

Downtown Tax Increment Financing Redevelopment Plan and Project Public Meeting

Village of Clarendon Hills
November 26, 2019



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Agenda

- 1 What is Tax Increment Financing (TIF)?
- 2 Summary of key findings
- 3 Overview of report
- 4 Proposed TIF qualifications
- 5 Redevelopment plan goal & key objectives
- 6 TIF eligible expenses
- 7 Housing impact study
- 8 TIF adoption timeline

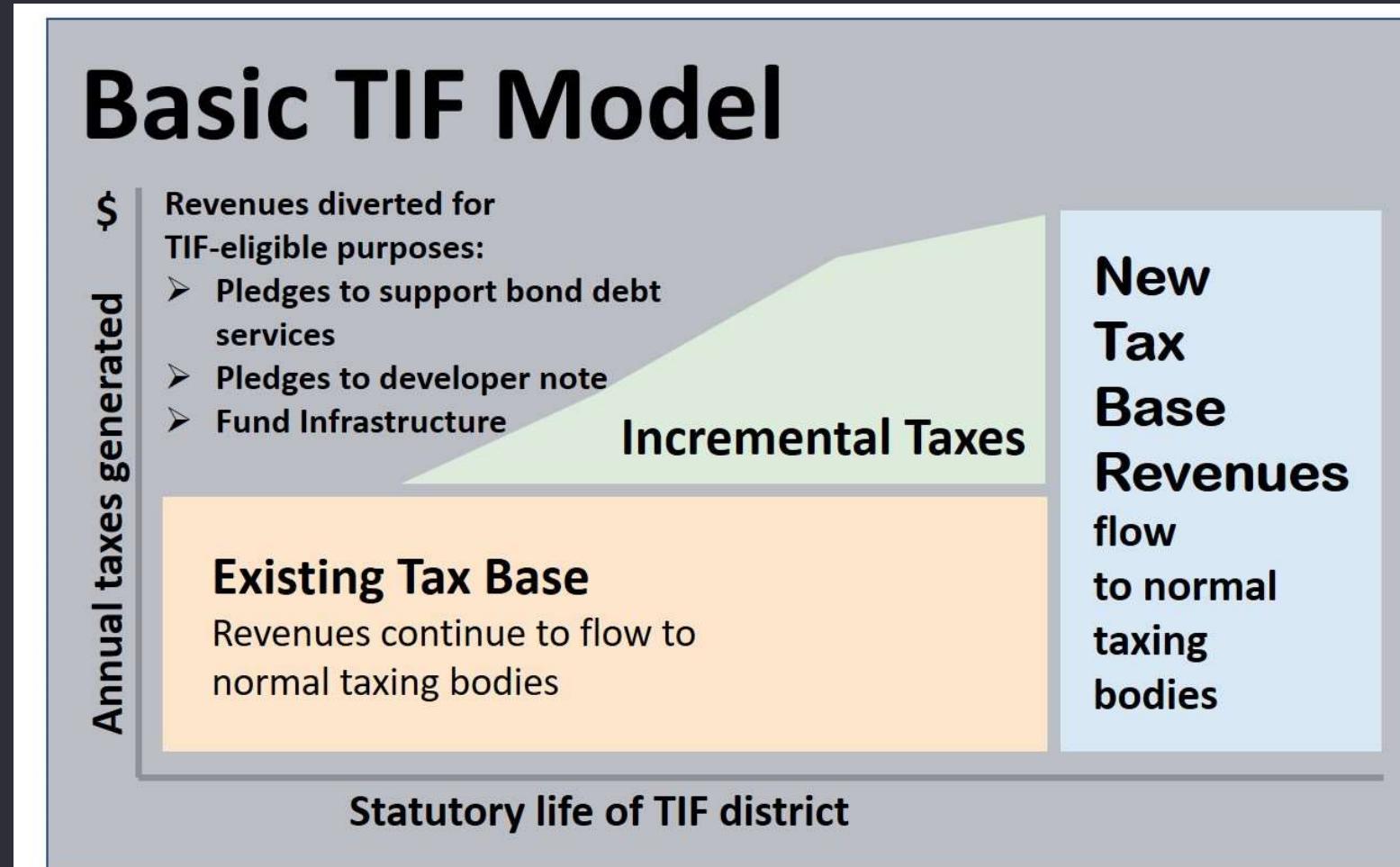
What is Tax Increment Financing (TIF)?

- ▶ A tool to help local governments
 - ▶ restore run-down areas or jumpstart economically sluggish parts of town
 - ▶ attract **private development** and new businesses
 - ▶ make the improvements that are needed, such as new roads, sewers, and water mains.
- ▶ Allows redevelopment costs to be comparable to green grass development costs, therefore "incenting" redevelopment.
- ▶ The **tax increment** is the difference between the amount of property tax revenue generated before a TIF district is established and the amount of property tax revenue generated after the TIF district has new development.

TIF is not:

- ▶ It is **not** a tax increase.
- ▶ TIF does not reduce property tax revenues available to other taxing bodies.
- ▶ Only property taxes generated by the incremental increase are available for use by the Village for eligible expenditures within the TIF District.

What is a Tax Increment and How is it Created?



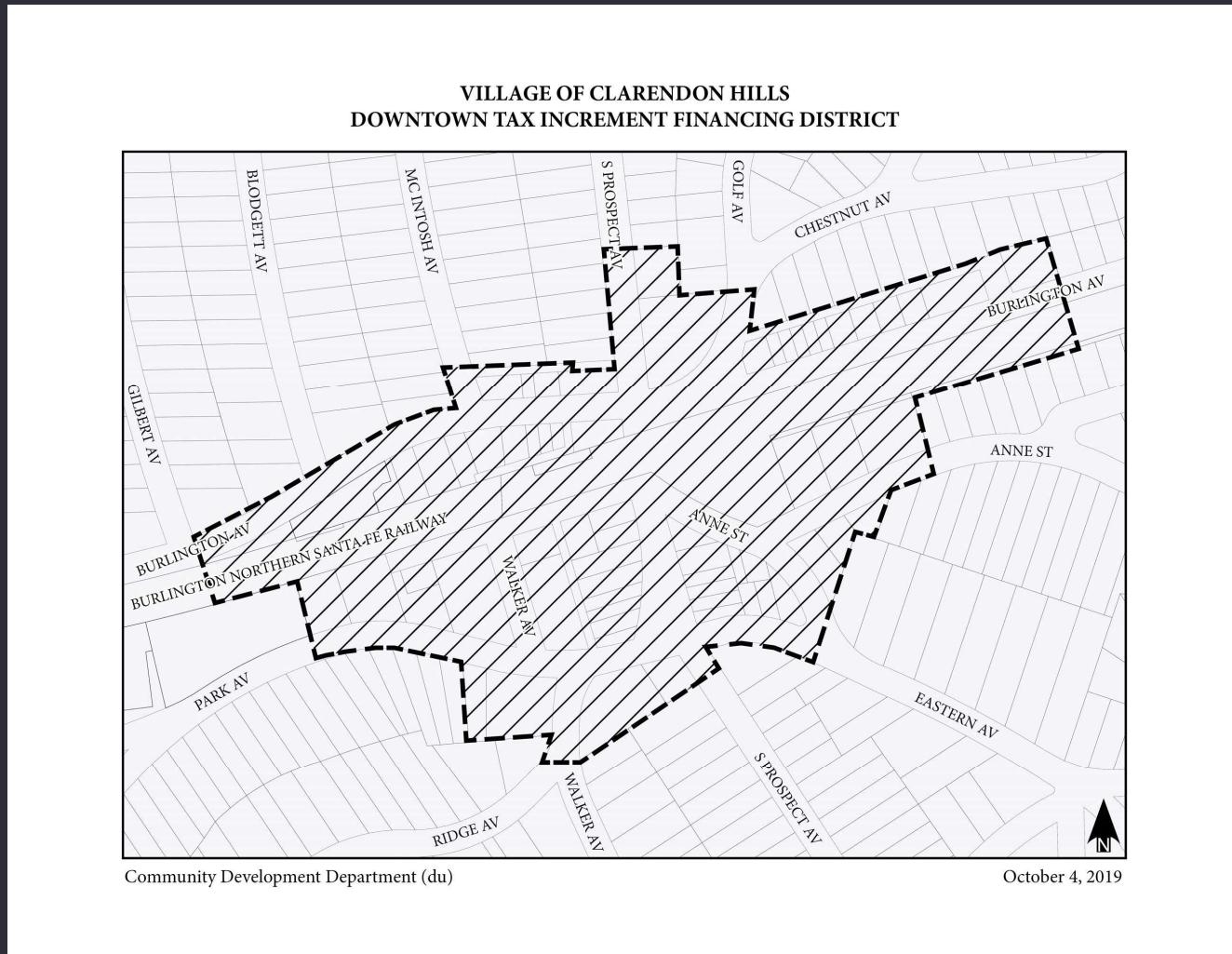
Key Findings

- ▶ 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 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. Structures below minimum code
 4. Excessive land coverage
 5. Lack of community planning
 6. Declining Equalized Assessed Value (EAV)

Redevelopment Project Area: Redevelopment Goal & Key Objectives

- ▶ 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.
- ▶ Key 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.
 - ▶ 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.

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

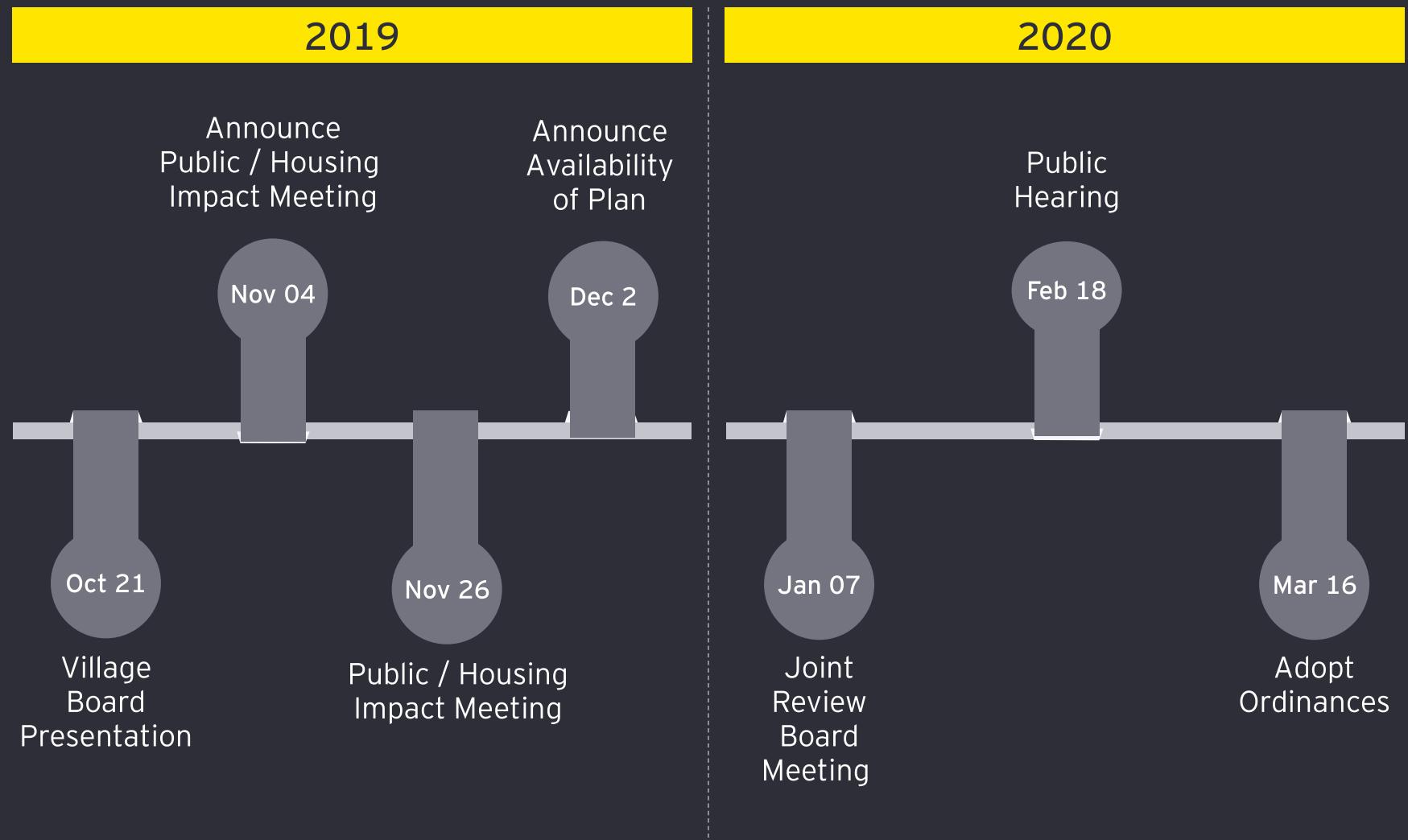
*Refer to the IL TIF Act for comprehensive list of eligible costs and terms.

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.

TIF Designation Process - Timeline*



Representative schedule dates are subject to change

Village Information on the Proposed Downtown TIF

The Village has created a webpage that includes information related to TIF and the process for establishing the Downtown TIF District.

- ▶ <https://www.clarendonhills.us/432/Downtown-TIF-District>

Questions



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