



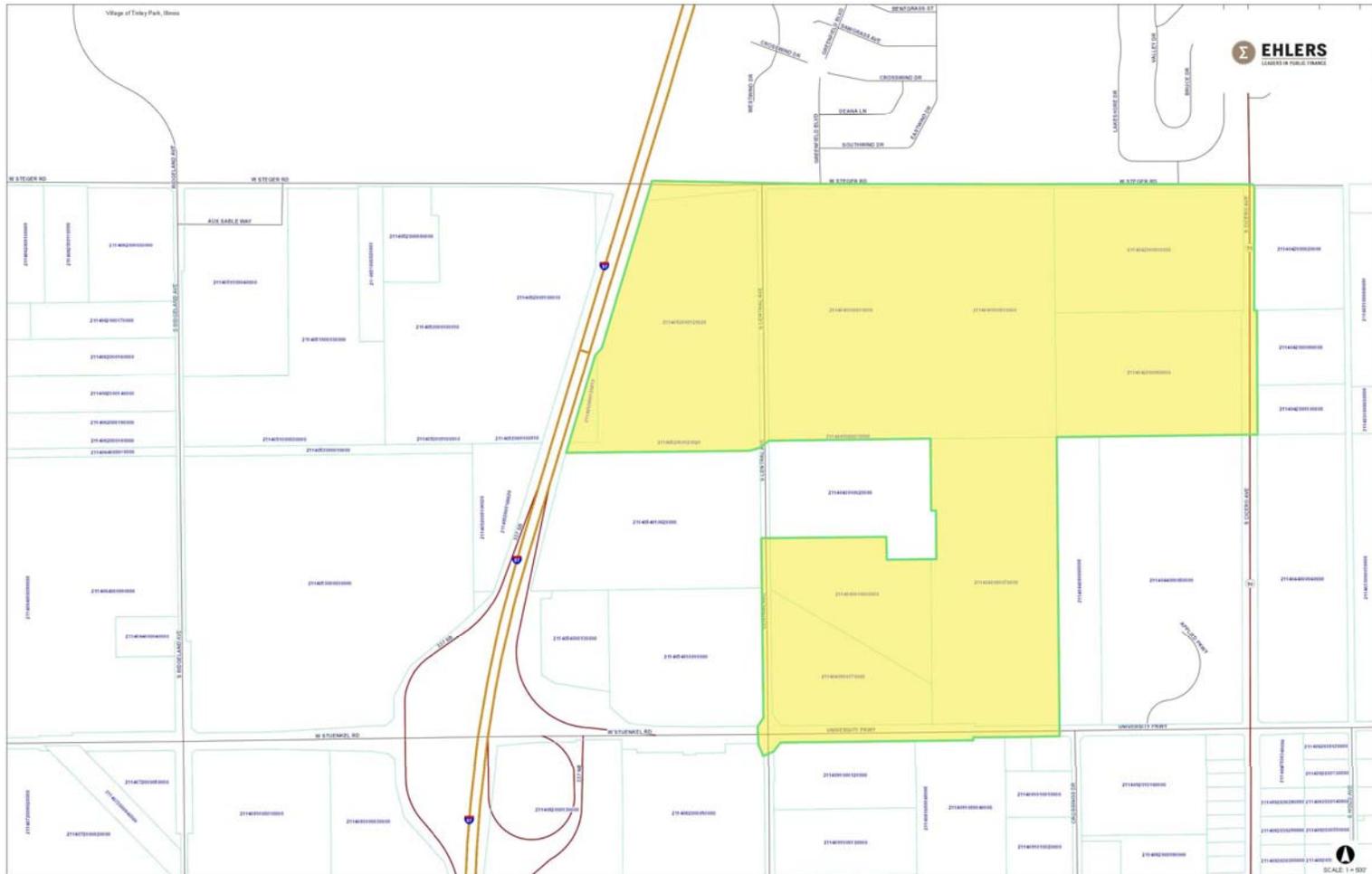
Tax Increment Financing (TIF) JRB Meeting

Village of University Park TIF 7 - Steger Road and Central Avenue

January 14, 2019



TIF Redevelopment Project Area



General Location

- **Boundaries**
 - North – Steger Road
 - South – Stuenkel Road/University Parkway
 - East – Cicero Avenue
 - West – I-57
- Approximately 408 acres, 8 PINs
- Commercial, residential, industrial, and open space



What is Tax Increment Financing (TIF)?

- A tool to help local governments restore 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.



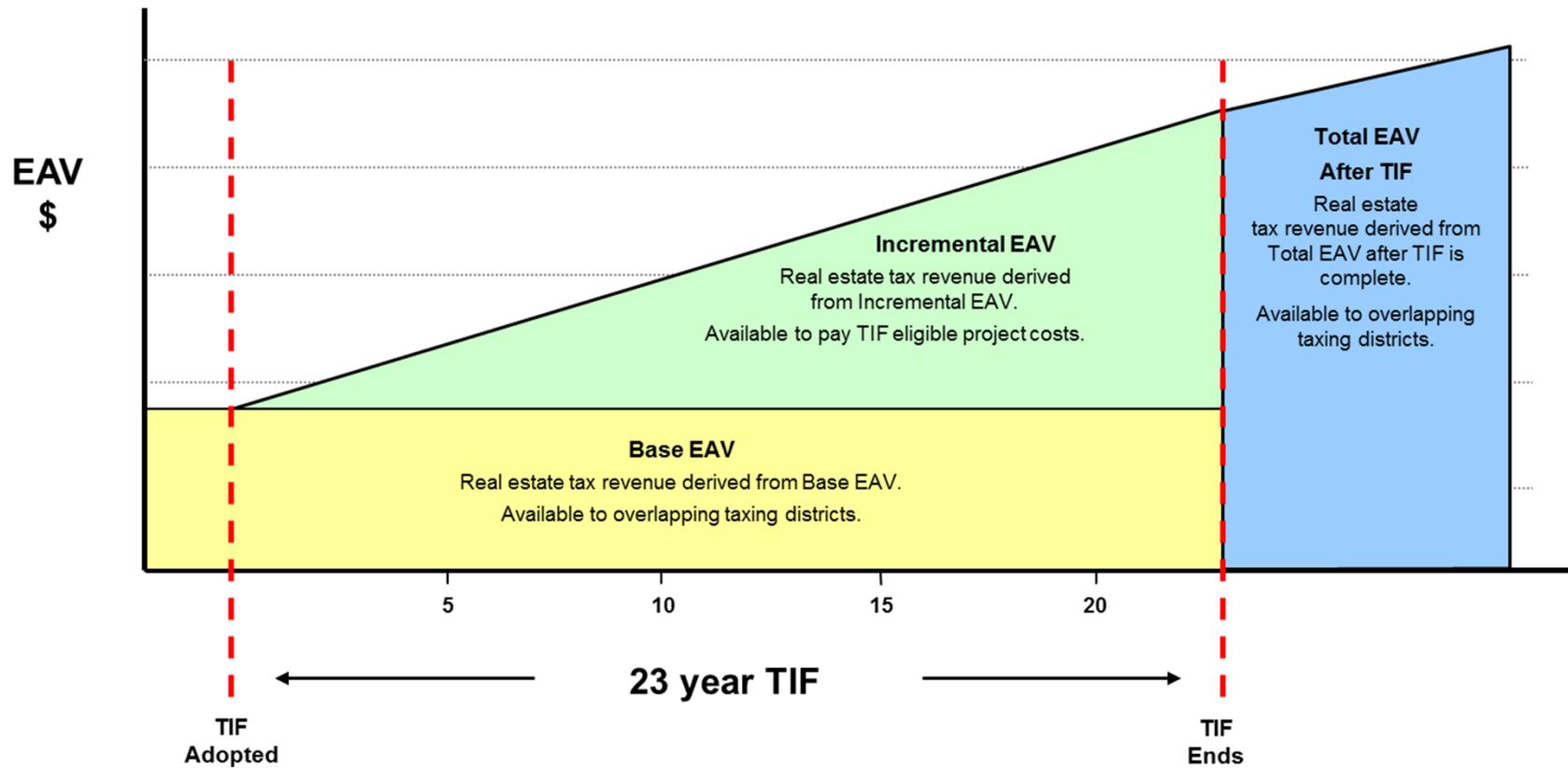
What is a "Tax Increment"?

- 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.



How is TIF generated?

- Before and After: Entire TIF



How do you establish a TIF?

- Identify an area with physical and economic deficiencies.
- Prepare Eligibility Report and Redevelopment Plan.
- Convene Joint Review Board. (December 6, 2018)
- Conduct public hearing where residents and other interested parties can express their thoughts on the subject. (January 2019)
- Adopt TIF Ordinances to establish TIF. (January 2019)
- No state or federal approval is required.
- Law allows a TIF district to exist for a maximum of 23 years. TIF districts may be terminated earlier if all financial obligations are paid-off and the municipal Council votes to terminate the district.



Eligibility Analysis

- Review and document Criteria for Eligibility
- Blighted, Conservation, Combination of Blighted and Conservation, or Industrial Conservation
 - **Conservation**
 - Improved Land (land with buildings)
 - 13 Criteria: 3 must be met, AND over 50% of buildings over 35 years of age
 - **Blighted**
 - Improved Land (land with buildings)
 - Vacant Land
 - **Industrial Conservation**
 - Does not apply



TIF Qualifications – Eligibility Report

Blighted Area – Vacant Land

- 6 parcels
- One Factor Test - 6 criteria: at least 2 must be met (4 criteria met)
 1. Obsolete Platting
 2. Diversity of Ownership
 3. Deterioration of Structures in Neighboring Areas Adjacent to Vacant Land
 4. Lagging EAV



TIF Qualifications – Eligibility Report

Conservation Area – Improved Land

- Age 1 parcels (50%)
- 13 criteria: at least 5 must be met (6 criteria met)
 1. Obsolescence
 2. Deterioration
 3. Excessive Vacancies and Underutilization
 4. Inadequate Utilities
 5. Lack of Community Planning
 6. Lagging EAV



Redevelopment Plan

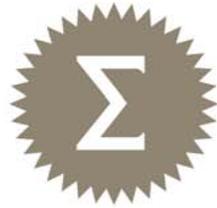
- Introduction and Eligibility
 - Describes the community and its issues
- Redevelopment Goals and Objectives
 - Provides overall framework for guiding decisions during implementation of the TIF Plan
- Program Policies and Implementation
 - Outlines general activities and financing techniques to achieve Goals and Objectives
- Project Costs
 - Provides a maximum limit of expenditures by category
 - City is not committed to finance all of the Redevelopment Project Costs in Plan
- Program Certifications and Findings
 - Minimal financial impact to taxing bodies is expected



Key Findings

- Blighted Area factors (Improved and Vacant land) are reasonably present and distributed throughout the 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 would not be reasonably anticipated to redevelop without TIF.
- The Village certifies no displacement of occupied residential units will occur as a result of the TIF Redevelopment Plan and Project.
- Conforms to the Comprehensive Plan of the Village
- Passes the “But For” test.





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