

**ROCHELLE CITY COUNCIL
AGENDA ITEM MEMO
REGULAR MEETING**

SUBJECT: Resolution Opposing SB2298- Amending the Tax Increment Allocation Redevelopment Act of the Illinois Municipal Code

Staff Contact: Michelle Pease, Community Development Director

Summary: Tax Increment Allocation Redevelopment Act of the State of Illinois (the “Act”) creates tax increment financing to stimulate and induce redevelopment and to provides cities with a mechanism to construct public infrastructure to spur economic development and job growth within their jurisdiction.

Act makes it possible for municipalities like the City of Rochelle to incentivize development within the areas that are found to be “blighted areas” in order to reduce or eliminate the factors that cause such areas to be designated as “blighted areas” by reimbursing others for the payment of eligible redevelopment project costs as defined in Section 11-74.4-3(q) of the Act

SB2298, sponsored by Senator Ann Gillespie and co-sponsored by Senator Melinda Bush attempts to eliminate the effectiveness of the most important tool available to municipalities to enhance positive economic change.

Proposed Changes:

1. Removes or modifies various factors for the definitions of “blighted area” and “conversation area” that will greatly reduce the eligibility for many distressed areas throughout Illinois communities.
2. Requires all new redevelopment projects to have a completion date no later than the end of the 10th year after a TIF Ordinance is adopted, instead of the 23 years currently allowed.
3. Prohibits new or modified redevelopment project areas that overlap with other previously approved project areas, eliminating the ability for communities to successfully develop or redevelop contiguous areas that may not have been eligible at the time the TIF District was originally adopted.
4. Impose stricter requirements for EAV decline and it would eliminate common TIF eligibility criteria such as dilapidation, deterioration, code standards, excessive vacancies, lack of ventilation, obsolete platting, diversity of ownership, and adjacent deterioration.

Funding Sources:

Source:	Budgeted Amount:	Proposed Expenditure:

Strategic Plan Goal Application: Incorporate dynamic planning and evaluation in City-wide planning.

Recommendation: Consider approving the resolution opposing SB2298- Amending the Tax Increment Allocation Redevelopment Act of the Illinois Municipal Code.