



Second Amendment to the  
Village of Lombard  
Butterfield Yorktown  
TIF District

*ECDC Meeting  
July 2020*



The Lilac Village

## Second Amendment




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- Original TIF created in November 2017
- First Amendment approved in 2019 addressed legal description error
- Second Amendment adds four property to the TIF and includes portions of Butterfield Road and Highland Avenue rights-of-way

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# Second Amendment




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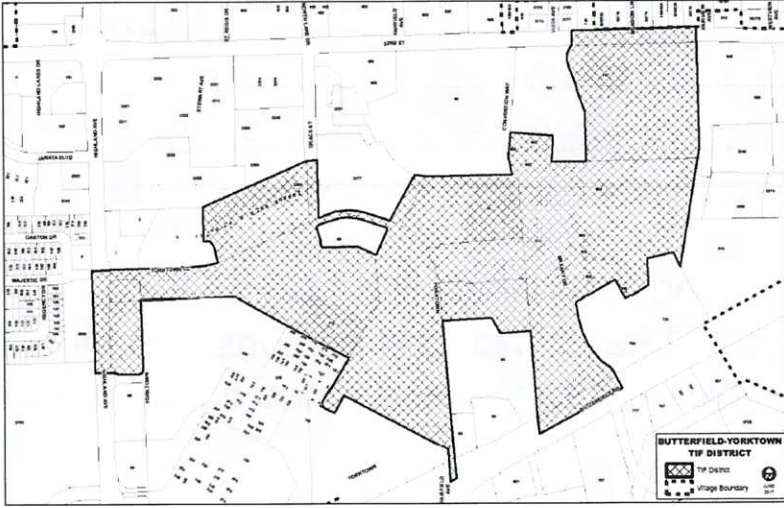
- Four new parcels
  - Former Carson's Furniture – 3.5 acres
  - In-line mall – 9.7 acres
  - Former Carson's anchor (attached to mall) – 13.14 acres
  - Shops on Butterfield (3 buildings) – 14.27 acres

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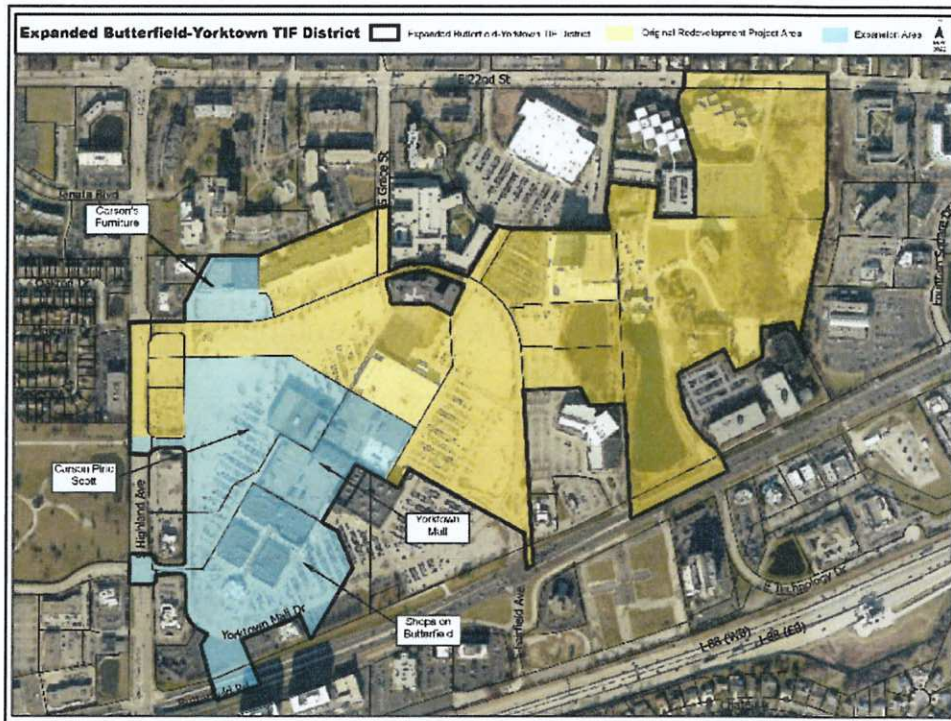
# Original TIF




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## Background



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- **Butterfield Yorktown TIF District**
- 2017 Primary focus – Area encompassing JC Penney and adjacent parking field, Westin Hotel and Conference Center, Yorktown Convenience Center property, the 747 Office building and the Northern Baptist Theological Seminary (NBTS) Property
- Currently commercial and institutional land uses, including an office building and theological campus facilities
- The larger area serves as one of the top sales tax and property tax generators, as well as a significant source of jobs

- **TIF Plan**
- Area identified as a key focus area
- Includes TIF budget and projected EAV
- Includes Eligibility Report

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### Rationale to Study/ Changes

- Carson's Anchor Store and Furniture Store Closed
- Loss of anchor impacts rent rates and occupancies within mall
- Decreased demand for retail on a local, national level
- Declining EAVs within these tracts
- The overall area still serves as one of the top sales tax and property tax generators, as well as a significant source of jobs

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### TIF Plan Amendment

- Determine if additional parcels added to existing district still qualifies for TIF District
- Includes Amended Eligibility Report
- Includes Amended TIF budget and projected EAV

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VILLAGE OF LOMBARD, IL  
1869  
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The TIF Plan (and the amended Plan and Report) **complies** with key legal provisions of the TIF Act, including but not limited to:

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

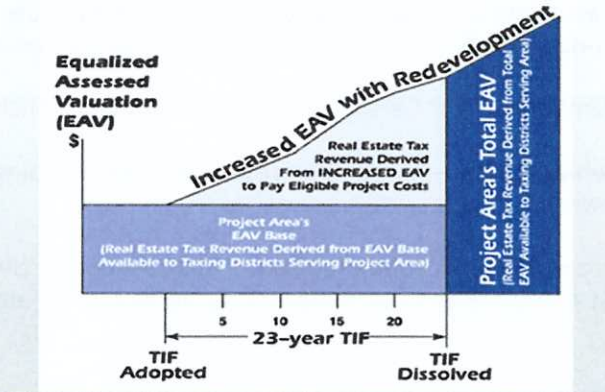
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# Background



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## How does TIF Work?



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## Background



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### TIF Plan components:

**TIF Budget** - will not fund all private development costs - limited to certain types of capital items, including public improvements, property assembly, rehabilitation or site preparation. Does not pay for general municipal personnel or operating costs, or the construction of a new privately owned building.

**TIF District Term** - cannot exceed 23 years without the approval of legislation at the State level. **Not extending the term.**

**TIF Reporting** - requires independent audit and review of annual redevelopment activities.

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### TIF Plan Budget (for Additional Parcels):

**Utility Infrastructure** - replacement of all public and private lines and mains (also includes 22<sup>nd</sup> Street force main improvements)


**Building Demolition** - for Carson's Furniture or Carson's Anchor

**Building Rehabilitation** - based upon review by KMA, Building staff and Yorktown

**Pedestrian and Signal Accommodations** - includes connectivity elements at entrances and possibility for signal at 22<sup>nd</sup> & Fairfield.

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**Qualification Factors**



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The proposed TIF District is found to qualify as a “**conservation area**” based upon the findings that 75% of structures are 35 years old or greater (50% is the threshold)

Additionally:  
**Six (6)** eligibility factors have been identified

District is a **contiguous area** greater than 1 and ½ acres

**Potential** for redevelopment and improvement to tax base

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**Qualification Factors**



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1) Dilapidation	8) <u>Inadequate Utilities</u>
2) <u>Obsolescence</u>	9) Excessive Land Coverage
3) <u>Deterioration</u>	10) Deleterious Land use/Layout
4) Presence of Structures Below Code	11) Environmental Clean-up
5) Illegal Uses	12) <u>Lack of Community Planning</u>
6) <u>Excessive Vacancies</u>	13) <u>Lagging/Declining EAV</u>
7) Lack of Ventilation and Sanitary Facilities	

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## EAV and Amended Budget



Base EAV: **\$10,342,515** (2016 EAV and divisions of parcels)  
**Amended** Base EAV: \$26,663,835 (2020)

Projected **Amended** EAV: Upon completion of redevelopment activities, approximately **\$155,000,000 to \$160,000,000**

Proposed **Amended** TIF Budget: **\$231,418,000**

Proposed Land Uses: Commercial, residential, institutional and mixed uses

**Key “but for” finding: Redevelopment will not go forward without the TIF assistance**

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## TIF Budget



- Overall budget cannot be exceeded
- Budget must be sized to cover gross expenditures, not net expenditure (e.g., gross purchase price of property)
- Line-items in budget are flexible
- Covers 23 years; difficult to estimate with precision
- Budget expenditures subject to:
  - Future Village approvals
  - Determination of appropriateness of costs
  - Special TIF audit and review

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## Steps Taken to Date



- November 2017 – original TIF approved
- January 9, 2020 – approved a contract with KMA to study the Expansion Area for addition to the original TIF
- June 18, 2020 – announce the availability of the eligibility study and report
- July 16, 2020 – adopt an Ordinance calling for a Joint Review Board meeting and public hearing

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## Next Steps



- Joint Review Board meeting – **August 7, 2020**
- Public Hearing – anticipated **September 17, 2020**
- Adopt Ordinances to approve the TIF amendment – anticipated **October 15, 2020**

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## Communication



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- Communication with taxing bodies through the process
- Requisite public notices made throughout process
- Village website includes TIF Report as well as other supplemental information

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# Questions?

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