

MAYOR
Mark Kownick

**VILLAGE
ADMINISTRATOR**
Erik Morimoto



VILLAGE TRUSTEES
Dale Collier, Jr
Rick Dudek
Ellen McAlpine
Anthony Stefani
Rick Walrath
Jennifer Weinhammer

VILLAGE OF CARY

Central Cary TIF District (TIF #3) Frequently Asked Questions

Q. What are the impacts to the Cary-Grove Youth Baseball and Softball program and the Maplewood fields? Will these fields be eliminated with the creation of the proposed TIF District?

A. The sports fields would not be eliminated with the designation of the proposed TIF. The fields are located on the former Maplewood School property which is currently owned by School District 26. While the property is located within the proposed limits for the Central Cary TIF District, the continued use of the existing fields would not be impacted simply by the creation of the new TIF district.

The fields would only be impacted if the property were to be sold by the School District and redeveloped. In theory, the fields could continue to remain on the property throughout the entire life of the proposed TIF District if it was approved. School District 26 has been marketing the property for sale since the school's closing over ten years ago, but the site has not successfully sold or redeveloped to date. Concept plans recently prepared by the district contemplating retaining the site for continued school use could also impact the fields. Further, if the property is sold and redeveloped, there is the potential that the TIF could assist with the relocation and construction of new fields elsewhere within the community.

Q. My property is located within the proposed TIF District. How will the TIF affect my property taxes?

A. In short, TIF districts do not increase your taxes. In TIF areas, properties are assessed and taxed the same as properties in non-TIF areas. All property owners within the TIF area pay the same level of property taxes as all other property owners outside the TIF boundary.

The only change is that during the life of the TIF the property tax revenues are distributed differently. Only the incremental increase in tax revenue that occurs after the creation of the TIF goes to the municipality to finance some of the redevelopment expenditures within the TIF area.

Q. How will this TIF affect the tax revenue our schools demand? Does TIF divert money from schools, and if so, will the schools' budgets be reduced, or will other taxpayers be required to pay more to meet those demands?

A. The TIF will not affect the current levels of tax revenue that the local schools receive and rely upon. The districts will continue to levy their budgets annually as they normally do. The school districts will continue to receive all of the tax revenue they were entitled to before the creation of the TIF

district. The districts will also continue to receive all applicable revenues generated from development which occurs outside the TIF area.

The property tax revenue which is generated from new private development attracted by a TIF designation is “new” money. Without TIF, development likely would not occur and the new tax increment would not be produced. The TIF can assist with increasing the tax base of the area in the long-run which would benefit the schools and other taxing districts.

Additionally, if a redevelopment project receives financial assistance from the TIF, a portion of the increment generated by the project must be set aside for any new school students that the project may produce. The TIF Act has a default method for assisting school districts financially by reimbursing a portion of TIF increment for a resulting “net increase” in student enrollment.

Q. I’m concerned about the Village or a developer taking my property or my business. Is there a possibility I could lose my property through eminent domain?

- A. The Village of Cary has no intention to utilize condemnation to acquire property to promote a project for redevelopment.

Condemnation is a statutory proceeding which is governed by the Illinois Eminent Domain Act. Condemnation is a tool available to taxing bodies currently, regardless of whether a property is located within a TIF. There are certain standards that need to be satisfied for a government entity to acquire property through this process, including providing just compensation for the property. Further, there is nothing in the proposed TIF plan that identifies any property within the TIF for condemnation.

It is possible that after the TIF is created property owners may be approached by the development community with interest in purchasing their particular property. However, it is the Village’s desire that any such transactions be completed privately without the need for public participation.

Q. How could the TIF District impact existing businesses and property owners? What sorts of costs are eligible for TIF funding?

- A. TIF revenues can be used for certain kinds of private expenditures and are not limited to new redevelopment projects.

Since the purpose of a TIF district is to encourage development or redevelopment in areas of need, private sector businesses are eligible to receive funding to offset the costs of development or redevelopment within a TIF district. These may include grants to assist with the buildout of a tenant space, new signage, or exterior improvements. The expenditure of any TIF funds would require approval from the Village Board and any future programs to assist businesses with these expenses would be subject to board approval.

Q. How does TIF District negatively impact property values? Does it make properties less desirable? Will it make it harder to sell?

- A. The proposed TIF will not have a direct effect on a property's existing value. Individual properties will continue to be assessed by the assessor's office based on existing improvements to the property.

What makes a property desirable for purchase or redevelopment is contingent upon many factors including but not limited to its size, location, overall condition of its existing improvements, and price to acquire. The presence of a TIF would just be an additional factor to consider for the marketability of a property. Therefore, a property owner's ability to sell their property should not be impacted by the presence of a TIF district. The Village has had two TIF's previously established within the community and properties were successfully sold within each.

The intent of the creation of the TIF district is to improve overall property values within the TIF area. One of the qualifying factors reviewed within the TIF Eligibility Report for TIF #3 is the lagging EAV for the area. On average over the past five years, the EAV within the proposed TIF has increased at a rate 27% below that of the rest of the Village. By encouraging private investment within the TIF area it is hoped that the TIF will help to narrow this gap.