

St. Charles Road Commercial Corridor Redevelopment Project Area



PUBLIC MEETING

October 2, 2023, 6:30 p.m.

What is Tax Increment Financing?

- Tax Increment Financing (TIF) is a technique which utilizes future property tax revenues to **stimulate new private investment** in redevelopment areas.
- In Illinois, primarily based upon **property value**.
- Development investments that increase property value also increase property tax revenue.
- This increased revenue can be recaptured for reinvestment.
 - **NOT** a new tax!
 - Captures only the **increase** in property tax revenues to be used within the Project Area.
 - Tool to leverage public investment.



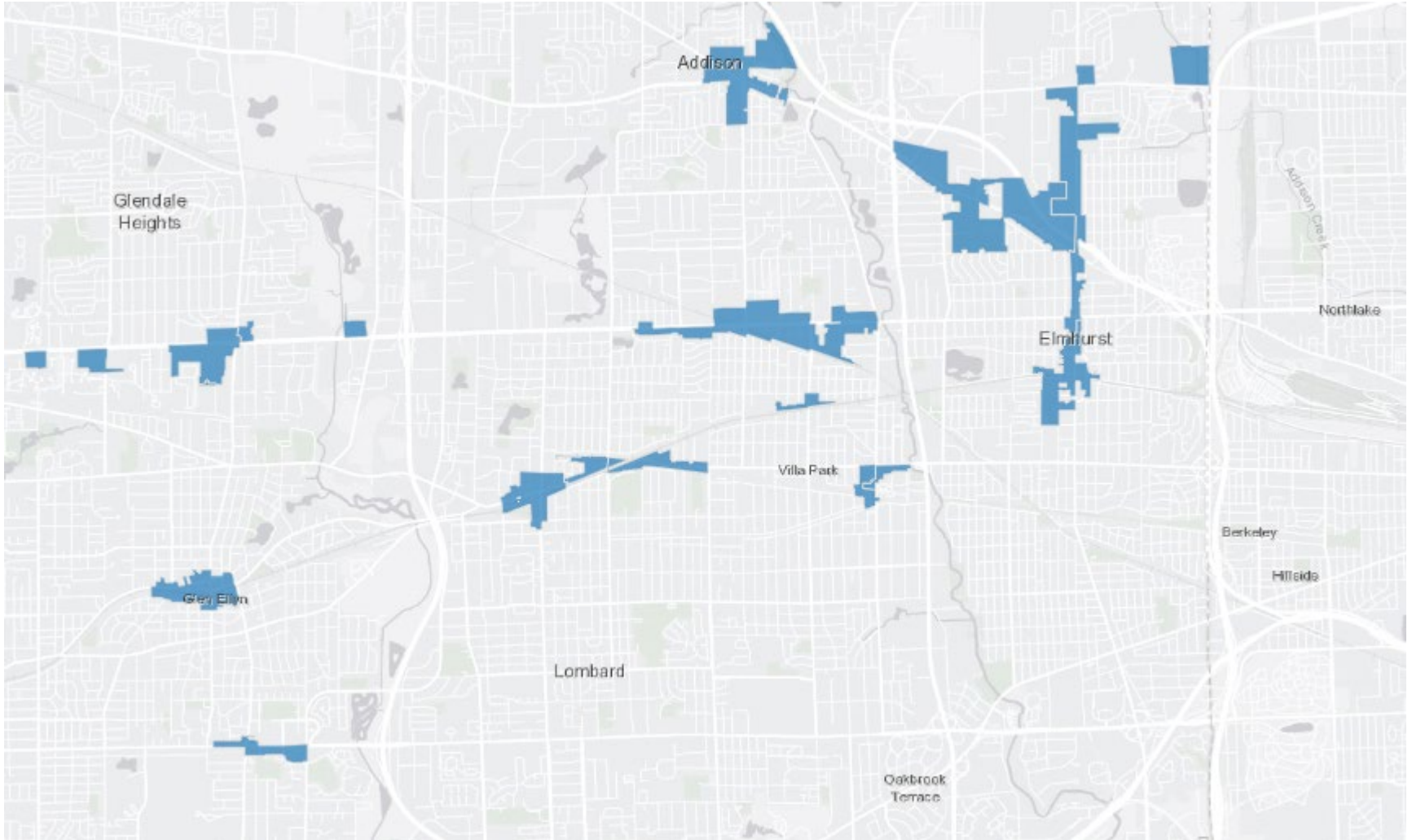
Tax Increment Financing Goals

Revitalization of the Project Area as a strong and attractive commercial corridor, which will contribute to the health and vitality of Villa Park.

- **Eradicating blighting conditions** and instituting conservation measures;
- Removing and alleviating adverse conditions by **encouraging private investment** of underutilized and vacant properties which will strengthen the economy, tax base, business environment, and living environment;
- **Improve existing public utilities** within the area; and
- Enhancing the overall **quality of the business environment** in the Village.

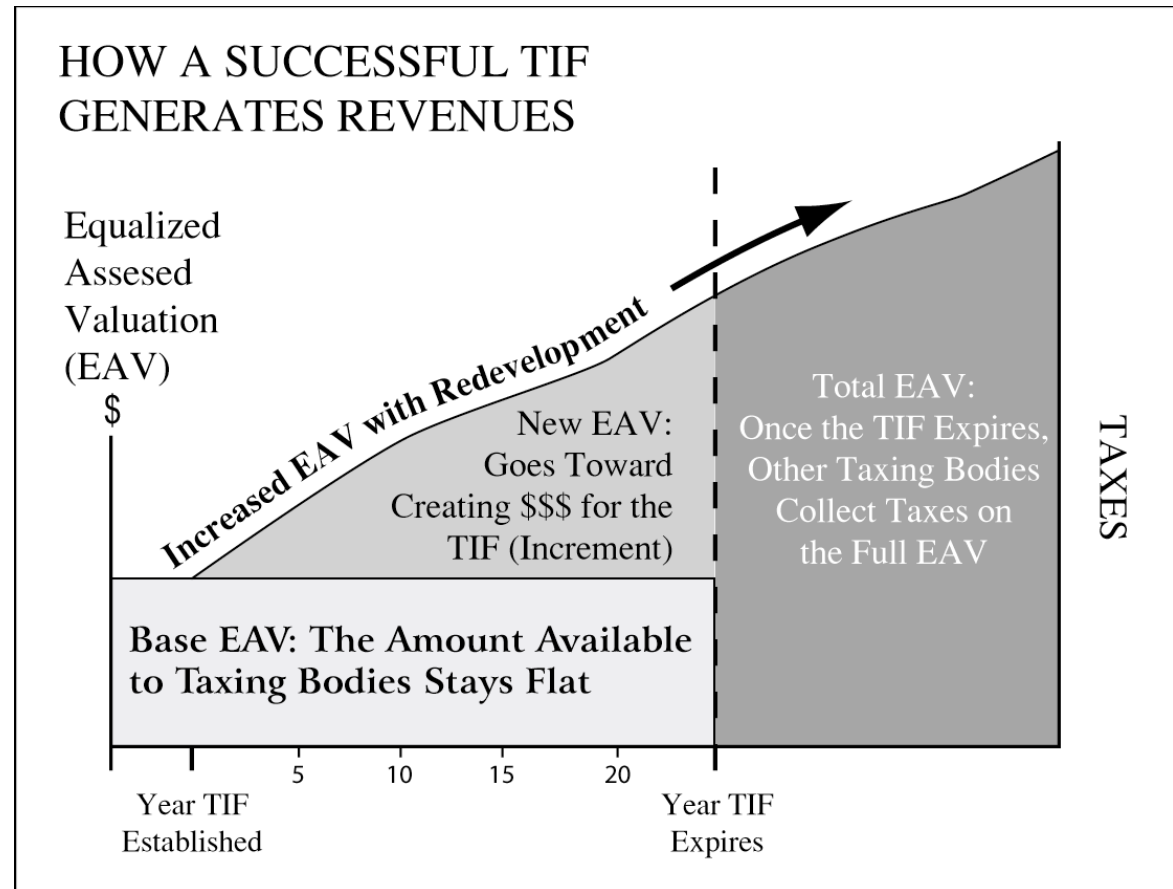


Surrounding Area TIF Districts



How a Successful TIF Generates Revenue

- Establishment of a “TIF Redevelopment Project Area” in a municipality.
- Establishment of the “Base”.
- Growth in the value of the property over the Base generates the “Increment”.
- Increment is used to make additional investments in the Project Area.



Joint Review Board Role

Review the Redevelopment Plan and proposed ordinances.



Provide recommendation (in writing) within thirty (30) days based on the following:

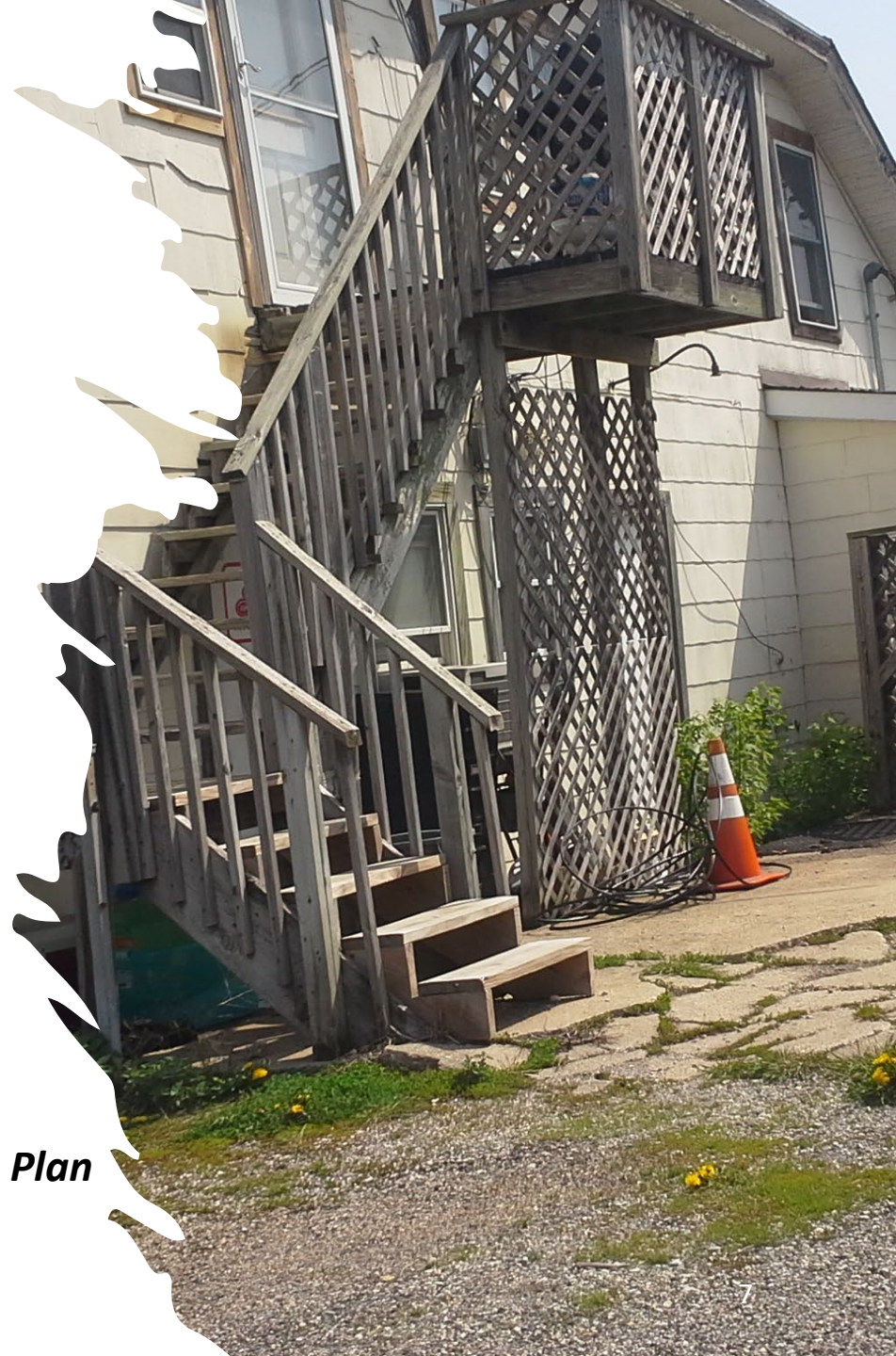
Does the Redevelopment Plan meet the requirements as defined in State statute?

Does the Project Area meet the eligibility requirements as defined in State statute?

Minimum Plan Requirements

- Description of the Project Area boundary.
- Redevelopment goals and objectives.
- Reason for establishing the TIF, and how the land will be used.
- Proposed budget and timeline.
- Conformance with Comprehensive Plan.
- Process to amend the plan.
- Impact on taxing districts.
- Statement on the “but for” test.

All of the required elements are present in the Plan



Eligibility Requirements (Conservation Area)

At least 50% of existing structures must be greater than 35 years old. Project Area must exhibit a minimum of 3 out of 13 eligibility criteria.

MAJOR QUALIFYING FACTOR:

- Deterioration
- Structures below code standards
- Deleterious land use or layout
- Decline in EAV

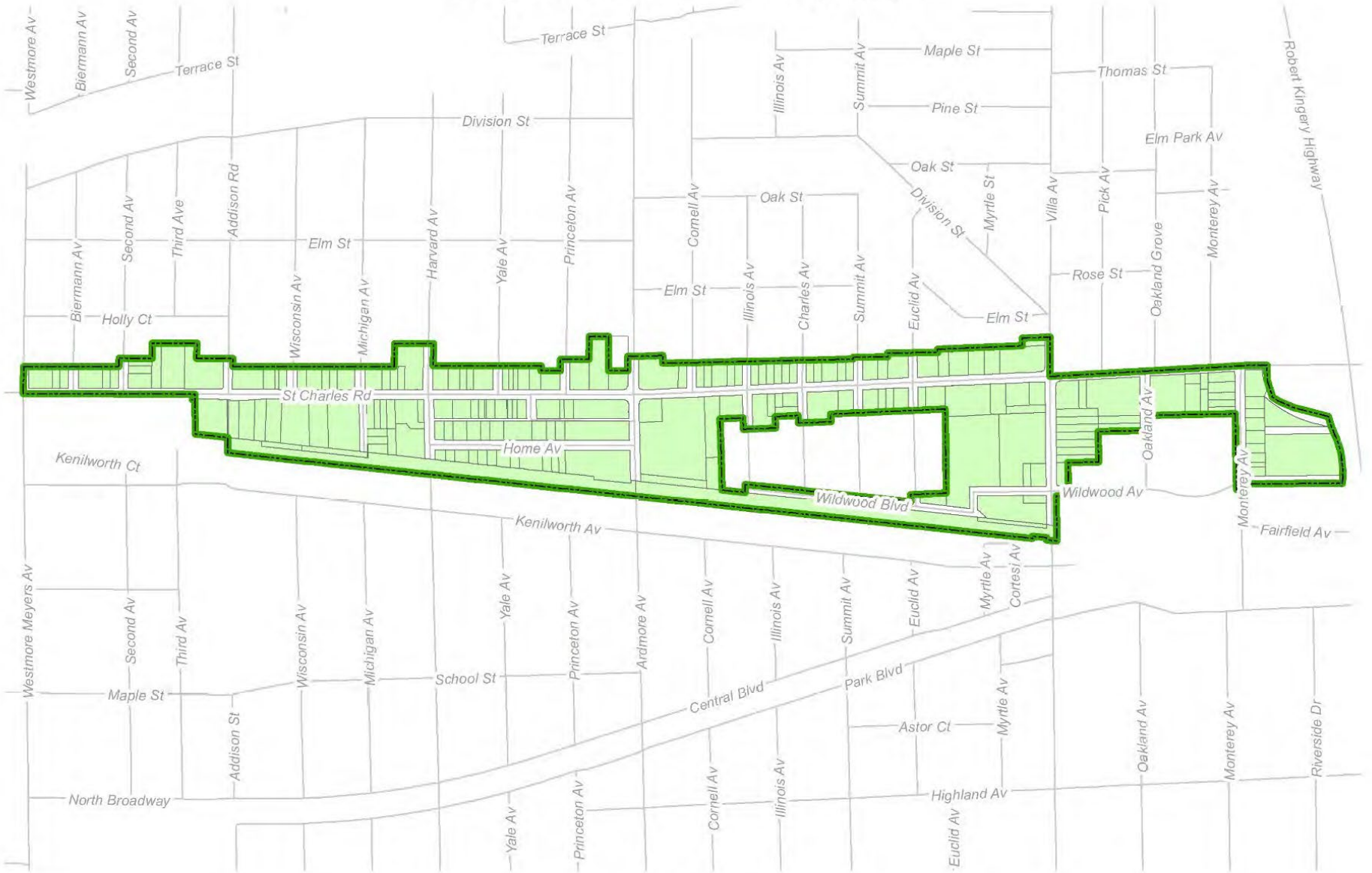
MINOR QUALIFYING FACTOR:

- Obsolescence
- Excessive Vacancies
- Lack of Community Planning



NOT A SIGNIFICANT QUALIFYING FACTOR:

- Dilapidation
- Inadequate Utilities
- Illegal use of structures
- Excessive land coverage and overcrowding of structures
- Lack of ventilation, light, or sanitary facilities
- Environmental remediation costs

Project Area Boundary Map



Legend

-  TIF Boundary
-  TIF Parcels

0 0.075 0.15 0.225 0.3
Miles

1:10,000





Eligible TIF Expenses

- Redevelopment Plan establishes the TIF budget, which cannot be exceeded without amending the TIF plan.
- TIF funds can be used for project costs that benefit the district, including:
 - Utilities & Road Improvements
 - Environmental Clean-Up
 - Facade Improvements / Rehabilitation Assistance
 - Property Assembly
 - Not Direct Funding of Private Construction Costs

What Redevelopment Means for the Community

If all Redevelopment Opportunities come to fruition over the next 23 years

- Add \$260M worth of private investment
- Increase EAV by \$87M
- Increase Annual Property Tax by \$6.75M to all Taxing Bodies
- Additional Sales Tax, Water Users, etc that can't be quantified
- New residents, new clients, new dollars to the local economy

General TIF Facts

- Typical lifetime of a TIF is 23 years. TIF can be closed early if goals are met sooner. Extension past 23 years requires State legislative action.
- TIF redevelopment Plan is Consistent with the Villa Park Comprehensive Plan



TIF Establishment Process ...



Draft TIF Plan is completed,
on file with Village and
available for public inspection



Joint Review Board
presentation to taxing
districts



Public Meeting (Oct. 2, 2023)
Public Hearing (Jan. 8, 2024)



Adoption of TIF Plan (14-90
days after public hearing)

Questions

