

Frequently Asked Questions Concerning the Central City TIF

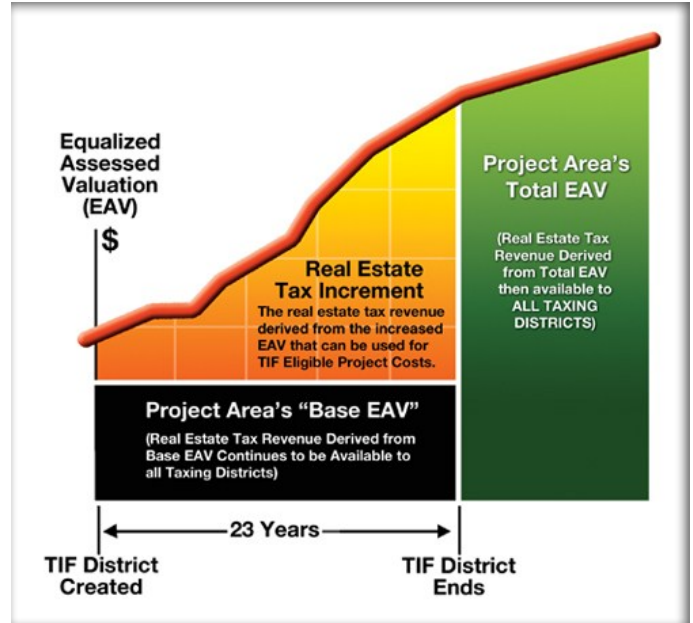
What is a Tax Increment Finance (TIF) District and how does TIF work?

Tax Increment Financing (TIF) is a local economic development tool available to Illinois communities. TIF enables municipalities to pay for public improvements and other economic development incentives using the increased property tax revenue the improvements generate in a defined district.

A tax increment is the difference between the amount of property tax revenue generated before TIF district designation (base) and the amount of property tax revenue generated after TIF designation (increase).

Once a TIF District is established, the tax increment is collected and placed in a TIF fund. TIF funds can be used to either help pay for public improvement projects or to incentivize developers to invest in the downtown area by reimbursing them for a portion of their costs.

St. Clair County will reevaluate property values every two years in connection with the property tax reassessment process. All of the overlapping taxing bodies continue to receive property tax revenue from the base amount taxes, so there is no loss of revenue to those local taxing bodies.



source: www.tifillinois.com

The maximum life of a TIF District is 23 years. When the TIF ends, the total amount of tax revenues are again shared by all the taxing bodies. At the end of the TIF, the total tax amount should be larger than from before the TIF, due to the growth which would not have been possible without the utilization of Tax Increment Financing.

The TIF District the City is looking to implement **DOES NOT ALLOW** for the use of eminent domain.

Why create a TIF District here?

As identified in O'Fallon's Strategic Plan, two of the priorities of O'Fallon's citizens and elected officials is to redevelop the Southview area and attract a diverse group of people to downtown with upscale stores and restaurants. The TIF helps provide public improvements, in conjunction with private development, in the Southview and Downtown areas. The TIF would be a tool to attract new development to the area and assist in reinvestment in existing buildings. In addition to helping private investment in the central core, the city can use funds generated from the TIF to invest in improving public infrastructure, including streets, storm water, sidewalks and parking.

Will the TIF raise or lower my property taxes?

Neither. The TIF won't affect the taxes anyone in the TIF pays on their current property, nor will it affect what anyone outside the TIF pays. For the next twenty-three years the city, schools, and all other eligible taxing districts will continue to receive the same amount of property taxes from this area as they currently receive. Any tax increment resulting from new development will go into a special fund to pay for the redevelopment costs within the TIF, including the improvements to public infrastructure and redevelopment of buildings in the downtown area. After the TIF expires, if development has occurred within the redevelopment area, the city, schools, and other taxing districts should receive more property tax revenue than they did prior to the TIF.

What is the long-term vision for Downtown O'Fallon?

The Downtown O'Fallon area is already a wonderful place to visit, but the City is working with residents, businesses, and property owners to make it even better. As part of the ongoing planning process for the downtown area, we have received feedback from over 1,300 people through online surveys, public meetings, and individual interviews. The information we received is currently being crafted into a "Downtown Action Plan" that will outline specific tasks and improvements to be completed, due dates, and budgets. To review the progress of the plan thus far, please visit www.OTownIL.org.

Who should I contact if I have other questions?

You can contact Ted Shekell, Community Development Director at tshekell@ofallon.org; Justin Randall, Senior City Planner at jrandall@ofallon.org; Anne Stevenson, Assistant City Planner at astevenson@ofallon.org; or you can reach out to one of us at 618-624-4500 x 4.