

Downtown Tax Increment Financing Redevelopment Plan and Project Village Board Review & Discussion

Village of Clarendon Hills
October 21, 2019



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Agenda

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Key Findings

- Conservation Area factors are reasonably present and distributed throughout the Redevelopment Project Area (RPA).
- Costs to redevelop the area are extraordinary.
- TIF funds can be spent on projects for properties within the TIF boundaries.
- Area as a whole has not been subject to growth and development through private enterprise and it would not be reasonably anticipated to redevelop without TIF.
- Conforms to the Comprehensive Plan of the Village.
- Housing Impact Study has been prepared
- Passes the “But For” test.

Overview of Report

- Introduction and eligibility
 - Describes the community and its issues
- Redevelopment goals and objectives
 - Provides overall framework for guiding decisions during implementation of the TIF Plan
- Program policies and implementation
 - Outlines general activities and financing techniques to achieve the redevelopment Goals and Objectives
- Estimated project costs
 - Provides a maximum limit of expenditures by statutory categories
 - Village is not committed to finance all of the estimated redevelopment project costs in Plan
- Program certifications and findings
- Housing Impact Study

Redevelopment Project Area Boundary



Redevelopment Project Area

- 30 acres +/-
- 89 parcels
- 117 PINs
- 60 primary buildings
- Land uses - commercial, mixed use, institutional, and railroad
- Includes Village Hall, Fire Station, the Clarendon Hills Library, Clarendon Hills METRA station

Proposed TIF Qualifications

- Conservation area
- 30 acres +/- contiguous land area and right-of-way (exceeds required 1.5 acres)
- Qualifying factors
 - Factors are reasonably present and distributed throughout the Redevelopment Project Area (RPA)
 - Over 50% of the buildings are 35 years of age
 1. Obsolescence
 2. Deterioration
 3. Excessive land overage
 4. Lack of community planning
 5. Declining EAV

Redevelopment Project Area: Redevelopment Goal

- The overarching goal of this Redevelopment Plan and Project is to reduce or eliminate the conditions that qualify the RPA as a Conservation Area and to improve and redevelop the RPA for mixed land uses.

Redevelopment Project Area: Redevelopment Objectives

- Stimulate private investment in appropriate rehabilitation of existing buildings, and new construction and redevelopment.
- Redevelop existing sites to their highest and best use.
- Provide the necessary public infrastructure improvement to service the RPA and create an environment that will induce private investment.
- Develop safe pedestrian access to transit by improving pedestrian crossings over streets and the BNSF railroad at South Prospect Avenue.
- Assemble land into parcels of sufficient shape and size for disposition and redevelopment in accordance with this Redevelopment Plan and contemporary development needs and standards.
- Create employment opportunities for the community and surrounding area.
- Maintain the RPA, in support of the goals and objectives of other overlapping plans, including but not limited to, the Village's Comprehensive Plan and the Downtown Master Plan.
- Provide adequate parking and loading facilities.
- Maintain, enhance and increase METRA transit ridership.

*See Report for full list of RPA Redevelopment Objectives

Estimated Redevelopment Project Cost: \$5.8M

- Costs of studies, surveys, plans, etc.
- Site marketing costs
- Property assembly costs
- Costs of building rehabilitation, repair or remodeling
- Costs of construction of public works or improvements
- Costs of job training or retraining (businesses)
- Taxing district capital costs
- Relocation costs
- Costs of job training (community college)
- Interest costs (developer or property owner)
- School district increased costs

TIF Eligible Expenses

Eligible: reimbursable

- Studies and surveys
- Land acquisition, site preparation
- Demolition
- Environmental remediation
- Rehabilitation and repair of buildings
- Construction of public works or improvements (street, water, sewer)
- Job training and retaining programs
- Relocation cost
- Certain financing costs

Ineligible: non-reimbursable

- Costs of new, private construction and purchase of equipment are non-eligible costs.
- New municipal public buildings, with some exceptions.
- Demolition, removal, or substantial modification of a historic resource is a non-eligible cost, with some exceptions.
- Golf courses

*Refer to the IL TIF Act for comprehensive list of eligible costs and terms.

Financing TIF Improvements

- “Pay-as-you-go” reimbursement to developer;
- Up-front funding via the issuance bonds or shorter term notes with various potential pledged sources of repayment;
 - General obligation
 - TIF revenue
 - Other revenue streams
- Developer notes; or
- Some combination of the above methods.

Housing Impact Study

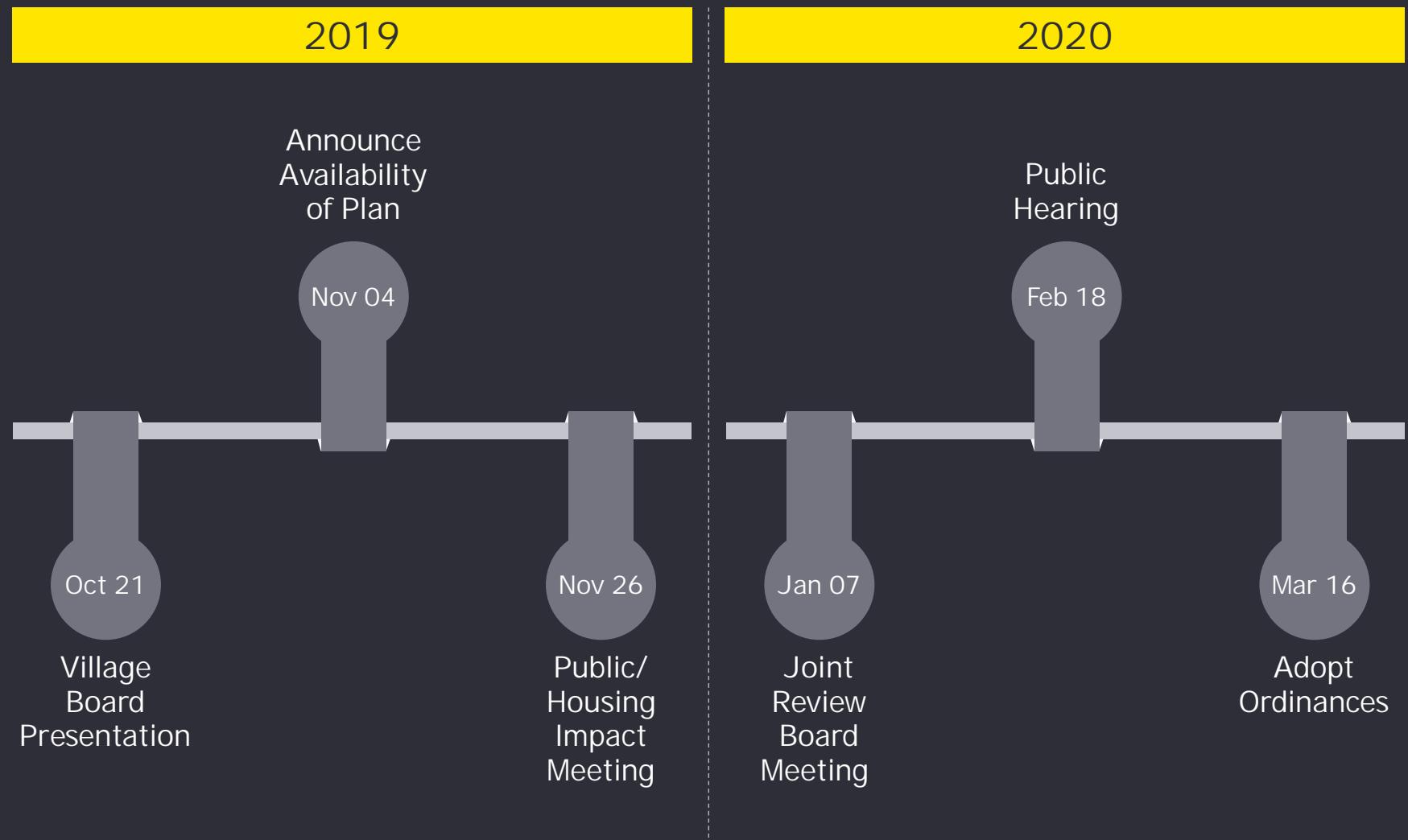
According to the TIF Act, a housing impact study is to be prepared if the RPA would result in the displacement of 10 or more inhabited residential units or contains 75 or more residential units and the municipality does not certify that no displacement of residents will occur.

- There are more than 75 inhabited residential units in the Redevelopment Project Area.
- While it is not anticipated that this Redevelopment Plan and Project will result in the displacement of residents from 10 or more inhabited residential units, the Village has not certified that no displacement will occur.

Certifications and Findings

- Project Cost
- Evidence “But For” met
- Assessment of Financial Impact on Taxing Districts
- Sources to Pay
- Terms and Obligations of Debt (if any)
- EAV of the Redevelopment Project Area
- Not Subject to Growth and Redevelopment on its own
- Dates of Completion (23 Years or less; may be extended up to 35 years with approval of State)
 - December 31, 2044, assuming required Ordinances are approved in 2020.
 - Housing Impact Study findings
 - Agreement with Comprehensive Plan

TIF Designation Process - Timeline*



* Tentative schedule dates are subject to change

Questions



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