**TIF ACCEPTED EXPENSES**

**G. Description of Redevelopment Project Costs:**

Costs that may be incurred by the City in implementing the Redevelopment Plan may include project costs and expenses as itemized in Exhibit G, subject to the definition of “redevelopment project cost” as contained in the Act, and any other costs that are eligible under said definition included in the “Contingency” line item. Itemized below is the statutory listing of “redevelopment project costs” currently permitted by the Act [bold typeface added for emphasis]. Note that some of the narrative below has been paraphrased.

1. **Costs of studies, surveys, development of plans and specifications,** wetland mitigation plans, implementation and administration of the Redevelopment Plan, including but not limited to staff and professional service costs for architectural, engineering, legal environmental, financial, planning or other services, subject to certain limitations:
	1. There are limitations on contracts for certain professional services with respect to term, services, etc.
	2. 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 and not designated a redevelopment project area or approved a redevelopment plan.
	3. Marketing costs are allowable so long as they relate to 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 interest therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground level 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. **Cost of construction of public works or improvements,** except that 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 it is not intended to replace an existing public building as provided for in paragraph 3 above, unless either:
	1. 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
	2. The municipality makes a reasonable determination in the development plan, supported by information that provides the basis for that determination, that the new municipal building is required to meet and increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan.
5. **Cost of job training** and retraining projects, including the cost of “welfare to work” programs **implemented by businesses** 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 thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding thirty-six (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.
	1. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units), 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 and agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvement projects within the boundaries of the assisted housing sited necessary for the completion of that housing as authorized by the Act, shall be paid by the municipality from the Special Tax Allocation Fund under certain conditions. For specific conditions and formulae used to determine payments due to a school district.
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 Subsection 11-74.4-3 (n) (7) of the TIF Act (re: federal Uniform Relocation Assistance and Real Property Acquisition Policies Act requirements).
9. Payments 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:
	1. Are related to the establishment and maintenance of additional job training, advanced vocational education or career education or career education programs for persons employed or to be employed by employers located in a redevelopment project area: and
	2. 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 programs 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 types of potions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the terms 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, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code.
11. **Interest costs incurred by a redeveloper** related to the constructions, renovation or rehabilitation of a redevelopment project provided that:
	1. Such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;
	2. 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;
	3. If there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
	4. 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;
	5. The cost limits set forth in subparagraphs (b) and (d) above shall be modified for the financing of rehabilitation or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act. The percentage of 75% shall be substituted for 30% in subparagraphs (b) and (d) above;
	6. Instead of the eligible costs provided by subparagraphs (b) and (d) above, as modified in this subparagraph, and notwithstanding any other provision of the TIF 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. For further provisions on financing and eligible costs, see Subsection 11-74.4-3 (q) (11) of the TIF Act.
12. Unless explicitly stated herein, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.
13. None of the redevelopment project costs enumerated above shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area, while terminating operations at another Illinois location within 10 miles of redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area; but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.