



Tax Increment Financing (TIF) Public Information Meeting

October 11, 2011

*Village of Glen Ellyn
Central Business District*

Maureen Barry

Financial Advisor

Office: 630-271-3341

Email: mbarry@ehlers-inc.com

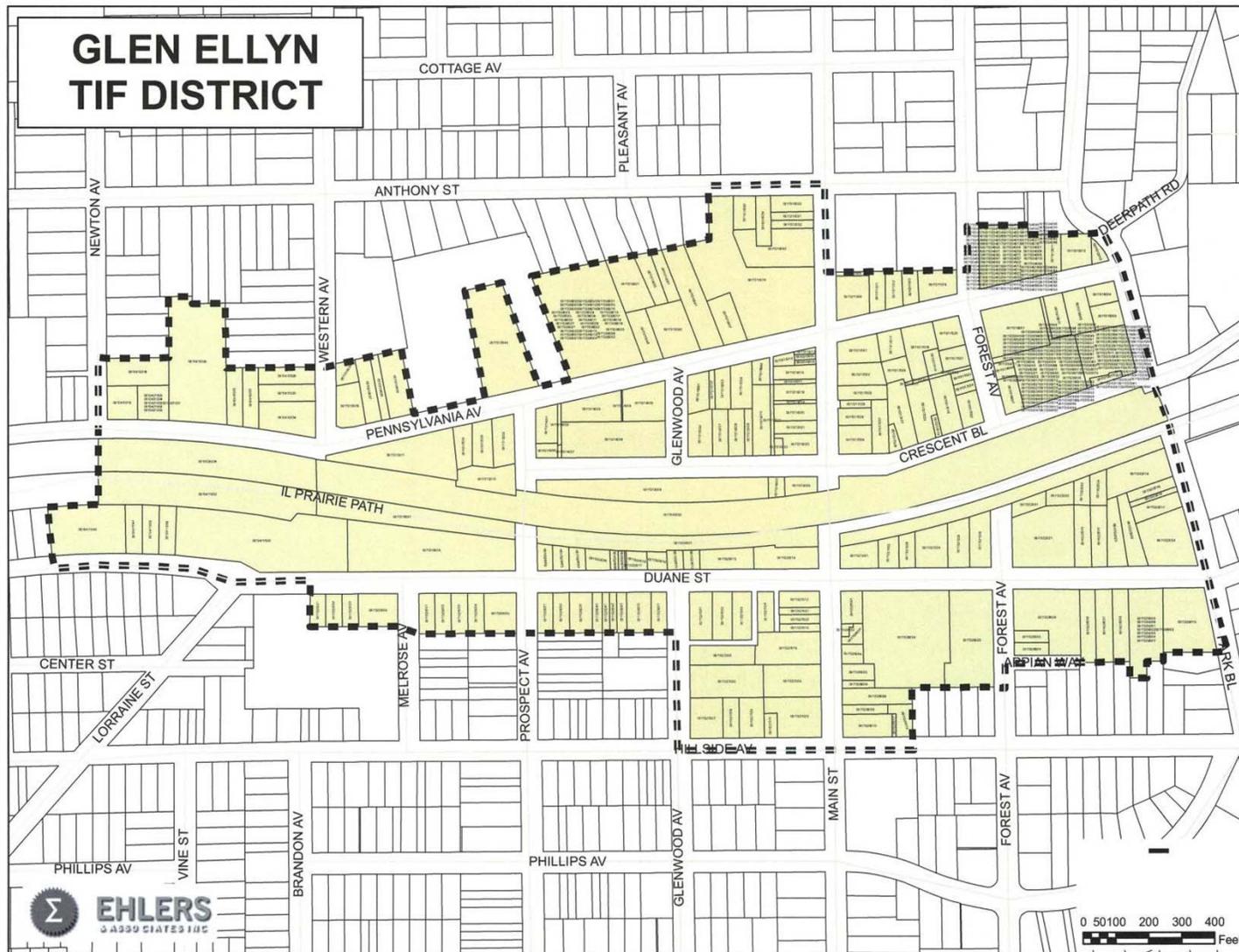
www.ehlers-inc.com



EHLERS

LEADERS IN PUBLIC FINANCE

Map of Site



General Location



- Central Business District, or C5A and C5B Downtown Zoning District
- Approximate Boundaries
 - North – Anthony Street
 - South – Hillside Avenue
 - East – Park Boulevard
 - West – Newton Avenue
- Size of approximately 85 acres
- Commercial, Residential, Governmental, Utility, and Railroad properties

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.

TIF Example



Before and After: A Redevelopment Project

Tax Bill Before TIF and Redevelopment

Land EAV	\$52,088
Building EAV	\$0
Total EAV	\$52,088
Tax Rate	10.264%
Tax Bill	\$5,346

TIF \$ \$0

Tax Bill After TIF and Redevelopment

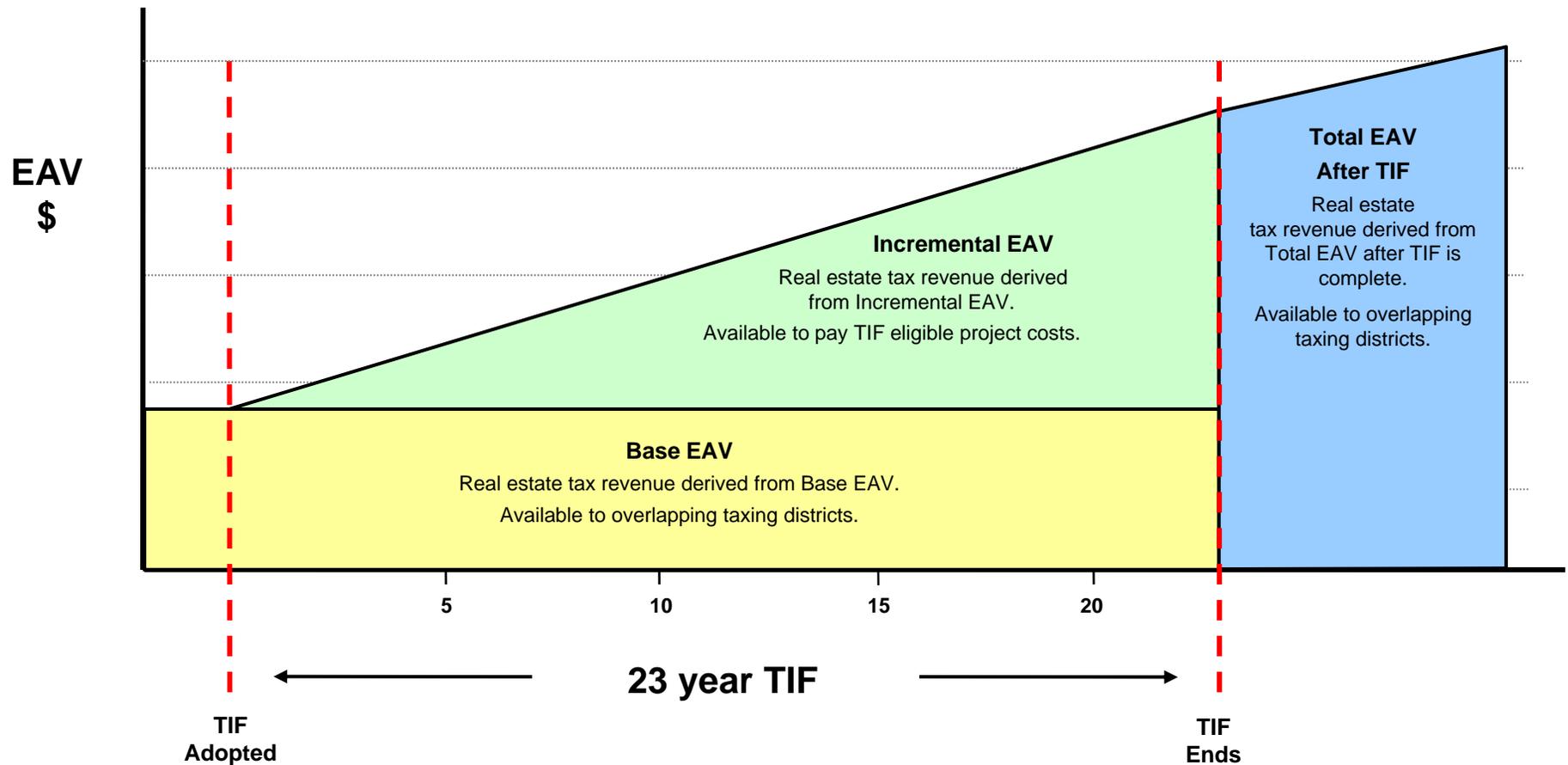
Land EAV	\$57,743
Building EAV	\$235,959
Total EAV	\$293,702
Tax Rate	10.264%
Tax Bill	\$30,145

TIF \$ \$24,799

TIF Example



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.
- Hold **Public Information Meeting** to discuss proposed TIF.
(October 11, 2011)
- Convene Joint Review Board. (November 17, 2011)
- Conduct public hearing where residents and other interested parties can express their thoughts on the subject.
(January 9, 2012)
- Adopt TIF Ordinances to establish TIF.
- 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 Study



- Review and document Criteria for Eligibility
- Blighted, Conservation, Combination of Blighted and Conservation, or Industrial Conservation
 - **Blighted**
 - Land with Buildings/Improved
 - 13 Criteria: 5 must be met (**5 of 13 met**)
 - Vacant Land
 - 6 Criteria: 2 must be met; or (**4 met**)
 - 5 Criteria: 1 must be met
 - **Conservation** (Land with Buildings/Improved)
 - 13 Criteria: 3 must be met, AND over 50% of buildings over 35 years of age (**5 of 13 met, AND age criteria met**)
 - **Industrial Conservation**
 - Employment rate too high to meet required criteria

TIF Qualifications



Blighted Area

Improved Land - 13 criteria, 5 must be met (5 met)

1. Obsolescence
2. Deterioration
3. Excessive Vacancies
4. Excessive Land Coverage
5. Lack of Community Planning

TIF Qualifications



Blighted Area

Vacant Land

- 6 criteria, 2 must be met (4 met)
 1. Obsolete Platting
 2. Diversity of Ownership of Parcels
 3. Deterioration of Structures or Site Improvements in neighboring or adjacent areas
 4. EAV annual rate of growth that is less than the balance of the Village's in three (3) of five (5) calendar years.

OR

- 5 Criteria: 1 must be met (0 met)

TIF Qualifications



Conservation Area

- Improved Land - 13 criteria, 3 must be met (5 met)
 1. Obsolescence
 2. Deterioration
 3. Excessive Vacancies
 4. Excessive Land Coverage
 5. Lack of Community Planning
- Age Criteria
 - More than 50% of structures are 35 years or older (age criteria met)

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
 - Village is not committed to finance all of the Redevelopment Project Costs in Plan
- Program Certifications and Findings

Project Resources



Participants in the TIF Process

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

TIF Public Information Meeting



Questions?