

Mental Health Center TIF District

Joint Review Board Meeting

3:00 p.m. June 4, 2015



Joint Review Board Meeting

Review Items

A. Joint Review Board Duties

B. TIF Process & Development Area

C. Farr Phase 1 Master Plan

D. Eligibility Report

E. Redevelopment Plan & Project

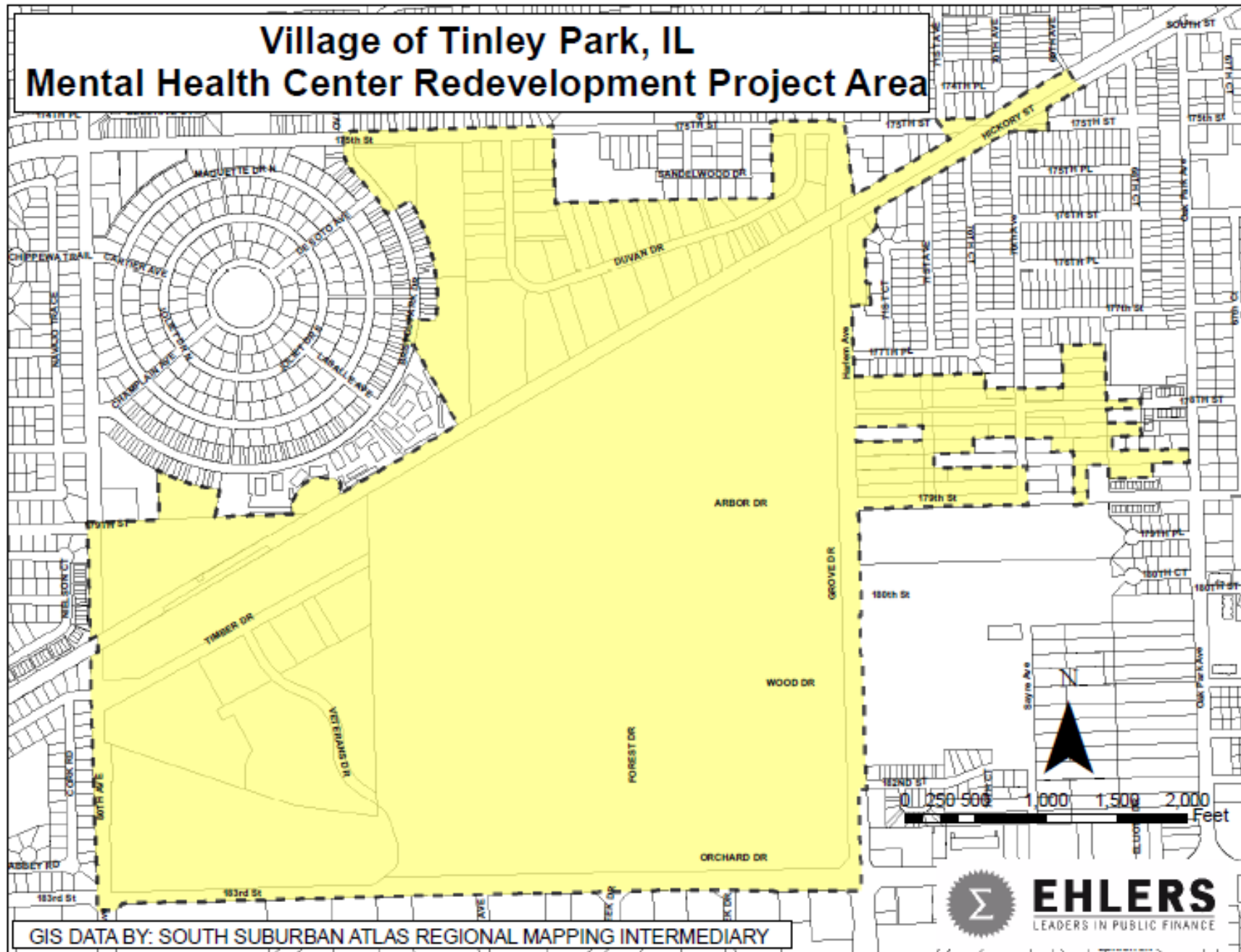
Joint Review Board Statutory Duties & Schedule

- A. Review the planning documents, the proposed ordinances approving the Redevelopment Project Area and the Redevelopment Plan and Project – specifically the Eligibility Report and the Redevelopment Plan and Project*
- B. Submit a report or recommendation to the Village Board in regard to the Eligibility Report and the Redevelopment Plan and Project*
- C. Written report due by June 13, 2015*
- D. If TIF is approved by the Village Board, the Joint Review Board meets on an annual basis to review the effectiveness and status of the Redevelopment Project Area as detailed in the annual report*

How do you establish a TIF District?

- *Identify an area with physical and economic deficiencies.*
- *Prepare Eligibility Report and Redevelopment Plan.*
- *Public notice via mailings and newspaper.*
- ***Convene Joint Review Board.*** (May 14 & June 4, 2015)
- ***Conduct public hearing.*** (June 16, 2015)
- ***Adopt TIF Ordinances to establish TIF.*** (July 21, 2015 at earliest)
- *No state or federal approval is required.*
- *Law allows a TIF district to exist for a maximum of 23 years. TIF districts may be terminated earlier if all financial obligations are paid-off and the municipal Council votes to terminate the district.*

Village of Tinley Park, IL Mental Health Center Redevelopment Project Area





Tinley Park Mental Health Center Property Areas





Taxable Property Area

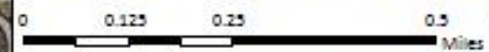
Total Area
24,621,696 sqft
565 acres

Taxable Property
4,327,992 sqft
99 acres

Non-taxable Property Without Right-of-way
17,517,024 sqft
402 acres

Non-taxable Property With Right-of-way
20,286,724 sqft
466 acres

-  Tax Exempt Property
-  TIF Right-of-way
-  Taxable Property
-  Unincorporated



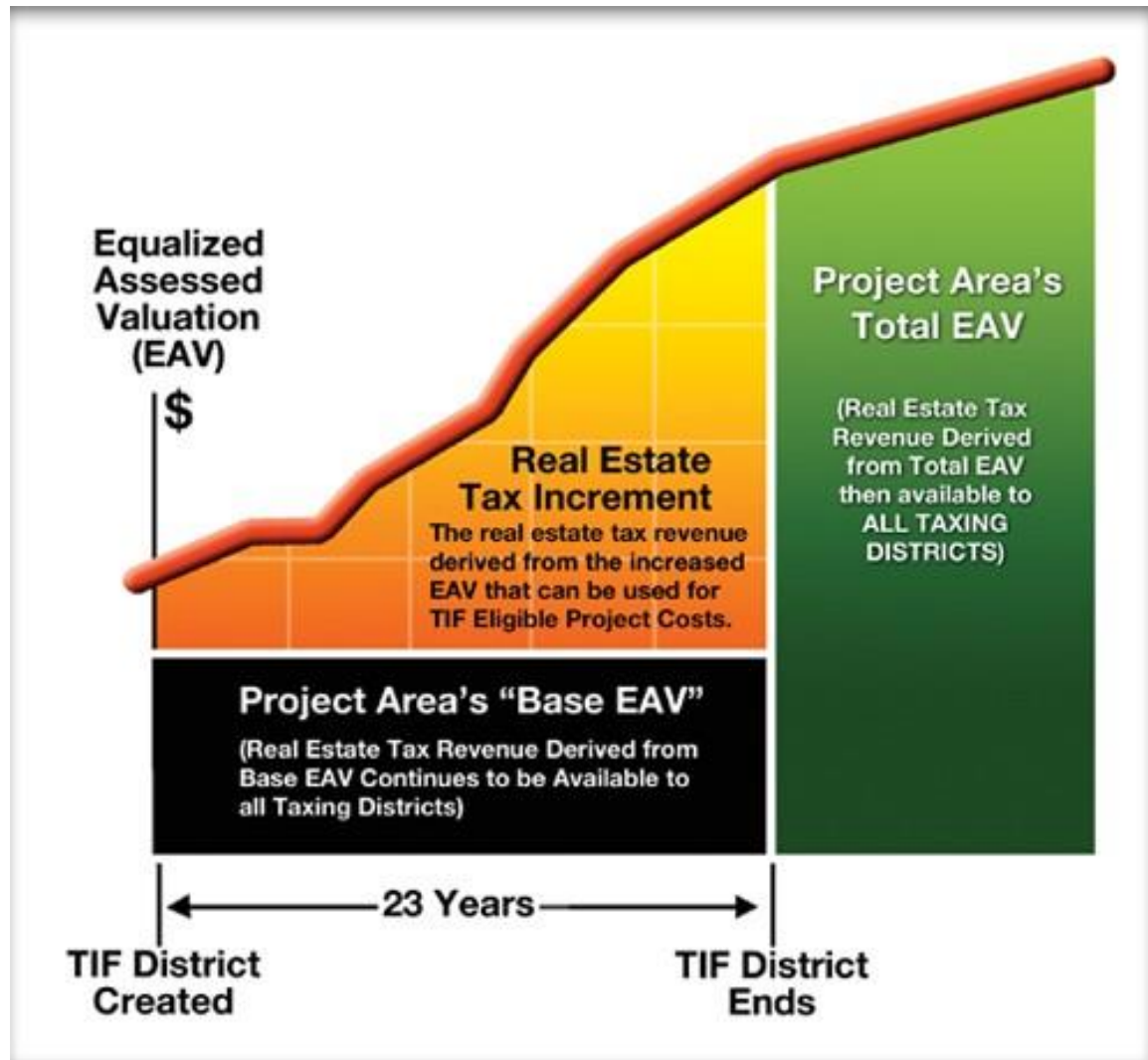
What is Tax Increment Financing (TIF)?

- *A tool to help local governments restore run-down areas or jumpstart economically sluggish parts of town.*
- *TIF's help local governments **attract private development** and new businesses.*
- *TIF's help local governments make the improvements they need, like new roads or new sewers and water mains.*
- *Allows redevelopment costs to equal green grass development costs, therefore “incenting” redevelopment.*

What is "Tax Increment"?

- *It is **not** a tax increase.*
- *It is the difference between the amount of property tax revenue generated before a TIF district is established and the amount of property tax revenue generated after the TIF district has new development.*
 - TIF does not reduce property tax revenues available to other taxing bodies.
 - Only property taxes generated by the incremental increase are available for use by the TIF.

How TIF Works



Concept Plans









Master Plan and Regulatory Framework to ensure Design Principles to be applied the TPMHC:

- ***Provide diverse housing types***
- ***Improve connectivity and access***
- ***Allow for a mix of uses.***
- ***Provide access and high-quality open space***
- ***Create economic viability.***
- ***Reclaim the natural hydrology.***



SB Friedman Market Research

- *Site adjacency to the 80th Avenue Metra Stop, state routes & I-80*
- *Competitive school systems to attract families and support higher-value housing product*
- *One of the few vacant, large contiguous parcels with public infrastructure to the lot line in the south suburbs*
- *South suburban market area is projected to add approximately 6,200 households over the next 5 years with the potential for Tinley Park to capture a portion of this market by developing the right housing stock mix*
- *Conservative back of envelope site estimate 4 lots / acre with 280 acres or 1,120 lots*



Eligibility Study

- *Review and document Criteria for Eligibility*
- *Blighted, Conservation, Combination of Blighted and Conservation, or Industrial Conservation*

Conservation (Land with Buildings/Improved)

Blighted

Improved Land (land with buildings) – Applies to MHC RPA

Vacant Land – Applies to MHC RPA

Industrial Conservation

Does not apply (requires high unemployment)

State Mental Health Center – Current Conditions



TIF Qualifications

Blighted Area

Improved Land – 13 criteria:

At least 5 must be met (10 criteria met)

- 1. Obsolescence**
- 2. Deterioration**
- 3. Presence of structures below minimum code standards**
- 4. Excessive vacancies**
- 5. Inadequate Utilities**
- 6. Excessive land coverage and overcrowding of structures**
- 7. Deleterious land use or layout**
- 8. Environmental clean-up**
- 9. Lack of community planning**
- 10. Lagging EAV**
- 11. Dilapidation*
- 12. Illegal use of individual structures*
- 13. Lack of ventilation, light or sanitary facilities*

TIF Qualifications

Blighted Area

Vacant Land

Section 1: 6 criteria:

At least 2 must be met (3 criteria met)

1. Obsolete Platting

2. Deterioration of Structures in Neighboring Areas

3. Lagging EAV

4. Diversity of ownership

5. Tax Sale and special assessment delinquencies

6. EPA remediation finding

(Chronic Flooding is also present, per Section 2, but are not reasonably distributed.)

Redevelopment Plan

- *Introduction and Eligibility*

Describes the community and its issues.

- *Redevelopment Goals and Objectives*

Provides overall framework for guiding decisions during implementation of the TIF Plan.

- *Program Policies and Implementation*

Outlines general activities and financing techniques to achieve Goals and Objectives.

- *Project Costs*

Provides a maximum limit of expenditures by category (see next slide).

Village is not committed to finance all of the Redevelopment Project Costs in Plan.

- *Program Certifications and Findings*

Some financial impact to taxing bodies is expected with new residential development. If additional students result from TIF activities, funds for reimbursement to School Districts are available (see next slide). Funds for capital projects are also available.

Redevelopment Project Costs

• <i>Studies, surveys, development of plans & administrations</i>	<i>\$5,000,000</i>
• <i>Marketing the redevelopment project area to developers</i>	<i>1,500,000</i>
• <i>Property assembly, demolition, site preparation & environmental</i>	<i>55,000,000</i>
• <i>Rehabilitation, repair, remodeling & leasehold improvements</i>	<i>85,000,000</i>
• <i>Construction of public works improvements</i>	<i>65,000,000</i>
• <i>Job training and retaining projects</i>	<i>500,000</i>
• <i>Financing costs</i>	<i>15,000,000</i>
• <i>Taxing districts capital costs resulting from the redevelopment project</i>	<i>2,500,000</i>
• <i>Relocation Costs</i>	<i>20,000,000</i>
• <i>Payment in lieu of taxes</i>	<i>5,000,000</i>
• <i>Job training, vocational , career education incurred by a taxing district</i>	<i>750,000</i>
• <i>Interest costs incurred by a developer</i>	<i>10,000,000</i>
• <i>Contributions to schools for an increased student population</i>	<i>15,000,000</i>
• <i>Construction for affordable housing</i>	<i>5,000,000</i>
• <u><i>Contributions to contiguous redevelopment project areas</i></u>	<u><i>15,000,000</i></u>
• <i>Total Estimated Redevelopment Project Costs</i>	<i>\$300,250,000</i>

TIF Eligible Expenditures

TIF funds can be used to support a number of public improvements and other investments that support the Redevelopment Plan and Project generally including:

- **Public infrastructure** improvements including roads, sidewalks, utilities, water, sanitary sewer, storm sewer, detention/retention, parking, street lighting, etc.
- **Acquisition of property**, land assembly, **demolition, site preparation**, etc.
- **Rehabilitation of older buildings.**
- Correction and mitigation of **environmental issues.**
- **Job training**, workforce readiness and other related educational and training programs.
- **Incentives** to retain or **attract private development.**

School District Reimbursement Required per TIF Act

Pursuant to Section (q) (7.5)

- Elementary, Secondary, or Unit School District's increased costs attributable to **(TIF) assisted** housing units located within the RPA for which the developer receives assistance through an agreement with the Village or because the Village incurs the cost of necessary infrastructure improvements within the boundaries of the (TIF) assisted housing sites necessary for completion of that housing as authorized by this Act, and which costs shall be paid by the Village from the (TIF Fund) when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually, based on a formula that takes into account the general state aid received by the school district in regard to each new student from a (TIF) assisted housing unit.
- See reimbursement calculation formula in Act; not-to-exceed percentages of total TIF revenues produced by those TIF assisted housing units based on the type of school district as follows (abbreviated herein):

(A) Foundation Districts	(i) Unit SDs <25%	(ii) Elementary SDs <17%	(iii) Secondary SDs <8%
(B) Alternate Method, Flat Grant & Foundation Districts	(i) Unit SDs <40%	(ii) Elementary SDs <27%	(iii) Secondary SDs <13%

- Any school district seeking payment under this paragraph (7.5) shall, after July 1 and before September 30 of each year, provide the Village with reasonable evidence to support its claim for reimbursement before the Village shall be required to approve or make the payment to the school district....School districts may waive the right to all or a portion of (this reimbursement). By acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the RPA or projects.

Key Findings of Eligibility Report and Redevelopment Plan Area

- *Blighted Area factors (Improved and Vacant land) are reasonably present and distributed throughout the RPA.*
- *Costs to redevelop the area are extraordinary.*
 - TIF funds can be spent on projects for properties within the TIF boundaries.
- *Area as a whole has not been subject to growth and development through private enterprise and would not be reasonably anticipated to redevelop without TIF.*
- *Conforms to the Comprehensive Plan of the Village.*
- *Passes the “But For” test.*

Questions?

Project Contacts

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