

City of Crest Hill
Weber Road/Division Street Tax Increment
Financing District



Public Hearing

March 6, 2023

City of Crest Hill Weber Road/Division Street Tax Increment Financing District

Agenda:

- I. TIF Redevelopment Project and Plan
- II. City Strategic and Fiscal Planning
- III. TIF District Qualifying Factors
- IV. Key Elements of the TIF Plan



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I. TIF Redevelopment Plan and Project



I. Redevelopment Project and Plan



Background:

- The City's 2014 Comprehensive Plan ("the Plan") identifies Weber Road/Division Street as an area to be targeted for "regional/community commercial" development.
- The Plan states "Weber Road represents the City's greatest opportunity for large-scale regional retail and commerce."
- The Plan states "New development, especially along Weber Road, has the potential to transform the local and regional identity of Crest Hill."
- Based on the above, the City has proposed the Weber Road/Division Street TIF District.

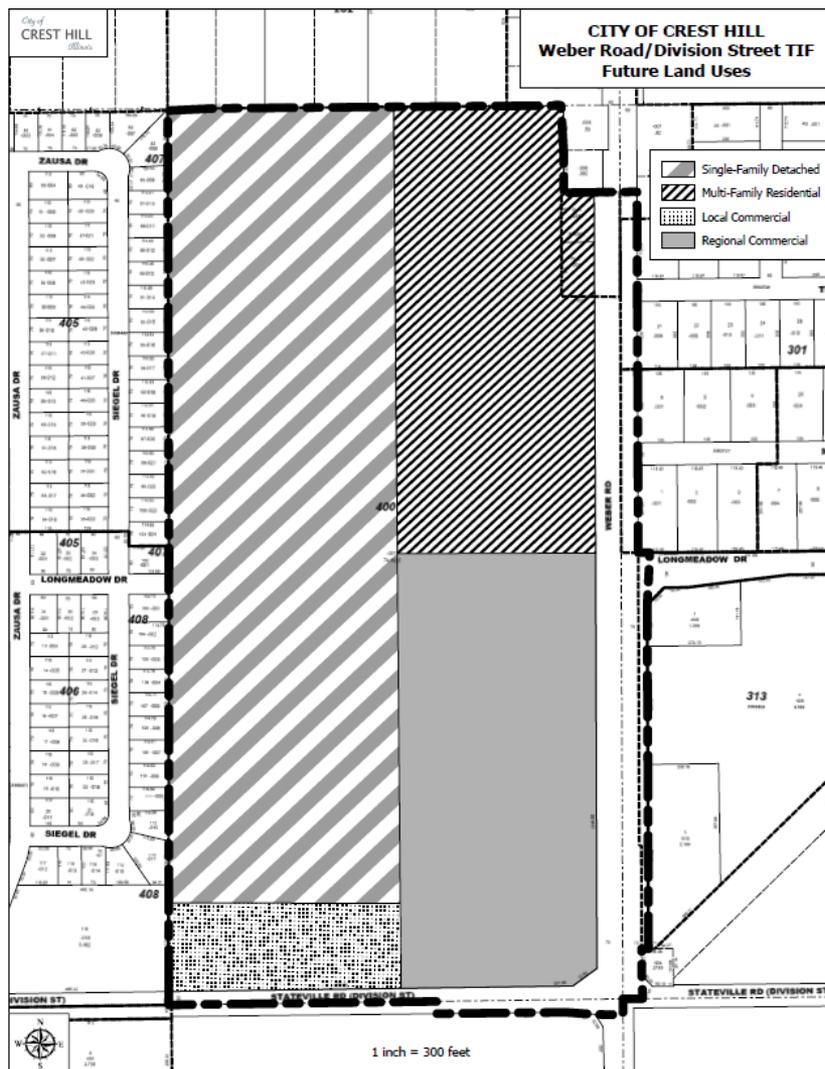
I. Redevelopment Project and Plan

Project and Plan Objectives:

- Encourage development of underutilized sites.
- Reduce or eliminate impediments to private development within the area.
- Coordinate redevelopment activities within the proposed TIF District in order to provide a positive market signal to private investors.
- Further the goals and objectives of the City's comprehensive planning efforts.



I. Redevelopment Project and Plan



The proposed TIF is located at the northwest corner of Weber Road and Division Street and consists of three (3) vacant tax parcels comprising almost 75 acres.

I. Redevelopment Project and Plan

TIF Act Compliance:

The proposed TIF plan complies with the legal provisions of the TIF Act, including, but not limited to:

- The TIF plan **conforms to the City's Comprehensive Plan**
- The proposed TIF District consists of **contiguous parcels and exceeds 1 1/2 acres**
- The proposed TIF District meets the statutory requirements as a "**blighted vacant area**" related to "**chronic flooding**"
- The "**but for**" requirement is met – redevelopment is feasible only with the utilization of tax increment financing

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II. City Strategic and Fiscal Planning



II. City Strategic and Fiscal Planning



City Planning and Objectives:

The City has established certain economic development objectives in its comprehensive planning process, including:

- Provide access to allow the convenient travel between adjacent commercial developments that front along Weber Road.
- Provide residential streets in new development areas near Weber Road and Division Street that will provide access to arterials and connect to existing subdivisions.
- Coordinate infrastructure planning to ensure appropriate capacity and access for water and sewer service.
- Address the lack of stormwater infrastructure in specific portions of the community and improve the efficiency and performance of the overall stormwater system.



II. City Strategic and Fiscal Planning

City Strategies:

The TIF designation would allow the City to pursue the following strategies within the RPA:

- Facilitate the preparation of vacant sites
- Coordinate site preparation to provide land for new development
- Foster the installation, replacement, repair, and/or improvement of infrastructure

II. City Strategic and Fiscal Planning



TIF Designation:

- Pursuant to its 2014 Comprehensive Plan, the City is proposing the redevelopment of a *potentially strategically important* economic area for the City.
- The TIF designation is needed to address constraints to development associated with a *history of chronic flooding*.
- The TIF designation is key to:
 - developing existing underutilized properties within the proposed TIF District
 - long-term financial stability for the proposed TIF District and all taxing bodies
 - achieving the economic development goals for this planning Sub-Area pursuant to the Comprehensive Plan

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III. TIF District Qualifying Factors



III. TIF District Qualifying Factors

The proposed TIF District is found to qualify under the TIF Act, as follows:

- The proposed TIF District meets the criteria for designation as a “*vacant blighted area*”
- The proposed TIF district qualifies under the “*stand-alone vacant factor*” of *chronic flooding*, as found by the City’s consulting engineering firm, Robinson Engineering.

III. TIF District Qualifying Factors

Chronic Flooding: The Act states that an area is subject to (i) chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed . . .

- According to Robinson Engineering, the proposed TIF District “*meets the criterion for chronic flooding*” as follows:
 - Factors of chronic flooding on the property are well documented by various government entities and other well recognized professional sources and are distributed throughout the entire property.
 - In an undeveloped state, property with chronic flooding often requires additional measures to improve drainage.
 - In developing a site with chronic flooding, additional infrastructure, engineering and permitting are required compared to a site without chronic flooding.
 - As a result of chronic flooding, some areas of the site may be rendered undevelopable or require soil modifications in order to be buildable.

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IV. Key Elements of the TIF Plan



TIF Plan Summary



- **Proposed Land Uses:** Commercial, retail, residential, mixed-use
- **Proposed TIF Budget:** \$27,750,000 (in 2022 dollars). Budget sized to accommodate potential development requirements. The TIF Budget is a maximum amount which does not obligate the City to expend such amounts.
- **Base EAV:** \$72,871 (2021 EAV)
- **Projected EAV:** Upon completion of redevelopment activities, estimated at \$40,000,000 to \$55,000,000 (this is predicated on a number of assumptions, including an assumed absorption schedule, assumed market factors, and assumed redevelopment costs).

Proposed TIF Plan Budget Items



| Program Actions/Improvements | Estimated Costs |
|--|---------------------|
| Land Acquisition and Assembly and Relocation | \$ 3,500,000 |
| Demolition, Site Preparation, Environmental Cleanup and Related Costs | \$ 5,000,000 |
| Infrastructure Improvements | \$15,000,000 |
| Rehabilitation of Existing Structures | \$ 1,000,000 |
| Interest Costs Pursuant to the Act | \$ 1,500,000 |
| Professional Service Costs (Including Planning, Legal, Engineering, Administrative, Annual Reporting, and Marketing) | \$ 1,000,000 |
| Job Training | \$ 250,000 |
| Statutory Tuition, Library Costs, and Taxing District Capital Costs as Provided by the Act | \$ 500,000 |
| TOTAL ESTIMATED TIF BUDGET | \$27,750,000 |
| | |

Proposed TIF Plan Budget Items



- TIF Statutory Budget Guidelines:
 - Overall budget cannot be exceeded
 - Budget covers 23 years (the life of the TIF / *not* an annual budget)
 - Line-items within budget are flexible (e.g., if public facilities costs exceeded \$8 million, more than City has authority to reallocate additional funds from other TIF budget line-items)
 - Budget expenditures are subject to City approvals and/or review of redevelopment proposals in order to demonstrate payment of TIF expenditures

Prior Steps



- Interested Parties Registry established **December 5, 2022**.
- TIF Plan placed on file with Village Clerk and posted on Village website on **December 23, 2022**.
- Notice of Public Hearing mailed to all residential addresses located within 750' outside of the TIF boundaries on **January 11, 2023**
- Joint Review Board (affected taxing districts) met on **January 19, 2023** and approved TIF Plan as compliant with the TIF Act on **February 7, 2023**
- Notice of this public hearing published twice in local newspaper on **February 15 and 17, 2023**
- Notice of this Public Hearing mailed to taxpayers within the proposed TIF District on **February 15, 2023**



Next Steps

- Public Hearing – March 6, 2023 (*tonight*)
- City elected officials review public input
- TIF designation ordinances may be introduced to City Council 14 to 90 days after the Public Hearing
- If the TIF ordinances are approved by the City Council, they are then filed with the County Clerk
- City Council to approve all zoning entitlements and specific TIF financial incentives associated with any development within the TIF (*separate from the TIF adoption process*) prior to any development within the TIF.