

# TIF District Is Good For Schools

By: Nancy Leavy

In 2002 when the Village of Oak Park announced its intention to seek a 12-year extension of the downtown TIF, it was an immediate cause of concern and opposition for the school districts, as both District 97 and District 200 had already begun to include the release of TIF funds in their long-term financial projections. The schools had anticipated the end of the TIF in 2006 and fully expected the Village to honor the implicit promise that had been made to the schools that the TIF money would ultimately benefit the schools.

The Village and the two school districts had several joint board meetings, and out of those meetings it was decided that the Village and the school districts should enter into a negotiation process to determine if a compromise was possible. These negotiations extended over a seven-month period. The process included staff meeting with staff, boards meeting jointly, and many reconciliation meetings to refine the intergovernmental agreement. Ultimately a satisfactory

intergovernmental agreement was reached that, to a great degree, satisfied many of our collective goals.

First and foremost, it was agreed that the Village would embark on an immediate plan to liberate \$20 million of Equalized Assessed Value from the current TIF district. This would result in substantial tax revenue to the school districts several years prior to scheduled end of the TIF in 2006. The school districts realized this new revenue in the 2003 tax collection.

Second, the Village agreed to meet jointly with the school districts regarding the TIF revenue each year starting in 2006.

Third, in 2006 the Village will again liberate properties from the TIF in order to provide a higher payout to the school districts. These intermittent "carve-outs" would continue according to the intergovernmental agreement at specific intervals and will generate a

specific amount of revenue. In the event that the Village can not meet its obligations under the intergovernmental agreement, The Village would either end the TIF or find some other way to meet its obligations to District 97 and District 200.

This is a win/win situation for both the Village and the schools. The schools received money, starting in 2003, three years before they had any expectation of TIF revenue. They will continue to get a larger and larger share of the TIF revenue and the Village will get to retain the flexibility that having the TIF district provides to stimulate economic development.

By the way, these "carve-outs" do not just benefit the school districts, as all the taxing bodies receive a share of the new revenue.

*Nancy Leavy is a former District 200 Board Member.*

## What is a TIF?

By: Gene Armstrong

**T**ax Increment Financing (TIF) is a financing tool that can be utilized by local Illinois communities to provide a funding mechanism to stimulate economic development.

To establish a TIF District, State law requires that a designated geographical area either be 'blighted' or in 'danger of becoming blighted'. At its establishment after those eligibility criteria are certified, Village ordinances are adopted to provide for the district to be created. Under State law, a TIF can exist for up to 23 years, and in special circumstances requiring special legislative approval by the State legislature, it can be extended by an additional 12 years to 35 years.

In the year the TIF begins, the County Clerk certifies the equalized assessed value (EAV) of each property in the district. That cumulative amount is the Base EAV, and all taxing districts will continue to collect annual property taxes with their proportional annual tax rate on that base EAV.

However, as overall property values within the TIF increase either due to inflation of property values or due to new development, that equalized assessed value differential, the increment, has the entire tax rate applied to it and the resulting tax revenues go to a special TIF fund.

Property owners in the TIF do not pay

any more or less in taxes, it is only the method of distribution of those taxes that are different.

Tax increment revenues can only be spent on economic development and related redevelopment projects located within the TIF, and any surplus funds remaining after all allowed expenditures are ultimately required to be distributed to the other taxing districts when the TIF expires.

Also, any remaining funds at the termination of the district are required to be distributed in the same manner.

*Gene Armstrong is a local attorney and president of the VMA.*

# Smart Economic Development:

## Moving forward so we don't fall behind

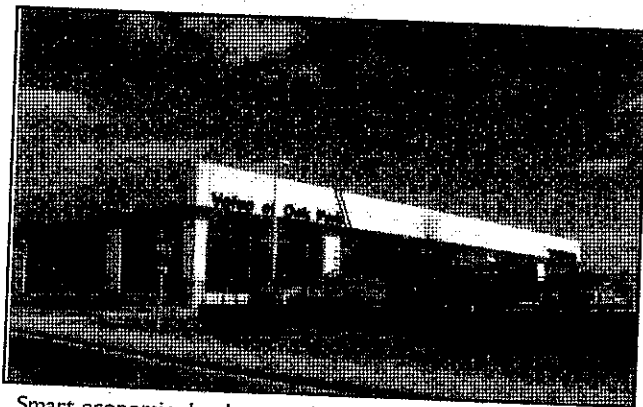
By: Jon Hale

**O**ak Parkers know that without smart planning and investment, a beautiful vintage home can quickly become outdated. The same is true of our Village. When it comes to economic development, Oak Park First rejects the narrow do-nothing approach that others propose, because we believe doing nothing means falling behind.

The cost of maintaining excellence in our schools, libraries, parks, and Village services, and of rehabbing our aging infrastructure is increasing in the face of declining support from the state and federal governments. Supporting them well requires responsible leadership from elected officials to expand the tax base through smart planning and investment.

We think smart economic development means:

- Continue to improve our downtown area guided by citizen input and master plans based on sound urban planning principles.
- We have made great progress in downtown Oak Park, but we must not stop now.
- We support much of the Crandall-



Smart economic development kept the Volvo dealership in Oak Park generating sales tax revenue on under-utilized corner.

Arambula plan and believe that it provides an exciting new vision for downtown Oak Park.

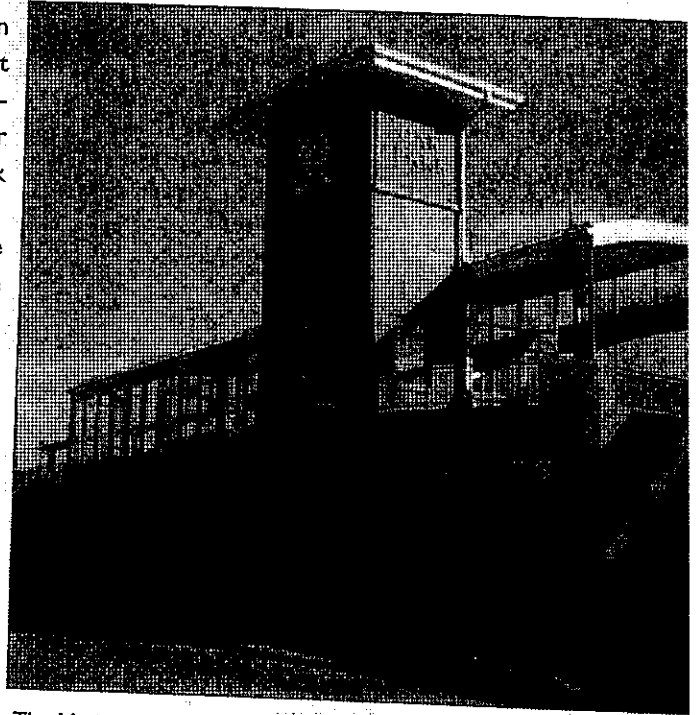
- We think the most responsible way to finance the public investment needed to leverage the private investment anticipated in the plan is through the downtown TIF. The other alternatives are issuing bonds, which would likely lead to a property tax

increase, or diverting money from the current Village budget, which would result in cuts in Village services.

- We recognize that not every aspect of the master plan will be implemented. We pledge to be sensitive to issues of historic preservation, to work with the Historic Preservation Commission, to monitor overall costs, and carefully consider unanticipated issues that may arise.

- We pledge to protect existing businesses from the impact of redevelopment construction, because we want them to be a part of the new downtown Oak Park.

- We pledge to revitalize our eleven neighborhood commercial



The Marion street multi-modal station was a cooperative effort of the Village and RTA with funding provided by the Federal Government.

districts and implement already approved development plans.

- We believe that a renewed downtown and revitalized commercial districts are not mutually exclusive. Indeed, we think a renewed downtown will help revitalize other districts that are in fairly close proximity.

- Approved development plans already exist for several commercial districts, and less-detailed character plans exist for the others. We want to begin implementation in the former, and complete the planning process in the latter.

- We want to explore developing public-private partnerships between the Village and business and property owners in commercial districts.

- We will use tax increment financing revenues for public improvements needed to attract private investment, while continuing to seek creative ways to share the increased tax proceeds with our

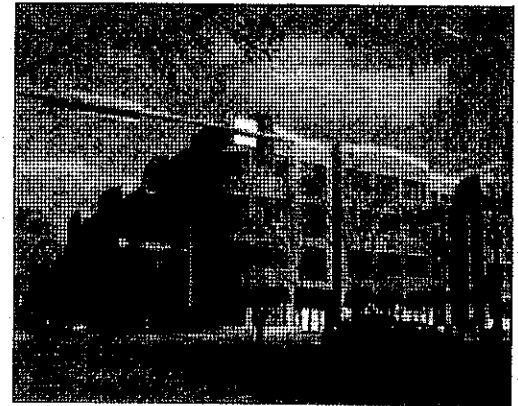
schools and other taxing bodies so they can benefit immediately from redevelopment.

- The innovative 'carve-out' agreement between the Village and Districts 97 and 200 releases downtown TIF money to the schools and other taxing bodies each year. In 2004, Districts 97 and 200 received approximately \$1.2 million in new income from properties released from the downtown TIF.

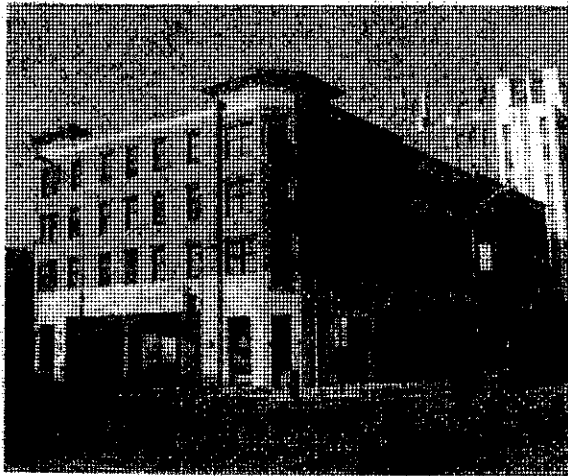
- Use of the streamlined planned development process, when appropriate, because it allows the Village and its citizens to influence larger developments in ways that are not possible when developments are built according to underlying zoning restrictions.

- We support the planned development process because it allows for community input, via public comment and citizen commissions, which helps ensure that the community benefits from larger new developments.

- We also recognize that the planned development process should proceed in a fair and expeditious manner, and should not be an opportunity to filibuster. We will support the Plan Commission's efforts to streamline the process so that it allows fair, and useful, public input and comment.



The Village Board responded to neighborhood input to provide an excellent development.



Euclid Place features mixed-use retail with the only new residential apartments built in nearly thirty years.


We will:

- Continue to develop policies and programs to retain and expand opportunities for small businesses in Oak Park.
- Encourage architecturally interesting projects while being sensitive to preserving recognized historic buildings.

Oak Park's strength is in the creativity of its residents and leaders. By building on our past and using up-to-the-minute plans we will continue Oak Park's place of prominence in the future.

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## Charlie and Friends Robinson's Ribfest for Oak Park First



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**VOTE OAK PARK FIRST ON APRIL 5, 2005**

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- Sandra Sokol Village Clerk
- Ray Barbosa Village Trustee
- Mas Takiguchi Village Trustee
- Dorothy Reid Village Trustee

*Endorsed by the VMA (Village Manager Association)*

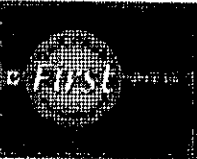
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Charlie Robinson is throwing a party for Oak Park First candidates, their friends and supporters!

You are invited!  
Friday April 1st at Robinson's  
940 Madison Street  
6:30 pm  
Great food and drink!

Call for reservations 848-4830  
Suggested donation \$25.00



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