



Agenda Memo

Crest Hill, IL

Meeting Date: | October 24, 2022
Submitter: | Jim Marino, City Administrator
Department: | Administration
Agenda Item: | Gas and Wash Development Agreement

Summary: In conjunction with discussion about the PUD for the Gas and Wash development is a discussion about a redevelopment agreement (RDA) for this project. RDAs are typically associated with a development located within a TIF district. In the case of this development, a TIF district is not yet in place. Staff has been working with our TIF consultant and TIF attorney to complete the necessary eligibility study to create a TIF. A TIF district is necessary here, because without a TIF, development of the 74-acre site would not be financially viable.

Since the PUD has already been approved by the plan commission and the developer is nearing completion of the civil and building plans, we can take steps that will allow the developer to move forward with preliminary development work while we are in the process of creating a TIF district. We do not want to delay this project for the four-to-five-month period it will take to create the TIF district if we can avoid it.

Developers typically do not want to proceed with a project without first having an RDA in place. Since we cannot approve an RDA until the TIF is established and the developer is willing and prepared to proceed with the project, the city can approve an inducement resolution to memorialize its commitment to approving an RDA in the future. Approving an inducement resolution in conjunction with approving the PUD the developer will have the necessary assurance from the city to proceed with the project.

An inducement resolution for development of the entire 74-acre site was discussed and approved at the August 9, 2021 work session. The resolution in question here would apply only to the Gas and Wash portion of this site.

The specific terms of the RDA will be negotiated with the developer over the coming months. The developer would pay for the cost of constructing the driveway entrance on Division and would be reimbursed from the property tax increment generated by the development. Other reimbursable costs would be negotiated as part of the RDA.

Recommended Council Action: If the council is in favor of proceeding with this project, direct staff to prepare an ordinance creating a PUD and an inducement resolution for approval at the November 7 council meeting.

Financial Impact: N/A

Funding Source:

Budgeted Amount:

Cost:

Attachments: Draft inducement resolution