



Route 6 TIF Amendment No. 1 Public Information Meeting Village of Coal Valley

Maureen Barry
Senior Municipal Advisor/Vice President

Tricia Marino Ruffolo
Municipal Advisor

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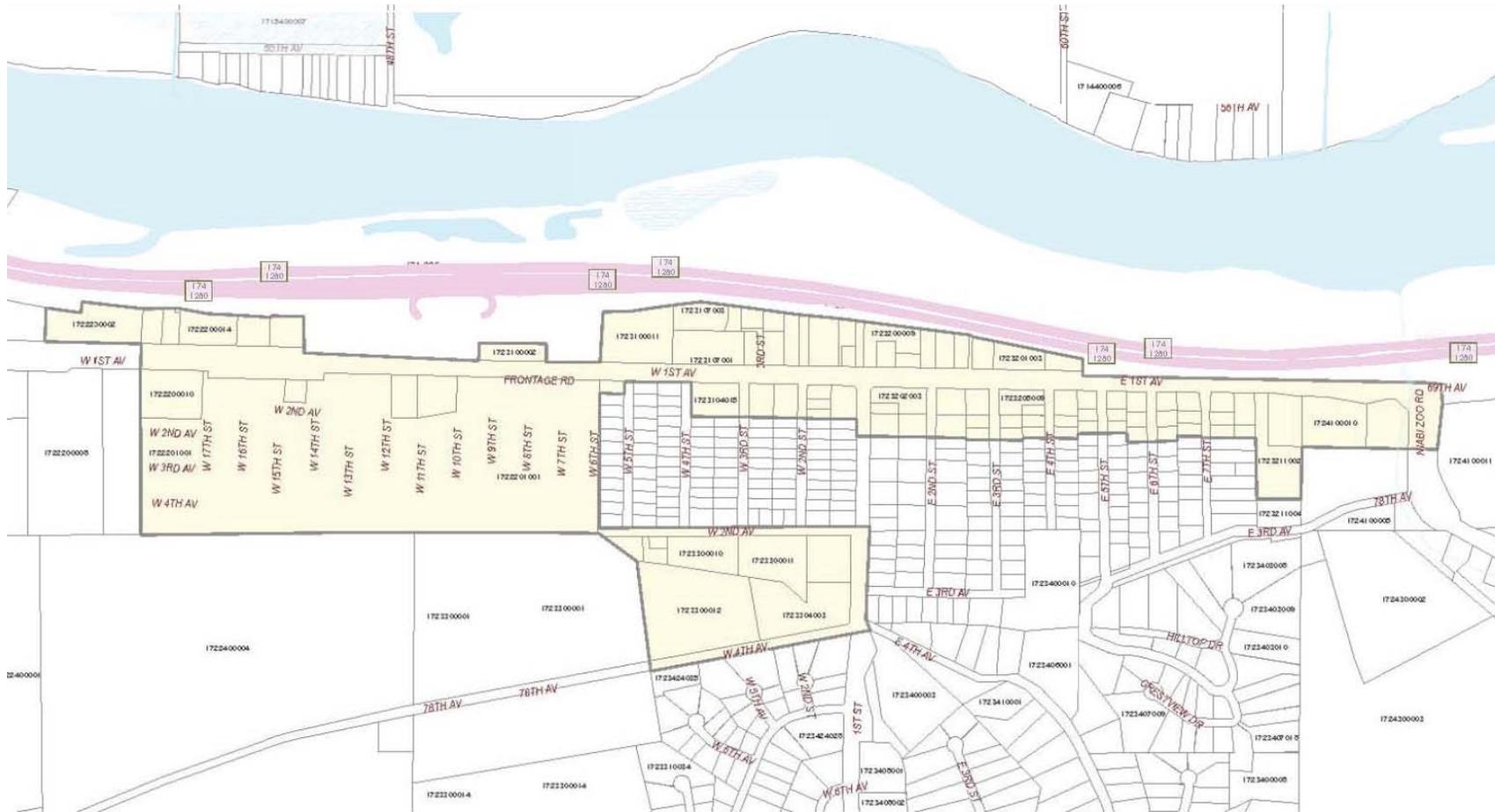


Route 6 TIF District Background

- Adopted November 1, 2006 to address blighting factors and to foster redevelopment in the RPA.
- Qualified as blighted area for both improved and vacant areas (per TIF Statute definitions)
- Included improved and vacant parcels



Route 6 TIF (Original) Redevelopment Project Area



Why is the Amendment needed?

- The Route 6 TIF has had some successes.
 - Route 6 Equity Growth Project
 - Happy Joe's Pizza, Country Style Ice Cream, Mulligans Sports Bar, Subway sandwich shop
- In an effort to keep the RPA small, the Original RPA did not include some parcels along Route 6 that have redevelopment potential.
- Adding these parcels makes redevelopment more likely for both the new and original RPA parcels.
- Infrastructure improvements are also needed to address chronic flooding in the added parcels.

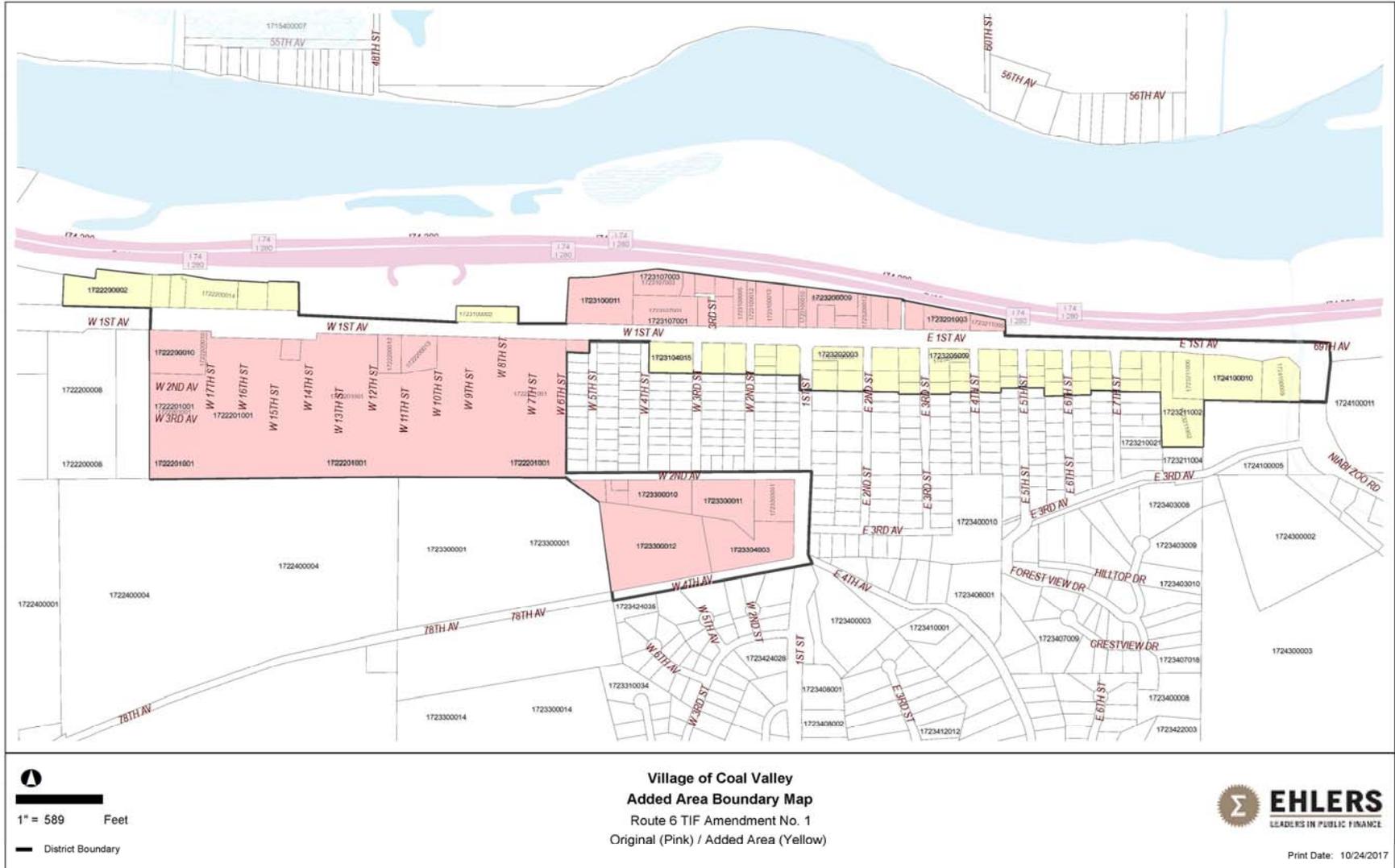


Route 6 TIF District Amendment

- Approximate boundaries
 - along 1st Avenue/ U.S. Route 6 between east of East 11th Street on the east side and west of 17th Street on the west side.
- Added Area includes 56 parcels.
- 155 acres total (43 acres for the Added Area).
- Update Redevelopment Plan language to comply with current TIF Act requirements.



Route 6 TIF Proposed Redevelopment Project Area



What is Tax Increment Financing (TIF)?

- A tool to help local governments restore their most run-down areas or jumpstart economically sluggish parts of town.
- TIF's help local governments attract **private development** and new businesses.
- TIF's help local governments make the improvements they need, like new roads or new sewers and water mains.
- Allows redevelopment costs to equal green grass development costs, therefore “incenting” redevelopment.

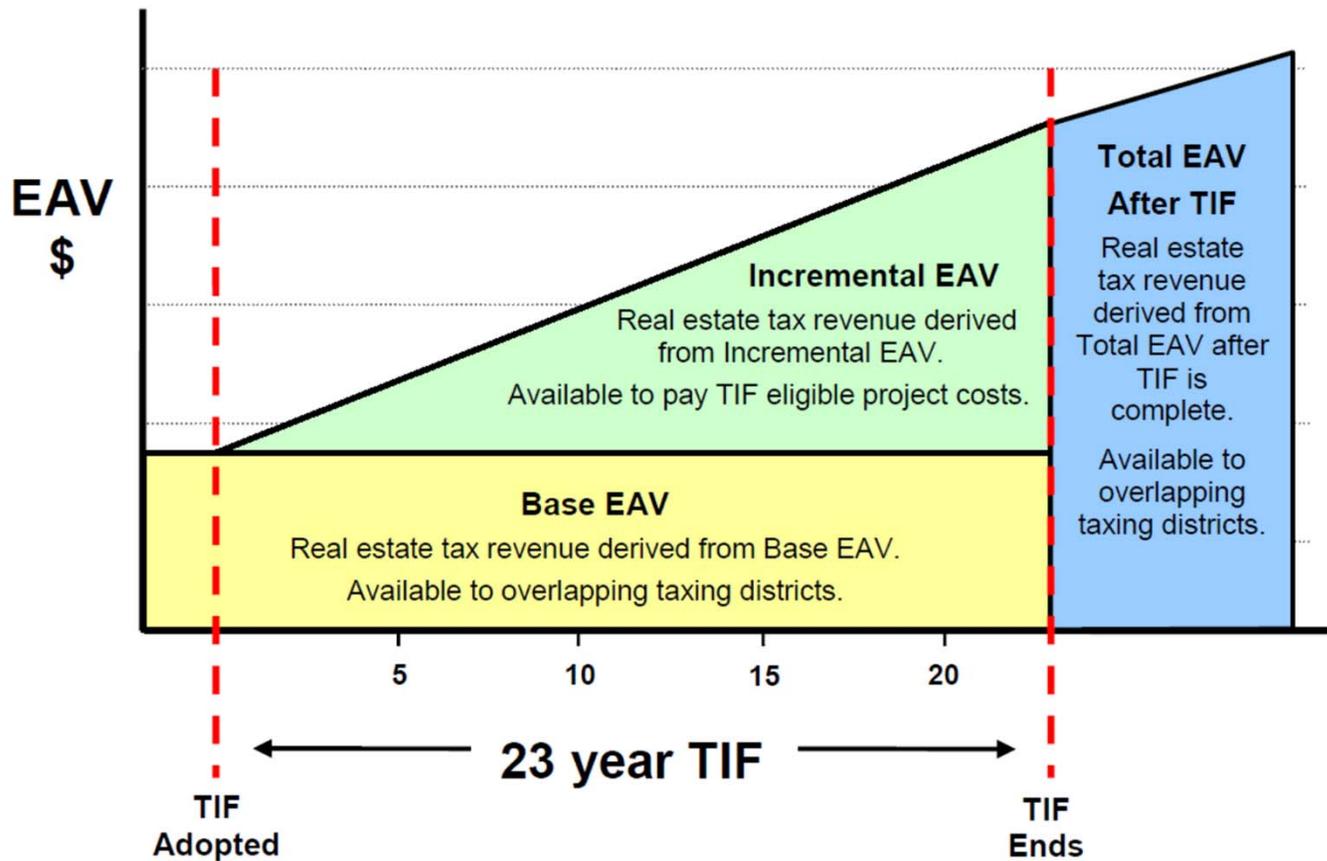


What is a "Tax Increment"?

- It is **not** a tax increase.
- It 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 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 TIF.



What is a "Tax Increment"?



How do you amend a TIF?

- Identify an area with physical and economic deficiencies to be added.
- Prepare an Eligibility Report for the Added Area and update Redevelopment Plan, as needed.
- Hold a **Public Information Meeting** to discuss the proposed TIF Amendment. **(February 13, 2018)**
- Convene a Joint Review Board. **(March 28, 2018)**
- Conduct a public hearing where residents and other interested parties can express their thoughts on the subject. **(May 2, 2018)**
- Adopt TIF Ordinances to approved the TIF Amendment. **(May 16, 2018 at earliest)**
- No state or federal approval is required.
- Law allows a TIF district to exist for a maximum of 23 years. **This amendment does not extend the term beyond 23 years.**



Route 6 TIF District – Amended/Added Area

- Amendment will add contiguous parcels to expand the boundaries of the TIF (Redevelopment Project Area).
- All terms of the original TIF Redevelopment Plan will then apply to the newly added parcels as well.
- Conservation Area qualifying factors:
 - 50% or more of structures must be over 35 years of age
 - Minimum of three criteria for “Conservation Area”, as opposed to five criteria for “Blighted Area”
 1. Obsolescence
 2. Inadequate Utilities
 3. Lack of community planning
 4. Lagging EAV (all 3 measures)



Amended Redevelopment Plan and Project

- Introduction and Eligibility
 - Describes the community and its issues - **Similar**
- Redevelopment Goals and Objectives
 - Provides overall framework for guiding decisions during implementation of the TIF Plan - **Same**
- Program Policies and Implementation
 - Outlines general activities and financing techniques to achieve the redevelopment Goals and Objectives - **Same**
- Project Costs – **Same, No increases in this amendment**
 - Provides a maximum limit of expenditures by statutory categories
 - Village is not committed to finance all of the Redevelopment Project Costs in Plan
- Program Certifications and Findings - **Same**



Redevelopment Goals for Amended Area

Consistent with original TIF Redevelopment Plan and Comprehensive Plan

- Eradicate Blighted/Conservation Area qualifying factors
- Redevelop properties with uses consistent with commercial nature of Route 6
- Public infrastructure improvements (utilities)
- Encourage further private development



Key Findings

- Conservation Area factors are reasonably present and distributed throughout the Added Area.
- 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.
- This Amendment **will not** result in the displacement of residents from ten (10) or more inhabited residential units.
- Passes the “But For” test.



Questions





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LEADERS IN PUBLIC FINANCE

Maureen Barry

Senior Municipal Advisor/Vice President

Phone: (312) 638-5257

Email: mbarry@ehlers-inc.com

Tricia Marino Ruffolo

Municipal Advisor

Phone: (312) 638-5262

Email: tmruffolo@ehlers-inc.com

www.ehlers-inc.com



Added Area – Eligibility Study

- Review and document the Criteria for Eligibility
- Eligibility class definitions include: Blighted, Conservation, Combination of Blighted and Conservation, or Industrial Conservation
 - **Conservation** (Land with Buildings/Improved)
 - 13 Criteria: 3 must be met, AND over 50% of buildings over 35 years of age (**5 criteria are met as well as age requirement**)
 - **Blighted**
 - Improved Land (land with buildings) - Does not apply
 - Vacant Land - Does not apply
 - **Industrial Conservation**
 - Does not apply



Project Resources

Participants in the TIF Process

- Residents and Property Owners
- Elected Officials
- Village Manager and Staff
- Village Attorney
- County
- Other Taxing Bodies
- TIF Consultant (Ehlers)

