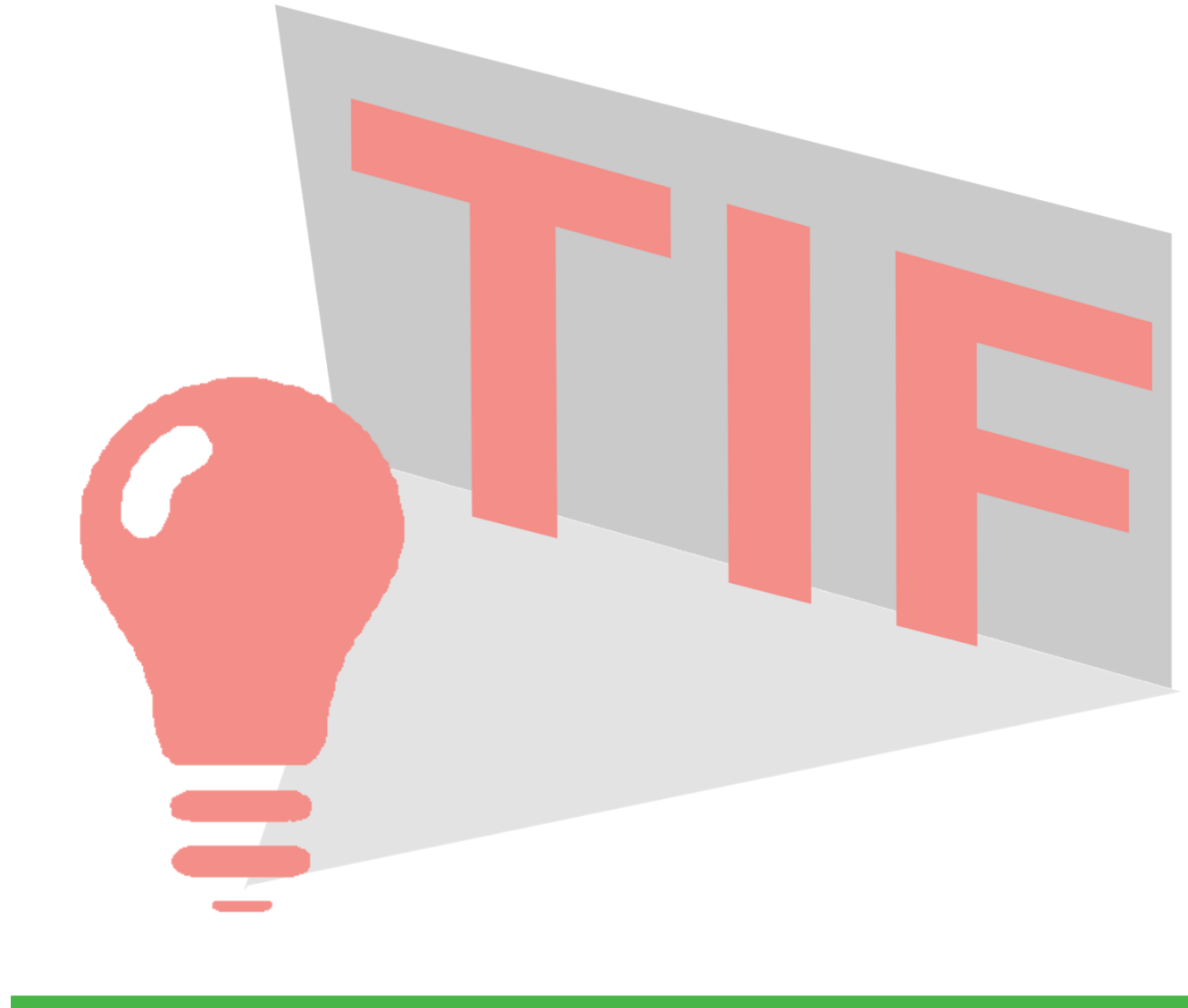
FAQ 4

- Who may serve as the public member of the joint review board?



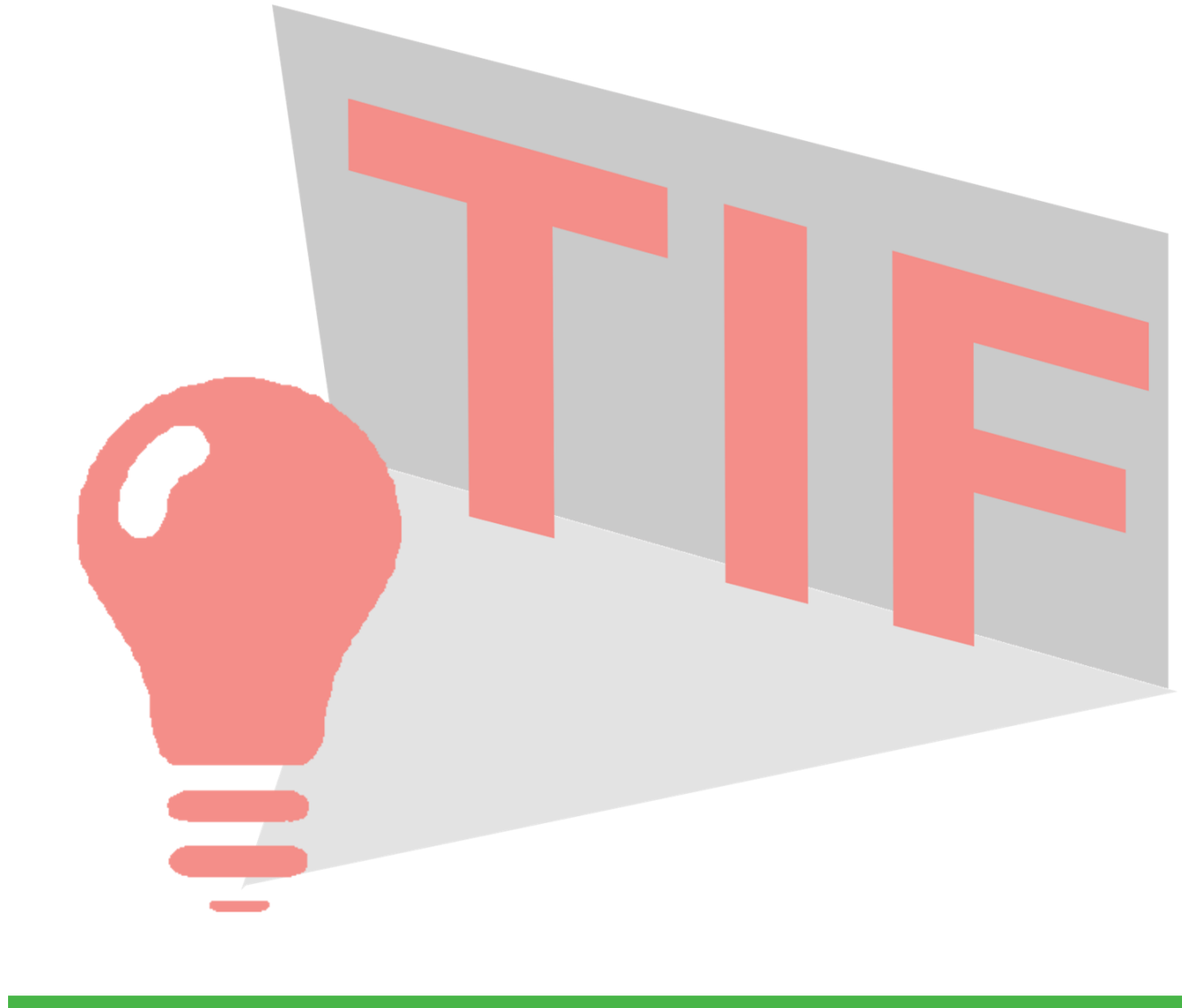
FAQ 5

- What costs are included in the “site preparation”?



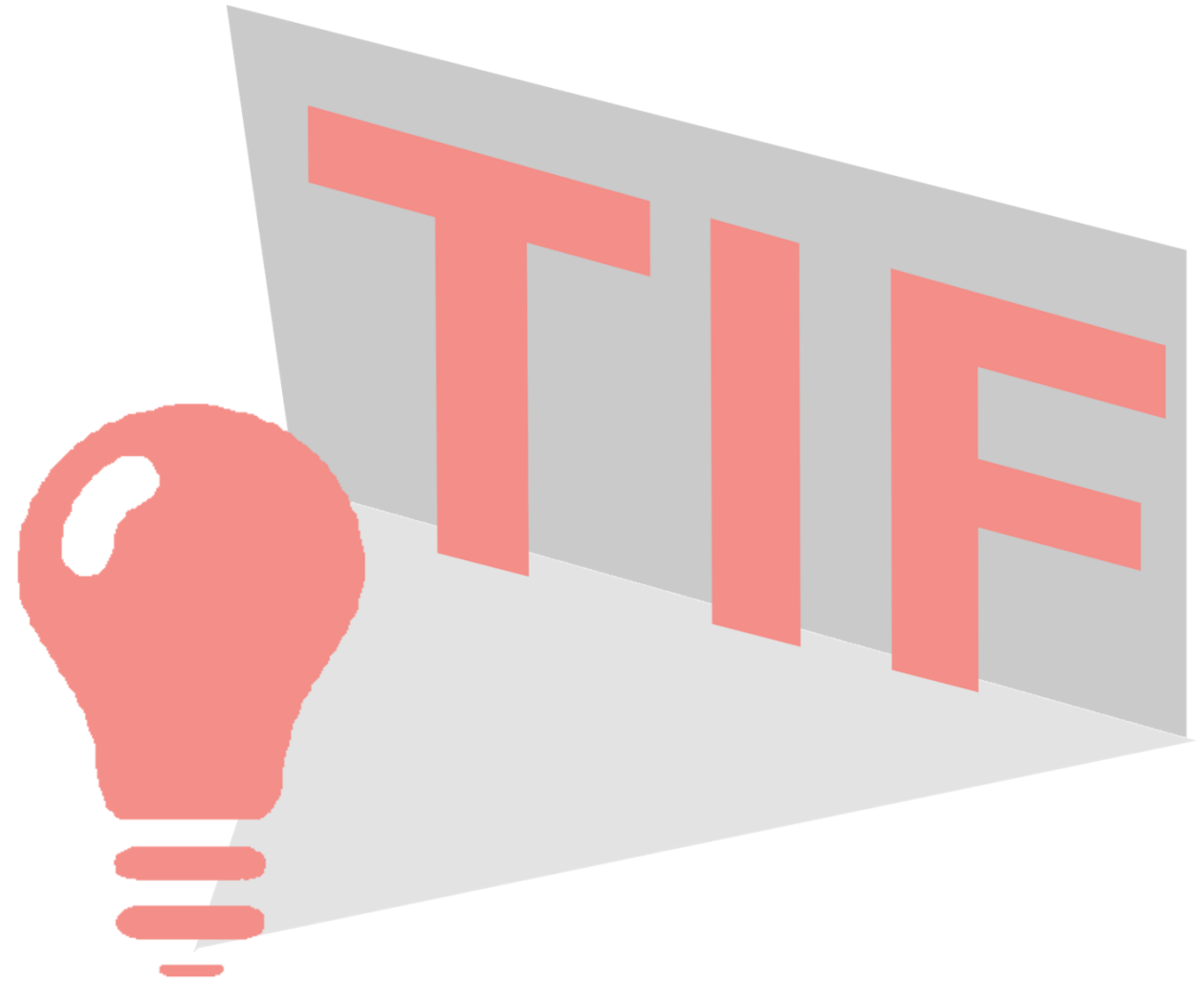
FAQ 6

- Can a distribution of funds be made to the school district for “capitalized costs”?



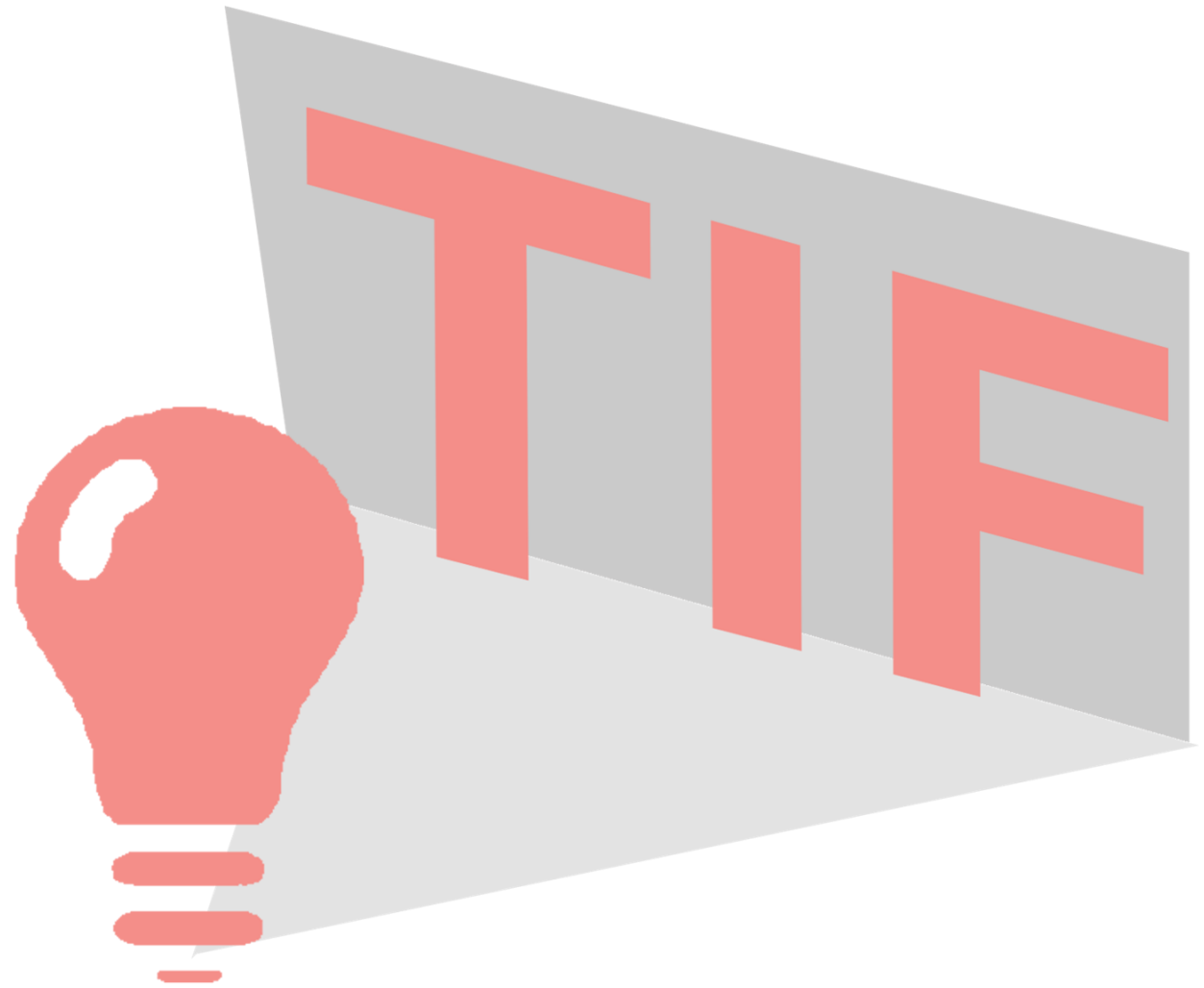
FAQ 7

- Can equipment, i.e. machinery or tools to operate a business, be reimbursed from the TIF?



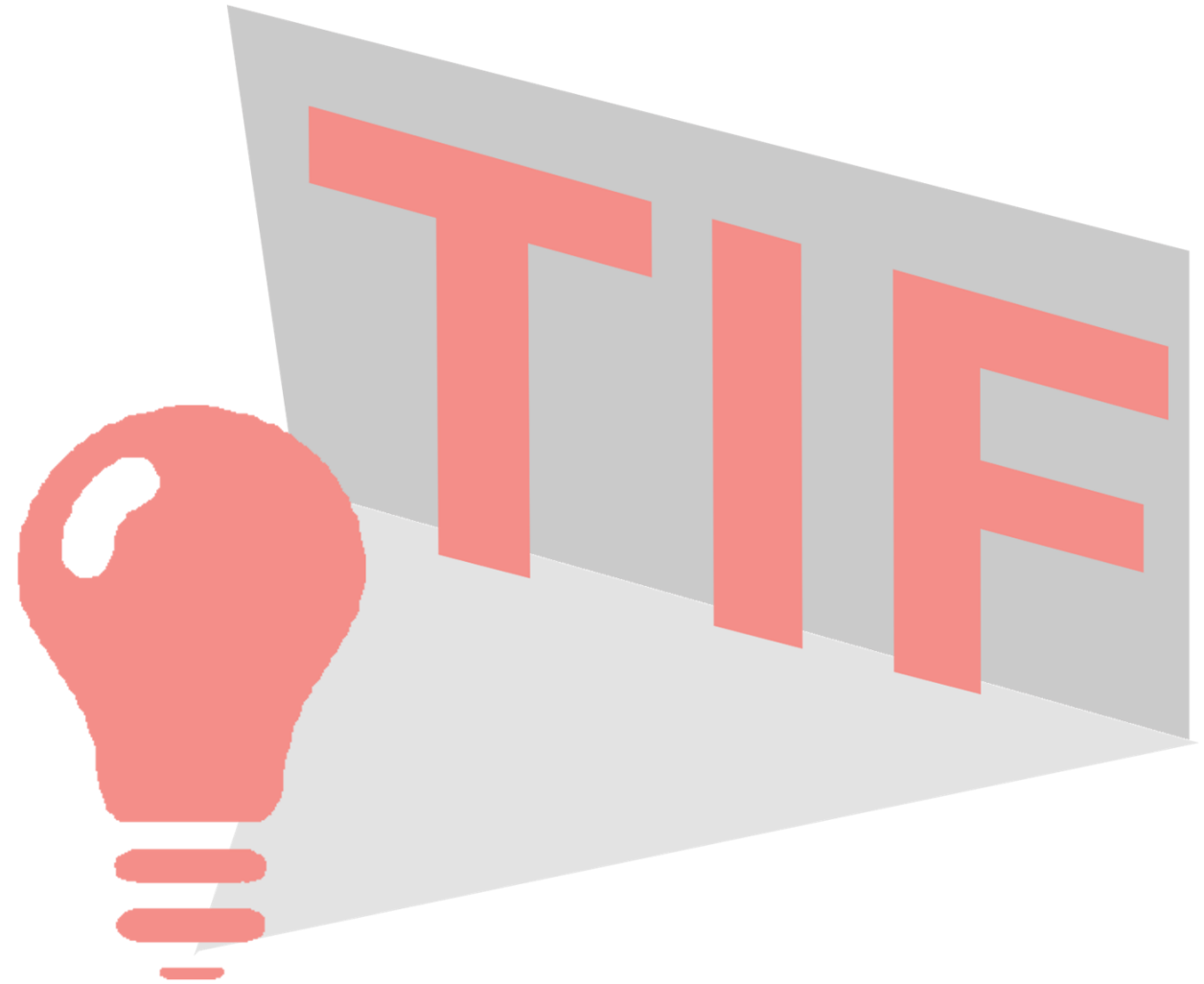
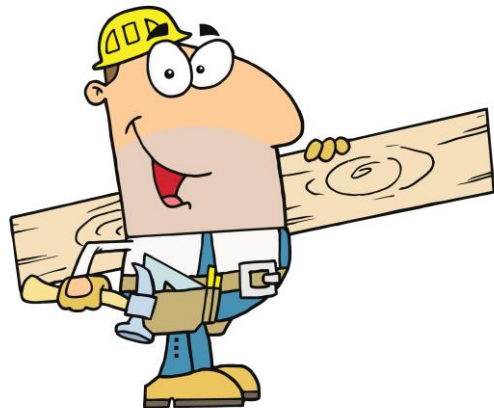
FAQ 9

- Can parking lot improvements be paid with TIF funds?



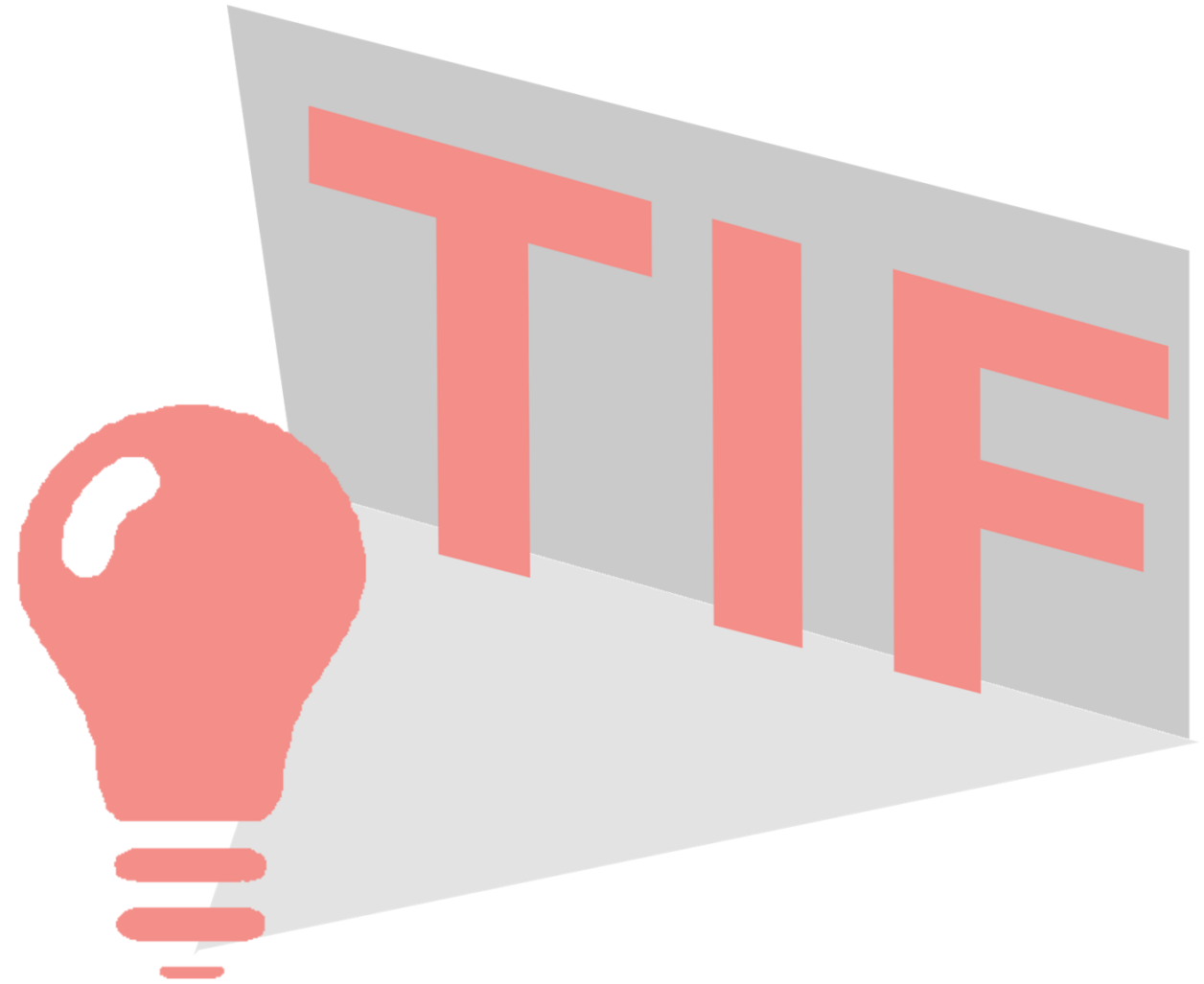
FAQ 10

- If a developer does the work himself/herself can the developer be reimbursed for the value of the work performed?



FAQ 11

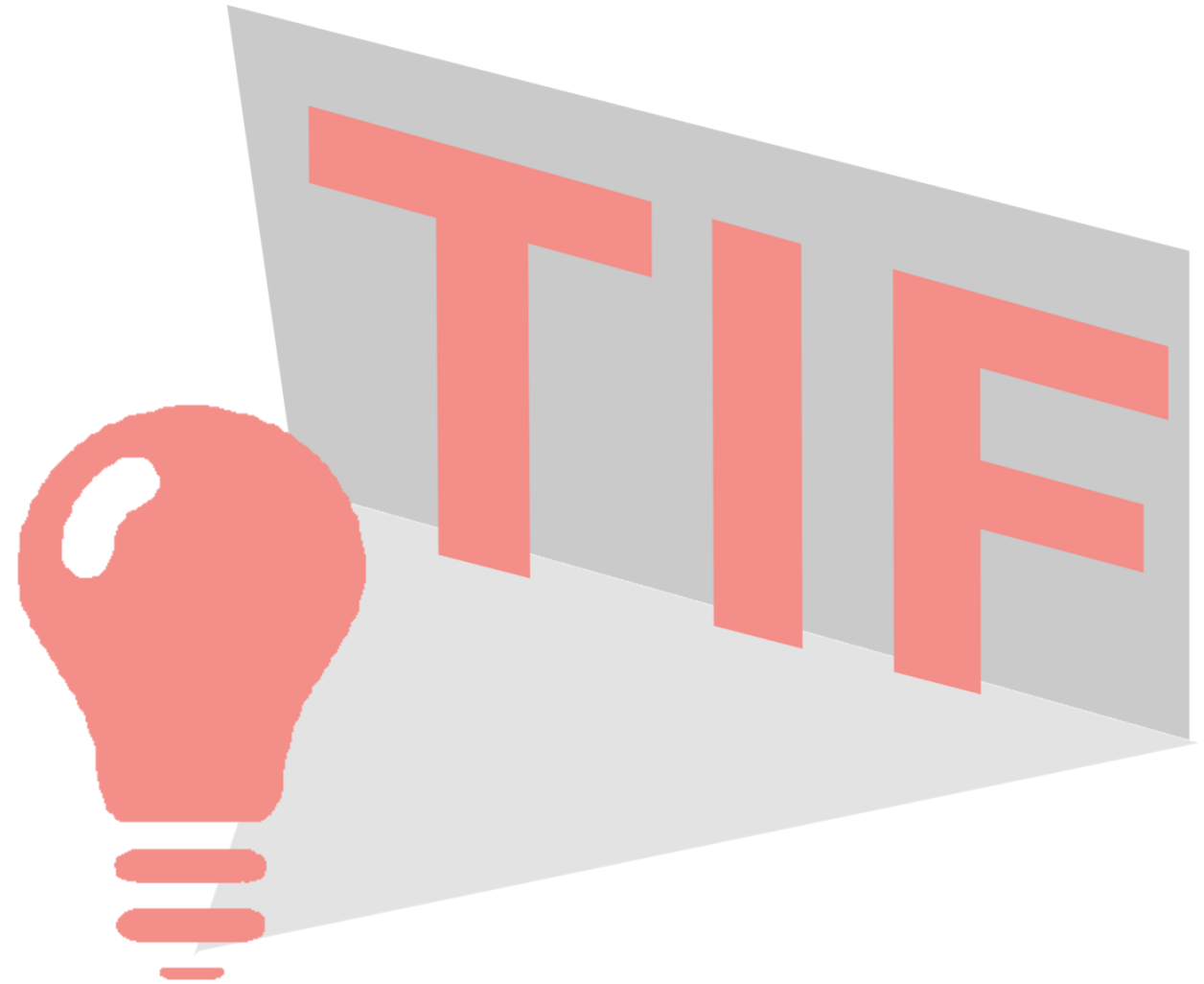
- Can the cost of building permits be paid by the TIF?



FAQ 12

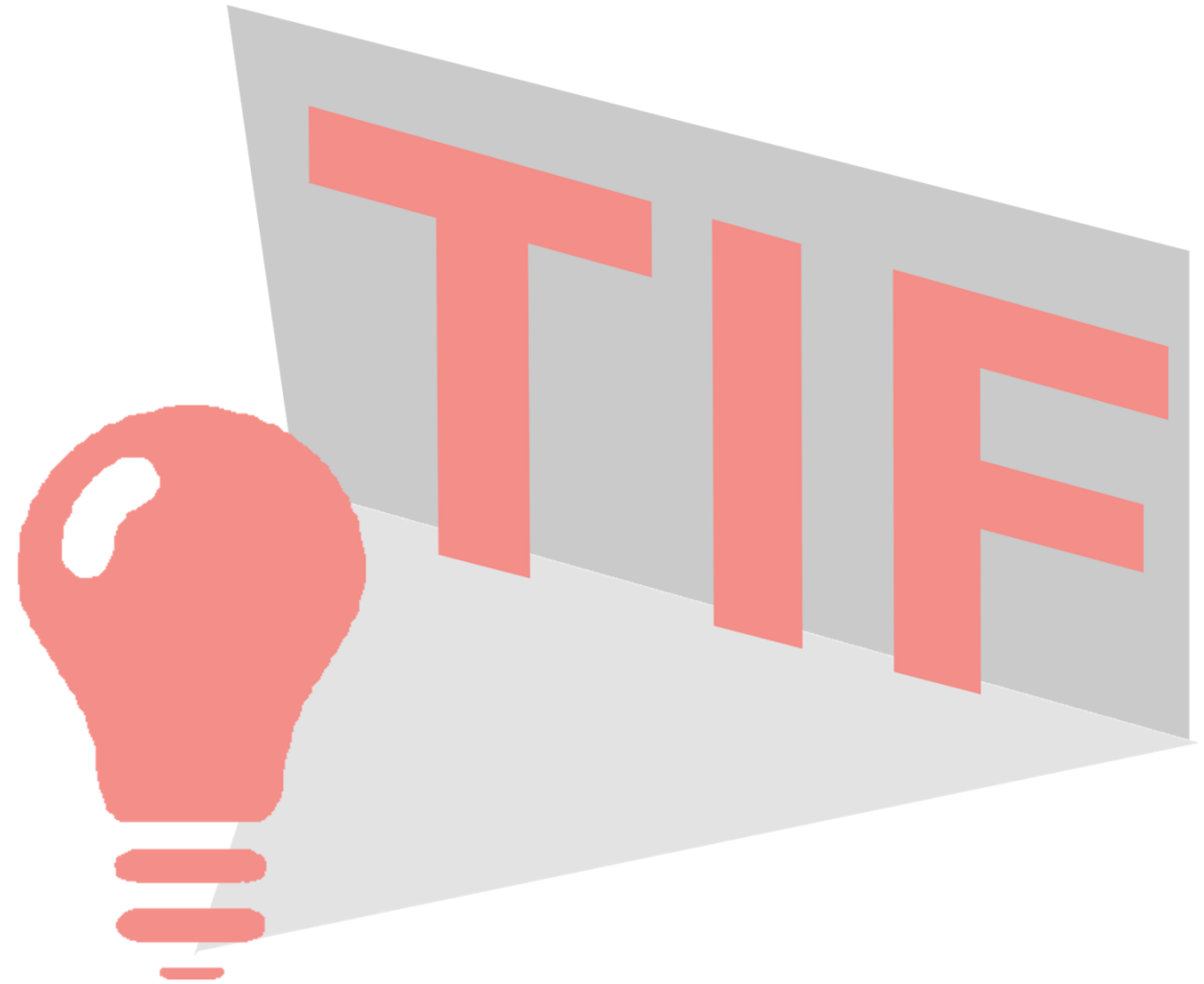
- What does “without limitation” as included in the opening paragraph to [section 11-74.1-3\(q\)](#) mean?

“Redevelopment project costs’, except for redevelopment project areas created pursuant to subsection (p-1) or (p-2), means and includes 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...”



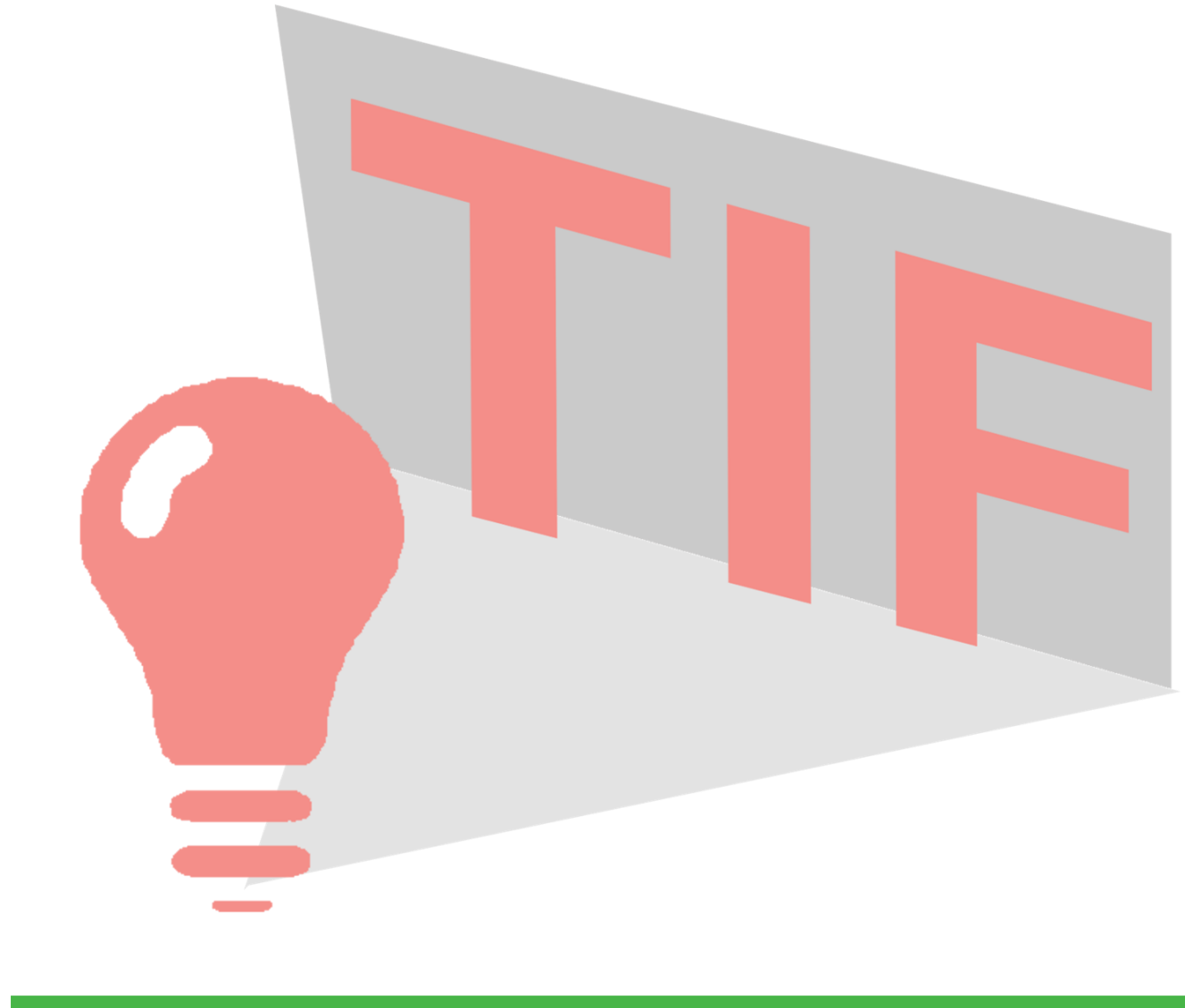
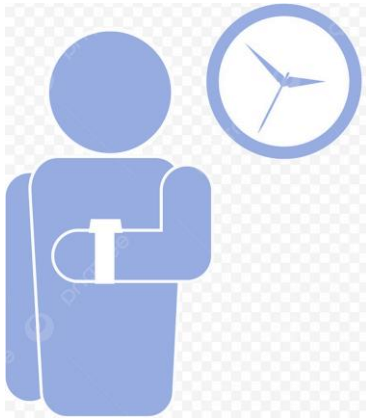
FAQ 13

- What statute must be followed when municipal within the TIF is sold? The TIF Act or the Illinois Municipal Code?



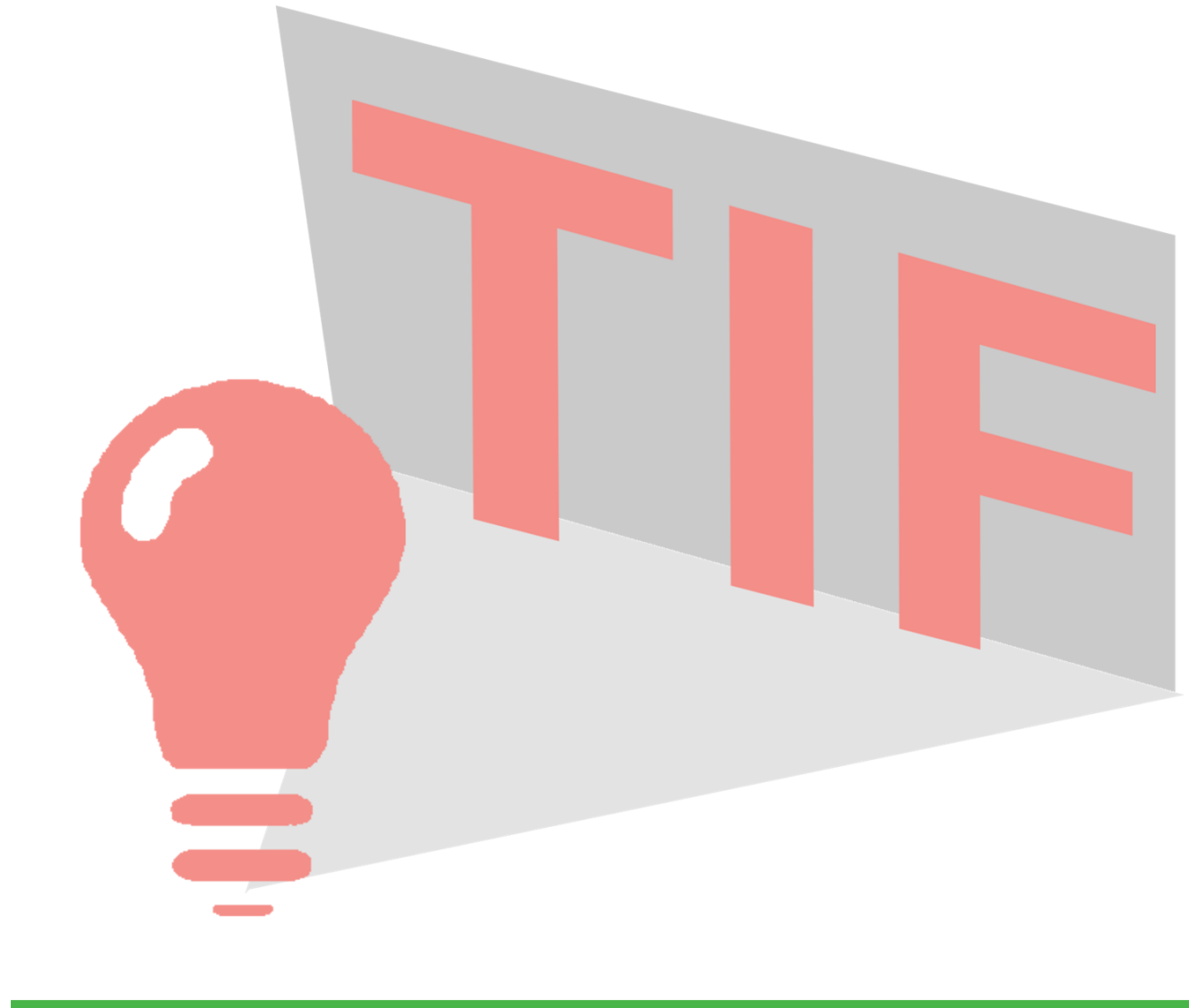
FAQ 14

- The TIF Act requires that terms of the sale of municipal property to be published with an opportunity for alternate proposals. How long must the municipality wait?



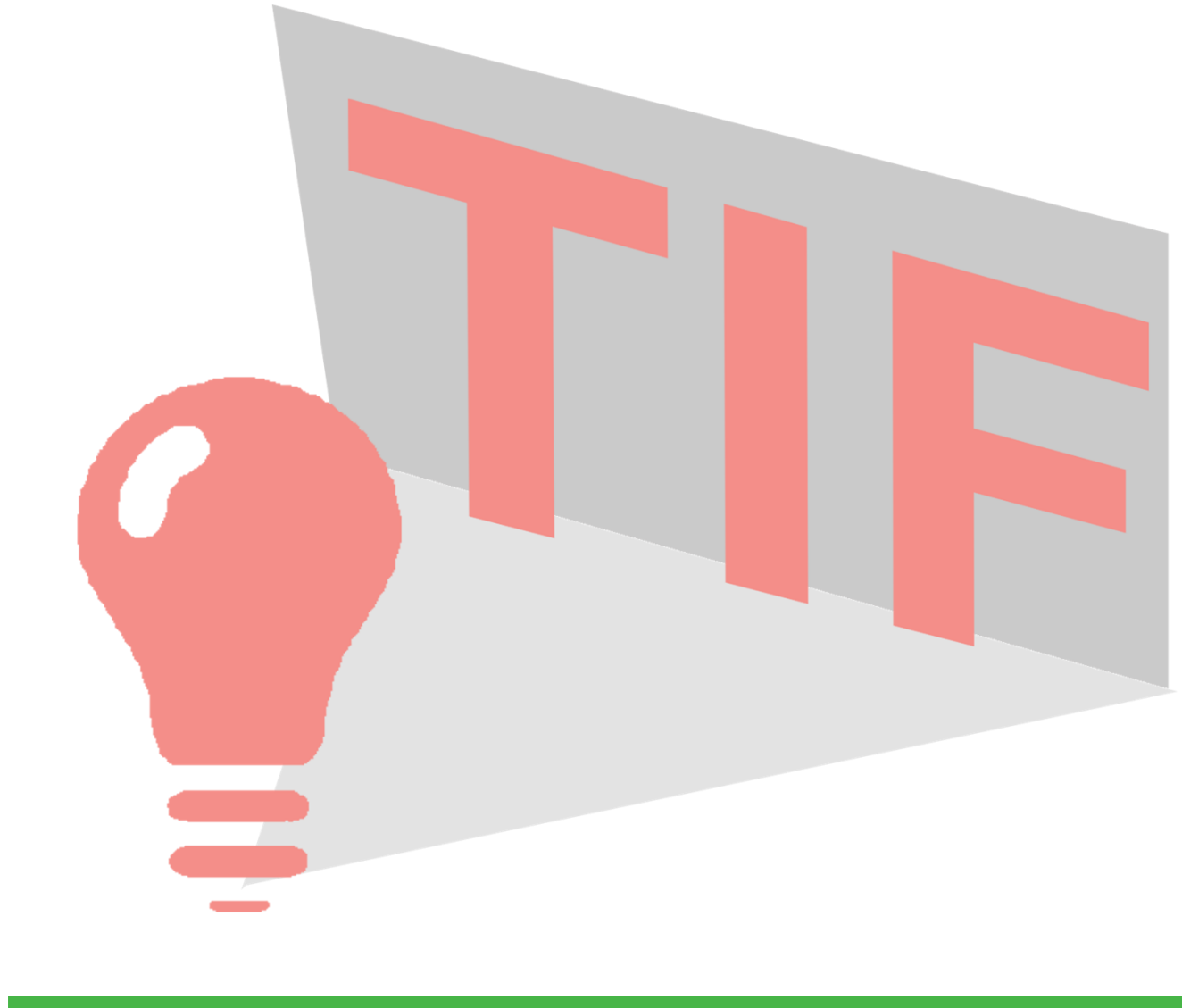
FAQ 15

- Is the municipality required to prepare a ten-year status report of the TIF and hold a public hearing after published notice of no less than twenty days?



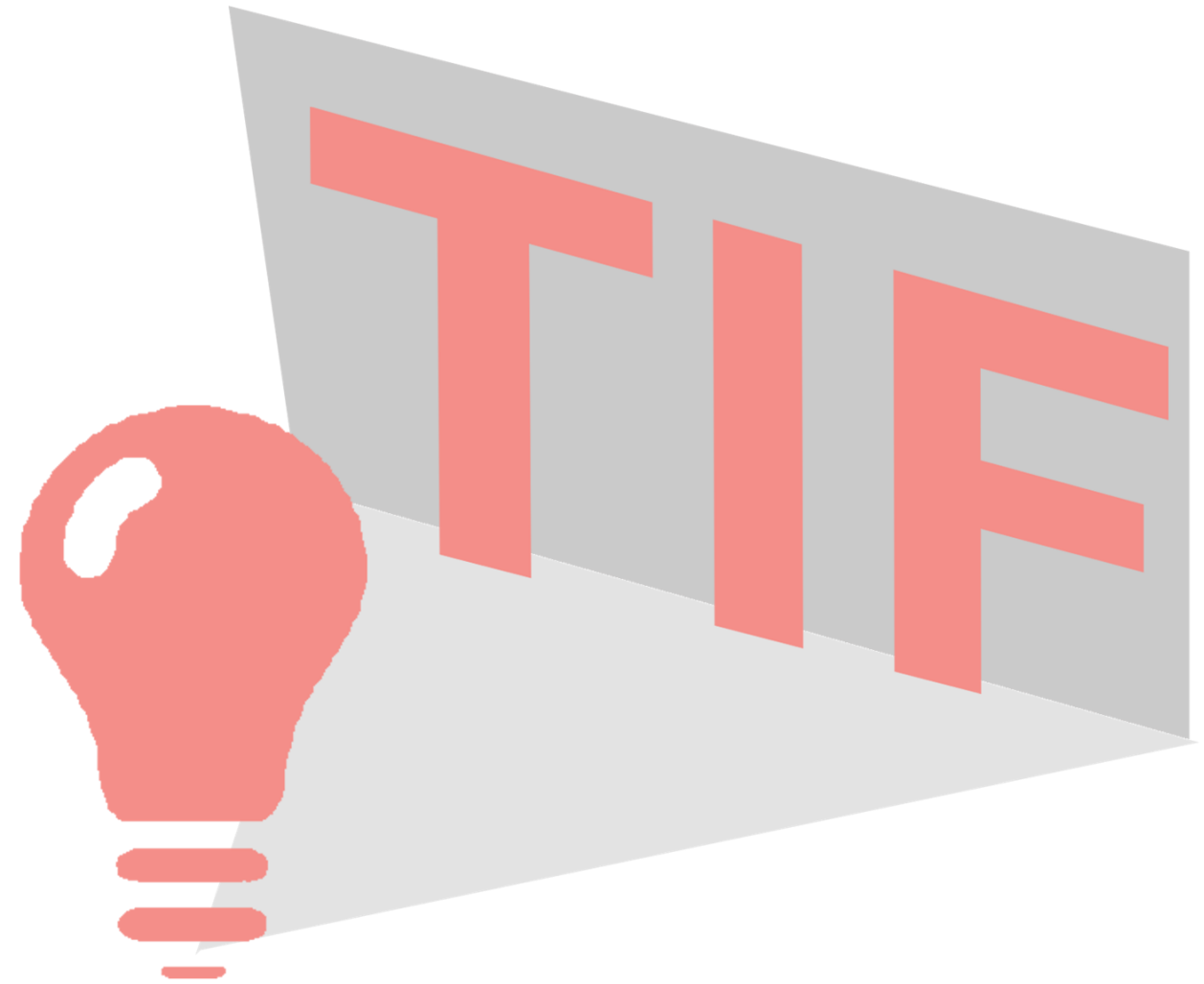
FAQ 16

- May the municipality retain funds in the special TIF Allocation Fund for future projects?
- [11-74.4\(8a\)\(6.1\)](#)



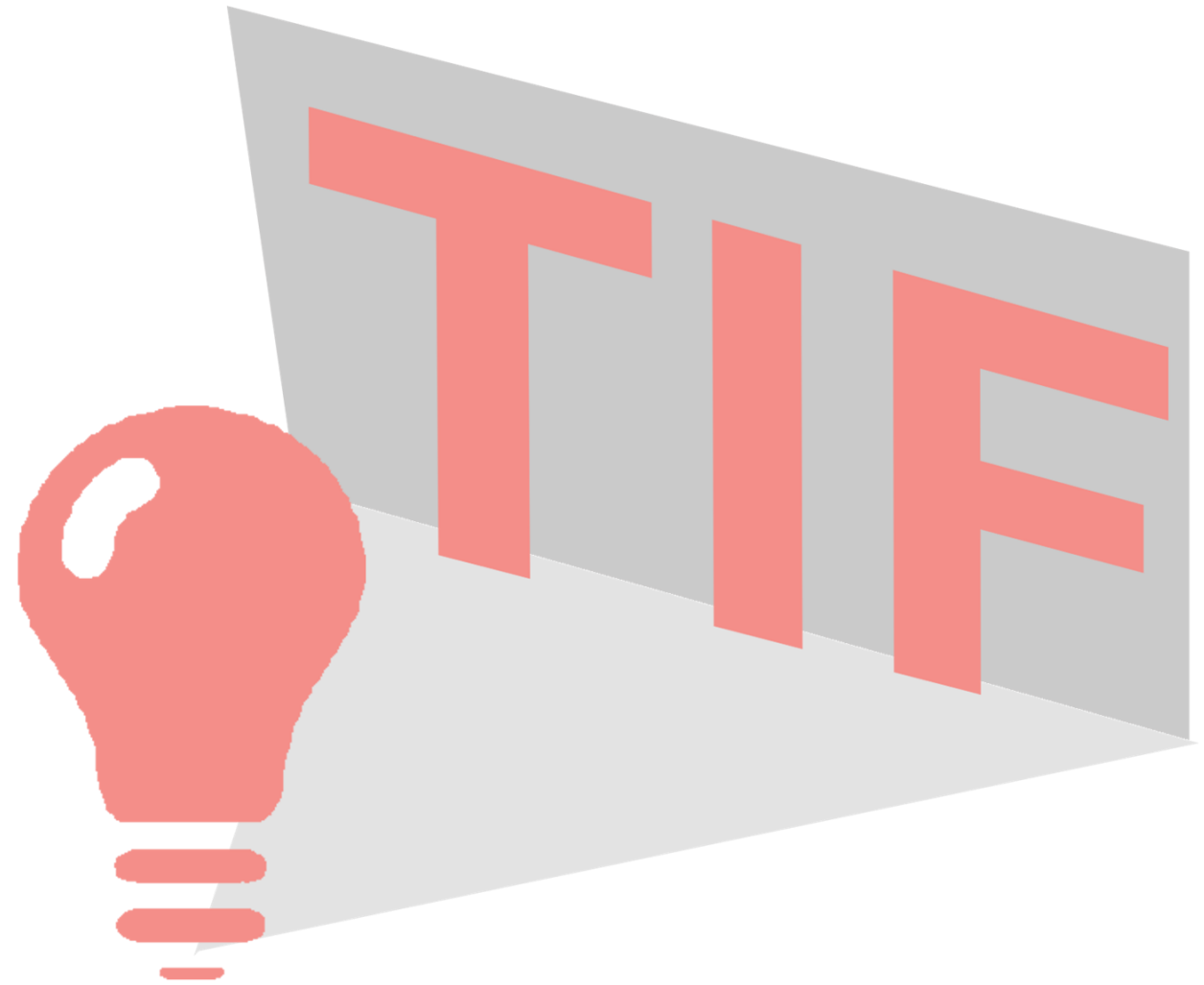
FAQ 17

- Must a TIF be terminated before twenty-three (23) years?
- 11-74.4-4(r)



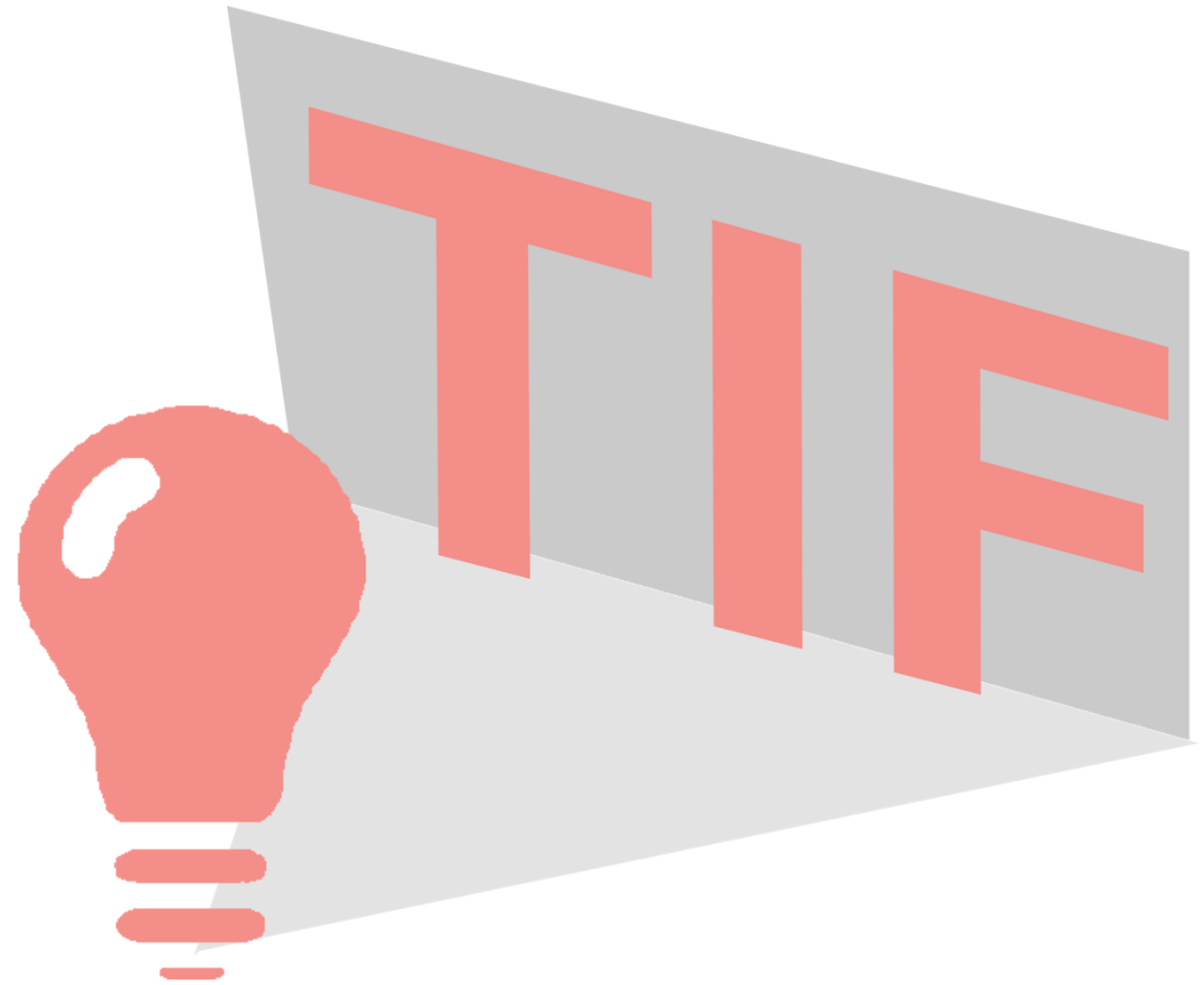
FAQ 18

- What if the time of the TIF has ended and funds remain in the Special Tax Allocation Fund?



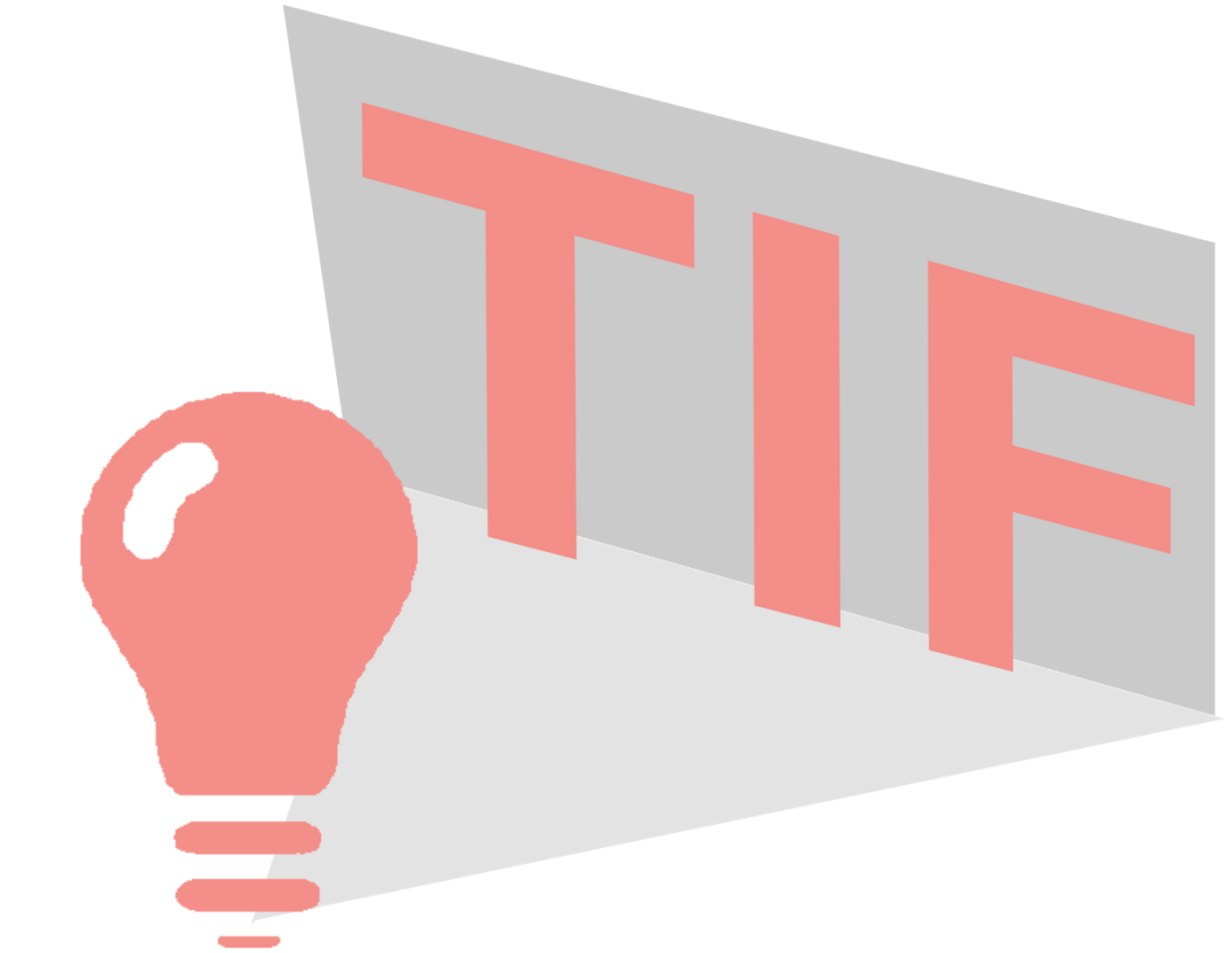
FAQ 19

- Can 100% of the developer's interest costs during construction be paid with TIF funds?



FAQ 20

- What if the municipality failed to give the taxing districts notice of the termination?



Business District Development and Redevelopment Law

- [65 ILCS 5/11-74.3-1](#)



1. What are the statutory differences between the TIF Act and the BDD Law?

- a. New construction is permitted.
- b. No limitation on construction of public buildings.
- c. No marketing costs permitted.
- d. No reimbursement for the interest paid by a developer.
- e. No annual reporting required other than reasonable accounting procedures.
- f. Final ordinance must be passed within ninety (90) days of the public hearing.



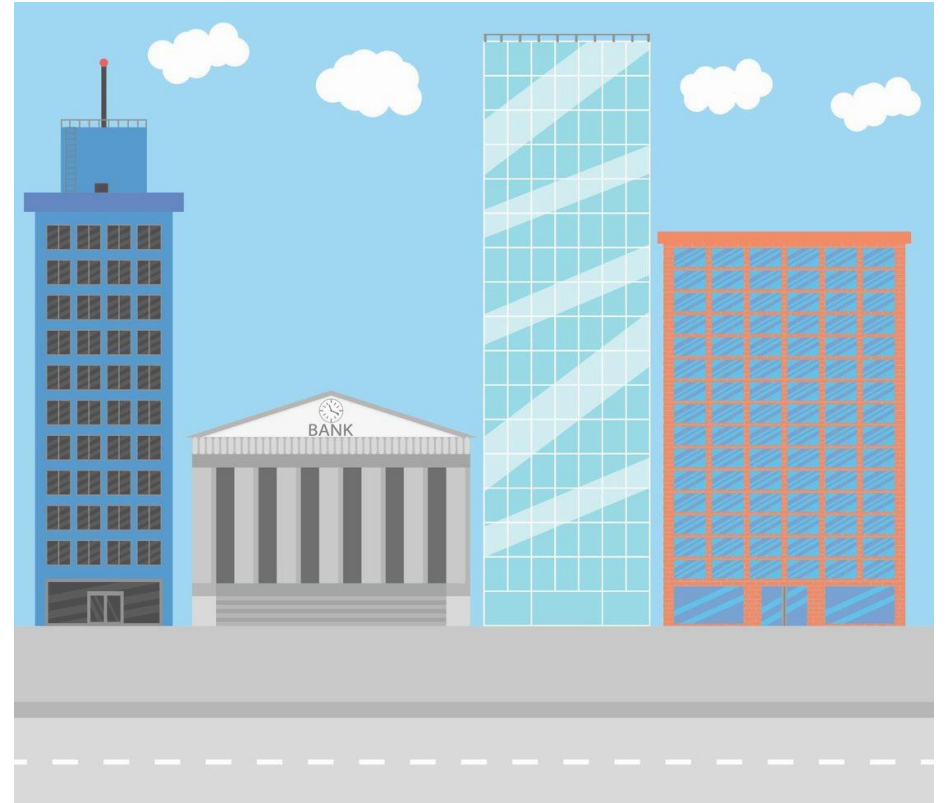
What are the statutory differences between the TIF Act and the BDD Law?

- g. Must be terminated within 270 days of the 23rd anniversary.
- h. 23 years means 23 years from the month of the first tax imposition.
- i. Property acquired may be mortgaged.
- j. Equipment costs may be reimbursed.
- k. Authorizes the payment of the cost of utilities without limitation.



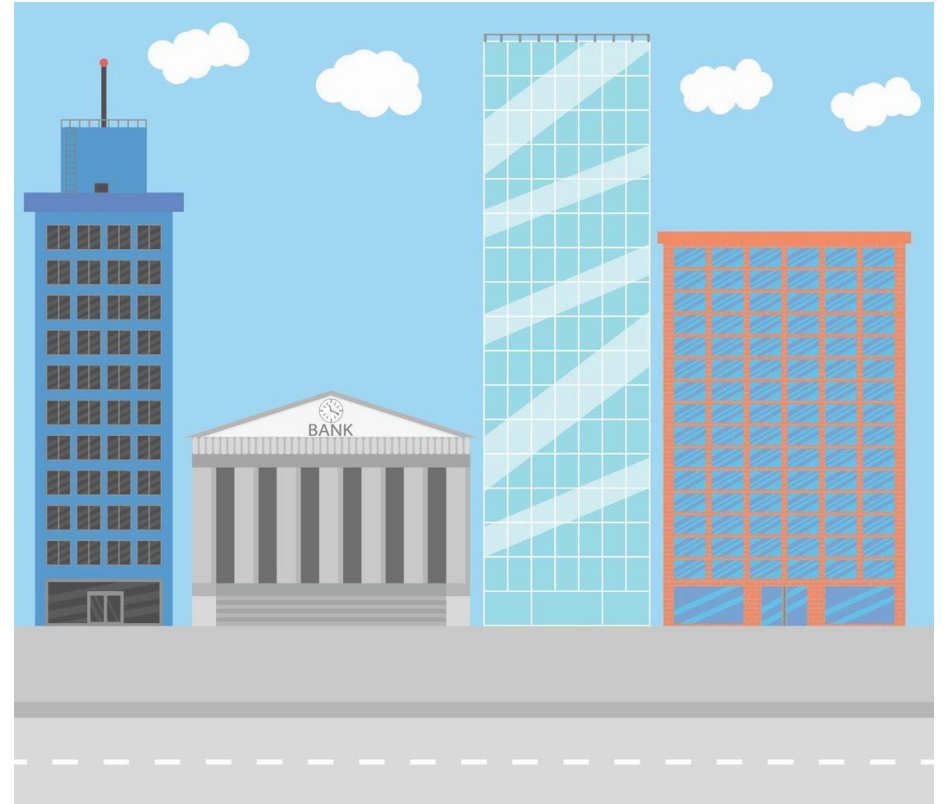
BDD FAQ 2

- Can a project be financially assisted with BDD funds if it does not pay retail taxes?



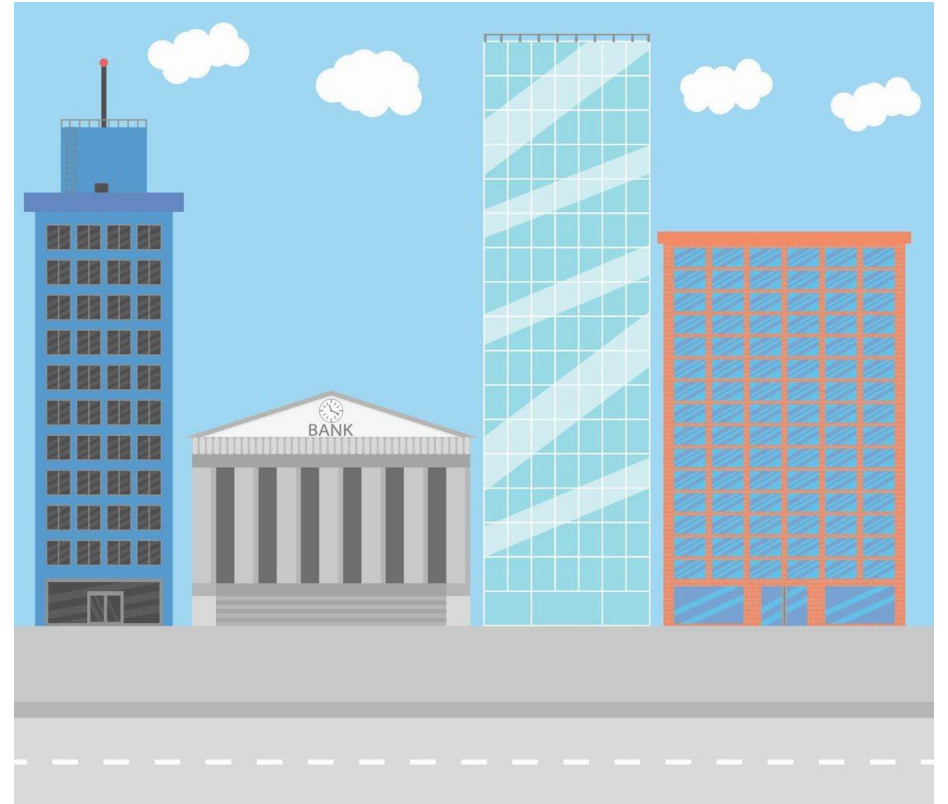
BDD FAQ 3

- Can BDD funds be used to pay costs of other taxing districts?



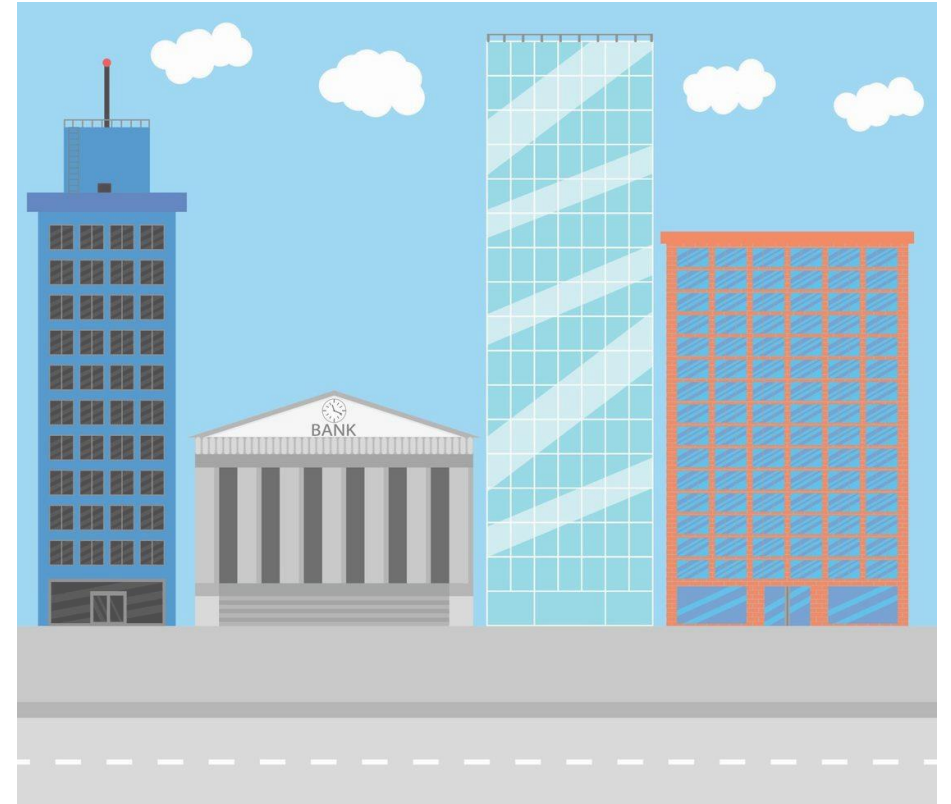
BDD FAQ 4

- Does the definition of a “Blighted Area” limit anything?



BDD FAQ 5

- May residential property be included in a BDD?



ANY QUESTIONS?

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