

INSTRUCTIONS

This form is derived from the reporting requirements in the Illinois Municipal Code for redevelopment project areas (TIF districts) designated under one of two sections: The Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.] For any problems regarding the preparation or submission of this form, please call the Local Government Division at (312) 814-2451.

The form is presented in a text document and as a set of computer spreadsheet files on the enclosed diskette, formatted in Microsoft Word 97 and Microsoft Excel 97. Most text and spreadsheet software programs can convert these files. If your program will not support this format, please contact the Local Government Compliance Manager at (312) 814-2451.

All documents and diskettes should be mailed to: Local Government Division, Office of the Comptroller, 100 W. Randolph, Suite 15-500, Chicago, IL 60601. You may e-mail documents to locgov@mail.ioc.state.il.us. Please label all of your mail and electronic correspondence with the name of the municipality and the unit code number (located in the upper right corner of the contact information section).

Opening the Text and Spreadsheet Files on the Diskette

Place the enclosed diskette in your disk drive. Open Microsoft Word or any other text software program you use. Open the template file "INSTRUCTIONS.doc" by double clicking on it. This document contains the Instructions for filling out the TIF form. Open the template file "TIFSEC1.doc" by double clicking on it. This document contains Section 1 of the TIF form. If your software program cannot read these file types, contact the Comptroller's Office for further assistance.

After you have completed Section 1 and saved it to a file with your municipality in the file name (see below), open the template file "TIFSEC2_8.xls" for Sections 2 through 8 of the forms. If your software program will not read Excel files, try "TIFSEC2_8.wk3", for Lotus 1-2-3 users

When you open the file, note that Sections 2 through 8 are eight separate worksheets in the same file. To move from page to page, single click on the tab that corresponds to the worksheet you wish to use.

Saving Files

After you have opened the template files "TIFSEC1" and "TIFSEC2_8" and begun to enter data, you must save each file with a unique file name. For example, after the City of Anytown has completed Section 1, they would save that file as "AnytownTIFSEC1" After they have completed Sections 2 through 8 for their "North River TIF", they would save that file as "NRiverTIFSEC2_8".)

Contact Information

This section contains information about your municipality and "TIF Administrator" (the contact person of record at the Comptroller's office who has been designated as responsible for submitting TIF reports on behalf of your municipality). Wherever possible, the information is customized for your municipality, based on the Comptroller's Local Government Database. If any of the information listed for your government is incorrect or missing, please enter and save the appropriate changes to the spreadsheet file and submit it with your TIF information.

Section 1

Section 1 is located in the file **TIFSEC1**, which also contains these instructions. List each redevelopment project area (TIF district) administered by the municipality, the date it was designated and (where applicable) the date terminated. **After you have completed the contact information section and Section 1, print this page and have it signed by the designated TIF administrator and mail it with your diskettes or any required paper documents.**

Sections 2 through 8

Sections 2 through 8 are located in a separate template file named **TIFSEC2_8**. **One copy of this file should be completed and saved for each redevelopment project area (TIF) designated by the municipality.** After you open the **TIFSEC2_8** file, click on 'file', 'save as'. Please name each TIF district's Section 2 through 8 information in a separate file with a unique name that includes at least part of the name of the TIF District for which you are reporting.

Section 2

List the name of the redevelopment project area (TIF district), its primary focus or use, and component types (if primary use is combination/mixed). Then indicate under which section of the Illinois Municipal Code the redevelopment project area was designated.

In addition to this form, you are required to provide the documents listed in Section 2 to the Comptroller, when applicable. You can send the documents by attaching them to this program in a Microsoft Excel, Microsoft Word or a text format file. If you can not provide the documents in a computer format, you must mail in paper copies.

Please indicate, by checking the "Attached Computer File" box or the "Separately Mailed Document" box, how you have submitted the information. If you are not required to file a particular document for this reporting period, indicate that by checking the "Not Applicable" box in that row.

Section 3.1

If this is the first year that this form is being completed for the redevelopment project area, the revenue/receipt information for the cumulative column will need to be input. In subsequent years, this amount will automatically be calculated. The cumulative totals are necessary to determine a balance by source as required by **Statute**. The % total is an automatic calculation based on each cumulative revenue source divided by the total cumulative revenues. If a surplus is calculated (See Section 3.3), it will be assumed that the sources of the surplus will be prorated based on the percentage of cumulative revenues collected, not based on current year revenues alone.

Complete Section 3.1 utilizing the basis of accounting presented in the certified audited financial statements. Therefore, the reporting year information should be the same information as presented in the audited financial statements. The fund balance at the beginning of the reporting period all revenue/receipts information will need to be entered for the reporting year. All other amounts will be calculated. Also, expenditures/cash disbursements totals will be carried forward from Section 3.2

Section 3.2

List itemized expenditures from the special tax allocation fund by category of permissible redevelopment cost. Statutorily permitted categories are listed below. Note that some categories are permissible only to Tax Increment Allocation Redevelopment TIF districts and

some only to Industrial Jobs Recovery TIF districts (see form Section 3.2). If you need more rows to accommodate itemized expenditures under a particular category, please input "other" into the last available row and attach a schedule detailing the remainder of the expenditures.

Permissible costs may be entered under each category of natural classification (ie, legal services, engineering fees) or by function/type of expenditure (ie, salaries, contractual services).

For any expenditure over \$5,000, please complete the subschedule sheet labeled "Payees". Information requested includes payee name and the total paid to that entity during the fiscal year. This schedule should include all payments made in excess of \$5,000 to other municipal funds for reimbursement of TIF eligible expenditures. (This information should be available in your municipal treasurer's report.)

The categories of permissible redevelopment costs included in 65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o) are as follows:

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, financial, planning or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected; except that on and after the effective date of this amendatory Act of the 91st General Assembly, no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years. In addition, "redevelopment project costs" shall not include lobbying expenses.

2. The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors.

3. Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land.

4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment

5. Costs of the construction of public works or improvements, except that on and after the effective date of this amendatory Act of the 91st General Assembly, redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to the effective date of this amendatory Act of the 91st General Assembly or

(ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provides the basis for that determination, that the new municipal buildi

6. Costs of eliminating or removing contaminants and other impediments required by federal or State environmental laws, rules, regulations, and guidelines, orders or other requirements or those imposed by private lending institutions as a condition for approval of their financial support, debt or equity, for the redevelopment projects, provided, however, that in the event (i) other federal or State funds have been certified by an administrative agency as adequate to pay these costs during the 18 months after the adoption of the redevelopment plan, or (ii) the municipality has been reimbursed for such costs by persons legally responsible for them, such federal, State, or private funds shall, insofar as possible, be fully expended prior to the use of any revenues deposited in the special tax allocation fund of the municipality and any other such federal, State or private funds received shall be deposited in the fund. The municipality shall seek reimbursement of these costs from persons legally responsible for t

7. Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, if those costs are: (i) 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) are incurred by a taxing district or taxing districts other than the municipality and 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
These costs include, specifically, the payment by community college districts of costs under Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs under Sections 10-22.20a and 10-23.3a of the School Code.

8. 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 including interest 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.

9. Approved Capital Costs. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project.

10. Reimbursement to School Districts For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after the effective date of this amendatory Act of the 91st General Assembly, an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing

units and shall be calculated annually as follows: (A) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations: (i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; (ii) for elementary school districts with a district average

by those housing units that have received tax increment finance assistance under this Act; and (iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act. (B) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition Charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations: (i) for unit school districts, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; (ii) for elementary school districts, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and (iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act. (C) For any school district in a municipality with a population in excess of 1,000,000, the following restrictions shall apply to the reimbursement of increased costs under this paragraph (7.): (I) no increased costs

the school district certifies that each of the schools affected by the assisted housing project is at or over its student capacity; (ii) the amount reimbursable shall be reduced by the value of any land donated to the school district by the municipality or developer, and by the value of any physical improvements made to the schools by the municipality or developer; and (iii) the amount reimbursed may not affect amounts otherwise obligated by the terms of any bonds, notes, or other funding instruments, or the terms of any redevelopment agreement. Any school district seeking payment under this paragraph (7.5) shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year,

it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects.

11. 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 or in order to satisfy subparagraph (7) of subsection (n).

12. Payment in lieu of taxes

13. Costs of job training, retraining, 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.

14. Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that: (A) such costs are to be paid directly from the special tax allocation fund established pursuant to this Act; and (B) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year; (C) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; (D) the total of such interest payments paid pursuant to this Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act; and. (E) the cost limits set forth in subparagraphs (B) and (D) of paragraph (11) shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act. The percentage of 75% shall be substituted for 30% in subparagraphs (B) and (D) of paragraph (11).

15. Cost of Construction of new housing. (F) Instead of the eligible costs provided by subparagraphs (B) and (D) of paragraph (11), as modified by this subparagraph, and notwithstanding any other provisions of this Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under this Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax

increment revenues or the proceeds of bonds issued to finance the construction of that housing. The eligible costs provided under this subparagraph (F) of paragraph (11) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (F) of paragraph (11). The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (F) of paragraph (11) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later.

16. Cost of Day Care Services. If the redevelopment project area is located within a municipality with a population of more than 100,000, the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the municipal, county, or regional median income, adjusted for family size, as the annual income and municipal, county, or regional median income are determined from time to time by the United States Department of Housing and Urban Development.

Section 3.3

1. Does the municipality have any outstanding bonds, notes or other obligations for this redevelopment project area?

If NO, enter "NA" under "description of obligation" and move to Question 2.

If YES, for each bond issue, note or other obligation include a description and state the amount of the fund balance designated for the subsequent reporting periods.

NOTE: The amount designated can be shown up to the total amount of principal and interest due on any debt obligations in future years. It is not limited to the current portion of principal and interest.

2. Did the redevelopment project area have any redevelopment project costs during or prior to the reporting period (other than obligations listed above) for projects consistent with the redevelopment plan that remain unpaid?

If YES, list with amount(s) designated, then enter total

If NO, enter "NA" under "Description of Redevelopment Project Costs to be Paid" and "zero" in "Total Amount Designated for Project Costs"

NOTE: The project costs to be paid in future can include unexecuted portions of contracts as well as projects planned but not yet contracted.

3. The "Total Amount Designated for Obligations" and "Total Amount Designated for Project Costs" are added together and then subtracted from "Fund Balance at the End of Reporting Period". This is recorded in "Surplus/(Deficit)" below. If the resulting amount is a surplus, the municipality may be required to disburse the surplus to overlapping taxing districts.

Section 4

Please complete one full description per property purchased. If needed, additional lines for property can be added to the bottom of the page.

Section 5

A review of public and private investments in this redevelopment project area, actually undertaken to date after November 1, 1999 and estimated to be undertaken during the year following the current reporting fiscal year and a ratio of public to private investment for the reporting fiscal year. On a project by project basis set forth the estimated amounts of public and private investment incurred after November 1, 1999 and provide the ratio of private investment to public investment from November 1, 1999 to the end of the reporting fiscal year and as estimated to the completion of the redevelopment project.

Section 6 through 8

These sections are optional.