

LOMBARD DOWNTOWN  
TAX INCREMENT FINANCING  
(TIF) DISTRICT

START TO NEAR FINISH

February 2, 2023 Village Board Meeting

# Lombard Downtown TIF Adopted in 1989

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- Note: Four parcels were removed from the TIF at various points since its initial creation



# Village TIF funding approach... accounting and transparency

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- Grants and contracts approved by ECDC and/or Village Board
- Annual report submitted to State Comptroller's Office
- Requisite annual meeting of Joint Review Board (body of all taxing districts to review previous year's expenditures)
- Proposed Agreement for Board consideration following transparency approach

# Downtown TIF Timeline

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- Downtown TIF was originally due to expire in 2005
- 2002: TIF amended to expire in 2011
- 2007: TIF again amended to expire in 2023
  - ▣ State Statute approval 65 ILCS 5/11-74.4-3.5(c)(50)
- 2012 amendment – less of **90%** of the current year or **90%** of 2012 tax year was declared surplus and redistributed through end of the TIF (2023 tax year)

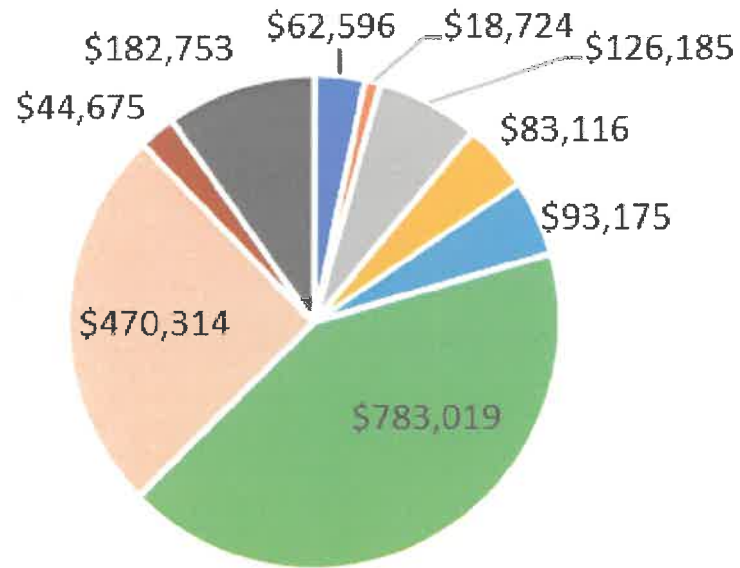


# How was TIF revenue spent in FY 2021?

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90% of Downtown TIF expenditures in FY21 were disbursed directly to taxing bodies

70% of FY21 Downtown TIF expenditures were paid to school districts



- County Gov't
- Helen Plum Library
- High School District #87
- Township Gov't
- Park District
- Junior College #502
- Village of Lombard
- Grade School District #44
- TIF Program Expenditures

# Downtown TIF Timeline

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**2023:** Final year of Downtown TIF, **per State Statute**

**2024:** Reconciliation year

- ▣ 2023 levies collected
- ▣ Closeout projects
- ▣ Surplus funds distributed to taxing districts

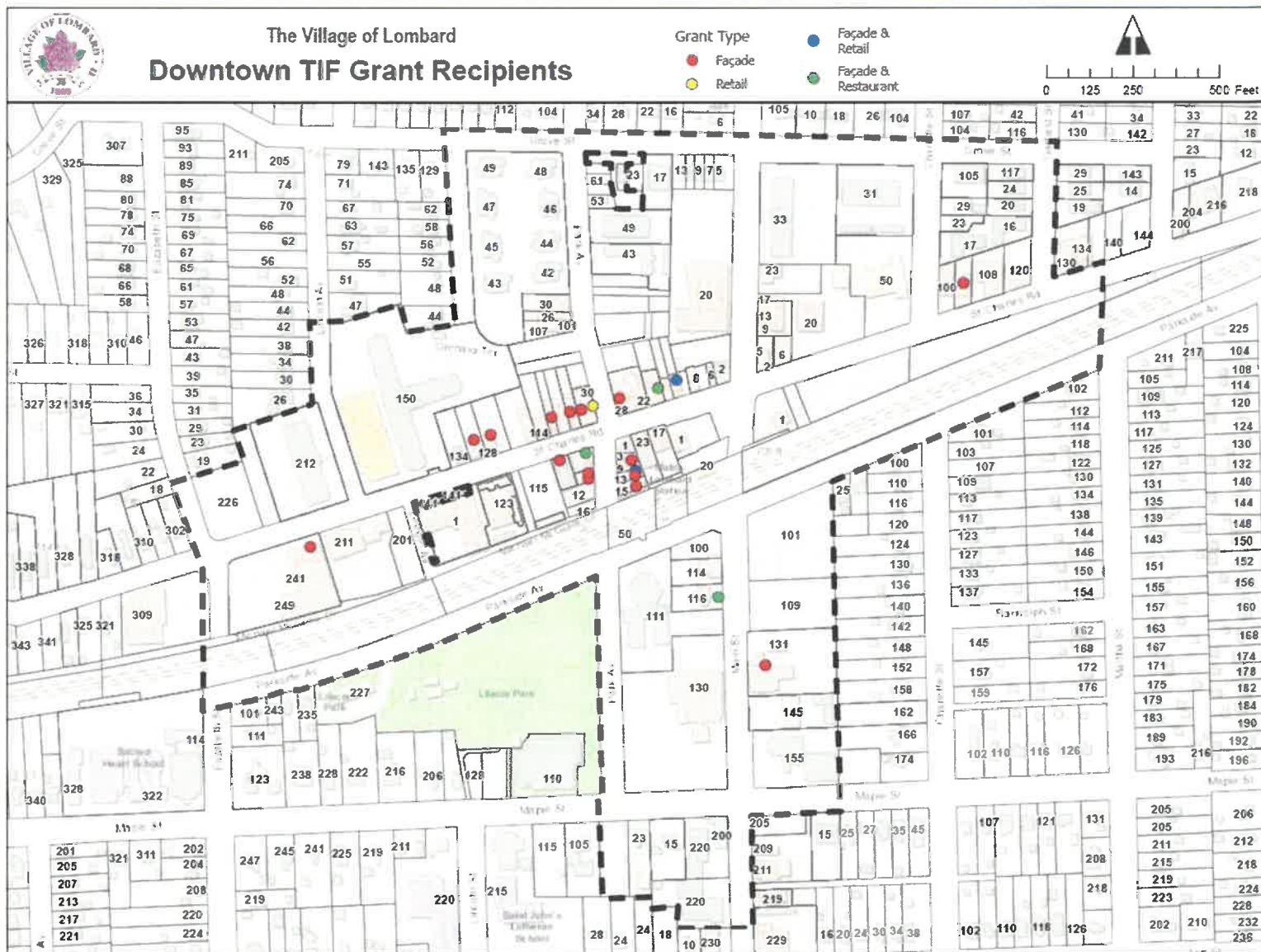


# TIF funds were used for...

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- Rehabilitation or renovation of existing public or private buildings
- Construction of public works improvements
- Job retraining programs
- Relocation of business associated with the downtown redevelopment plan objectives
- Financing costs, including interest assistance
- Studies, survey and plans
- Professional services such as architectural, engineering, legal, property marketing and financial planning
- Demolition and site preparation
- Property acquisition

# Grant recipients since 2010





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## THE RESULTS!

Increased private investment

Enhanced public facilities

EAV

Before and after

# Retail Business Grant Recipients (representative sample since 2009)

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Business	Location	Awarded Amount	Award Date	Outcome
Gnarly Knots	100 W St Charles Rd	\$20,000	2022	New business opened 2022
Shannon's Deli	15 S Park Ave	\$12,250	2021	Expansion
Nacho Rita	14 W St Charles Rd	\$4,790	2020	New business opened 2021
Bricks	132 W St Charles Rd	\$20,000	2009	New, expanded location
Sky Centers	112 W St Charles Rd	\$10,300	2009	New, expanded location
Shannon's Butcher Shoppe	15 S Park Ave	\$20,000	2009	New business opened 2009



# Restaurant Forgivable Loan Recipients

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Business	Location	Awarded Amount	Award Date	Outcome
Rosemary and Jean's	116 S Main St	\$61,867	2019	Opened 2020
Lilac League	101 W St Charles Rd	\$24,555	2017	Opened 2018
Babcock's Grove House	101 W St Charles Rd	\$81,549	2016	Opened 2016
MKT	18 W St Charles Rd	\$51,348	2015	Opened 2016, later closed; reopened as the Corridor
Praga	229 W St Charles Rd	\$100,000	2007	Bon Ton opened 2007 (15-year agreement)

# Façade Grant Recipients (representative sample)

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Business	Location	Awarded Amount	Award Date	Outcome
Corridor Restaurant	18 W St Charles Rd	\$2,340	2021	New sign
Brust Funeral Home	135 S Main St	\$50,000	2021	Parking improvements
Rebel Restaurant and Bar	229 W St Charles Rd	\$27,427	2021	Patio, façade improvements, new sign
Rosemary and Jeans	116 S Main St	\$50,800	2019	Façade improvements
Ground Level	105 W St Charles Rd	\$23,265	2018	Exterior/accessibility improvements
Four Paws	104 E St Charles Rd	\$44,175	2016	Façade improvements
Balkan Bakery	14 W St Charles Rd	\$24,050	2015	Façade improvements
Fairy Tales	28 W St Charles Rd	\$2,660	2012	New awnings
Edlyn & James Andrlík	6-8 S Park Ave	\$1,125	2011	New awning



# TIF Implementation – Major Public Improvements

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- ▣ Crescent Detention Pond
- ▣ Downtown Lombard parking reconstruction (Park Av./Orchard Terrace)
- ▣ Hammerschmidt Commuter Parking Lots (2)
- ▣ Old Towne Phase 3 Construction
- ▣ Sidewalk reconstructions (2)
- ▣ Underpass enhancements

# TIF Implementation – Other Public Improvements

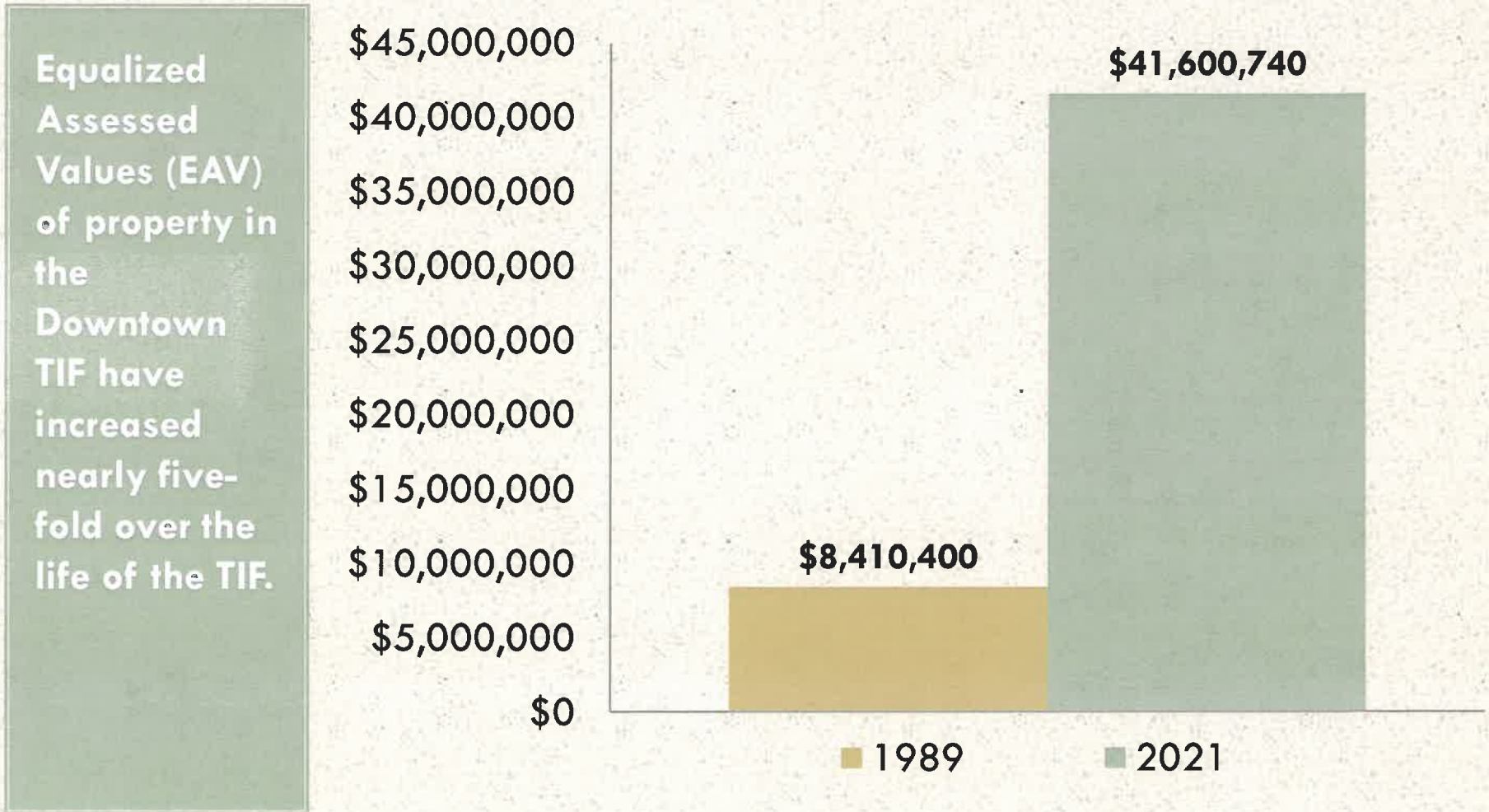
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- Art
- Signage
- Street furniture
- Planters
- Seat walls
- Clock
- Message board



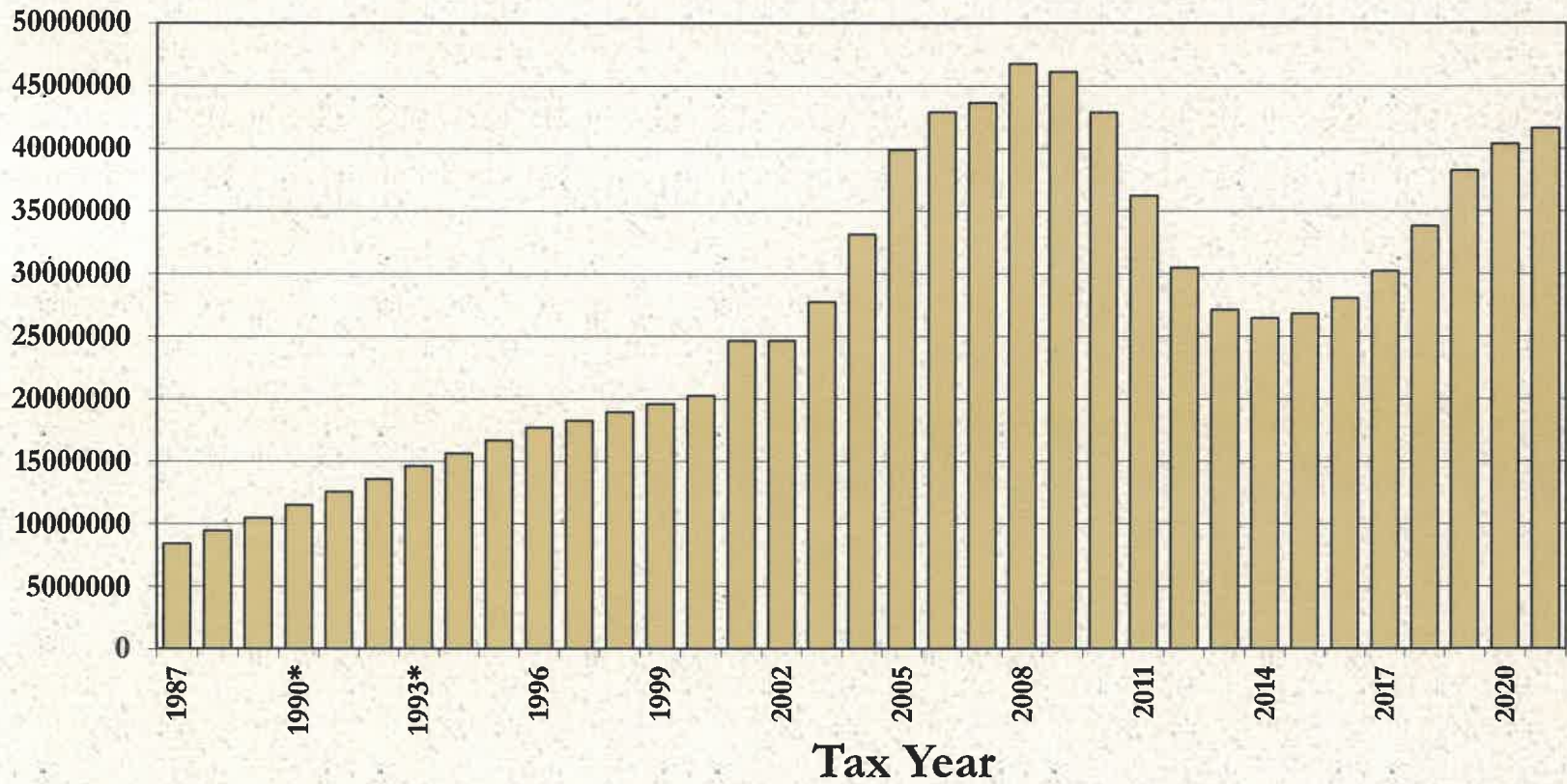


# RESULT: EAV Change 1989-2021



# EAV History

## Downtown TIF EAV Growth, 1987-2021



\* Indicates estimated value



# A LOT has changed since 1989...

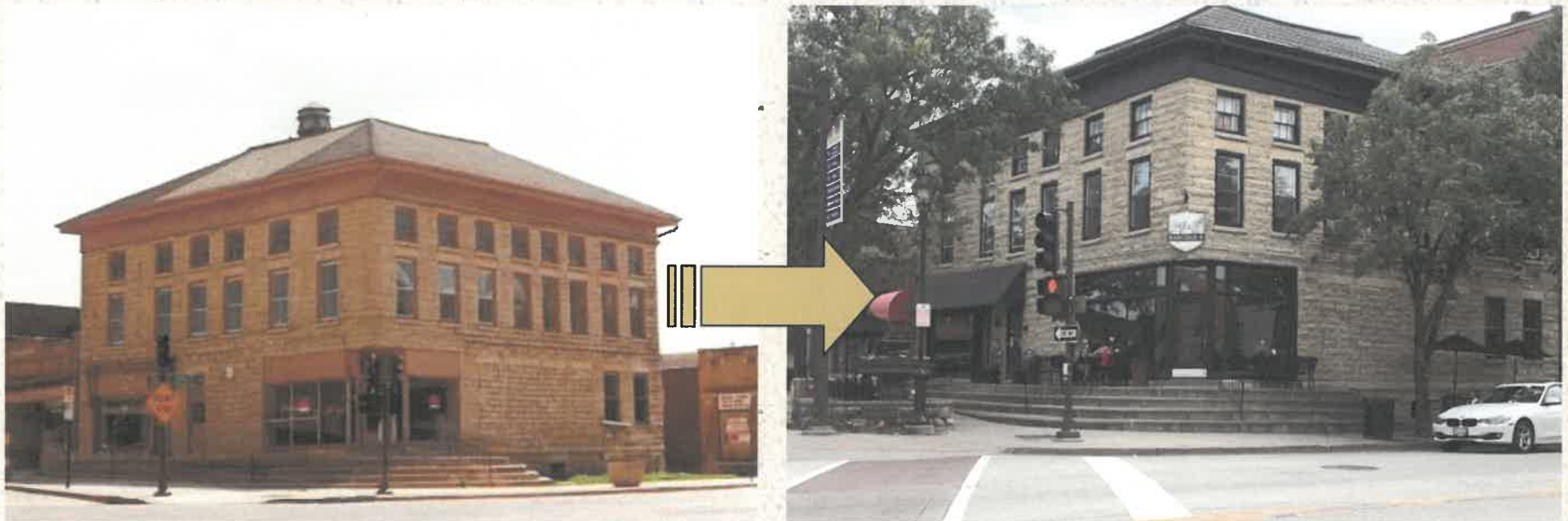
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**Reduced vacancies**

# A LOT has changed since 1989...

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**Streetscape improvements (paver sidewalks, street lights, trees, planters, seat walls, benches, trash receptacles) and façade improvements**



# A LOT has changed since 1989...

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**Redevelopment of Zitt's Feed into Park West, 105 W. St. Charles Road (2002)**

**Adjacent public parking lot acquisition and improvements (2013-2020)**

**(with adjacent accessibility ramp, 2020)**

# A LOT has changed since 1989...

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**110-118 W. St. Charles Road**



# A LOT has changed since 1989...

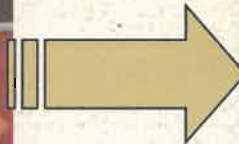
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**Redevelopment of Mid City Beauty Supply and Lombard Temple Building into Elmhurst Memorial Lombard Center for Health, 130 S. Main Street (2004)**

# A LOT has changed since 1989...

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**Redevelopment of Park District maintenance building into Lincoln Place (2004)**



# RESULT: Acing the “but for” test

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- To establish a TIF, municipalities must show that redevelopment within the TIF would not reasonably be anticipated but for the availability of TIF funds
- TIF made many redevelopment and capital improvements projects in the Downtown feasible, setting the stage for continued investment
- ECDC & Village Board should declare **SUCCESS**

Remaining funds

Next steps



# “Surplus” revenue

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## By State Statutes:

- Any funds remaining within a TIF fund that have not been expended, must be declared surplus and distributed among the taxing districts
- Goal: Prudently allocate remaining funds to ensure TIF goals are met to the greatest extent possible

# Remaining TIF Revenue

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	2022	2023	2024
<b>Revenue</b>			
Incoming revenue	2,682,544	\$2,725,994	\$2,780,514
<b>Total available revenue*</b>	<b>\$4,488,947</b>	<b>\$5,089,734</b>	<b>\$2,965,639</b>
<b>Committed Expenses</b>			
Non-CIP expenses	(\$1,884,597)	(\$1,887,609)	(\$2,500,763)
Project expenses	(\$240,610)	(\$3,017,000)	(\$17,000)
<b>Total committed expenses</b>	<b>(\$2,125,207)</b>	<b>(\$4,904,609)</b>	<b>(\$2,517,763)</b>
<b>Year-End Fund Balance</b>	<b>\$2,363,740</b>	<b>\$185,125</b>	<b>\$447,877</b>

\*(incoming revenue + previous year fund balance)



# Next steps

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- Procedural Issues to properly close the TIF
  - Professional services contract with Ryan (formerly Kane McKenna) – ECDC recommends approval
  - Village Counsel services
  
- Review open obligations and balances
  - Reimbursement to General Fund for past land acquisitions
  - Capital projects
  - Last chance and outstanding grants

# Next steps

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## Communication efforts

- ▣ Village Board
- ▣ ECDC, Finance Committee
- ▣ Taxing bodies
- ▣ Property owners/businesses



# Future steps

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Looking ahead:

- ▣ General Fund impacts
- ▣ Revisiting/amending economic incentive policy, business retention
- ▣ Alternative funding sources/mechanisms

# Requested Action

**ECDC recommends that the Village Board authorize Village Manager to execute the agreement relative to the termination of the Lombard Downtown TIF District.**



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Questions?