

## Village of Elm Grove TIF Increment Example

Below is an example of the tax increment revenue that may be generated from a \$30,000,000 development on a property that currently has \$0 tax base. The annual increment would be used to pay for improvements in the district and/or developer incentives. The Village could pay for improvements and finance through bonds. The bond repayment plan would be structured to mirror the estimated increments. A second method being used more today is a PayGo obligation to the developer. In this case the developer funds the improvements and is payback only if and when an increment is generated.

Tax Increment Example								
Construction Year	Valuation Year	Revenue Year	Inflation facto	Base Value	Valuation Increment	Tax Rate	Tax Increment Annual	total
			0.50%	\$ -				
2020	2021	2022						
2021	2022	2023		2,500,000	2,500,000	17.38	43,450	43,450
2022	2023	2024	12,500	10,000,000	12,512,500	17.38	217,467	260,917
2023	2024	2025	62,563	10,000,000	22,575,063	17.38	392,355	653,272
2024	2025	2026	112,875	7,500,000	30,187,938	17.38	524,666	1,177,938
2025	2026	2027	150,940		30,338,878	17.38	527,290	1,705,228
2026	2027	2028	151,694		30,490,572	17.38	529,926	2,235,154
2027	2028	2029	152,453		30,643,025	17.38	532,576	2,767,730
2028	2029	2030	153,215		30,796,240	17.38	535,239	3,302,968
2029	2030	2031	153,981		30,950,221	17.38	537,915	3,840,883
2030	2031	2032	154,751		31,104,972	17.38	540,604	4,381,488
2031	2032	2033	155,525		31,260,497	17.38	543,307	4,924,795
2032	2033	2034	156,302		31,416,800	17.38	546,024	5,470,819
2033	2034	2035	157,084		31,573,884	17.38	548,754	6,019,573
2034	2035	2036	157,869		31,731,753	17.38	551,498	6,571,071
2035	2036	2037	158,659		31,890,412	17.38	554,255	7,125,326
2036	2037	2038	159,452		32,049,864	17.38	557,027	7,682,353
2037	2038	2039	160,249		32,210,113	17.38	559,812	8,242,165
2038	2039	2040	161,051		32,371,164	17.38	562,611	8,804,776
2039	2040	2041	161,856		32,533,019	17.38	565,424	9,370,200
2040	2041	2042	162,665		32,695,685	17.38	568,251	9,938,451
2041	2042	2043	163,478		32,859,163	17.38	571,092	10,509,543
2042	2043	2044	164,296		33,023,459	17.38	573,948	11,083,490
2043	2044	2045	165,117		33,188,576	17.38	576,817	11,660,308
2044	2045	2046	165,943		33,354,519	17.38	579,702	12,240,009
2045	2046	2047	166,773		33,521,292	17.38	582,600	12,822,610
2046	2047	2048	167,606		33,688,898	17.38	585,513	13,408,123
<b>Totals</b>			<b>3,688,898</b>	<b>30,000,000</b>			<b>13,408,123</b>	

### Example Assumptions

Current Property has \$0 tax base

Development has an assessed value of \$30,000,000 added over 4 year period

Annual property inflation of .5%

Using estimated 2020 tax rate (for all jurisdictions)

11/6/2020

S:\Committees\Board of Trustees\Agenda & Minutes 2020\2020-11-11 COW\TIF information\example of TIF calculation