



# City of Highland Park, Illinois

## BUSINESS ALERT

Issued By: City Manager's Office Date: March 30, 2016

### TARGET AREA

- ALL BUSINESS DISTRICTS
- BRIERGATE
- CENTRAL BUSINESS DISTRICT
- CROSSROADS
- GARRITY SQUARE
- OLD ELM
- RAVINIA/BRAESIDE
- SKOKIE HIGHWAY CORRIDOR
- TEMPLE AVENUE
- WESTERN AVENUE

### ALERT CATEGORY

- CONSTRUCTION
- PARKING
- GENERAL

### CONTACT INFORMATION

City of Highland Park  
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## Private Activity Bond Volume Cap

### The tax exempt volume cap can be used for acquisition of property or equipment

Private Activity Bonds (PAB) are tax exempt bonds issued on behalf of businesses engaged in the manufacture or production of tangible personal property. PAB's can be used to finance the acquisition of fixed assets such as land, buildings, or equipment. They may also be used for renovation and new construction, as well as construction or renovation of residential units that meet income guidelines.

Under Section 146 of the Internal Revenue Code of 1986, the City is allocated an annual amount for private activity bond use. This allocation is commonly referred to as a volume cap and represents an ability to borrow funds. The City is seeking offers from any organizations that may be interested in purchasing this allocation from the City.

A wide variety of businesses can qualify under the Private Activity Bond guidelines, including nontraditional manufacturing operations such as food processing or printing firms. Because the bonds are exempt from federal income tax, they typically command competitive interest rates and may be combined with other tax credit programs to stimulate projects.

The Illinois Private Activity Bond Allocation Act provides that a government may transfer its allocation to any other unit of government, the State of Illinois or any agency of the State. Interested parties may contact Julie Logan, Finance Director, at [jlogan@cityhpil.com](mailto:jlogan@cityhpil.com) or 847-432-0800 by Monday, April 4, 2016.

For more information on Private Activity Bonds, visit

[http://www.illinois.gov/gov/budget/Documents/Volume%20Cap/2016\\_Volume\\_Cap\\_Guidelines.pdf](http://www.illinois.gov/gov/budget/Documents/Volume%20Cap/2016_Volume_Cap_Guidelines.pdf)