



# **Proposed North Avenue Corridor Tax Increment Financing (TIF) District**

**Village of River Forest**  
***Public Hearing***  
***July 2018***

# Background

- Why are we here?
  - The Village is proposing a TIF district for the North Avenue corridor.
  - The TIF act requires a public hearing before the Village can consider approval
- Strategic Importance for Village Redevelopment
  - Creates a financial tool
  - Allows Village to better control it's own destiny
  - Market study findings support TIF creation
- Village had great success with Lake Street TIF

# Proposed TIF District Boundaries



# TIF History

## Lake Street TIF

- In the mid-1980's Village was faced numerous challenges in Lake Street corridor. Wiebolt's had closed its doors and EAVs were lagging in the proposed area.
- Village created TIF district to provide strategic redevelopment and financing tool.
- Allowed for Phase 1 and Phase 2 of RFTC, Jewel project, move community center
- Created \$62,587,659 in additional assessed valuation for all taxing districts.
  - A majority of sales tax is produced through Town Center and Jewel

# TIF History

## Madison Street TIF

- Established in 2016
- Village Purchased Lutheran Children Family Services & 10 Lathrop as a strategic purchases as both owners were selling their property.

# TIF Overview

## How Does TIF Work?

- Establish Redevelopment Area & Adopt Redevelopment Plan
- EAV Frozen
- Incremental tax (difference between frozen tax base and subsequent increases in EAV because of TIF) collected and used for further improvements in the TIF
- At TIF termination, all taxing bodies receive taxes on the full value of improved properties
- Property owners in TIF do not see a change to their EAV or taxes due to TIF

# TIF Overview

## Review of TIF Financing

Using Equalized Assessed Valuation as the base, TIF involves splitting property tax revenue generated from properties within the TIF District into two components or “buckets”:



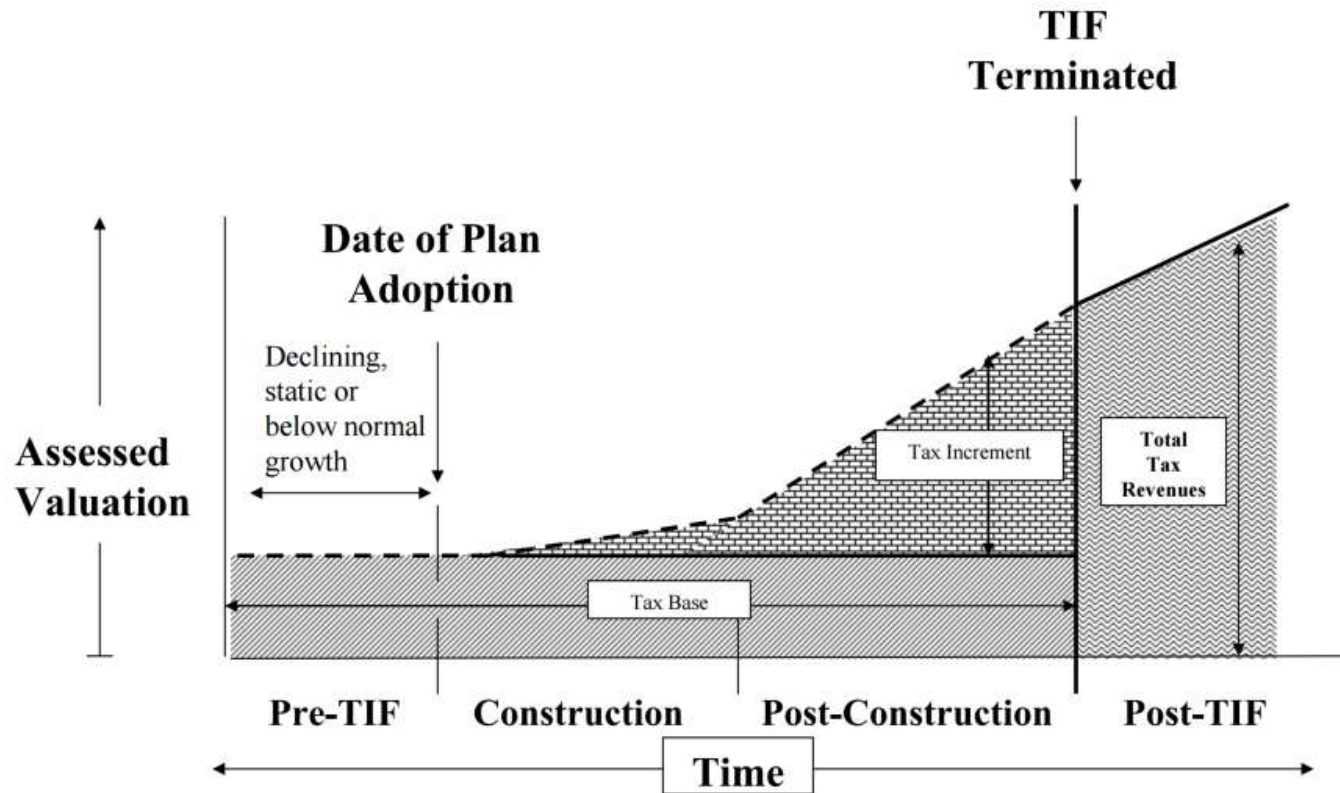
Bucket for Base Revenues – For All  
Local Governments



Bucket for Incremental Revenues – For  
Redevelopment within TIF

# TIF Overview

## Review of TIF Financing





# TIF Overview

## **TIF Plan components:**

- TIF Budget - will not fund all private development costs – limited to certain types of capital items, including public improvements, property assembly, rehabilitation (not private new construction) or site preparation.
- TIF Term – 23 years
- TIF reporting – requires independent audit and review of annual redevelopment activities by joint review board.
- TIF Housing Impact Study

# TIF Overview – Eligible Activities

- Rehabilitation or renovation of existing public or private buildings
- Construction of public works or improvements
- Job training/retraining programs
- Relocation
- Financing costs, including interest assistance
- Studies, survey and plans
- Professional services such as architectural, engineering, legal, property marketing and financial planning
- Property acquisition
- Demolition and site preparation
- Mandated Tuition Payments to Schools

# TIF Overview

- TIF designation does not replace local planning or zoning processes – these remain in place and normal entitlement reviews control project implementation.
- TIF is primarily a financing tool designed to address area impediments and to encourage redevelopment activity, at the Village's discretion.
- Properties are assessed uniformly both within and outside of the TIF.
- Tax rates are the same both within and outside of the TIF.
- Decisions as to redevelopment are in local control – both as to Village staff, Development Review Board and Village Board reviews.

## II. TIF Overview

- Eminent Domain
  - The Village has proposed a similar policy as it relates to the use of eminent domain as it did on the Madison Street corridor.

# III. Next Steps

- Public Hearing (tonight)
- Final Consideration – no less than 14, no more than 90 days after the close of public hearing
- Tentative Consideration – August 13, 2018

# Thank you