

VILLAGE OF LOMBARD  
REQUEST FOR BOARD OF TRUSTEES ACTION  
For Inclusion on Board Agenda

\_\_\_\_\_ Resolution or Ordinance (Blue) \_\_\_\_\_ *Waiver of First Requested*  
\_\_\_\_\_ Recommendations of Boards, Commissions & Committees (Green)  
  X   Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: William T. Lichter, Village Manager

DATE: January 6, 2004 (B of T) Date: January 15, 2004

TITLE: Intergovernmental Agreement between the Village of Lombard and all Taxing Districts affected by TIF District II East

SUBMITTED BY: Department of Community Development *See H*

BACKGROUND/POLICY IMPLICATIONS:

The Department of Community Development transmits for discussion an Intergovernmental Agreement between the Village of Lombard and all affected Tax Increment Financing Districts outlining the methodology of refunding monies from the St. Charles Road Corridor Tax Increment Financing District II East. (DISTRICTS 4 AND 5)

Please place this item for discussion on the January 15, 2004 Village Board of Trustees agenda.

Fiscal Impact/Funding Source:

Review (as necessary):

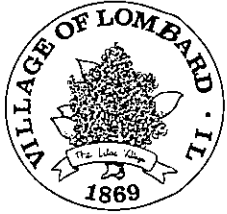
Village Attorney X \_\_\_\_\_ Date \_\_\_\_\_

Finance Director X \_\_\_\_\_ Date \_\_\_\_\_

Village Manager X *W. T. Lichter* \_\_\_\_\_ Date *1/7/04*

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.





## MEMORANDUM

**TO:** William T. Lichter, Village Manager

**FROM:** David A. Hulseberg, AICP, Director of Community Development *D.H.*

**DATE:** January 6, 2004

**SUBJECT:** St. Charles Road TIF District II East

Please find attached an Intergovernmental Agreement between the Village of Lombard and all Taxing Districts Affected by the Lombard St. Charles Road Corridor Tax Increment Financing District II East. This Agreement sets forth a proposed methodology of refunding monies from the TIF District to the governmental units that are a party to the Tax Increment Financing District.

### Background:

Village staff has been working closely with Districts 45 and 88 understanding their concerns relative to the impacts that a TIF District may have upon their governmental units. As such, this Agreement, while staff initiated, serves to address the concerns that the school administrators have with the Village of Lombard's proposed TIF II East District.

### Agreement Summary:

- This Agreement proposes that the incremental revenue generated in TIF II will be first distributed in a waterfall concept to those developmental agreements that the Village has encumbrance related to.
- Any excess of funds generated as part of incremental revenues would then be refunded to Districts 45 and 88 as a result of any new students that are created within the TIF District as part of redevelopment projects subject to state statute.
- The third component of the waterfall would be to provide a CPI-U adjustment of funds to be declared as surplus for each of the governmental units that are part of the TIF district.
- The balance of all funds would then be considered as incremental revenues to be used by the Village for TIF eligible projects within TIF II.
- The Agreement also provides that the Joint Review Board (JRB) shall make recommendations on all redevelopment projects within the TIF District.
- In year 10 of the TIF District, the JRB shall meet to review whether the objectives of the TIF have been met and to consider rebaselining.
- Lastly, the JRB shall make recommendation on any funds being transferred out of the TIF to an adjacent TIF.

This proposed Intergovernmental Agreement serves to facilitate the concerns and needs of the affected governmental units and addresses those concerns.

**Recommendation:**

Staff recommends that the Village Board authorize staff to forward these agreements to the various affected governmental units for their consideration, adoption, and signature.

Should you or the Board have any additional questions, please do not hesitate to contact me.

DAH/jd

Enclosure

h:\worduser\TIF2East\BOTagreements

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE  
VILLAGE OF LOMBARD AND ALL THE TAXING DISTRICTS  
AFFECTED BY THE LOMBARD ST. CHARLES ROAD CORRIDOR  
TAX INCREMENT FINANCING DISTRICT PHASE II**

This Agreement entered into this \_\_\_\_ day of \_\_\_\_\_, 2003, between the VILLAGE OF LOMBARD, a municipal corporation (hereinafter referred to as "LOMBARD"), and COLLEGE OF DUPAGE COMMUNITY COLLEGE DISTRICT 502, HIGH SCHOOL DISTRICT 88, ELEMENTARY SCHOOL DISTRICT 45, DUPAGE COUNTY, THE DUPAGE COUNTY AIRPORT AUTHORITY, YORK TOWNSHIP, YORK TOWNSHIP ROAD AND BRIDGE, THE FOREST PRESERVE DISTRICT OF DUPAGE COUNTY, THE DUPAGE WATER COMMISSION, THE HELEN M. PLUM MEMORIAL LIBRARY and THE LOMBARD PARK DISTRICT (hereinafter referred to individually by each's respective name and collectively referred to as the "TAXING DISTRICTS").

**RECITALS**

WHEREAS, pursuant to Ordinance Numbers \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_, adopted \_\_\_\_\_, 2004, LOMBARD approved a tax increment development plan and project, designated the tax increment redevelopment project area and adopted tax increment financing relative to LOMBARD'S St. Charles Road Tax Increment Financing District-Phase II, as legally described on Exhibit A attached hereto and made part hereof (hereinafter referred to as the "ST. CHARLES ROAD TIF DISTRICT II"); and

WHEREAS, in proceeding with the formation of the ST. CHARLES ROAD TIF DISTRICT II, LOMBARD represented to the TAXING DISTRICTS that, after use of incremental real estate tax revenues (hereinafter referred to as "INCREMENTAL REVENUES") to satisfy LOMBARD'S obligations pursuant to 65 ILCS 5/11-74.4-3 (q) (7.5), and after use of INCREMENTAL REVENUES generated by actual redevelopment projects within the ST. CHARLES ROAD TIF

DISTRICT II as incentives to facilitate such actual redevelopment projects (actual redevelopment projects being defined as redevelopment taking place pursuant to a formal redevelopment agreement entered into between LOMBARD and a developer, and approved by the Corporate Authorities of LOMBARD, pursuant to which INCREMENTAL REVENUES are provided to the developer (hereinafter referred to as a "REDEVELOPMENT PROJECT" or "REDEVELOPMENT PROJECTS")), the remaining INCREMENTAL REVENUES would, in part, be declared annually as surplus revenues pursuant to 65 ILCS 5/11-74.4-7; and

WHEREAS, in proceeding with the formation of the ST. CHARLES ROAD TIF DISTRICT II, LOMBARD represented to the TAXING DISTRICTS that proposed redevelopment agreements for each specific REDEVELOPMENT PROJECT would be provided to each member of the Joint Review Board relative to the ST. CHARLES ROAD TIF DISTRICT II, so that the comments and concerns of the Joint Review Board could be taken into consideration in the final drafting of each redevelopment agreement; and

WHEREAS, the TAXING DISTRICTS have no objection to the ST. CHARLES ROAD TIF DISTRICT II, provided that certain INCREMENTAL REVENUES received by LOMBARD, pursuant to said ST. CHARLES ROAD TIF DISTRICT II, as more fully described in Sections 2 below, are, on an annual basis, during the life of the ST. CHARLES ROAD TIF DISTRICT II, declared surplus revenues pursuant to 65 ILCS 5/11-74.4-7; and

WHEREAS, the Constitution of the State of Illinois, 1970, Article VII, Section 10, authorizes units of local government and school districts to contact or otherwise associate among themselves in any manner not prohibited by law or ordinance; and

WHEREAS, the "Intergovernmental Cooperation Act," 5 ILCS 220/1 et. seq., provides that any power or powers, privileges or authority exercised or which may be exercised by a unit of local government or school district may be exercised and enjoyed jointly with any other units of local government or school districts; and

WHEREAS, the Tax Increment Allocation Redevelopment Act (hereinafter referred to as the "TIF ACT"), 65 ILCS 5/11-74.4-1 et. seq., authorizes municipalities to enter into contracts necessary to implement or maintain a TIF redevelopment plan or project; and

WHEREAS, LOMBARD and the TAXING DISTRICTS have determined that it is in their overall respective best interests to facilitate redevelopment within the ST. CHARLES ROAD TIF DISTRICT II by entering into this Agreement;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by all the parties hereto, the parties hereto agree as follows:

1. The preambles set forth above are hereby incorporated herein by reference as if fully set forth herein.

2. LOMBARD shall, annually during the life of the ST. CHARLES ROAD TIF DISTRICT II, upon receipt of the INCREMENTAL REVENUES generated by the ST. CHARLES ROAD TIF DISTRICT II each year, declare a portion of said INCREMENTAL REVENUES as surplus, as defined in 65 ILCS 5/11-74.4-7, based on the following:

- A. Surplus revenue shall be defined as that portion of the INCREMENTAL REVENUES referenced in subsection B below, to the extent available after subtracting therefrom INCREMENTAL REVENUES encumbrances relating to REDEVELOPMENT PROJECTS and payments to HIGH SCHOOL DISTRICT 88 and ELEMENTARY SCHOOL DISTRICT 45, for tuition for students enrolled as a result of any previously mentioned REDEVELOPMENT PROJECTS, pursuant to 65 ILCS 5/11-74.4-3(q)(7.5), in any given year (hereinafter "SURPLUS REVENUE"). The calculation of SURPLUS REVENUE is as depicted in Exhibit A (Diagram of Surplus Revenue) attached hereto and made part hereof.
- B. Annually, to the extent INCREMENTAL REVENUES are available after payment of encumbrances relating to REDEVELOPMENT PROJECTS and payments pursuant to 65 ILCS 5/11-74.4-3(q)(7.5), LOMBARD shall pay to all the affected taxing districts that portion of the INCREMENTAL REVENUES generated by the

percent change in the equalized assessed valuation (EAV) that is attributable to the Chicago Area Consumer Price Index for all Urban Consumers (CPI-U) from December 31<sup>st</sup> of the year in which the base EAV is established to October 31<sup>st</sup> of the year in which the calculation is being made, or such other EAV percent change factor as may be instituted through the Property Tax Extension Limitation Law, 35 ILCS 200/18-185 et seq.

- C. In the event that there are INCREMENTAL REVENUES remaining in any given year after the payments referenced in subsections A and B above, LOMBARD shall annually determine what portion of the remaining INCREMENTAL REVENUES should be retained by LOMBARD, for use in the ST. CHARLES ROAD TIF DISTRICT II or a contiguous tax increment financing district, and what portion should be declared as addition surplus and distributed pursuant to 65 ILCS 5/11-74.4-7. In making its determination, LOMBARD shall take into consideration any unusual financial needs of the TAXING DISTRICTS, including, but not limited to, special education and vocational training requirements of HIGH SCHOOL DISTRICT 88 and ELEMENTARY SCHOOL DISTRICT 45.
- D. The Corporate Authorities of LOMBARD shall not make a final decision on the use of INCREMENTAL REVENUES in a contiguous tax increment financing district until after receiving and considering a non-binding recommendation from the Joint Review Board on the use of INCREMENTAL REVENUES for that purpose.

Upon request, LOMBARD shall provide any one or more of the TAXING DISTRICTS with the SURPLUS REVENUE calculations used to establish the amount of SURPLUS REVENUE in any given year.

3. In accordance with 65 ILCS 5/11-74.4-7, the VILLAGE shall, annually pay said SURPLUS REVENUE to the DuPage County Collector. In regard thereto, partial payments of said SURPLUS REVENUE shall be made by the VILLAGE to the DuPage County Collector within thirty (30) days of the receipt by the VILLAGE of any INCREMENTAL REVENUES payments, relative to the ST. CHARLES ROAD TIF DISTRICT II, from the DuPage County Treasurer. Pursuant to said 65 ILCS 5/11-74.4-7:

"The County Collector shall thereafter make distribution to the respective taxing districts in the same manner and proportion as the most recent distribution by the county collector to the affected districts of real property taxes from real property in the redevelopment project area."

4. LOMBARD hereby acknowledges its obligation to make payments to HIGH SCHOOL DISTRICT 88 and ELEMENTARY SCHOOL DISTRICT 45, pursuant to 65 ILCS 5/11-74.4-



3(e)(7.5), to the extent the payment provisions of said 65 ILCS 5/11-74.4-3(q)(7.5) are triggered by LOMBARD'S use of INCREMENTAL REVENUES, during the life of the ST. CHARLES ROAD TIF DISTRICT II (hereinafter referred to as the "NEW STUDENT PAYMENTS"), provided HIGH SCHOOL DISTRICT 88 and ELEMENTARY SCHOOL DISTRICT 45, respectively, annually comply with the documentation requirements of 65 ILCS 5/11-74.4-3(q)(7.5); a copy of said 65 ILCS 5/11-74.4-3(q)(7.5) being attached hereto as Exhibit B and made part hereof.

5. In regard to LOMBARD'S approval of any REDEVELOPMENT PROJECT, the VILLAGE agrees as follows:

- A. Prior to authorizing a REDEVELOPMENT PROJECT, LOMBARD shall provide a copy of the redevelopment agreement proposed for said REDEVELOPMENT PROJECT to each member of the Joint Review Board for the ST. CHARLES ROAD TIF DISTRICT II, shall hold a meeting of said Joint Review Board for the purpose of allowing the Joint Review Board members to comment upon, and make a non-binding recommendation in relation to, said proposed REDEVELOPMENT PROJECT. The Corporate Authorities of LOMBARD shall not take final action on the approval of any such REDEVELOPMENT PROJECT until after the non-binding recommendation of the Joint Review Board has been received, provided that said non-binding recommendation from the Joint Review Board is received by LOMBARD no more than thirty (30) days after the date of the first Joint Review Board meeting called for the purpose of reviewing said REDEVELOPMENT PROJECT.
- B. LOMBARD shall, subsequent to the approval of a REDEVELOPMENT PROJECT, in addition to an update at the annual meeting of the Joint Review Board, provide the members of the Joint Review Board with written quarterly (January 1<sup>st</sup>, April 1<sup>st</sup>, July 1<sup>st</sup> and October 1<sup>st</sup>) updates relative to the status of each REDEVELOPMENT PROJECT.

6. Following the tenth (10<sup>th</sup>) year of the ST. CHARLES ROAD TIF DISTRICT II, the Joint Review Board shall meet to review whether the objectives of the Redevelopment Project and Plan document for the ST. CHARLES ROAD TIF DISTRICT II have been met and to consider a rebaselining. Based on the findings of the Joint Review Board in relation thereto, the Joint Review Board shall make a non-binding recommendation to the VILLAGE as to whether the ST. CHARLES ROAD TIF DISTRICT II should continue in full force and effect, and, if so, whether revisions to this

Agreement should be considered by the VILLAGE for the remaining years of the ST. CHARLES ROAD TIF DISTRICT II.

7. This Agreement shall be binding upon the parties hereto and their successors.

8. This Agreement represents the entire Agreement between the TAXING DISTRICTS and LOMBARD. No amendment, waiver or modification of any term or condition of this Agreement shall be binding or effective for any purpose unless expressed in writing and adopted by each of the parties as required by law.

9. The TAXING DISTRICTS, by their execution and approval of this Agreement, hereby waive forever any and all right to set aside, modify or contest in any manner the ST. CHARLES ROAD TIF DISTRICT II including, but not limited to, the redevelopment plan and project, the redevelopment area and any redevelopment agreements or professional services agreements as now or hereafter constituted or entered into by LOMBARD, other than redevelopment agreements entered into other than in accordance with this Agreement. Notwithstanding the foregoing, the TAXING DISTRICTS shall fully retain their rights to contest in any manner permitted by law any amendments to the ST. CHARLES ROAD TIF DISTRICT II and/or the administration of the ST. CHARLES ROAD TIF DISTRICT II to the extent contrary to the TIF ACT, the tax increment development plan and project for the ST. CHARLES ROAD TIF DISTRICT II, any other applicable law or this Agreement. Nothing contained herein shall be construed to give the TAXING DISTRICTS any right to participate in the administration of the ST. CHARLES ROAD TIF DISTRICT II.

10. If any section, subsection, sentence, clause or phrase of this Agreement is for any reason held to be invalid, such decision or decisions shall not affect the validity of the remaining portions of this Agreement.

11. This Agreement shall be effective when approved by the LOMBARD Village Board and the governing boards of each of the TAXING DISTRICTS.

12. This Agreement will remain in effect until the dissolution of the ST. CHARLES ROAD TIF DISTRICT II.

13. This Agreement shall be executed in a sufficient number of counterparts so that each party hereto shall receive an original signature copy hereof.

IN WITNESS WHEREOF, the undersigned governmental units have caused this Agreement to be duly executed by their authorized officials.

**VILLAGE OF LOMBARD**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Village President

ATTEST:  
  
\_\_\_\_\_  
Village Clerk

**COLLEGE OF DUPAGE COMMUNITY  
COLLEGE DISTRICT 502**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
President

ATTEST:  
  
\_\_\_\_\_  
Secretary

**HIGH SCHOOL DISTRICT 88**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
President

ATTEST:  
  
\_\_\_\_\_  
Secretary

**ELEMENTARY SCHOOL DISTRICT 45**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
President

ATTEST:  
  
\_\_\_\_\_  
Secretary

**DUPAGE COUNTY**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
President

ATTEST:  
  
\_\_\_\_\_  
Clerk

**THE DUPAGE COUNTY AIRPORT  
AUTHORITY**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
President

ATTEST:  
  
\_\_\_\_\_  
Secretary

**YORK TOWNSHIP**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Supervisor

ATTEST:

\_\_\_\_\_  
Secretary

**THE FOREST PRESERVE DISTRICT  
OF DUPAGE COUNTY**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Clerk

**THE HELEN M. PLUM MEMORIAL  
LIBRARY**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

**YORK TOWNSHIP ROAD AND BRIDGE**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Road Commissioner

ATTEST:

\_\_\_\_\_  
Secretary

**THE DUPAGE WATER COMMISSION**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

**THE LOMBARD PARK DISTRICT**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

on that no charges for professional services may be based on a percentage of the tax increment collected; except that on and after November 1, 1999 (the effective date of Public Act 91-17S), 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. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;

(1.5) After July 1, 1999, annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment project area or approved a redevelopment plan;

(1.6) The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;

(2) 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;

(3) 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;

(4) Costs of the construction of public works or improvements, except that on and after November 1, 1999, 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 November 1, 1999 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 building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;

(5) Costs of job training and retraining projects, including the cost of

by business located within the redevelopment project area;

(6) 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;

(7) 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.

(7.5) 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 November 1, 1999, 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<sup>13</sup> less any increase in general State aid as defined in Section 18-8.05 of the School Code<sup>14</sup> 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 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% 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 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.

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**EXHIBIT**

**B**

(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 (7.5):

(i) no increased costs shall be reimbursed unless 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 reimburseable 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 paragraph (7.5). By acceptance of 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;

(8) 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);

(9) Payment in lieu of taxes;

(10) 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<sup>15</sup> and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;<sup>16</sup>

(11) 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;

(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.<sup>17</sup> The percentage of 75% shall be substituted for 30% in subparagraphs (B) and (D) of paragraph (11).

(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 these units may be

Attachment A

# Diagram of Surplus Revenue

