

# Sheridan Rd Tax Increment Financing (TIF) District

Village of Winthrop Harbor  
Public Hearing  
April 2nd, 2019



# Agenda

- I. Redevelopment Project and Plan
- II. TIF Mechanism
- III. Qualifying Factors
- IV. Key Elements of TIF Plan
- V. Next Steps

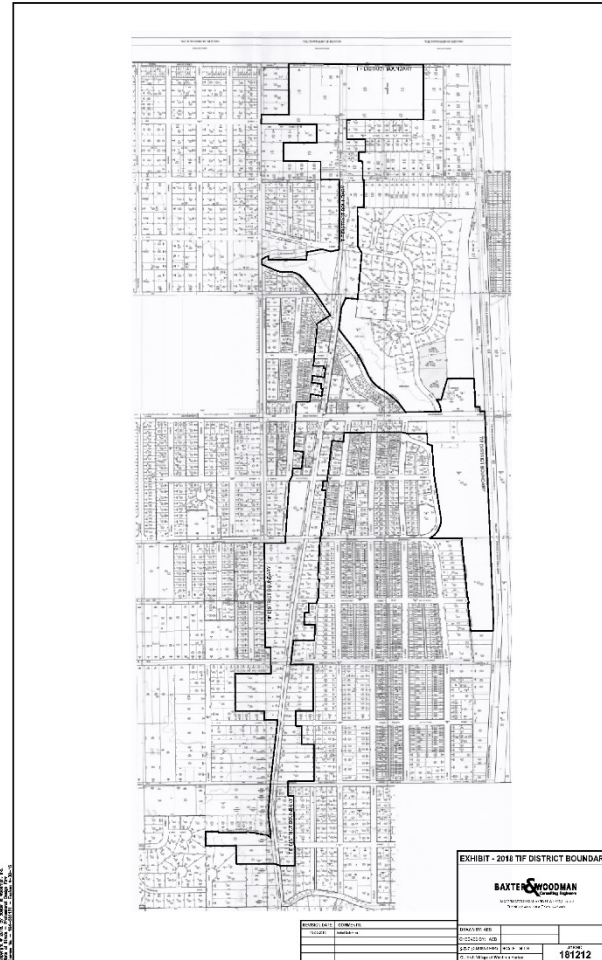


# I. Redevelopment Project and Plan

## Background:

- The proposed Redevelopment Project Area (RPA) is comprised of properties along Sheridan Rd and 7<sup>th</sup> Street
- The area has been identified as a key asset in achieving the Village's goals of increasing tourism and strengthening the community's economic base
- Conditions exist which challenge the area's potential for redevelopment
- Without the use of Village planning and economic development resources to mitigate such conditions, potential redevelopment projects are not likely to be economically feasible

# I. Redevelopment Project and Plan



# I. Redevelopment Project and Plan

## Specific Key Objectives:

- Coordinate redevelopment activities within the RPA in order to provide a positive marketplace signal to private investors;
- Accomplish redevelopment over a reasonable time period;
- Create an attractive overall appearance for the area;
- Further the goals and objectives of the Comprehensive Pan

# I. Redevelopment Project and Plan

The TIF Plan complies with key legal provisions of the TIF Act, including, but not limited to:

- The TIF Plan conforms to the Village's Comprehensive Plan
- The Redevelopment Project Area consists of contiguous parcels and exceeds 1 ½ acres
- The “But-for” requirement is met – Redevelopment is feasible only with the utilization of tax increment financing, as documented in the TIF Eligibility Report

## II. TIF Mechanism

Review of Tax Increment Financing (TIF):

TIF is a tool for achieving the Village's community and economic development goals



## II. TIF Mechanism

Review of Tax Increment Financing (TIF):

TIF splits property tax revenue generated within the area into two components or “buckets”



Bucket for Base Revenues  
For All Local Governments



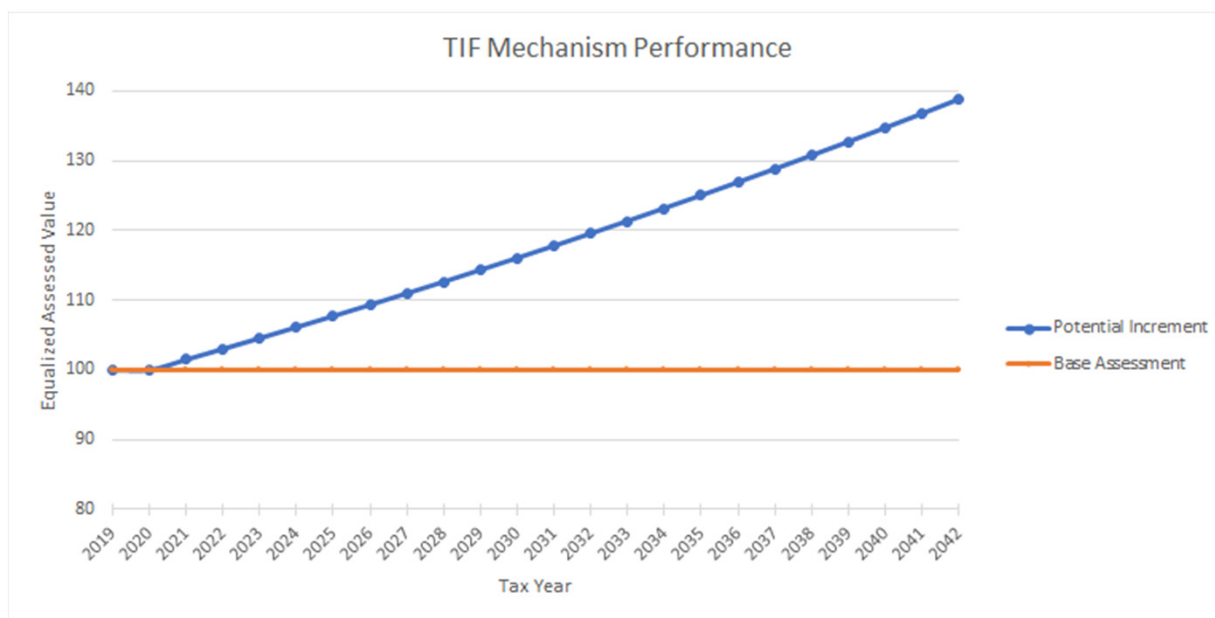
Bucket for Increment Revenues  
For Redevelopment Within TIF



# II. TIF Mechanism

Review of Tax Increment Financing (TIF):

Ideally, a successful TIF District produces positive incremental revenue over time



# III. Qualifying Factors

The proposed RPA qualifies as a TIF based on two sets of factors:

- Sub-Area 1/Conservation Area – This qualification is for all land generally developed, with structures and other improvements in place; the area includes the portions of the proposed RPA along Sheridan Road and along 7<sup>th</sup> Street from the area’s western boundary to Landon Avenue
- Sub-Area 2/Blighted Vacant Area – This qualification is for the land within the proposed RPA that is primarily vacant of structures; this area includes portions of the RPA located to the east of Landon Avenue



# III. Qualifying Factors – Conservation Area

Findings for the conservation area:

Conservation Area Findings	
<b>Total Number of Buildings in RPA</b>	<b>100</b>
<b>Total Number of Buildings 35yrs+</b>	<b>76</b>
<b>Percentage of Buildings 35yrs+</b>	<b>76%</b>

Maximum Possible Factors per Statute	Minimum Factors Needed to Qualify per Statute	Qualifying Factors Present in Sub-Area 1
13	3	6 <ul style="list-style-type: none"> <li>• Lagging/Declining EAV</li> <li>• Deterioration</li> <li>• Deleterious Land-use/Layout</li> <li>• Lack of Community Planning</li> <li>• Inadequate Utilities</li> <li>• Obsolescence</li> </ul>



# III. Qualifying Factors – Blighted Vacant Area

- Blighted Vacant Area: An area where sound growth is impaired by a combination of two (2) or more qualifying factors and one (1) or more stand-alone factors

Findings for the blighted vacant area:

Maximum Possible Factors per Statute	Minimum Factors Needed to Qualify per Statute	Qualifying Factors Present in Sub-Area 2
6 Qualifying Factors	2	2 <ul style="list-style-type: none"> <li>• Obsolete Platting</li> <li>• Adjacent to Deterioration</li> </ul>
6 Stand-Alone Factors	1	1 <ul style="list-style-type: none"> <li>• Chronic Flooding</li> </ul>

# IV. Key Elements of TIF Plan

## The TIF Budget:

- The 2017 base EAV for the proposed TIF District is estimated to be \$6,961,051
- The budget represents the maximum possible amount of expenditures by the Village
- Sized to accommodate potential development requirements
- 23 year budget, not annual budget
- TIF eligible costs include public improvements as well as incentives for private redevelopment

Proposed land uses include residential, institutional, commercial and retail/mixed uses

# IV. Key Elements of TIF Plan

<b>Program Actions/Improvements</b>	<b>Estimated Costs</b>
Land Acquisition and Assembly Costs (including Relocation Costs)	\$6,500,000
Site Preparation and Demolition, including Environmental Remediation	2,500,000
Public Improvements including, but not limited to, water, storm, sanitary sewer, traffic management, and roadway and streetscape improvements	14,500,000
Rehabilitation of Existing Structures	3,750,000
Interest Costs Pursuant to the Act	6,000,000
Professional Service Costs (Including Planning, Legal, Engineering, Administrative, Annual Reporting and Marketing)	3,000,000
School Tuition and Library Costs as provided by the Act	3,000,000
Job Training	500,000
<b>TOTAL ESTIMATED TIF BUDGET</b>	<b>\$ 39,750,000</b>



# V. Next Steps

Consideration of TIF Ordinances for Final Approval and the Termination of the Existing Triangle TIF District

- May 7th, 2019

