

Redevelopment Project Cost Rules

- Cost categories are defined by TIF statute.
- Some value (even minimal) must be included in a cost category in order to use it at any point over the TIF term.
 - Much can change in 23 years so be careful about unnecessary restrictions.
- Costs are stated in current values, but inflation (5% plus or minus CPI annually) can be factored in during the TIF term.
- These numbers are only what the Village can spend from the TIF fund (from the increment generated by TIF).
 - They cannot include private investments/project spending.



Preliminary Increment Projections

Village of Winnetka

Downtown Redevelopment Project Area

Inflationary Growth & Projected Future Projects¹

	Projected Incremental Property Tax Revenues	Incremental Property Tax Revenues Collected (by 12/31)
Total	\$ 71,288,390	\$ 69,149,738
Net Present Value	\$ 34,950,750	\$ 33,902,227

¹These projections only include the One Winnetka project and inflationary growth.

*See pg. 26 of the July 2017 Feasibility Study for complete table of projections



Redevelopment Project Costs

- “Redevelopment Project Costs” can be ballpark figures, as they are maximums. They should correlate to the expected increment of the area as referenced in previous slide (ideally, higher than projected value, or may need to amend).
- Actual expenditures of TIF funds are effectively limited by the amount of increment generated by the TIF.
- “Redevelopment Project Costs” are not intended to function as an annual or even shorter term budget for the TIF Fund.
- As long as the total expenditures over the life of the TIF do not exceed the total amount of “Redevelopment Project Costs”, there should be no conflict.

