

Questions from Geneva 304 Board of Education Regarding TIF #2 Extension

The Following responses were provided by representatives from Geneva CUSD 304.

1. What is the direct impact the proposed TIF extension would have on 304?

This is a difficult question to answer precisely due to the variability in economic factors. In general, if the TIF is extended the revenue the district receives from all the properties within the TIF would be based on the assessed valuation of those properties in the year 2000. During the last 23 years it is estimated that the new property taxes generated by the incremental increase in the value of the property within the TIF was approximately \$5.5 million, of which an estimated \$3.8 million was generated from the school district.

The City of Geneva indicates that the increment for this TIF extension is roughly \$2.9 million, approximately \$2 million of which comes from Geneva 304. When considering inflation, CPI, and other factors, the district estimates that over the course of the next twelve years the TIF EAV could be as high as \$3.8 million, approximately \$2.7 million of which would be generated from Geneva 304.

After the twelve-year extension, the district would begin to levy the properties within TIF2 based on their up-to-date assessed value and those dollars would come back to the district.

2. Since this is an extension, is it just delaying what the direct impact would have been?

As noted above, if the TIF expires the properties within TIF #2, which are currently levied based upon their assessed value in 2000, would begin to be levied based upon their current assessed value. Extending the TIF by twelve years would mean that from the district's perspective the district's revenue from these properties would continue to be based on their assessed valuation in the year 2000 until the end of the TIF extension.

3. Could this TIF end sooner than the 12-year extension, and who makes that decision? If this is up to the city where does the city stand on this issue?

Yes, theoretically the TIF extension could end sooner. Please see the response from representatives of the City of Geneva.

4. Have other taxing bodies been asked to support this extension?

Yes. The city has sought the support of all taxing bodies impacted by the TIF.

5. When a TIF makes improvements to an area, will there be a change in the EAV for the homes close to, but not actually within the boundaries of the TIF district?

This is difficult to answer definitively. However, here are a few potential considerations.

- During the duration of a TIF it is possible that all properties will increase in assessed value, regardless of the impact of the TIF.
- It is also possible that homes that are close to the TIF, but not actually within the TIF, would see an increase in their assessed value due to the enhancements made in the surrounding area.
- A review of several properties in and adjacent to the TIF indicates a varying degree of increase in EAV for properties in and adjacent to the TIF.

6. Would the funding from the TIF extension be used only for infrastructure?

According to representatives from the City of Geneva, the increment in this extension would be used *predominantly* for the previously described streetscape and roadwork enhancements. However, the city has indicated that spending would not necessarily be limited to these areas. In general, it is important to note that once a TIF is established local taxing bodies have no formal oversight regarding how money can be spent in a TIF.

7. Will any part of this TIF be used for tax incentives for new businesses coming in along the east State area?

Please see the response from representatives from the City of Geneva.

8. Would the extension of this TIF provide any kind of tax relief to existing businesses?

Please see the response from representatives from the City of Geneva.

9. If the proposed TIF extension will include tax breaks for businesses, would the city consider restructuring the TIF to only include the infrastructure improvements?

Please see the response from representatives from the City of Geneva.

10. Are there any ways that the proposed TIF extension could be structured to reduce the monetary impact on the district?

The TIF could be restructured in a number of ways. For example, the number of properties included in the TIF could be reduced, the number of years/duration could be reduced, the scope and purpose of the funds could be limited, or it could end early. Please see the response from the representatives from the City of Geneva regarding their position on considering structural changes.