

Village of Tinley Park, Illinois

Panduit Legacy TIF District Informational Meeting

March 10, 2016 at 6:30pm – 8:30pm in the Kallsen Center at Village Hall

Questions and Answers from the Informational Meeting

1. Where will the pond be located?
 - The pond will be located on approximately an 8 acre portion of the Panduit property at northeast corner of 175th Street and Ridgeland Avenue

2. Will the property taxes be frozen for the TIF area?
 - Property taxes will not be frozen within the TIF area. However, the taxable value (Equalized Assessed Value, or EAV) of the property at the inception of the TIF is set as the base value of the TIF area. Property taxes will be continued to be shared annually with all taxing bodies found on the property tax bill based on this base EAV over the 23 year life of the TIF. Any taxes generated by an increase in the EAV of the TIF will be directed to the TIF Fund to support the improvements and economic development activities within the TIF. These monies can only be used for certain expense categories as included in the Redevelopment Plan and Project. These expenses include new roads, sewers, water mains, etc.

3. Who owns the Panduit property?
 - Panduit Corporation owns the Panduit building and the property it sits on.

4. Who will want to locate at the “redevelopment site”? Will businesses go here? Will apartments go here?
 - It is up to Panduit and ABC as to who will purchase their properties. The most likely redevelopment would be residential.
 - It is unlikely that new businesses or developers would be interested in redeveloping this property for new commercial or industrial uses.

5. Can the Village fund the necessary improvements with the existing tax revenue?
 - The TIF provides the Village additional options for supporting (paying for) public improvements. It can allow the Village to potentially fund projects that would otherwise

not be possible without requiring additional taxes from all residents of the Village. The TIF adds to, and diversifies, the Village funding options for public improvements.

6. Is the tax diverted?

- TIFs are used to generate new tax revenues, that would not exist “but for” the TIF creation. During the life of the TIF District, taxes generated by new growth in the tax base (EAV) is directed to the TIF to support the Redevelopment Plan and Project activities and to encourage further economic development within the TIF area. After the TIF ends, the taxing bodies will then begin to receive the increased tax revenue created as a result of the TIF.

7. Should TIF funds be welfare for ABC and Panduit?

- TIF funds are not “welfare” or a “free money give away” to any existing resident or business. However, it is conceivable that the Village may provide financial assistance to an existing business or property owners to assist in achieving the economic development objectives of the TIF. This financial assistance would be directed toward overcoming difficult challenges for the property to be redeveloped and improved. It is possible that TIF funds could be used to assist in relocating business activities (such as ABC Roofing) to a new location, or in the offset of demolition costs (such as Panduit) to allow the property to be more easily redeveloped.

8. Why is a TIF necessary to drive storm water improvements?

- The proposed Panduit Legacy TIF is not essential to the construction of the proposed detention pond. The pond is also required to support storm water detention requirements to serve redevelopment sites in Downtown Tinley Park including the former school site, North Street, South Street, and other locations. However, the Panduit and ABC Roofing sites, and all of the residential areas west of these sites which are proposed to be included within this TIF district’s boundaries would benefit by storm water improvements. The creation of this proposed TIF district provides the Village additional options to potentially fund and pay for the storm water improvements to be constructed.

9. Why is the street and sidewalk on 175th Street deteriorating?

- 175th Street is under the jurisdiction and maintenance responsibility of Cook County and its Highway Department. The Village has contacted the County on numerous occasions with regard to the condition of the streets under their responsibility that lie within Tinley Park. The Village has been also pursuing the possibility of working with the County to get 175th Street, Ridgeland Avenue, and part of Oak Forest Avenue improved whereby the future maintenance of those sections of roadway would become the responsibility of Tinley Park thereafter.
- If there are sections of sidewalk that are hazardous, they should be reported to the Village’s Public Works Department. The Village annually contracts for replacement of sidewalk throughout the Village that is damaged and creating a potential trip hazard or other inconveniences.

10. Will this TIF aid the Main Street TIFs?

- Yes, this TIF will potentially help fund the improvements needed to direct storm water away from the downtown area.

11. Has Panduit been cited for their deteriorating building?

- Panduit has continued to provide general maintenance of the property even though most of the building is empty and unused. The company's research and development department is still located on the property, and they have even built a new addition to the complex related to those activities in recent years. Panduit has indicated their desire to demolish the majority of the building but has delayed this activity at the Village's request as the TIF district is being created.

12. What are the projected clean up costs for the "redevelopment area" (Panduit)?

- These are unknown at the time. Panduit personnel have indicated that a majority of the clean-up costs are internal/related to the buildings.

13. Is Panduit using TIF funds for their own clean up?

- Panduit must expend their own funds for the demolition and clean up of the property. They have discussed the possibility of receiving a reimbursement through the TIF for some or all of these costs. The Village has not taken any action to approve any such reimbursement at this time. Additionally, it would be expected that any reimbursement would only be provided to the extent that TIF revenues were available to support the payment.

14. Will the need for more public services associated with new development [on the Panduit site] raise taxes?

- It is not expected that the redevelopment of the Panduit site would significantly change the nature of the public services the Village provides or dramatically change the associated costs that would specifically entail an increase in property taxes.
- The Village of Tinley Park has not increased its property tax levy for the past three years (since tax year 2013, payable in 2014).

15. Has the pond area been leased to the Village of Tinley Park from Panduit for 100 years?

- This is a false rumor.
- The Village of Tinley Park and Panduit continue to discuss options for the purchase or other means of transfer of the property necessary for the detention pond. However, no agreement has been reached at this time.

16. Who will be the developer for the “redevelopment area”?
- There are currently no formal proposals for the redevelopment of the Panduit/ABC Roofing properties that have been submitted to the Village for consideration.
 - There are no developers who have formally proposed plans for redevelopment of the site at this time.
 - It is unlikely that businesses would be interested in renovating or re-occupying the existing structures for new commercial or industrial uses.
17. Have any incentives been offered to Panduit?
- No incentives have currently been approved for Panduit with regard to the Ridgeland Avenue property.
18. Has the proposed pond area been surveyed/engineered?
- Yes. The design engineering for the proposed detention pond has been substantially completed.
19. Have soil tests been done on the Panduit site?
- Soil tests have not been performed by the Village.
20. Why don't the future developers need to put in their own public infrastructure?
- The Village's long standing policy is that public infrastructure associated with a development is the responsibility of the developer to install. However, from time to time, the Village has found it prudent to provide some economic assistance to overcome extraordinary or unusual costs in the interest of encouraging new economic development to occur.
21. Who votes on this? Why aren't they here?
- The Village Board will vote on this. This is purely an informational meeting for the residents. There is a Public Hearing scheduled for June 7, 2016 at 8pm in which you can present your thoughts to the Village Board. The final vote on this is scheduled at the Village Board meeting on July 5, 2016.
22. If the school district needs more money, how do they get it?
- The TIF statutes provide a method for the school districts to potentially receive “Per Pupil” payments from TIF revenues if a redevelopment project receives TIF assistance and produces additional students that are directly served by the school districts.
23. So the school district won't get increases in taxes for 23 years?
- All of the taxing bodies, including school districts will continue to share in property taxes from properties included within the TIF District based on the initial base taxable value

(EAV) over the life of the TIF. State law has established that a TIF may last for 23 years, however, if the redevelopment objectives have been met (Redevelopment Plan and Project) and all expenses have been paid, the Village Board can choose to terminate the TIF before the 23 years have elapsed. The amount of any potential increases in property taxes to the current taxing bodies will be limited due to the established base EAV.

24. Will Tinley Park High School benefit from the TIF? (Flooding concerns, swimming pool needing improvement)

- TIF funds cannot be used to improve the facility.

25. What if the ABC building doesn't sell? Will it sit vacant? Will they pay taxes or burden the homeowners?

- ABC Roofing owns or leases the building and the property it sits on. They will be responsible for finding a purchaser. Therefore, they will be responsible for paying the taxes, even if it sits vacant.

26. Will this pond be like Settler's Pond or Structure 32?

- There are plans to add a walking path to the area surrounding Settler's Pond. The pond that is planned for the Panduit property will be more of a naturalized pond with natural plantings at the bottom. It will not be sodded and mowed. There will be no visible water surface at the Panduit Pond except during rain events until it drains down into the Creek. There are currently no plans for making it a passive or active recreational area.

27. Can we remove the Panduit property from the TIF?

- The construction of the proposed detention pond, as well as the desire to encourage redevelopment of the Panduit site, are primary reasons for establishing the TIF. It would not be prudent to remove this key parcel from the TIF. The TIF will provide the Village additional options to assist and encourage redevelopment to occur.

28. Is anyone taking notes for the Village Board to hear?

- Yes, there is staff present that is taking notes to present to the Village Board.

29. Is the new Panduit building in a TIF (191st Street and 80th Avenue)? Did they get an incentive?

- No. The new Panduit world headquarters office building is not in a TIF. Yes, they received financial assistance toward developing the headquarters site and retaining the related employment within Tinley Park.

30. Is the remodeled area of the Panduit building staying or being demolished?

- Panduit maintains a research and development facility at the southeast corner of the former office and manufacturing site. It is anticipated that this portion of the current facilities will remain.
31. Can we get superfund for Panduit or the Mental Health Center?
- No. Neither site contains the types or levels of contamination that would qualify for Superfund aid.
32. Will all of the criteria mentioned in the presentation be improved by the TIF?
- No, the criteria in this presentation are listed in the eligibility report as a guideline for what the TIF funds can be used for according to the guidelines.
33. Are we using the criteria to justify the TIF?
- Yes. The state statutes require that in order to create a TIF, that a certain number of these criteria must be met.
34. Is the storm water the major driver of the TIF?
- Arguably, yes. MWRD has recently changed their storm water management requirements for new development. We have pre-qualified this proposed detention pond prior to the new rules became effective. We have an approximately 2 year window in which we can finish construction under the old MWRD regulations. Providing necessary storm water detention for the area within the TIF District and the downtown area are the major drivers for the TIF District and the MWRD regulation change is why there is a need to act sooner than later.
35. What has been discussed with Panduit?
- The Village has had general discussions with Panduit regarding their future plans for their property on Ridgeland Avenue, building the detention pond, the potential acquisition of the land to construct the detention pond, demolition of the existing structures, possible sale and redevelopment of the property, and the creation of the proposed TIF district. Nothing in any of these areas of discussion have been finalized.
36. Can ABC and Panduit leave and abandon paying their taxes?
- No, they own the building and the property it sits on. Until they find a purchaser for their property they are responsible for paying the taxes on it.
 - State law provides several procedures for dealing with delinquent property taxes (owners who fail to pay their taxes). Should any individual or business fail to pay its tax obligations in a timely manner, they are subject to sale at an annual Tax Sale conducted by the County. The owner of the property has a specific period of time to repay the delinquent taxes plus interest or the purchaser of the delinquent taxes at Tax Sale can petition the Courts to receive title to the property.

- These properties do have current value to both the owners and others. It is very unlikely that either business would abandon these properties and not pay the property taxes.

37. How will the piping systems affect the residential storm water issues?

- The new drainage system will provide an outlet sewer that does not currently exist which may provide some relief for flooding in the residential areas of the TIF District if rear year/street storm sewers are constructed as part of additional future projects.

38. Can the pond benefit Highland Avenue?

- This particular pond will have no benefit to Highland Avenue.

39. What is the cost for improvement to the residential public infrastructure?

- Cost estimates have not been done for any residential projects as they are yet to be determined.

40. What code applies to the development within this area? The Legacy Code?

- The Legacy Code does not apply to this development area. The Legacy Code is applicable to the Downtown Tinley area.

41. Where does the current storm water go?

- Currently some of the storm water that will be directed to the proposed detention pond drains directly into Midlothian Creek. The Settler's Pond constructed south of the Barrett's subdivision also currently drains into Midlothian Creek. One of the primary objectives of the pond is to control the volume of storm water released into Midlothian Creek which would overtax the Creek's capacity to carry the storm water and create downstream flooding in other communities. Like the Settler's Pond, the proposed detention pond will assist in controlling the release of storm water into the Creek and prevent downstream flooding issues by providing temporary storage.

42. When was the Panduit site built?

- The Panduit site was built and expanded in several phases over more than a half a century since its founding here in about 1960. With the possible exception of the current ABC Roofing site, Panduit has owned the majority of the property east of Ridgeland Avenue (and west of the Forest Preserves) between Oak Forest Avenue and 175th Street since its founding.

43. Is there any existing field tile system?
- Likely, any field tiles encountered during construction will be investigated and abandoned or reconnected as necessary.
44. When the TIF is voted on, will there be a more clear/detailed idea of a plan and budget?
- The Redevelopment Plan and Project document includes expenditure caps for the categories of allowable expenses that can be paid for from TIF funds. These expenditure caps are not an actual “budget” and are designed to address all potential future costs that could occur over the 23 year life of the TIF. These expenditure caps do not mean that the Village will spend any or all of this money. The incremental taxes generated by the TIF will ultimately regulate the extent of possible expenditures within the TIF.
45. Why isn't the pond at the northeast corner of the Panduit site?
- There is an existing detention pond existing at the southwest corner of the Panduit site which will be enlarged to provide additional storage capacity to serve a larger area than just the Panduit buildings. The land hydrology and topography dictate that this is the best location for the proposed detention pond. Additionally, because a pond already exists at this location, the amount of excavation required is reduced. Reduced excavation translates into reduced construction costs.
 - The costs of digging a new pond in a different location would be significantly higher.
46. How do we know that eight acres is a large enough size for the pond?
- The engineers have analyzed the storm water storage needs and have determined the amount of land area that is required for the proposed detention pond and the eight acres has been determined to be sufficient. The MWRD must also review and approve the plans before construction can occur, and based on the preliminary design have determined that this amount of land area is sufficient.
47. What happens if the area does not get redeveloped? Where does the money come from?
- The proposed Panduit Legacy TIF does not currently exist, and therefore, it does not have any available money to support the proposed pond project. Additionally, it is unlikely that the proposed TIF would generate sufficient funds within the two year time frame in which the proposed pond must be constructed. The Village has budgeted funds from the Main Street South TIF, and other sources to construct the proposed pond. The proposed pond will be constructed whether this Panduit Legacy TIF is approved or not. Presuming the proposed Panduit Legacy TIF is created, incremental taxes generated by the TIF could potentially be used to reimburse these funds to be used to support other projects. As noted earlier, the creation of the proposed Legacy TIF provides the Village additional funding options and flexibility.
48. Is the South Street project happening?
- The developers have indicated that they are still preparing to move forward with the project. However, several issues including obtaining final financing approvals still must be resolved before the project will break ground.

49. Does the developer of South Street know that they need a pond?

- Yes, the developer is aware that they will need storm water detention for their development site. If the pond at Panduit does not get constructed the developer will be forced to create a detention system on the property they are developing and would sacrifice about 1/3 of the available property/redevelopment site to do it. This reduction in usable land area would make the site difficult to redevelop and would be unlikely to generate sufficient return on investment for the developers to make the redevelopment of the site economically viable or feasible. The costs for the capacity share of the proposed pond required to meet the storm water detention needs of the South Street site will be factored into the financial assistance to be provided in lieu of the developers constructing the pond, or similar storage capacity, as a direct part of the redevelopment.

50. What was the Village's main driver for the TIF?

- Storm water detention and to entice economic development in the area included within the TIF, as well as adjacent areas to be served by the proposed storm water detention improvements.
- The proposed TIF provides the Village additional options for funding or paying for the proposed detention pond and other improvements
- The creation of the TIF can encourage new economic development/redevelopment in the area to occur.
- Property values in the area encompassing the TIF have been stagnant and declining and the Village would like to halt this negative trend.

51. Can we do a show of hands on who supports the TIF?

- No response required.