

*Public Hearing
August 15, 2016*

**City of Elmhurst
Proposed Church Road/Lake Street
TIF District**



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Overview

- I. Background of Proposed TIF District/Plan for Area
- II. Factors Qualifying Area as a TIF District
- III. Key Elements of TIF Plan
- IV. Next Steps



I. Background

Church Road/Lake Street TIF District

- Primary focus
- Currently commercial/industrial and retail use
- Contributes significantly to economic health of the community
- Potential redevelopment for underutilized properties

TIF Plan

- Area identifies as key focus area
- Subject of redevelopment in near future

I. Background

Why Now?

Challenges in real estate alternatives

- Improve area appearance and the City's ability to compete with other municipalities
- Improve project economics in order to make projects competitive

I. Background



01

**Specific TIF Objectives,
Strategies & Measures**



02

**General Economic
Development Goals**



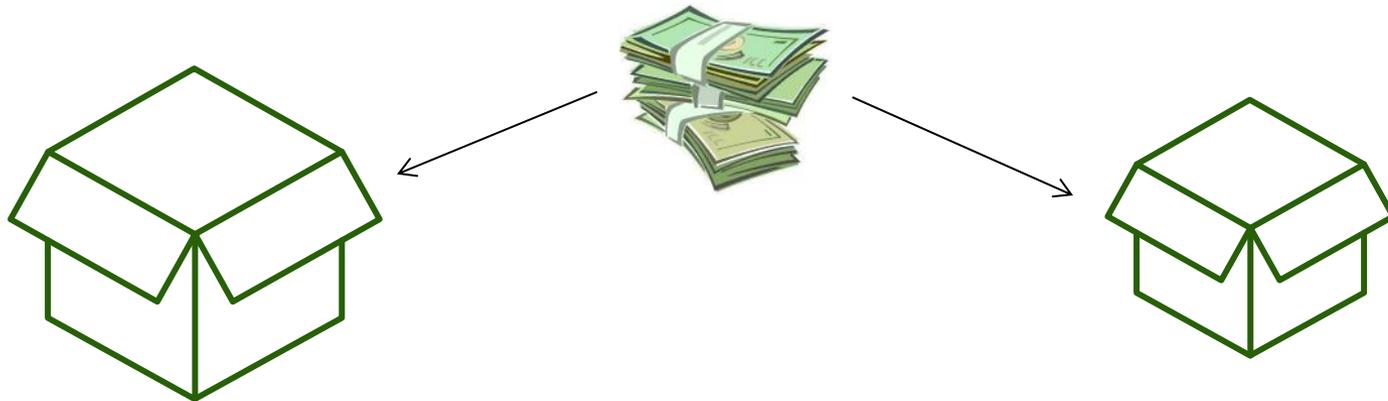
03

Comprehensive Land Use

I. Background

Review of TIF Financing

TIF involves splitting property tax revenue generated from properties within the TIF District into two components:



Base Revenues – For All Local
Governments

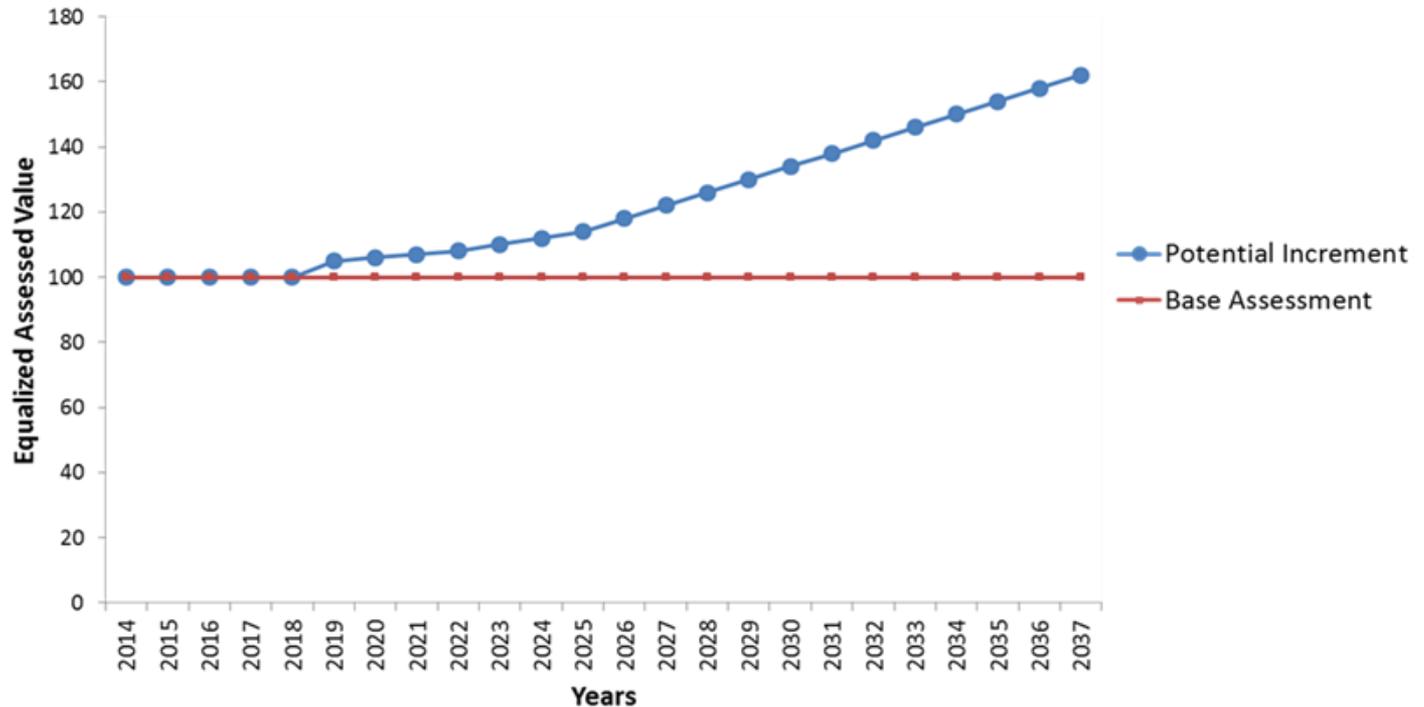
Incremental Revenues – For All
Redevelopment within TIF

I. Background

Review of TIF Financing

Ideally, a successful TIF produces positive incremental revenue over time.

TIF Mechanism Performance



I. Background

Church Road and Lake Street TIF District

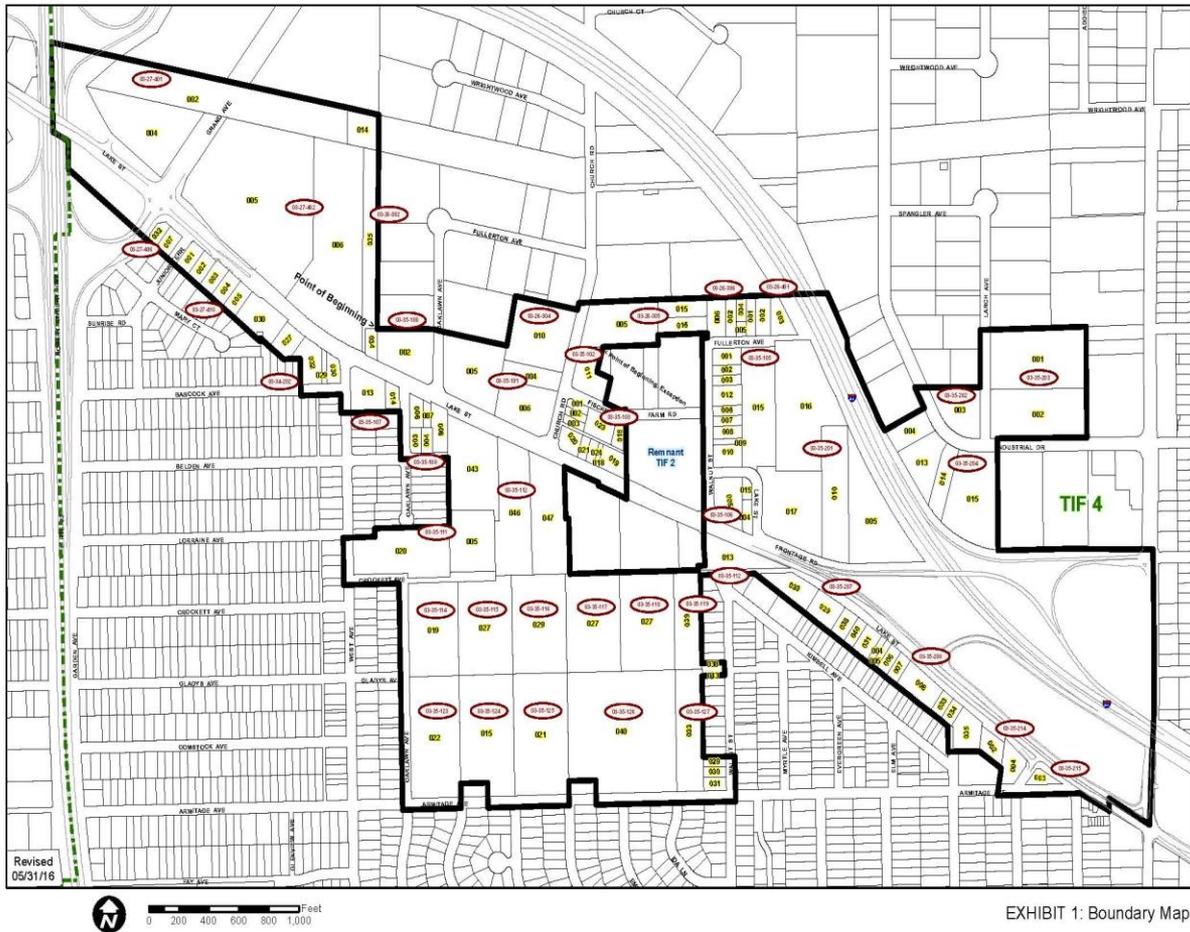


EXHIBIT 1: Boundary Map

II. Qualification Factors

The proposed TIF District is found to qualify under the following criteria:

as a “conservation area,” based upon the findings that 63% of buildings are 35 years old or greater (50% is the threshold)

Additionally:

Six (6) eligibility factors have been identified

District is a contiguous area greater than 1 and ½ acres

Potential for redevelopment and improvement to tax base

II. Qualification Factors

- 1) Dilapidation
- 2) **Obsolescence**
- 3) **Deterioration**
- 4) Presence of Structures Below Code
- 5) Illegal Uses
- 6) Excessive Vacancies
- 7) Lack of Ventilation and Sanitary Facilities
- 8) **Inadequate Utilities**
- 9) Excessive Land Coverage
- 10) **Deleterious Layout**
- 11) Environmental Clean-up
- 12) **Lack of Community Planning**
- 13) **Lagging/Declining EAV**

II. Qualification Factors

Lagging or Declining EAV

	2011 EAV	2012 EAV	2013 EAV	2014 EAV	2015 EAV
Total EAV for TIF District	\$35,111,670	\$31,486,310	\$29,141,290	\$27,450,650	\$28,654,330
EAV Change (%)	3.59%	-10.33%	-7.45%	-5.80%	4.38%
City-wide EAV (Excluding TIF)	\$2,118,518,042	\$1,897,518,042	\$1,785,629,448	\$1,786,848,673	\$2,005,454,117
City EAV Change (%)	-5.64%	-10.44%	-5.90%	0.07%	12.23%
CPI	3.20%	2.10%	1.50%	1.60%	0.1%

III. Key Elements of TIF Plan

Base EAV: \$28,654,330 (Assumes 2015 EAV)

Projected EAV: Upon completion of redevelopment activities, approximately \$78,000,000 to \$80,000,000

Proposed TIF Budget: \$55,000,000 (see next slide)

Proposed Land Uses: Mixed uses, including retail/commercial

Key “but for” finding: Redevelopment will not go forward without the TIF assistance

III. Key Elements of TIF Plan

<u>Program Actions/Improvements</u>	<u>Estimated Costs</u>
Land Acquisition, Assembly Costs and Relocation Costs	\$15,000,000
Demolition, Site Preparation, Environmental Cleanup and Related Costs	\$10,000,000
Utility Improvements including, but not limited to water system, storm/flood control system, sanitary sewers and road and rights-of-way improvements	\$10,000,000
Public facilities and (including approved capital costs for City and parking improvements)	\$8,000,000
Rehabilitation Costs	\$2,500,000
Interest Costs Pursuant to the Act	\$1,500,000
Planning, Legal, Engineering, Administrative and Other Professional Service Costs	\$5,000,000
Job Training	\$500,000
School District Tuition Costs Pursuant to the Act	\$2,500,000
TOTAL ESTIMATED TIF BUDGET	\$55,000,000

III. Key Elements of TIF Plan

Budget Guidelines

Overall budget cannot be exceeded

Budget must be sized to cover gross expenditures, not net expenditure (e.g., gross purchase price of property)

Line-items in budget are flexible

Covers 23 years; difficult to estimate with precision

Budget expenditures subject to:

City approvals

Determination of appropriateness of costs

Special TIF audit and review

Joint Review Board Meeting

The TIF Joint Review Board (comprised of certain taxing districts) met on July 13th in order to review the City's proposed Church Road/Lake Street TIF Plan and eligibility findings.

The TIF Joint Review Board unanimously recommended the TIF designation to the City Council as part of their deliberations and review of the TIF documents.

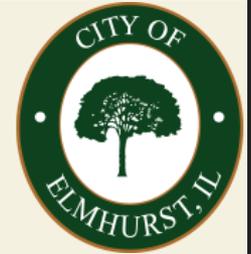
IV. NEXT STEPS



Church Road/Lake Street TIF ordinances (3) may be introduced 14 to 90 days after the Public Hearing on August 15, 2016 is closed.

- **Ordinance Approving (Church Road/Lake Street) Redevelopment Plan and Project**
- **Ordinance Designating the (Church Road/Lake Street) Redevelopment Project Area**
- **Ordinance Adopting (Church Road/Lake Street) Tax Increment Financing**

IV. NEXT STEPS



During the same City Council meeting and prior to adoption of the Church Road/Lake Street TIF, an ordinance releasing certain parcels from the Lake Street TIF District (TIF 2) will be presented for approval.