



NOVEMBER 19, 2013

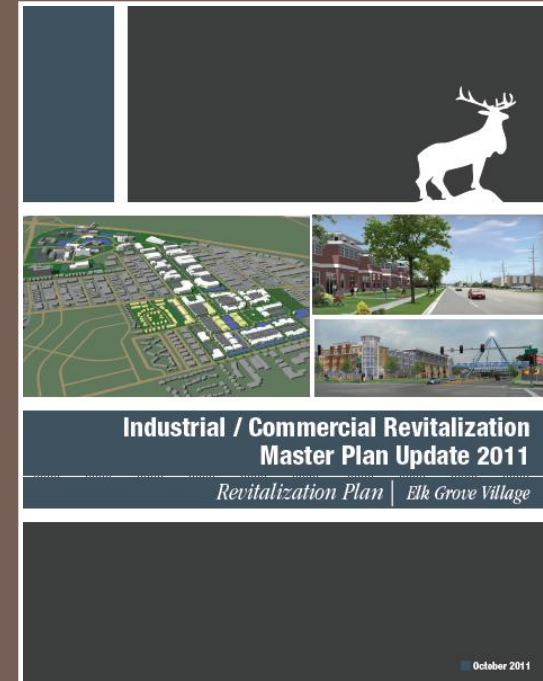
BUSSE-ELMHURST TIF

PROJECT BACKGROUND

In 2011, the Industrial/Commercial Revitalization Commission finalized the update to the Master Plan for the Business Park.

The Master Plan report includes an analysis of existing physical conditions and existing infrastructure and provides recommendations to move forward with various development and redevelopment opportunities.

The Master Plan also provides a comprehensive, rather than piecemeal, approach toward land use, landscape/streetscape, transportation, infrastructure, parking, employment, and district sustainability initiatives



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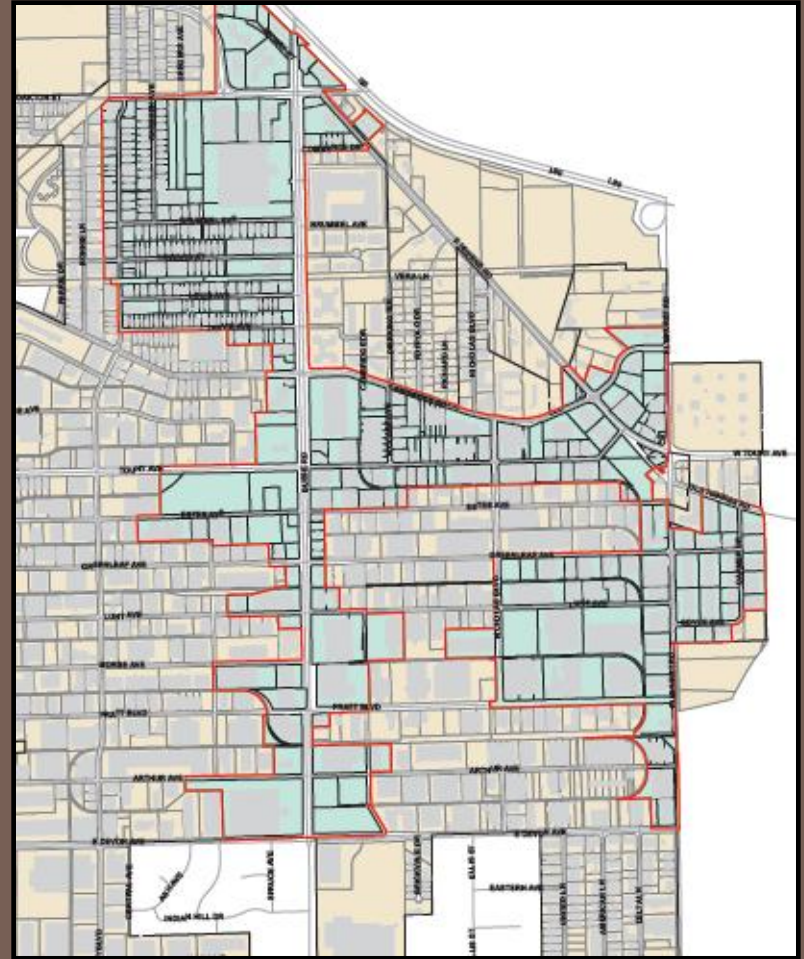
In total, the Master Plan outlined nearly \$250 million in infrastructure costs and additional redevelopment opportunities.

To cover the costs associated with these programs, the Master Plan recommended a series of financing tools. These tools included: Special Service Areas, Special Assessments, Storm Utility Fees, and Tax Increment Financing.

In addition to the tools outlined above, the Village approved a \$38 million bond issue for storm water and sanitary sewer improvements in January 2013. This initial bond issues was pursued to help kick-start some much needed work in the Business Park.

BUSSE-ELMHURST STUDY AREA

As additional financing is needed to assist in the implementation of the Master Plan, the Village began exploring the creation of Tax Increment Financing (TIF) district within the Busse Road and Elmhurst Road corridors.



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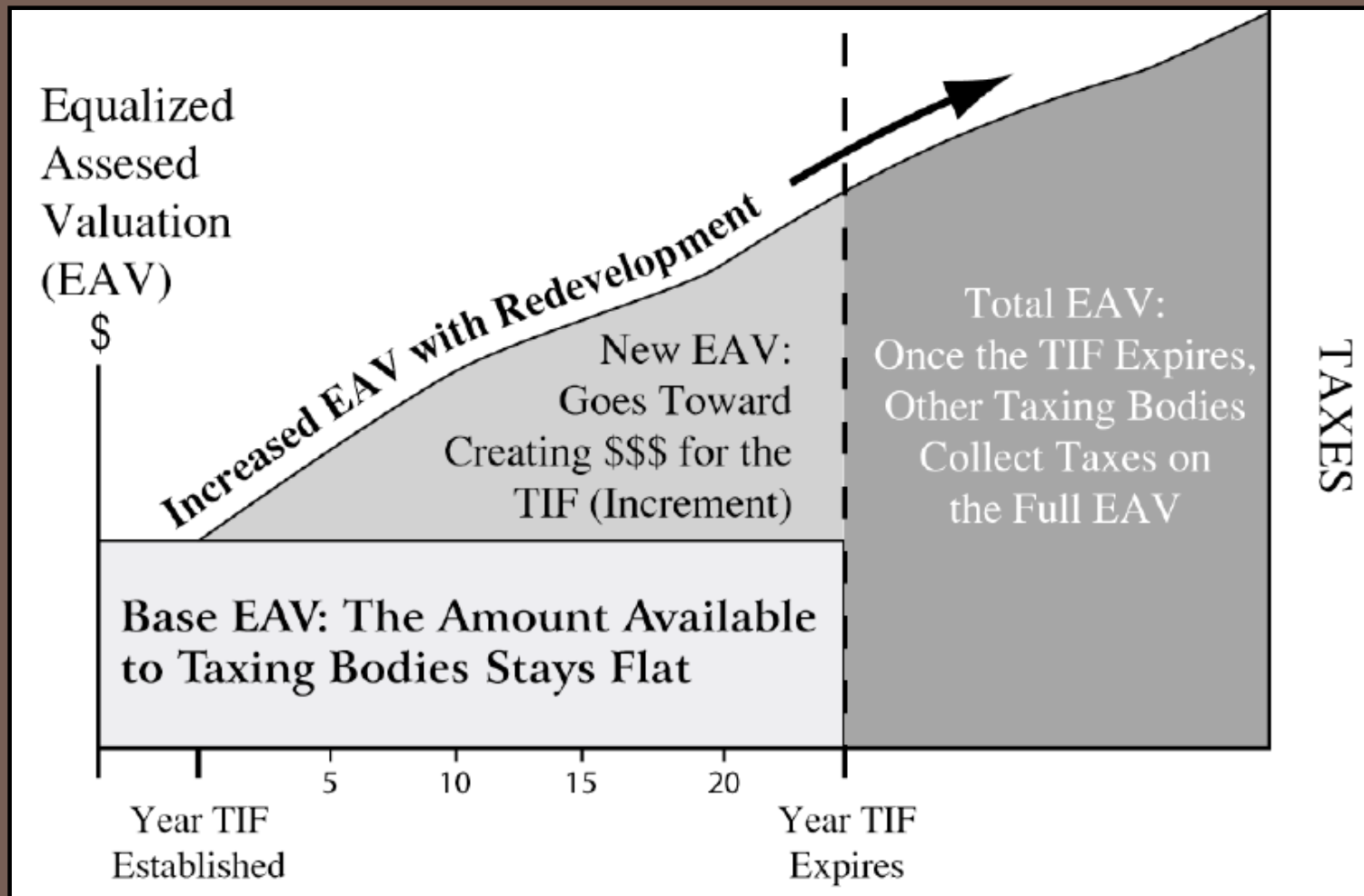
WHAT IS A TIF?

- **TIF** stands for **T**ax **I**ncrement **F**inancing.
- **TIF** is not a tax, nor does it create any additional tax liabilities to a property owner.
- **TIF** is used to stimulate private reinvestment with future property tax revenues (also known as increment).
- **TIF** funds can only be used within the **TIF** District, and those funds are limited by State Statute in terms of what are eligible expenditures.

HOW DOES TIF WORK?

- As Private & Public reinvestments increase, it is anticipated that the Equalized Assessed Valuation (EAV) will likely increase as well – resulting in increment.
- The property tax increment is the difference between the amount of property tax revenue generated before the TIF district was designated and the amount of property tax revenue generated after the TIF district was designated.
- These funds are then used within the TIF district to help further additional Private & Public reinvestment.

HOW DOES TIF GENERATE REVENUE?



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HOW DOES TIF WORK?

Example:

	2013	2033	Difference
Property Value	\$ 5,000,000	\$ 40,000,000	\$ 35,000,000
Taxes Collected	\$ 25,000	\$ 200,000	\$ 175,000

\$175,000 equals the annual increment that the TIF fund would receive to pay for project costs within the district.

When the TIF expires, that incremental difference would be distributed back to the various taxing districts.

TIF DISTRICT ELIGIBILITY

Eligibility Requirements - Conservation Area:

- **Declining or Lagging Equalized Assessed Valuation**
 - 4 Straight Years of Declining EAV
- **Inadequate Utilities**
 - Need to update public infrastructure and utilities
- **Obsolescence & Deterioration**
 - Roughly 75% of the Buildings are 35 Years or Older
 - Low ceiling heights and buildings not conducive to modern business practices
- **Structures Below Minimum Code**
 - Numerous locations with on-street loading docks, no fire suppression system, etc.

EXISTING CONDITIONS



Deteriorated
Buildings



On-Street
Loading Docks



On-Street Docks
Broken Windows



Outdated Building
Designs & Standards



Outdated Building
Designs & Standards



Potential Business
Redevelopment

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EXISTING CONDITIONS



Deteriorated
Parking Lots



Unmaintained
State Routes



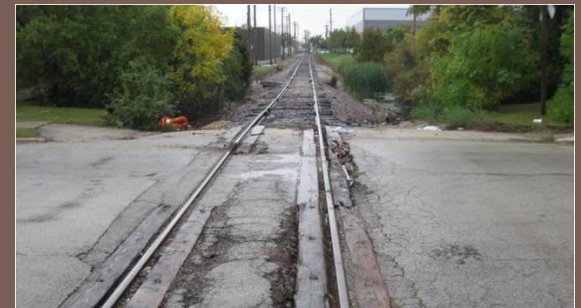
Busse Road
Ditch Line



Overgrown & Unkempt
Vegetation



Congested
Roadways



Deteriorated
Train Tracks

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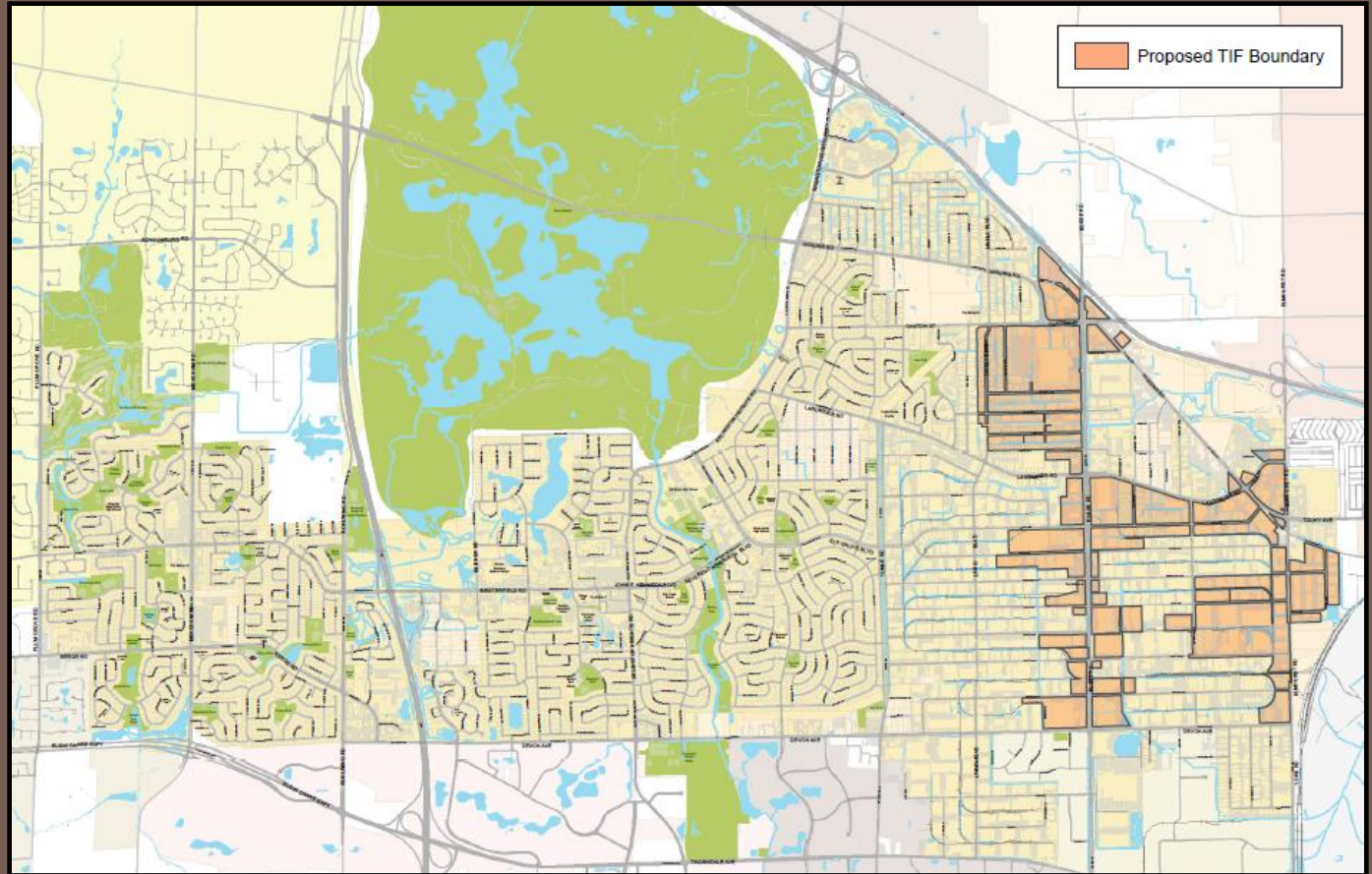
BUSSE-ELMHURST TIF

BUSSE-ELMHURST TIF DISTRICT

Acres – 921 acres

Buildings – 385

% of Buildings
>35 Years – 75%



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BUSSE-ELMHURST TIF

TIF DISTRICT PROJECT COSTS

Eligible Project Costs:

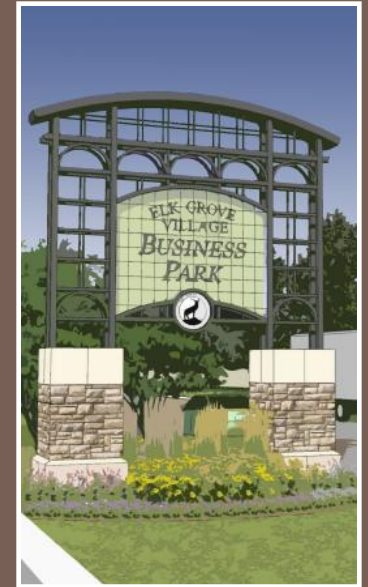
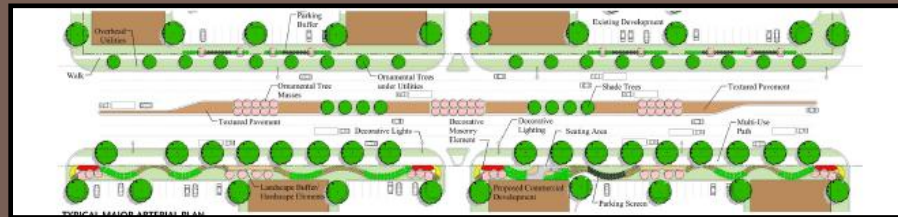
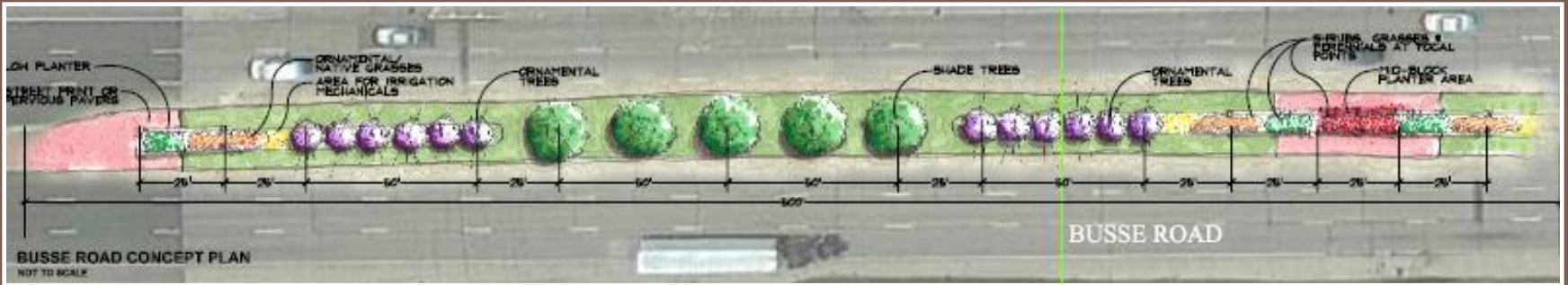
- Redevelopment of Substandard, Obsolete, or Vacant Buildings
- Roadway Construction & Reconstruction
- Public Utility Improvements
- Demolition & Site Preparation
- Environmental Remediation
- Marketing Sites Within the TIF
- Relocation
- Job Training

GOALS & OBJECTIVES

- Create an attractive environment that encourages new industrial development and increases the tax base of the Project Area, thereby fostering confidence in new real estate development;
- Reduce or eliminate those conditions that qualify the Project Area as a conservation area while maintaining the economic vitality of the Project Area;
- Create an environment that will preserve or enhance the value of properties within and adjacent to the Project Area, improving the real estate and sales tax base for the Village and other Taxing Districts that have jurisdiction over the Project Area; and
- Upgrade the utilities, infrastructure and streets.

GOALS & OBJECTIVES

Aesthetic Enhancements:

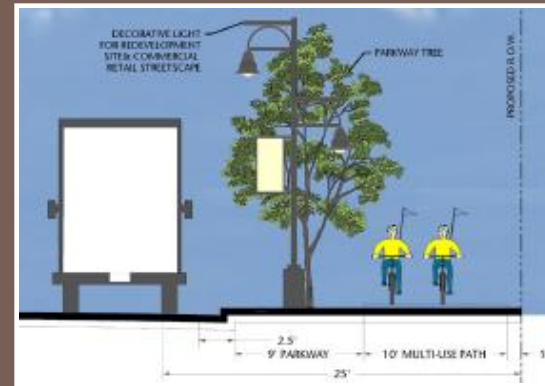
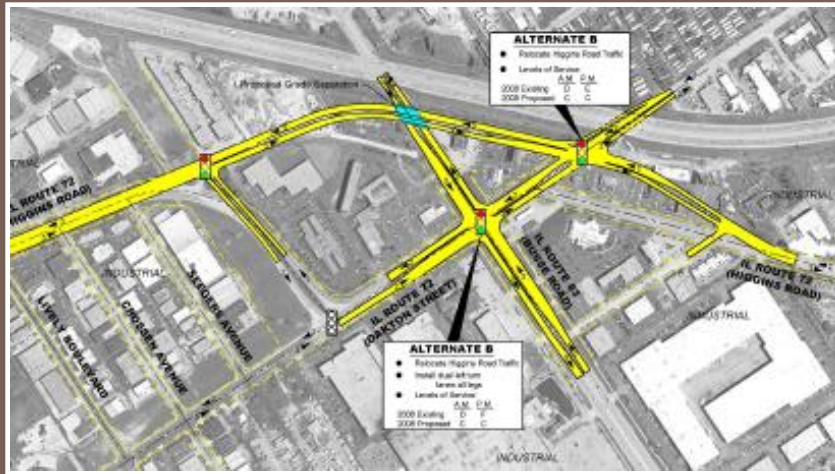


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GOALS & OBJECTIVES

Public Improvements - Infrastructure



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GOALS & OBJECTIVES

Modern Industrial Design Standards:



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GOALS & OBJECTIVES

Significant Redevelopments:



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PUBLIC COMMENTS & QUESTIONS

- Village Board to Consider TIF Eligibility Study – December 17, 2013
- Joint Review Board – January 2-16, 2014
- Public Hearing – February 11, 2014
- Village Board Meeting to Introduce the Busse-Elmhurst TIF Ordinances – February 25, 2014



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