

Village of Morton Grove



**Lehigh – Ferris TIF  
Redevelopment District**

*- moving from concept to construction -*

Village Board Workshop

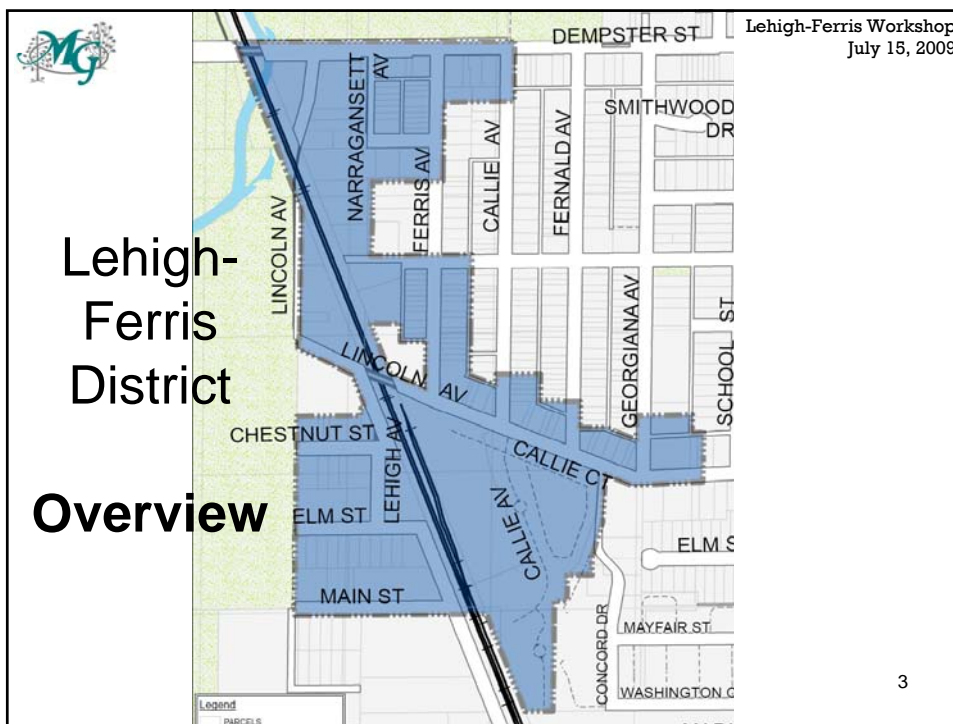
July 15, 2009




Lehigh-Ferris Workshop  
July 15, 2009

## Agenda

- Overview
  - Background
  - Planning and Design Efforts
- Financial Status
- Status of Public Improvements
- Status of Private Developments
  
- Executive Session
  - Purchase & Sale of Real Estate



**Lehigh-Ferris District Overview**



Lehigh-Ferris Workshop  
July 15, 2009

## Summary of Key Events

1999	• Village's <i>Comprehensive Plan</i> identified potential for renaissance as transit-oriented pedestrian neighborhood
2000	• Neighborhood declared eligible for TIF "conservation" district • TIF District established and TIF Redevelopment Plan adopted
2002	• Sub-Area Plan completed
2003	• Long-term (master) planning begins
2006	• Long-term planning efforts renewed - legal challenge resolved
2007	• \$9.2 MM bond issued
2008	• Roadway Design begins
2009	• Framework Plan adopted

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# Goals of TIF Plan

## General Goals

- Improved **quality** of life
  - **Eliminate** physical and economic **deterioration and obsolescence**
- Positive contribution to **health, safety & general welfare**
- Preserve & **enhance value** of adjacent properties
- Increase real estate & sales **tax base**
- Strengthen and **diversify economy** of the larger community
- Provide **variety of housing** options, including affordable housing
- Encourage sound economic development and **job creation**

## Redevelopment Objectives

- Reduce or eliminate conditions of blight & deterioration
- Encourage high-quality appearance of buildings, right-of-ways, and open spaces
- Increase business activity, taxable values, and job opportunities
- Assemble land into parcels suitable for modern development
- Stimulate private investment with new construction and rehabilitation
- Provide complementary mix of uses
- Provide needed public improvements
- Provided needed incentives to encourage a broad range of improvements

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## Today ...



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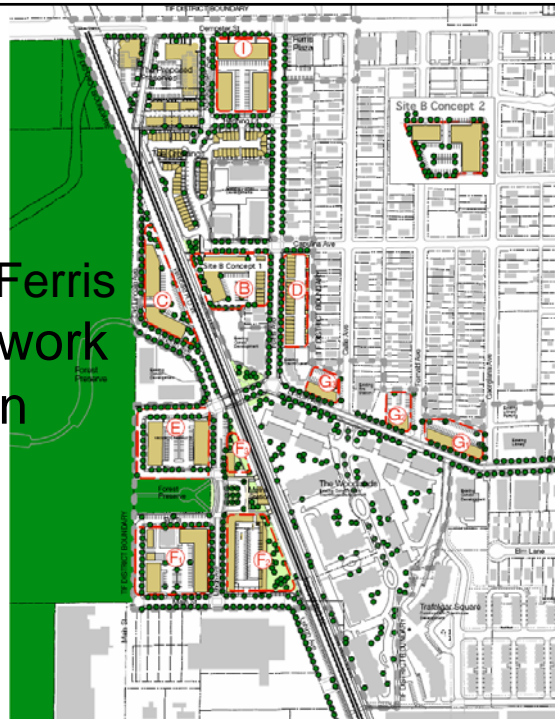
Tomorrow ...



Lehigh-Ferris Workshop  
July 15, 2009



Lehigh-Ferris  
Framework  
Plan



Lehigh-Ferris Workshop  
July 15, 2009



# Framework Plan

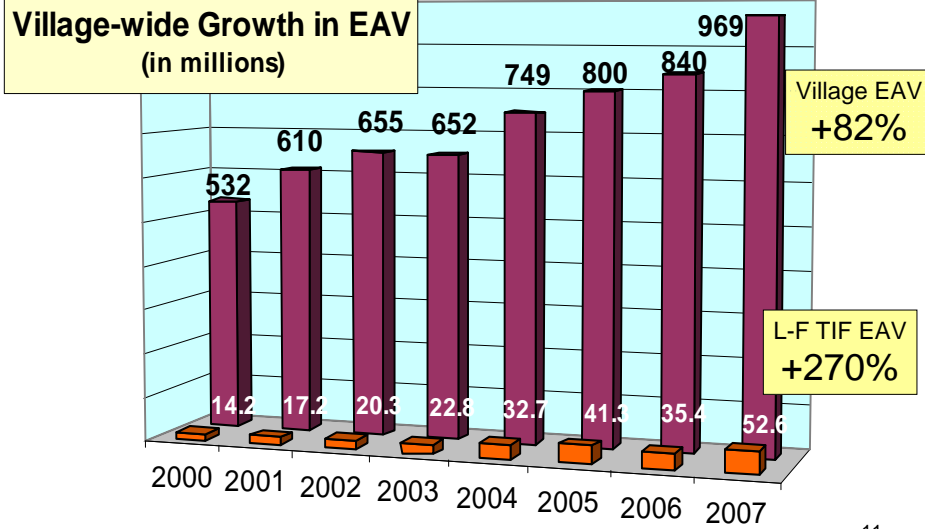


# Financial Status





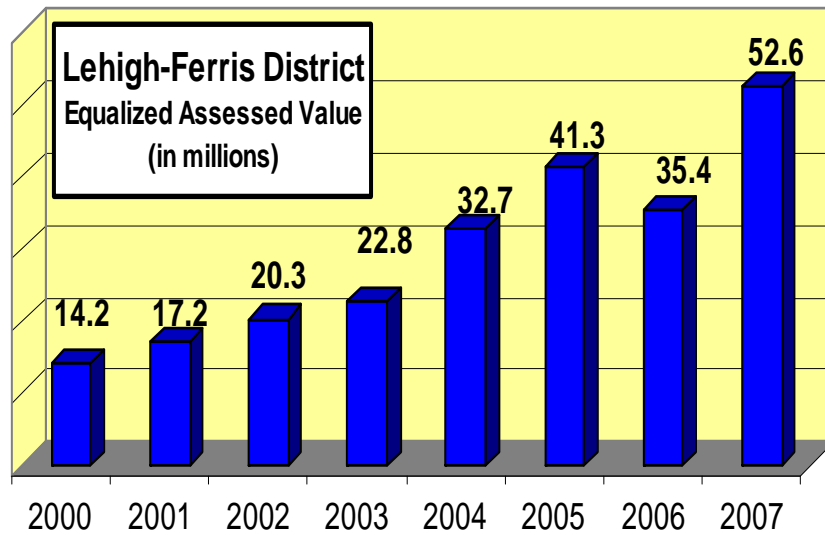
## Financial Status



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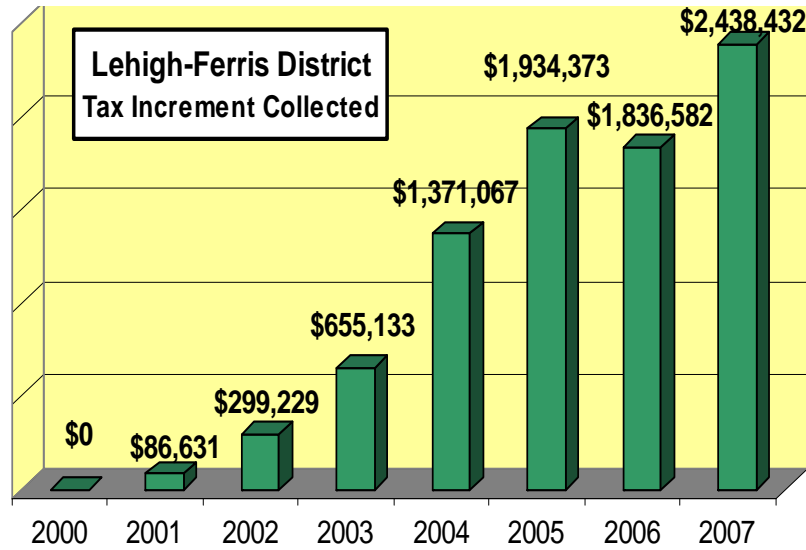
## Financial Status



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## Financial Status



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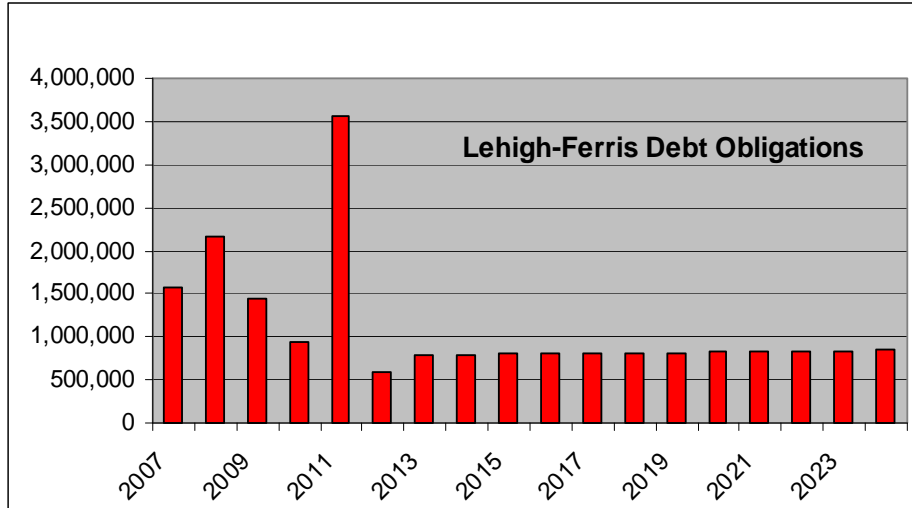
## Financial Status

<u>Debt Obligations</u>	<u>Principal</u>	<u>Timeframe</u>
<b>Woodlands</b> redevelopment agreement	\$5,000,000	Paid in full – Jan 2009
<b>Cambridge Bank</b> – note for land purchase	\$475,000	Paid in full – Dec 2008
<b>Northern Trust</b> – note for land purchase	\$800,000	Final payment due Dec 2009
<b>LaSalle Bank</b> – note for condemnation settlement, legal fees & land purchase	\$2,625,000	Repayment 2007 to 2011
<b>2007 Tax-Exempt Bond</b> for various public improvements	\$9,200,000	Repayment 2008 to 2023

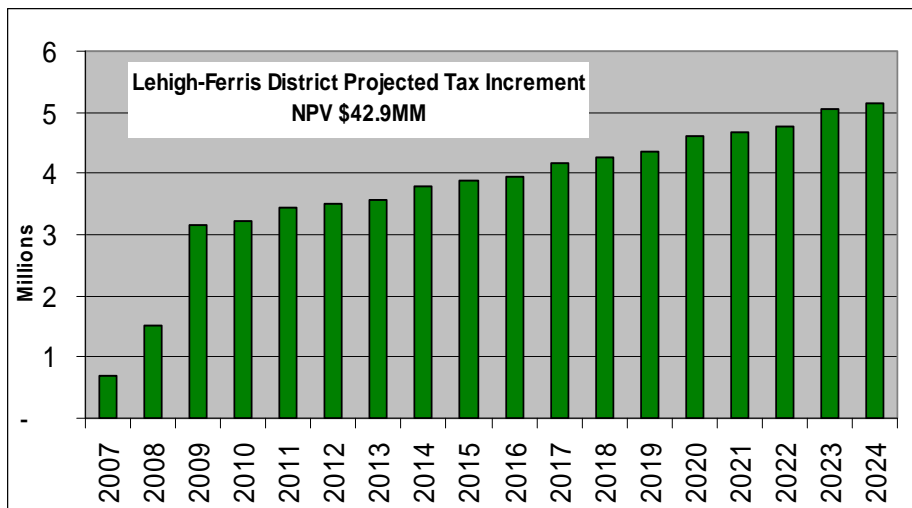
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# Financial Status



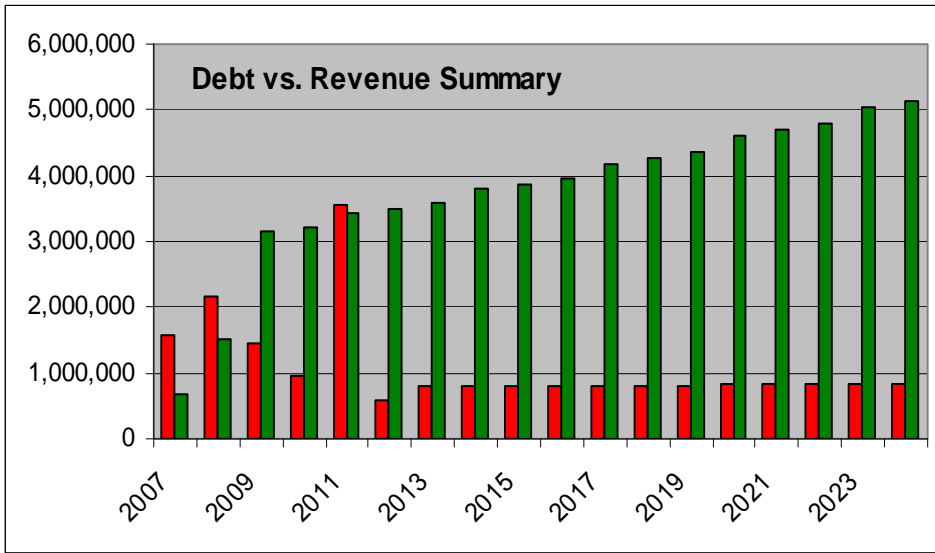
# Financial Status







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Lehigh-Ferris Fund Overview	Jan to Dec 2008*	Jan to June 2009
Revenue Collected	\$2,672,703	\$561,412
Expenses	\$4,440,094	\$1,703,723
Fund Balance	\$10,119,438	<b>\$8,977,127</b>
Other Assets	Land Held for Redevelopment	

\* Unaudited figures as of June 25, 2009



## Financial Status

### Other TIF Assets

#### Land Held for Redevelopment

- 8550 to 8620 Ferris Ave (Site B)
- 8721 & 8733 Narragansett (Site I)
- 8551 Lincoln (Site C)
- 6400, 6401 & 6420 Chestnut (Site E)

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#### Eligible Uses of Incremental Taxes

- TIF revenue collected each year
- Use of funds governed by IL State Law
  - Studies, administration, and professional services
  - Marketing
  - Property assembly, demolition, site prep, and environmental cleanup
  - Rehab, reconstruction, repair, or remodeling of public buildings
  - Public works improvements
  - Job training
  - Financing costs (public bodies or private developers)
  - Capital costs
  - Reimbursement to schools for new students created by TIF-funded projects
  - Relocation costs
  - Payments in lieu of taxes
  - New housing for low- and very-low-income households
  - Day care services

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## Overview of Tax-Exempt Bond Monies

- \$9.2 million bond issued November 2007
- Use of tax-exempt funds governed by IRS

### Allowable uses include:

- Infrastructure improvements (design & construction)
- Land acquisition

### Restrictions on profits & revenues

- Arbitrage not permitted
- Revenue production limited to 5% of bond issue  
- (not to exceed \$460,000 total)

### Significantly committed within 36 months

- (Nov 2010 deadline)



## Public Improvement Projects



<u>Type of Improvement</u>	<u>Rationale</u>
Transportation	Public safety and convenience
Utilities	Capacity, public health
Beautification	Quality of life, local pride, sense of "place"
Metra Rail	Anchor of neighborhood



# Lincoln & Ferris Streetscape



# Lincoln & Ferris Streetscape

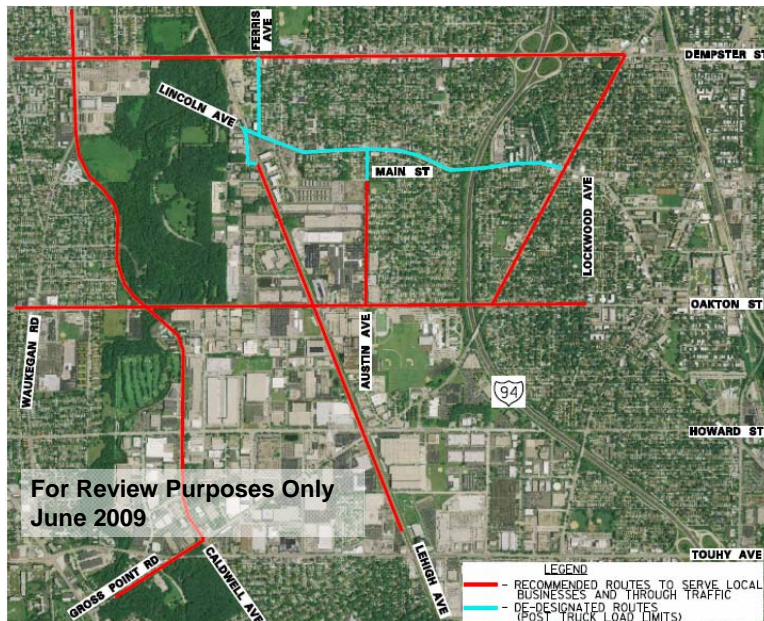
**Description:** improve Lincoln & Ferris Aves to slow traffic and to beautify

<b>Status</b>	<b>Next Steps</b>
<ul style="list-style-type: none"> <li>- Conceptual design completed 2008</li> <li>- Public input at Jan 2009 workshop</li> <li>- Preliminary design completed June 2009</li> <li>- Positive comments from neighbors &amp; Commission</li> </ul>	<ol style="list-style-type: none"> <li>1. Determine final scope of work</li> <li>2. Prepare final drawings</li> <li>3. Construct in 2010</li> </ol>

Estimated Cost: \$1.5 million (2007) 24



# Truck Route Modification



# Truck Route Modification

**Description:** eliminate “through” trucks by changing designated heavy truck routes along Ferris & Lincoln

<b>Status</b>	<b>Next Steps</b>
<ul style="list-style-type: none"> <li>- Recommended in Jan 2009 Framework Plan</li> <li>- Final recommendation received from consultant June 2009</li> <li>- Currently under review</li> </ul>	<ol style="list-style-type: none"> <li>1. Determine pros/cons</li> <li>2. Modify municipal code, if appropriate, in 2009</li> <li>3. Coordinate with IDOT truck maps</li> </ol>

Estimated Cost: minimal



# Rail Crossing Realignment

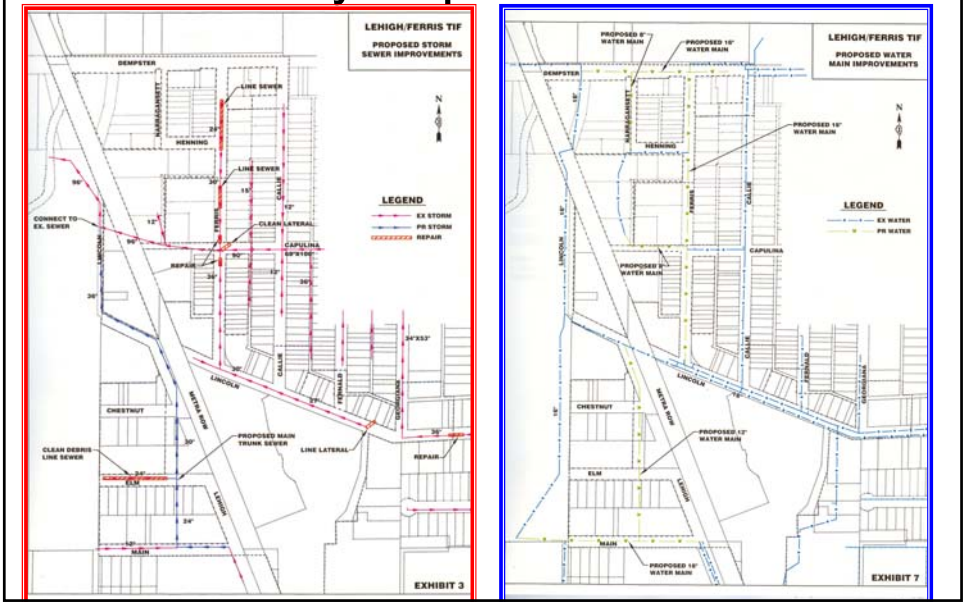
**Description:** realign Lincoln/Ferris railroad crossing to improve safety & provide convenient & attractive route to west side of RR tracks

Status	Next Steps
<ul style="list-style-type: none"> <li>- Metra officials agree in concept</li> <li>- Subject to Metra timeline</li> <li>- Cost borne by Village</li> <li>- Applied for federal grant</li> <li>- Negotiating to acquire property</li> </ul>	<ol style="list-style-type: none"> <li>1. Prepare accurate cost estimates</li> <li>2. Determine whether to proceed</li> <li>3. Prepare agreement between Village and Metra</li> <li>4. Construction 2-3 years after final agreements reached</li> </ol>

Estimated Cost: \$2 to \$3 million (2007) 27



# Utility Improvements





## Utility Improvements

**Description:** upgrade water and sewer systems as recommended by *2008 Utility Study*; bury or relocate Com Ed lines as needed

<b>Status</b>	<b>Next Steps</b>
<ul style="list-style-type: none"> <li>- Ferris water &amp; sewer anticipated 2010</li> <li>- Main St. water main anticipated 2010-2020</li> <li>- Lincoln Ave electrical lines under consideration 2010</li> </ul>	<ol style="list-style-type: none"> <li>1. Determine firm cost of burying Com Ed lines along Lincoln</li> <li>2. Include in streetscaping contract</li> </ol>

**Estimated Cost:** \$400,000 – Main Street  
 \$1.9 million estimate for ALL underground work  
 (June 2008 Utility Study) <sup>29</sup>



## Dempster St. Water Main

**Description:** The water main below Dempster Street is in need of upgrading to improve performance and reliability. A portion of this work could be funded with TIF.

<b>Status</b>	<b>Next Steps</b>
<ul style="list-style-type: none"> <li>- Included in Dempster St Improvement drawings</li> <li>- Construction targeted for 2010</li> </ul>	<ol style="list-style-type: none"> <li>1. Confirm IDOT construction schedule</li> <li>2. Determine amount funded by TIF</li> <li>3. Determine source of other funds</li> </ol>

**Total Project Cost:** \$1.5 million (2008)

**Eligible TIF Cost:** up to \$1 million



## Lehigh Ave. Resurfacing

**Description:** resurface Lehigh Avenue from Oakton St. to Lincoln Ave.

<b>Status</b>	<b>Next Steps</b>
<ul style="list-style-type: none"> <li>- \$328,000 federal grant secured from <i>American Recovery &amp; Reinvestment Act (ARRA)</i></li> <li>- Requires local contribution</li> <li>- Bid: Sept 2009</li> <li>- Construct: May 2010</li> </ul>	<ol style="list-style-type: none"> <li>1. Execute joint funding agreement with IDOT</li> <li>2. Consider lighting, streetscape &amp; sidewalk improvements prior to resurfacing</li> </ol>
Total Project Cost:	\$473,000 (2009)
Eligible TIF Cost:	\$145,000 (2009) <span style="float: right;">31</span>



## Main St. Resurfacing

**Description:** rebuild deteriorated roadway and replace water main and sewer, as needed

<b>Status</b>	<b>Next Steps</b>
<ul style="list-style-type: none"> <li>- Resurfaced in 2006</li> <li>- Eligible use of bond funds</li> </ul>	<ol style="list-style-type: none"> <li>1. Water main and full depth pavement anticipated to need replacement 2010 to 2020</li> <li>2. Sewer needs repair - replacement</li> </ol>
Estimated Cost:	\$300,000 (2009) <span style="float: right;">32</span>





## Pedestrian Rail Walk

**Description:** provide a safe, convenient & attractive path for pedestrians and bicyclists; extend from Dempster St. to rail station within Metra's right-of-way

<b>Status</b>	<b>Next Steps</b>
<ul style="list-style-type: none"> <li>- Acceptable to Metra</li> <li>- Concept drawings complete</li> <li>- Southern extension eliminated due to cost</li> <li>- Full design &amp; construction ON HOLD pending federal decision about high-speed rail routes</li> </ul>	<ol style="list-style-type: none"> <li>1. Submit preliminary engineering to Metra</li> <li>2. Prepare agreement between Village &amp; Metra</li> </ol>
<b>Estimated Cost:</b> \$440,000      (2007)	



## Metra Rail Yard Relocation

**Description:** Metra crews operate from a construction trailer; Village has requested that these operations be relocated and cleaned up

<b>Status</b>	<b>Next Steps</b>
<ul style="list-style-type: none"> <li>- Metra interested, but at Village/TIF expense</li> <li>- Several possible sites identified</li> <li>- May be impacted by high-speed rail line</li> <li>- Eligible use of bond funds</li> <li>- Completion 1-year after agreement</li> </ul>	<ol style="list-style-type: none"> <li>1. Authorize engineering consultant</li> <li>2. Evaluate possible sites</li> <li>3. Determine preferred site</li> <li>4. Determine cost estimate</li> <li>5. Prepare agreement between Village &amp; Metra</li> </ol>
<b>Estimated Cost:</b> \$100,000 to \$200,000      (2007)	



## Metra Station & Platform

**Description:** rebuild the Metra station and platform to be slightly larger and more up-to-date with leasable commercial space and attractive drop off/pick up & landscaping

Status	Next Steps
<ul style="list-style-type: none"> <li>- Metra interested, but at Village/TIF expense</li> <li>- Eligible use of bond funds</li> </ul>	<ol style="list-style-type: none"> <li>1. Determine priority</li> <li>2. Estimate costs</li> <li>3. Pursue grants</li> <li>4. Prepare agreement with Metra</li> <li>5. Design &amp; construct</li> </ol>

Estimated Cost: \$3 to \$4 million (2007 estimate) 35



## Commuter Parking Garage

**Description:** provide a multi-level parking garage with 140 to 168 spaces to serve commuters and general public

Status	Next Steps
<ul style="list-style-type: none"> <li>- Requires multiple funding sources</li> <li>- Applied for federal grant in spring 2009</li> <li>- Eligible for bond funds</li> </ul>	<ol style="list-style-type: none"> <li>1. Determine site</li> <li>2. Determine funding</li> <li>3. Consider CMAQ grant application in 2009-2010</li> <li>4. Negotiate agreement with Metra</li> </ol>

Estimated Cost: \$25 to \$30k per space  
Federal grant application cited \$4.2 million cost 36



## “Old Lincoln” Ave. Reconstruction

**Description:** resurfacing or relocation of deteriorated roadway from RR tracks to Forest Preserve entrance

<b>Status</b>	<b>Next Steps</b>
<ul style="list-style-type: none"> <li>- Preferred location could vary based on development proposal</li> <li>- Existing roadway partially located in Forest Preserve</li> <li>- Eligible use of bond funds</li> </ul>	<ol style="list-style-type: none"> <li>1. Determine location</li> <li>2. Determine cost &amp; timing</li> <li>3. Negotiate with Forest Preserve District and developer</li> </ol>

Estimated Cost: \$100,000 to \$300,000 (2009) 37



## Capulina–Narragansett Intersection

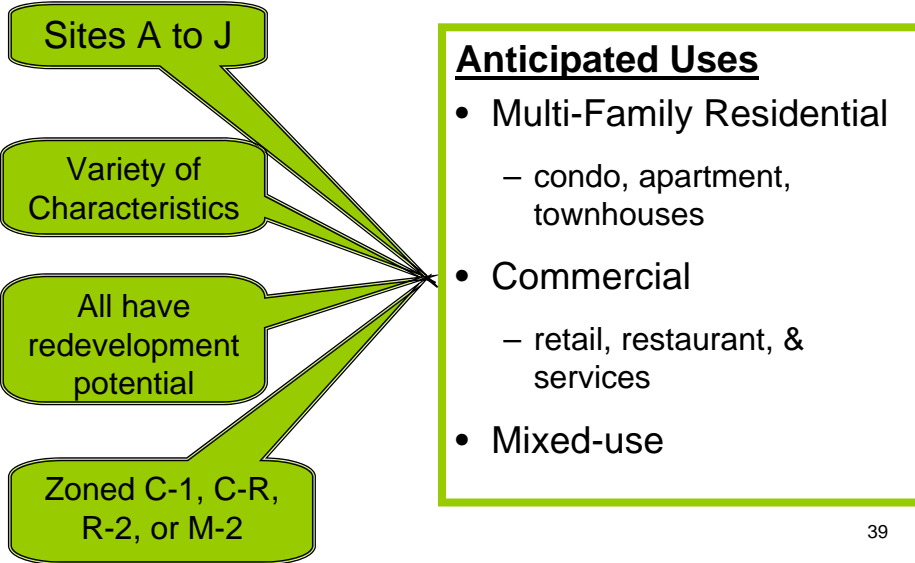
**Description:** expansion of Capulina Ave. into two continuous lanes at intersection of new Narragansett Ave.

<b>Status</b>	<b>Next Steps</b>
<ul style="list-style-type: none"> <li>- Crossings site nearing completion</li> <li>- Anticipated to be coordinated with Site B redevelopment</li> <li>- Village owns right-of-way</li> <li>- Eligible use of bond funds</li> </ul>	<ol style="list-style-type: none"> <li>1. Determine priority</li> <li>2. Design and Construct</li> </ol>

Estimated Cost: \$400,000 (2009)



## Private Development Sites



## The Woodlands

**Description:** 400 luxury townhouses and condominiums developed by Elliott Homebuilders from 2000 to 2007; \$103 MM project; financed with \$5 MM assistance from TIF District

<b>Status</b>	<b>Next Steps</b>
<ul style="list-style-type: none"> <li>- construction complete</li> <li>- homeowner's assoc. established</li> <li>- \$5.0 MM TIF agreement fulfilled Jan 2009</li> </ul>	N/A

**Economic Impact:** significant increase to property tax base – generates approx \$2.2 MM annually to TIF District (in addition to taxes paid to schools, parks & other agencies)



## Site A The Crossings

**Description:** 64-65 luxury townhouses developed by Toll Bros.; \$15 million (estimate) project financed solely by developer (no TIF)

Status	Next Steps
<ul style="list-style-type: none"> <li>- 33 built</li> <li>- 6 under construction</li> </ul>	<ul style="list-style-type: none"> <li>1. Complete 26 units</li> <li>2. Capulina/Narragansett intersection needs to be completed</li> </ul>

**Economic Impact:** increase to property tax base

41



## Site B – Village Owned

**Description:** 2 acre site has been cleared for redevelopment; preliminary development plans have been vetted by Village Board and Commissions (2007); site currently vacant

Status	Next Steps
<ul style="list-style-type: none"> <li>- owned by Village</li> <li>- approx \$4.5 MM invested</li> <li>- site available for redevelopment</li> </ul>	<p>To Be Determined</p>

**Economic Impact:** unknown at this time

42



## Site C

**Description:** 1.6 to 1.9 acres currently industrial-type businesses; developer anticipates building luxury multi-story senior condominiums

<b>Status</b>	<b>Next Steps</b>
<ul style="list-style-type: none"> <li>- developer controls largest parcel</li> <li>- small parcel owned by Village</li> <li>- preliminary design expected in 2009</li> <li>- difficult financing at this time</li> </ul>	<ol style="list-style-type: none"> <li>1. negotiate sale of Village-owned parcel</li> <li>2. consider relocating "Old" Lincoln Ave.</li> <li>3. Waiting to review prelim. plans</li> </ol>

**Economic Impact:** unknown at this time

43



## Site D

**Description:** single family homes and duplex buildings; limited potential for complete redevelopment; more likely to be remodeled

<b>Status</b>	<b>Next Steps</b>
<ul style="list-style-type: none"> <li>- no significant change from recent past</li> </ul>	<p>To be determined</p>

**Economic Impact:** unknown at this time

44



## Site E

**Description:** potential for multi-family housing or commercial/residential development; consists of 3 vacant buildings, truck rental facility & Moose Family Center

<b>Status</b>	<b>Next Steps</b>
- Village assembled 3 vacant buildings in 2008	To Be Determined

**Economic Impact:** unknown at this time

45



## Sites F1, F2 & F3

**Description:** Potential location for commercial and residential buildings and/or parking garage

<b>Status</b>	<b>Next Steps</b>
- may require roadway realignment - no significant change from recent past	To be determined

**Economic Impact:** unknown at this time

46



## Sites G1, G2 & G3

**Description:** Potential for new mixed-use development (requires land assembly); or rehabilitation of existing structures

<b>Status</b>	<b>Next Steps</b>
- no significant change from recent past	To be determined

**Economic Impact:** unknown at this time

47



## Site H - commercial

**Description:** Two commercial buildings occupy this site – Ferris Plaza shopping center and McDonalds restaurant

<b>Status</b>	<b>Next Steps</b>
- Construction completed - Ferris Plaza has some vacancies	N/A

**Economic Impact:** increased tax base & sales taxes<sup>48</sup>





## Site I - commercial

**Description:** 2 acre site at Dempster & Ferris has strong potential for commercial or mixed-use development

<b>Status</b>	<b>Next Steps</b>
<ul style="list-style-type: none"> <li>- development hindered by subdivision of land into several small parcels</li> <li>- Village has assembled some parcels</li> </ul>	<p>To Be Determined</p>

**Economic Impact:** unknown at this time

49



## Site J - commercial

**Description:** 3 acre site fronting Dempster Street; formerly approved for the construction of 75 condos & townhouses plus 11,000 sq ft of commercial space; has redevelopment potential for commercial or mixed-use

<b>Status</b>	<b>Next Steps</b>
<ul style="list-style-type: none"> <li>- Foreclosure completed in Feb 2009</li> <li>- land currently held by lender</li> <li>- entangled by legal conflict regarding unpaid work</li> </ul>	<ol style="list-style-type: none"> <li>1. Private parties to settle lawsuit</li> <li>2. Identify user for the site</li> <li>3. Consider vacating "old" Lincoln Ave.</li> </ol>

**Economic Impact:** unknown at this time

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## Village of Morton Grove



- Questions and Comments
- Adjourn to Executive Session to discuss real estate matters
- Thank you for attending!