



MEMORANDUM

TO: Village President and Board of Trustees
FROM: Kristen Schrader, Assistant to the Village Manager – ADM *KS*
DATE: April 12, 2011
SUBJECT: Tax Increment Financing District – Proposal for Next Steps

Background

The recently completed Tax Increment Financing (TIF) District Feasibility Study by Ehlers & Associates indicated that the Village's Central Business District is eligible to be designated a TIF District. As a result, the Village requested that Ehlers provide an updated proposal for the next phases of the TIF District designation process. Ehlers recently submitted to the Village this updated proposal and it was reviewed and accepted by the Selection Team. The updated proposal is consistent with the proposal submitted by Ehlers on August 31, 2010 for the feasibility study.

Maureen Barry of Ehlers will present a summary of this proposal at the Village Board Workshop on Monday, April 18 and will also be available to answer any additional questions on the proposal and the TIF designation process in general. Funding for the additional steps of the study (\$21,000) is provided for in the draft FY 11/12 Village Budget – Economic Development, which is attached. Additionally, all surrounding taxing districts have again been invited to the Workshop and have been encouraged to participate in process.

If the Board is interested in moving forward with the TIF District Designation, next steps for the process include the drafting of a TIF Redevelopment Project and Plan document that would incorporate the eligibility findings of this report, formally presented as the TIF Eligibility Study. The TIF Plan and Eligibility Study would serve as the evidence and planning documents to be reviewed and presented to the taxing districts at a Joint Review Board meeting and to the public and other interested parties at a formal public hearing. Also necessary would be a Housing Impact Statement along with an additional public hearing. The compilation of all of these steps would require approximately five to six months as provided by the TIF Act. All of these steps are provided for in the TIF Consulting Services Proposal.

Action Requested

The Selection Team is recommending that the Village Board move forward with designating the Central Business District a TIF District and contract with Ehlers for this work. The recommendation to continue with Ehlers is based upon their satisfactory performance for the Feasibility Study, as well as for continuity of the TIF designation process. If the Consultant Services Proposal is acceptable to the Village Board, it can be approved at the Village Board Meeting on April 25, 2011.

Recommendation

The Selection Team recommends working towards the designation of the downtown as a TIF District, and award of a contract to Ehlers and Associates for Tax Increment Financing District Consultant Services at the April 25, 2011 Village Board Meeting.

Attachments

- ~~TIF Consultant Services Proposal – Ehlers & Associates~~ *Not included*
- Draft Economic Development Budget and Footnotes

CC: Terry Burghard, Interim Village Manager
Staci Hulseberg, Planning and Development Director
Larry Noller, Interim Finance Director
Michele Stegall, Village Planner

BUDGET FOOTNOTES ECONOMIC DEVELOPMENT

*** All Economic Development expenditures were formerly allocated within the Special Programs Fund and have been transferred to the General Fund beginning with FY11/12. Revenue formerly allocated within the Special Programs Fund has also been transferred to the General Fund to fund these expenditures.**

1. **Economic Development Corporation: (\$70,000)** This amount includes funding for the Economic Development Corporation. With this funding, the Economic Development Corporation will perform Commercial Redevelopment Marketing, Village-wide Business Attraction, and business support and retention for businesses not located in the downtown.
2. **Economic Development Grants: (\$100,000)** This amount represents funding for façade grants and interior remodeling grants for downtown businesses. The grant program will be administered by the Planning and Development Department.
3. **Alliance of Downtown Glen Ellyn: (\$110,000)** This amount includes funding for the Alliance of Downtown Glen Ellyn. With this funding, the Alliance will handle Downtown Events, Downtown Marketing, and business support and retention for downtown businesses.
4. **Professional Services/Other: (\$81,000)** This amount provides funding for a variety of economic development projects and activities including:
 - **TIF Redevelopment Plan: (\$21,000)** This amount is to hire a consultant to complete the next steps for the potential establishment of a Tax Increment Financing District for the Downtown. The next steps include preparation of a Housing Study and an Eligibility Report and Redevelopment Plan (both required by the TIF statute). A Downtown TIF is a potential funding source for improvements in the Downtown in accordance with the recently approved Downtown Strategic Plan.
 - Stacy's Corners Improvements: (\$50,000)** This amount would cover the cost of any demolition and remodeling work that the Village Board might choose to pursue as a result of the forthcoming recommendations called for in the 810 N. Main Street Task Force Report (\$45,000) and the cost to hire a consultant to prepare conceptual site plans for the redevelopment of the property at 825 N. Main Street (\$5,000).
 - Annexation of Commercially Zoned Properties: (\$0)** The Planning and Development Department will focus on pursuing annexations and annexation agreements with non-residential property in the Village's Planning Jurisdiction during this fiscal year.
 - Evaluate Potential parking Garages in Downtown: (\$10,000)** This amount will allow the Village to hire a parking consultant to prepare conceptual parking garage plans and cost estimates for 3 sites in the downtown.

GENERAL FUND
ECONOMIC DEVELOPMENT
(126500)



Village of Glen Ellyn
FY 2011/12 Budget

<u>Object Code</u>	<u>Account Description</u>	<u>FY08/09 Actual</u>	<u>FY09/10 Actual</u>	<u>FY10/11 Revised Budget</u>	<u>FY10/11 Estimated Actual</u>	<u>FY11/12 Budget</u>
Contractual Services						
520405	Economic Development Corp	-	-	-	-	70,000 1
520406	Economic Development Grants	-	-	-	-	100,000 2
520407	Alliance of Downtown GE	-	-	-	-	110,000 3
520310	Holiday Decorations	-	-	-	-	30,000
→ 521055	Professional Services / Other	-	-	-	-	81,000 4
	Subtotal	-	-	-	-	391,000
Capital Outlay						
580110	Equipment / Capital Projects	-	-	-	-	-
	Subtotal	-	-	-	-	-
	TOTAL - Econ. Development	\$ -	\$ -	\$ -	\$ -	\$ 391,000