



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”:



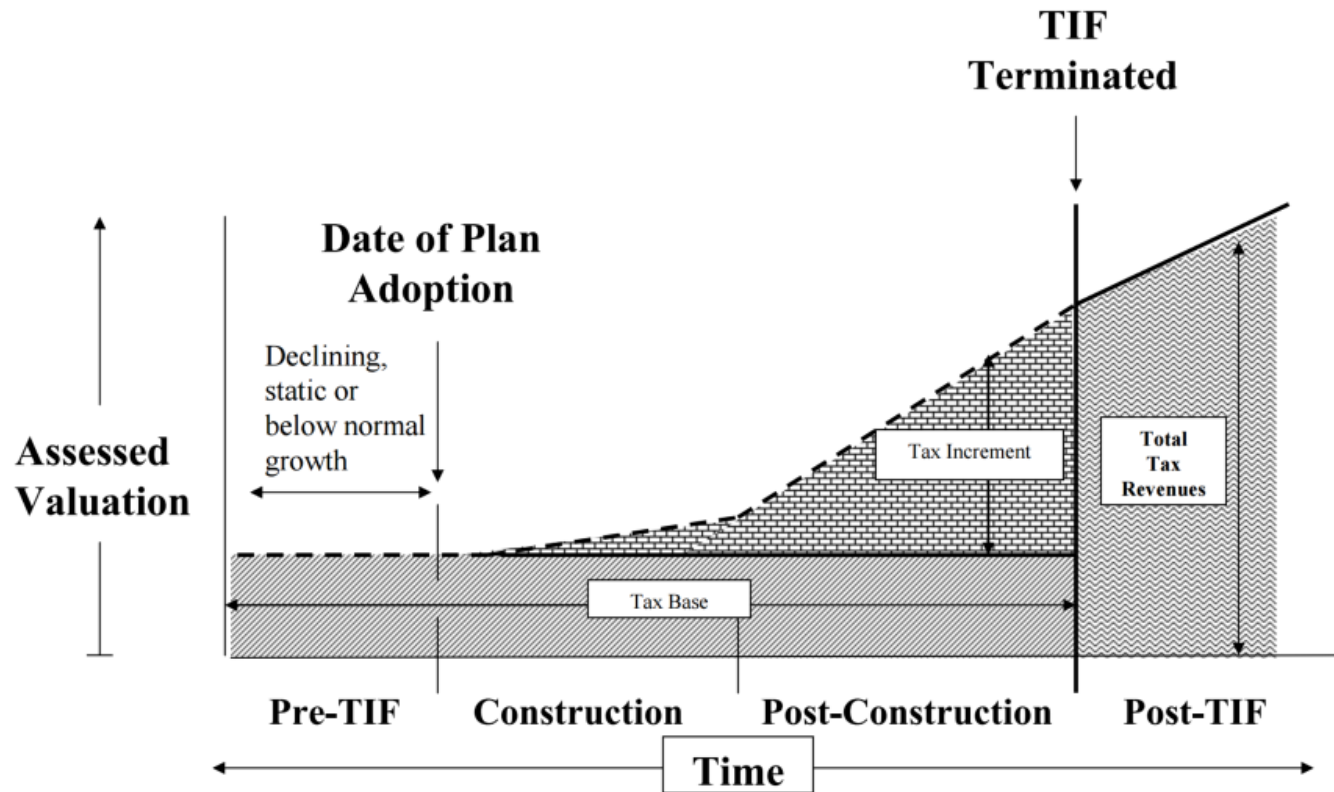
Bucket for Base Revenues – For All Local Governments



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