

## TIF Frequently Asked Questions

1. Will this increase my taxes?
  - a. The creation of a TIF District has no direct impact on your taxes. If the TIF District is successful throughout its 23-year lifespan, property values in the surrounding area will increase. If this occurs, there may be a related increase to property taxes.
2. How do you measure the success of a TIF?
  - a. There are several ways to measure the success or failure of a TIF district. They include the trend of the EAV within the district, the number of new residential units constructed, new square footage of retail space, vacancy rate of retail/office uses, appearance of public spaces within the district, and more.
3. Do all TIFs succeed?
  - a. No. There are examples of TIFs in other communities that have not succeeded for a variety of reasons. Establishing the TIF is nearly step one in creating successful economic growth. Once a TIF is established, it is the responsibility of the municipality to utilize its creation in ways that attract new developments, something the Village treats as an utmost priority.
4. Will the establishment of the TIF require the Village to take out loans?
  - a. The establishment of the TIF does not necessarily require that the Village take out any loans. The Village will evaluate all projects on a case-by-case basis to determine the appropriate Village contribution, if any, to each project.
5. What are the administrative costs of the TIF, and how will they be paid?
  - a. The only administrative costs associated with the TIF relate to consulting fees necessary to establish the TIF, annual audit fees, and any legal/consulting fees resulting from negotiating development agreements for projects. These expenses are eligible to be paid for with TIF funds.
6. How do you know development would NOT take place in these areas in the absence of a TIF?
  - a. This is a valid question that applies to all TIF districts and that can't be answered definitively without a crystal ball. The historical trend in our Heritage District is that the TIF is necessary to spur reinvestment and redevelopment.

7. How will this affect businesses outside the TIF if they don't receive the tax breaks that those inside the TIF will?
  - a. Firstly, the businesses (and all property owners) don't receive a tax break because they are located in the TIF district. All of these property owners pay the same level of property taxes as all other property owners outside of the TIF boundary. Secondly, in 2022, the Village created the Infrastructure & Commercial Redevelopment Assistance Program in an area nearly identical to the boundaries of the proposed Heritage TIF District that provides matching grants to qualified, sales tax-producing businesses to improve their establishments.
8. How will this affect the tax revenue our schools demand? Will that revenue be reduced, and if so, will the school's budget be reduced or will other taxpayers be required to pay more to meet those demands?
  - a. The TIF will not affect the tax revenue that the local schools rely upon. The districts will continue to levy their budgets annually as they normally do and will continue to receive property taxes on the base EAV from the TIF district properties.
9. Why is choosing geographical winners and losers by creating a TIF... a better idea than just slightly reducing taxes for all businesses within Pingree Grove?
  - a. TIF is one of the most effective economic development tools available to communities to stimulate private investment in areas that otherwise would not. TIF boundaries allow for targeted reinvestment within an area proven to need assistance; this analysis is reflected in the TIF Eligibility Study. Reducing taxes for all businesses within the Village would not result in increased private investment within the Heritage District.
10. Why is a TIF being established? Who asked for this?
  - a. The Village's elected officials have been discussing the desire to promote economic development in the Heritage District since the early 2010s; This was further outlined in the Village's 2015 Comprehensive Plan. After continuing discussion and research, staff believed establishing a TIF in the Heritage District was the best way to help achieve this goal.