

Proposed 55th Street TIF

OVERVIEW
NOVEMBER 2024 UPDATE

Changes Since Public Hearing



IGA Updated



Jewel and PNC were removed at the request of District 60



TIF Budget reduced by \$12,557,000

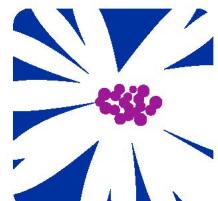


100% Surplus of Residential Properties South of 55th outside of development areas and proposed water tower site



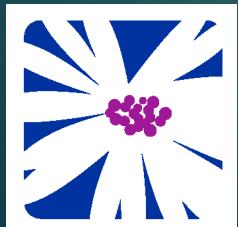
100% Surplus of commercial properties south of 55th except

- Country House
- 5506 Virginia
- Former Tracy's Tavern



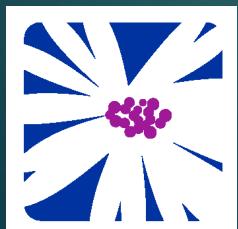
History

- ▶ 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

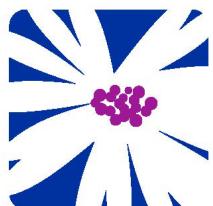
- Village has very limited commercial base

Find partial funding sources for infrastructure needs

- TIF increment from new construction
- Sales tax from new developments

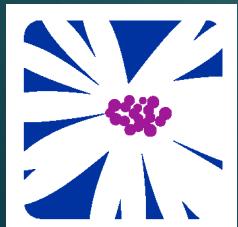
It is a very small TIF with modest aims

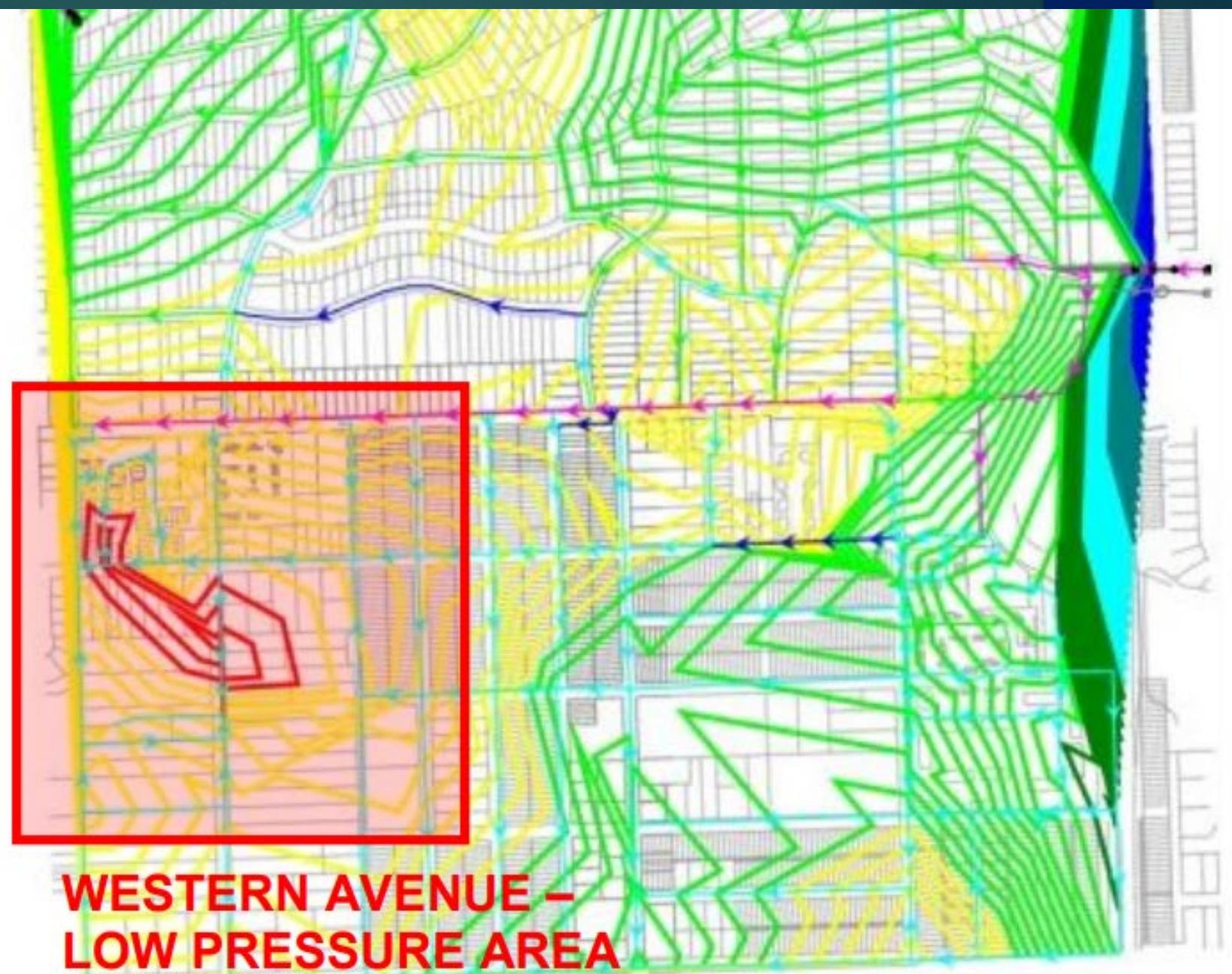
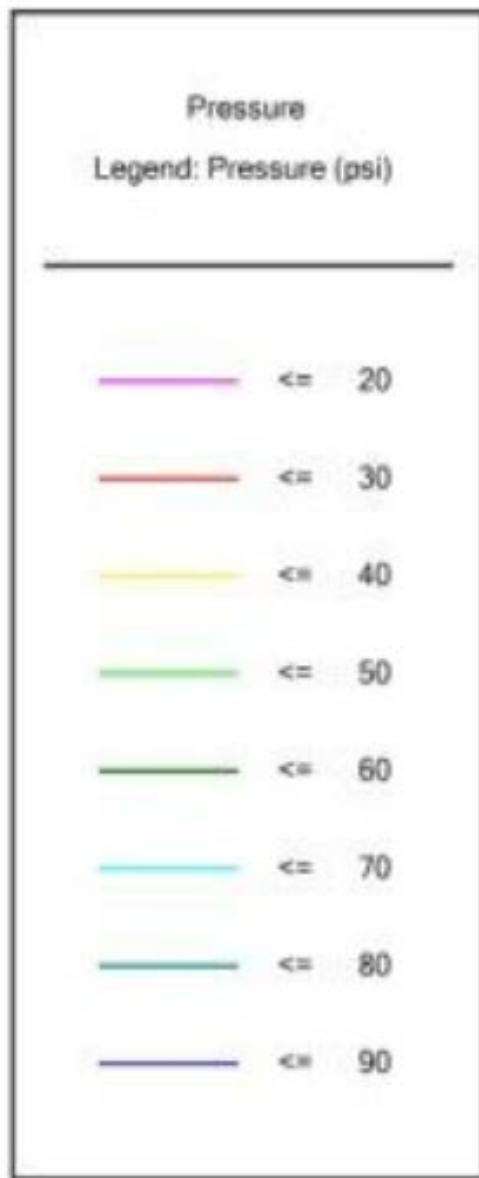
- Develop former Tracy's site and 5506 Virginia
- Use increment and sales tax as a partial contribution towards infrastructure
- Protect existing businesses like Country House by incentivizing investments



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
 - 100% surplus to the school districts

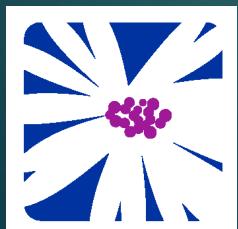




Source: Ciorba Group (2016 Water Capacity Study)

FAQs: Parcel Choices

- ▶ Properties not included
 - Lowest number of residential properties possible to meet objectives
 - TIF Requires Contiguity
 - Properties included for contiguity purposes surplused 100%
- ▶ Northside of 55th 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 55th Street) cannot be included
 - Village offered to surplus 100% of revenues from properties to schools



FAQs: Parcel Choices

- ▶ Country House
 - ADA issues
- ▶ Tracy's Tavern Site
 - Vacant for 7 years
 - Development may trigger large capital costs at the intersection



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 55th and Western
 - Traffic Study in 2022
- ▶ Water pressure for fire suppression
 - Tankers bringing in water
 - Hydrants turned backwards
- ▶ Water storage below emergency levels currently

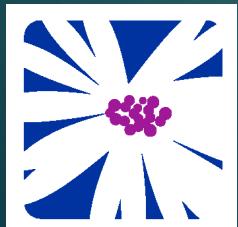


Table 4.6: Emergency Storage Volume Calculation – Existing Condition

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

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

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

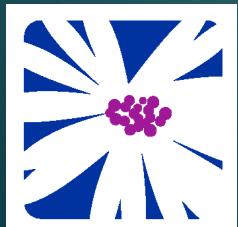
Source: Ciorba Group (2016 Water Capacity Study)



Table 4.9: Emergency Operating Volume Calculation – Future Condition

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

Source: Ciorba Group (2016 Water Capacity Study)



FAQs: Village Proposed IGA

- ▶ 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.
- ▶ Declare 100% surplus all properties not the target of redevelopment including all commercial except for Country House, 5506 Virginia and former Tracy's site
- ▶ Terminate the Ogden Avenue TIF four (4) years early and refund the existing fund balance.
- ▶ Remove Jewel and PNC
- ▶ Provide additional tuition reimbursement beyond the requirements of the TIF Act
- ▶ TIF is required to reimburse for any students generated



FAQs: Impact on Schools

- ▶ EAV of areas is only 0.832% of total District 60, 0.202% of District 86 and 0.228% of District 181
- ▶ Village estimates a substantial increase in District revenues vs no TIF
 - Immediately cash flow positive for District 86 and District 181
- ▶ IGA
 - Increases available revenues to the District by an estimated over 23 year
 - End of IGA
- ▶ End of Ogden TIF
 - Taxing bodies can immediately capture \$129,462 annually
- ▶ Development outside of the TIF
 - Redevelopment of the area outside the TIF enabled by some of the water improvements
 - Full residential single-family development of the area to the same standard as north of 55th would be \$3,855,908 in ANNUAL property taxes to the taxing bodies outside the Village



FAQs: Alternative Funding

Non-Viable

- ▶ Special Services Areas/Assessments not viable
 - ▶ Area too small
- ▶ Insufficient funds in the 10-year capital plan
- ▶ Water fund projected deficit position
 - ▶ 72% increase in water rates to pay for new improvements South of 55th.

Viable

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

A GAP WOULD STILL EXIST EVEN WITH THESE TOOLS W/O TIF AND INCENTIVIZING SALE TAX BUSINESSES.

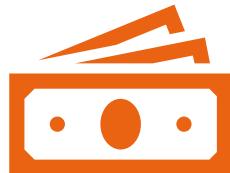


FAQs: Rumors

- ▶ Residents' taxes increase due to TIF
 - Misleading – TIF diverts tax growth dollars within a TIF District
- ▶ Teardown the Birches
 - False, Birches not included
- ▶ Teardown Seton Montessori
 - False, Seton surplus 100% and not a target of development
- ▶ Force people from their homes
 - False
- Forced Redistricting
 - No expected change in school population from TIF, so TIF is irrelevant to Redistricting



Overview



Win-Win

Increased tax base for all parties
Early rebate of funds
Larger Tax base for Schools outside of PTELL limits
Development outside of TIF- \$3.5 Million annually in potential property tax revenue growth
Increase safety for area residents



Will not occur without TIF

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



First reading tonight

School districts currently reviewing IGA, positive feedback from Districts 60 and 181.