



Request for Board Action

Agenda Item: 08

Staff Contact: Patrick Brennan, Administration

Considered By:

Village Board

Village Board

Village Board

Finance Committee

Date:

03/18/19

10/15/18

07/16/18

04/16/18

Subject: Adoption of the Following Items Concerning a Potential Tax Increment Financing District:

- a) An Ordinance Setting a Date for a Public Hearing
- b) An Ordinance Establishing Interested Parties Registry Rules

Summary: In an effort to spur growth and vitality in the business district, the Village Board began exploring the potential to create a tax increment financing district. To proceed in the process, a public hearing must be set and rules established for an interested parties registry. The attached ordinances are required to continue the TIF eligibility analysis.

Background of Matter: In January of 2008, the Village Board adopted the Comprehensive Plan for the Village of Kenilworth. The planning document was developed over the course of four years and involved input from various groups and residents. The planning process included the Plan Commission developing a comprehensive plan for the Commercial District while an Ad Hoc Committee worked on a comprehensive plan for the Residential District. The two plans were melded into the Kenilworth Comprehensive Plan of 2008.

Within the Comprehensive Plan was a section on the Green Bay Road Corridor Plan (GB Plan). That section outlined goals and objectives for the Green Bay Road corridor that were intended to:

- 1) Transform the corridor into a vibrant and attractive mixed-use pedestrian-oriented district reflecting the Village's overall character and quality;
- 2) Provide opportunities for alternative housing options for Village residents; and
- 3) Maximize the Village's opportunity to diversify and strengthen its tax base by maximizing revenue opportunities.

The Comprehensive Plan established an agreed-upon road map for growth and development over a period of 15 to 20 years. In the 10 years following the adoption of the plan, very little of the intended plan has come to fruition. The Plan noted that some special technical or financial assistance may be needed to induce the Plan to move forward. Of the financing options listed, a Tax Increment Financing District, Special Service Area, and Business District Designation were presented. None of these tools have been implemented thus far in the corridor.

Over the past several years, the Village has taken a comprehensive look at the annual budget, revenue streams, and Village assets that may be under-utilized. During the reviews, the financial dependence upon property taxes to support the majority of Village services was noted. Typically, communities have an ability to relieve the pressure on property taxes by supplementing village revenues with sales taxes generated from the business district(s).

Historically, the Kenilworth business district has not been a significant source of sales tax revenue. However, the Comprehensive Plan envisioned a vibrant corridor that offered dining and shopping opportunities that reduced dependence upon residential property tax revenue. Over the past several years, the Village Board has taken steps to help improve the desirability of and activity within the business district. The Village's involvement with the Chamber of Commerce and proactive adoption of a liquor code are two examples. However, the commercial district corridor remains relatively unchanged.

In April, the Finance Committee reviewed a presentation from Mr. Lee Brown of Teska Associates. Mr. Brown provided the group with an overview of the Tax Increment Financing (TIF) district as a potential tool to spur investment in business districts. The Committee expressed an interest in exploring if the Green Bay Road and Park Drive business district area meets the necessary eligibility requirements. The preliminary site survey and analysis conducted by Teska Associates indicated that the Green Bay Road Corridor may meet the eligibility requirements for designation as a Tax Increment Financing District. The next step requested by the Village Board was an analysis of the potential incremental revenue that a TIF district may generate. In February, Mr. Brown again appeared before the Village Board with preliminary findings. He projected a potential incremental revenue of \$20 million over the 23-year life of a TIF district. As a result, on February 19th, the Village Board authorized Teska to proceed with developing a formal Eligibility Report and Redevelopment Plan for the corridor.

One of the many required steps in formal consideration of creating a tax increment financing district is conducting a public hearing. The hearing is intended for the Village Board to consider reports and documents, a joint review board recommendation, public comment, and other information in making a determination considering establishment of a tax increment financing district. The public hearing date is declared via an ordinance passed by the Village Board. The attached ordinance sets the public hearing date on Monday, May 20, 2019 at 7:30 p.m. at Village Hall.

The Tax Increment Allocation Redevelopment Act (TIF Act) also requires that the Village Board establish rules for residents, taxpayers, or active organizations in the Village who wish to formally receive information about the Village's TIF process. Based upon the requirements of the TIF Act, a set of rules has been recommended for adoption by the Village Board. The rules create a registry for interested parties, establishes the Village Manager as being responsible for maintaining the registry, and defines the "interested parties" among other things. The required ordinance is attached for consideration and adoption.

If the Village Board of Trustees adopts the ordinances as presented, a number of actions will occur in the coming weeks. Staff will distribute the notice of the public hearing to those parties required to be informed under the TIF Act, including local taxing bodies and residents within 750' of the proposed TIF area, and work to establish a Joint Review Board (JRB).

The TIF Act requires the formation of a JRB and dictates the taxing bodies that will be represented on the JRB. For the Village, it is anticipated that the JRB will consist of one representative from each of the following: Joseph Sears School, Kenilworth Park District, Kenilworth Library District, New Trier School District, New Trier Township, Oakton Community College and Cook County.

Financial Impact: There is no direct financial impact associated with the recommended actions.

Recommendation: The Village Manager recommends that the Village Board adopt the ordinances as presented to establish the public hearing date and formalize the rules for Interested Parties Registration.

Attachment: Ordinance – Setting Public Hearing Date
Ordinance – Establishing Interested Parties Registry Rules