



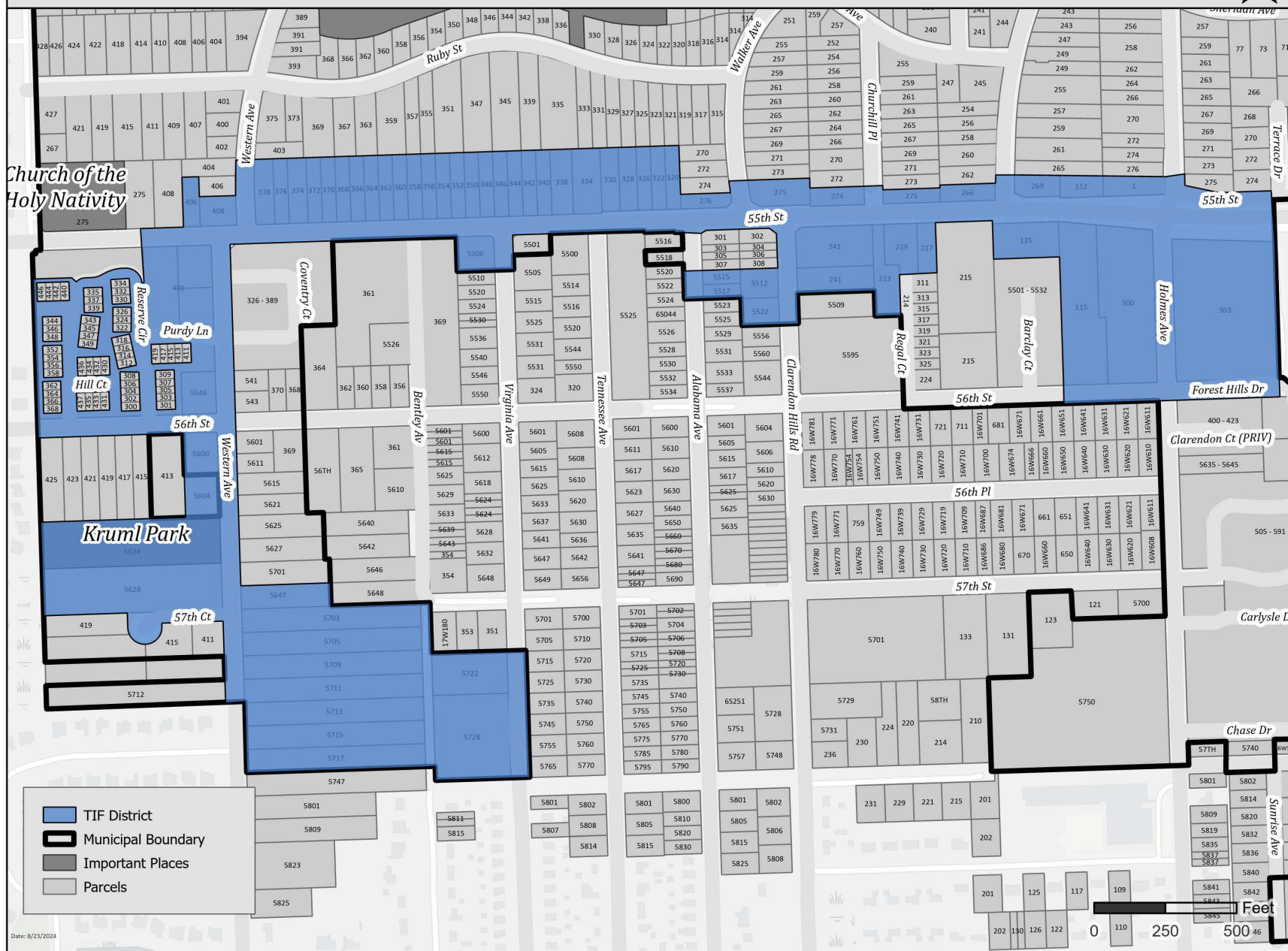
# Proposed 55<sup>th</sup> Street TIF

OVERVIEW



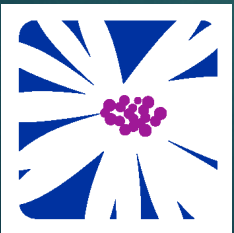
# 55th St Tax Incremental Financing (TIF) District

N



# History

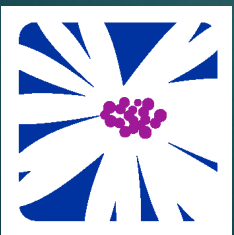
- ▶ Area mostly developed as unincorporated under DuPage County
- ▶ No master planning for the area
- ▶ Substandard infrastructure
  - ❑ Approved by County/ Maintained by Township
- ▶ Many towns are struggling with the same issues in Unincorporated Areas





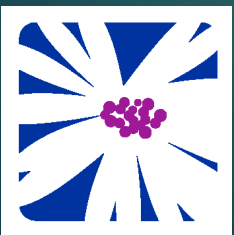
# History

- ▶ 2016 Water Capacity Study
  - ❑ Identified water capacity issues
- ▶ 2017 Subarea plan
  - ❑ Identified traffic issues, stormwater issues, pedestrian safety
  - ❑ Reidentified water issues
  - ❑ Village accepted plan, however not fiscally feasible to address issues
- ▶ 2022- Board rejected proposed Tracy's Tavern Development
- ▶ 2023- Village Board reviewed economic development possibilities
- ▶ March 2024- Village reauthorized Ryan Group to look at economic development tools including TIF feasibility



# Objectives

- ▶ Increase and retain tax base
  - ❑ Village has very limited commercial base
- ▶ Find funding sources for infrastructure needs
  - ❑ TIF increment from new construction
  - ❑ Sales tax from new developments
- ▶ It is a very small TIF with modest aims
  - ❑ Develop former Tracy's site and 5506 Virginia
  - ❑ Use increment as a partial contribution towards infrastructure
  - ❑ Protect existing businesses like Jewel and Country House by incentivizing investments

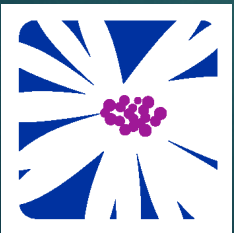




# FAQs: Parcel Choices

## ► Western Ave

- ❑ Included as low point in the water system
- ❑ No future redevelopment expected due to teardowns in 2020
- ❑ Possible water storage options





Pressure  
Legend: Pressure (psi)



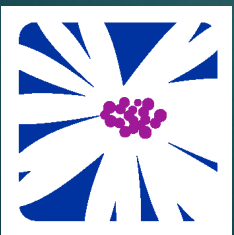
**WESTERN AVENUE –  
LOW PRESSURE AREA**

Source: Ciorba Group (2016 Water Capacity Study)



# FAQs: Parcel Choices

- ▶ Properties not included
  - ❑ Lowest number of residential properties possible to meet objectives
- ▶ Northside of 55<sup>th</sup> Street
  - ❑ No Redevelopment is Planned
  - ❑ Included as they run along watermain and connects the east and west side of the parcels we wanted within the TIF
  - ❑ Unincorporated (south on 55<sup>th</sup> Street) cannot be included
  - ❑ Village offered to rebate 100% of revenues from properties to schools





# FAQs: Parcel Choices

## ▶ Jewel

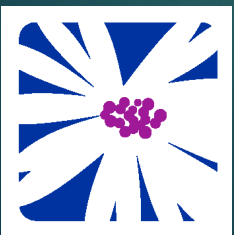
- ❑ Concern regarding ongoing grocery consolidations
- ❑ One of the Biggest taxpayers in the Village
- ❑ Outdated store format (smallest and oldest in Downers Grove Township)

## ▶ PNC

- ❑ Branch closures
- ❑ Outdated format

## ▶ Country House

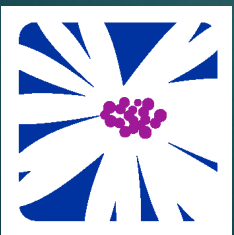
- ❑ ADA issues





# FAQs: Development Issues in Subarea

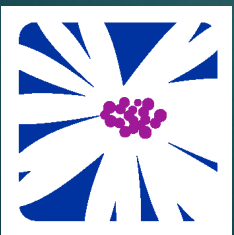
- ▶ Lagging behind the development of other areas within District 86
  - ❑ Water pressure/quality
  - ❑ No sidewalks
  - ❑ Flooding
- ▶ If partially funded infrastructure entire Subarea may see increased investment
  - ❑ Most of Subarea not within the TIF and therefore tax growth accrues to the Districts
    - ❖ Village estimates \$2.1 Million ANNUALLY to District 60 if the area redevelops





# FAQs: Public Safety Issues- Subarea

- ▶ Crashes at 55<sup>th</sup> and Western
  - ❑ Traffic Study in 2022
- ▶ Water pressure for fire suppression
  - ❑ Tankers bringing in water
  - ❑ Hydrants turned backwards
- ▶ Water storage below emergency levels currently





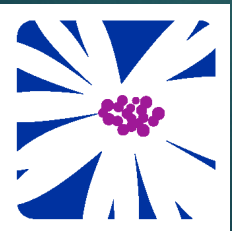
**Table 4.6: Emergency Storage Volume Calculation – Existing Condition**

<b>Volume / Demand</b>	<b>Calculation</b>
Average Daily Demand	0.778 MGD
2 x Average Daily Demand	1.556 MG
Existing Storage Volume	1.250 MG
<b>Emergency Volume Shortfall</b>	<b>(0.306 MG)</b>

This calculation was also completed based on the Village's current operating settings, taking into account elevated reservoir set points, and pump limitations as discussed in **Section 2.3.2**.

**Table 4.7: Emergency Operating Volume Calculation – Existing Condition**

<b>Volume / Demand</b>	<b>Calculation</b>
Average Daily Demand	0.778 MGD
2 x Average Daily Demand	1.556 MG
Existing Operating Volume	0.580 MG
<b>Emergency Volume Shortfall</b>	<b>(0.976 MG)</b>



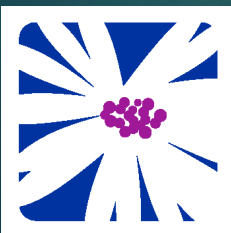
Source: Ciorba Group (2016 Water Capacity Study)



**Table 4.9: Emergency Operating Volume Calculation – Future Condition**

<b>Volume / Demand</b>	<b>Calculation</b>
Average Daily Demand	0.854 MGD
2 x Average Daily Demand	1.708 MG
Existing Operating Volume	0.580 MG
<b>Emergency Volume Shortfall</b>	<b>(1.128 MG)</b>

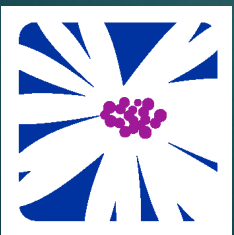
Source: Ciorba Group (2016 Water Capacity Study)





# FAQs: Impact on Schools

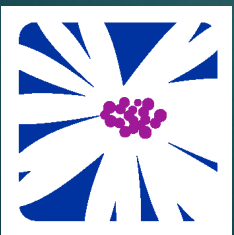
- ▶ EAV of areas is only 1.8% of total District 60, 0.226% of District 86
  - ❑ Contribution to tax levy frozen at 2024 levels
- ▶ CFO District 60 estimates \$3.8 million to \$6.6 million over 23 years
  - ❑ At the high end less than 1% of the District Budget
  - ❑ Does not include rebates from Village in the proposed IGA
- ▶ Multiple Residents sent Village Projections
  - ❑ John Kroll- \$1,342,405 impact on District 60 over 23 years
  - ❑ Sinead Duffy- \$7,600,074 and \$12,350,120 based on proposed TIF Budgets
- ▶ All Projection include “Natural Growth” and therefore are overstating the possible impact
- ▶ Village historically has rebated any excess funds in regard to TIFs





# FAQs: Village Proposed IGA

- ▶ Declare 20% of all tax increments in the TIF District
- ▶ Declare 50% of the increment from the Jewel property
- ▶ Declare 100% surplus the increment from residential properties on the north side of 55th from Western Ave to Prospect Ave.
  - ❑ Removes virtually all financial impact to District 181.
- ▶ Terminate the Ogden Avenue TIF four (4) years early and refund the existing fund balance.
  - ❑ This compromise makes the net impact of the two TIFs' cashflow positive to both District 86 and 181 for the initial years of the proposed 55th Street TIF.
- ▶ Provide additional tuition reimbursement beyond the requirements of the TIF Act
  - ❑ TIF is required to reimburse for any students generated





# FAQs: Alternative Funding

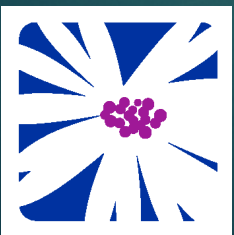
## Non-Viable

- ▶ Special Services Areas/Assessments not viable
- ▶ Insufficient funds in the 10-year capital plan
- ▶ Water fund projected deficit position

## Viable

- ▶ Water revenues generated by new properties
- ▶ Annexation fees
- ▶ State Grants
- ▶ IEPA subsidized water loans

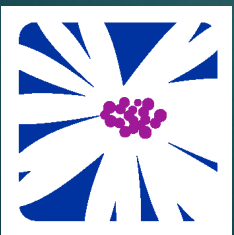
**A GAP WOULD STILL EXISTS EVEN WITH THESE TOOLS**





# FAQs: Rumors

- ▶ Residents taxes increase due to TIF
  - ❑ Misleading – TIF diverts tax growth dollars within a TIF District
- ▶ Teardown the Birches
  - ❑ False
- ▶ Teardown Seton Montessori
  - ❑ False
- ▶ Force people from their homes
  - ❑ False



# Overview

## ▶ Win-Win

- ❑ Increased tax base for all parties
- ❑ Early rebate of funds
- ❑ Development outside of TIF
- ❑ Increase safety for area residents

## ▶ Will not occur without TIF

- ❑ No progress on 55<sup>th</sup> Subarea Plan since 2017
- ❑ Not enough funding for infrastructure
- ❑ Potential developments/improvement would have many more financial challenges

## ▶ Continue Dialogue

