

**VILLAGE OF MORTON GROVE
LINCOLN LENIGH
TAX INCREMENT FINANCE
(TIF) DISTRICT**

Public Hearing Agenda

September 27, 2021 – 7:00 p.m.

**Morton Grove Village Hall
6101 Capulina Avenue
Morton Grove, IL**

1. Open Public Hearing (Village President)
2. Summary of Public Notices and Conformance to TIF Act
3. Report of Joint Review Board (Summary of JRB Meeting)
4. Introduction of Written Comments (Village Clerk)
5. TIF Overview and Summary of TIF Plan
6. Public Comments and Discussion
7. Close of Public Hearing

**Proposed Lincoln/Lehigh
Tax Increment Financing (TIF) District**

**Village of Morton Grove
Public Hearing
September 27, 2021**



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Agenda

- I. Redevelopment Project & Plan
- II. Village Strategic & Fiscal Planning
- III. TIF District Qualifying Factors
- IV. Key Elements of the TIF Plan



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I. Redevelopment Project & Plan

Background:

- The Village recognizes the need to implement strategies to stimulate and enhance commercial, retail, and mixed-use redevelopment.
- Village comprehensive planning strategies call for promoting private redevelopment within *strategically critical areas* of the Village, such as the Lincoln/Lehigh area.
- The proposed TIF District is anchored by the Morton Grove Metra commuter rail station, includes property within one of Morton Grove's oldest mixed-use neighborhoods, and incorporates an industrial area facing increasing obsolescence, under-use, and vacancy.
- The proposed TIF District has not benefited from broad-scale redevelopment.



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I. Redevelopment Project & Plan

Project and Plan Objectives:

- Encourage redevelopment of obsolete and/or underutilized buildings or sites
- Reduce or eliminate impediments to private development within the area
- Coordinate redevelopment activities within the proposed TIF District in order to provide a positive market signal to private investors
- Accomplish redevelopment over a reasonable time period
- Create an attractive overall appearance for the area
- Further the goals and objectives of the Village's comprehensive planning efforts



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I. Redevelopment Project & Plan

TIF Act Compliance:

The proposed TIF plan complies with the legal provisions of the TIF Act, including, but not limited to:

- The TIF plan conforms to the Village's Comprehensive Plan
- The proposed TIF District consists of contiguous parcels and exceeds 1 1/2 acres
- The proposed TIF District meets more than the minimum number of TIF Act criteria for "conservation area"
- The "but for" requirement is met – redevelopment is feasible only with the utilization of tax increment financing



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II. Village Strategic & Fiscal Planning

Village Planning and Objectives:

The Village's Comprehensive Plan Update provides recommendations for improvements and development for key target areas within the Village through specific Target Area Plans, including the proposed TIF District. Toward this end, the Village proposes to:

- Promote improvement and enhancement of viable existing commercial buildings, including facades, signage, and structural repairs.
- Promote redevelopment of marginal, deteriorated, and obsolete buildings to new retail/commercial, residential, and mixed uses.
- Improve roadway characteristics in the corridor in order to improve traffic capacity.
- Improve the commuter train station facilities, including the supply and distribution of parking where possible.
- Improve the image and appearance of the corridor where space permits via streetscape, sidewalk improvements, signage, and gateway features.



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II. Village Strategic & Fiscal Planning

Village Strategies:

The TIF designation will help facilitate the Village's Comprehensive Plan (1999) and economic development strategies in order to:

- Coordinate the preparation of improved and vacant sites for assembly by private developers
- Foster repair, replacement and/or improvement of infrastructure to encourage redevelopment
- Enhance public properties or rights-of-way and/or provide buffering between uses
- Promote the provision of adequate on- and off-street parking
- Coordinate the preparation of improved and vacant sites for assembly by private developers
- Foster repair, replacement and/or improvement of infrastructure to encourage redevelopment
- Enhance public properties or rights-of-way and/or provide buffering between uses
- Promote the provision of adequate on- and off-street parking



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II. Village Strategic & Fiscal Planning

TIF Designation:

- Pursuant to its Comprehensive Plan, the Village is proposing the redevelopment of a strategically important economic area for the Village.
- The TIF designation is needed in order to address disincentives associated with ongoing and prospective vacancies, and reductions in valuations within the proposed TIF District.
- The TIF designation is key to:
 - ✓ Repositioning and revitalizing existing properties within the proposed TIF District
 - ✓ Long-term financial stability for the proposed TIF District
 - ✓ Achieving the economic development goals of the Village



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II. Village Strategic & Fiscal Planning

Land Use Strategy:

- Facilitate the efficient and predictable use of land in the Village
- Protect public and private property investments from incompatible land and uses
- Efficiently coordinate land use, transportation, economic, development, and community investment decisions
- Improve competitiveness and encourage redevelopment of structures and vacant land



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II. Village Strategic & Fiscal Planning



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III. TIF District Qualifying Factors

The proposed TIF District is found to qualify under the TIF Act, as follows:

- The proposed TIF District meets the criteria for designation as a "Conservation Area."
- At least 6 of the 13 qualifying factors for "conservation area" set forth in the TIF Act (Illinois State Statute) are present in the proposed TIF District.



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III. TIF District Qualifying Factors

The 13 "Conservation Area" Statutory Qualification Factors:

- | | |
|---|----------------------------|
| 1) Obsolescence | 8) Dilapidation |
| 2) Deterioration | 9) Excessive land coverage |
| 3) Inadequate utilities | 10) Environmental clean up |
| 4) Deleterious land use or layout | 11) Code violations |
| 5) Lack of community planning | 12) Illegal uses |
| 6) Lag or decline in equalized assessed valuation | 13) Excessive vacancies |
| 7) Lack of ventilation and sanitary facilities | |



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III. TIF District Qualifying Factors

“Conservation Area” Qualification Factors of Proposed TIF

Summary of TIF Factors Present:

- 1) **Obsolescence**
- 2) **Deterioration**
- 3) **Lack of Community Planning**
- 4) **Deleterious Land Use or Layout**
- 5) **Inadequate Utilities**
- 6) **Lag or Decline in Equalized Assessed Valuation (EAV)**

✓ The minimum 3 factors are present as required by the TIF Act, plus 3 additional factors



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IV. Key Elements of the TIF Plan

TIF Plan Summary:

- **Proposed Land Uses:** Residential, retail, commercial, and institutional
- **Proposed TIF Budget:** \$46,000,000. Budget sized to accommodate potential development requirements. The TIF Budget is a maximum amount which does not obligate the Village to expend such amounts.
- **Base EAV:** \$5,092,784 (2019 EAV)
- **Projected EAV:** Upon completion of redevelopment activities, estimated at \$45,000,000 to \$50,000,000 (this is predicated on a number of assumptions, including an assumed absorption schedule, assumed market factors, and assumed redevelopment costs)
- **Housing Impact Study:** Included in the TIF Plan



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Proposed TIF Plan Budget Items

Program Actions/Improvements	Estimated Costs
Land Acquisition and Assembly	\$9,000,000
Site Preparation	\$4,000,000
Utility Improvements (Including Water, Storm, Sanitary Sewer, Service of Public Facilities, Parking Facilities, and Road Improvements)	\$16,000,000
Public Facilities Improvements	\$ 3,000,000
Rehabilitation of Structures	\$ 2,000,000
Interest Costs Pursuant to the Act	\$3,000,000
Professional Service Costs (Including Planning, Legal, Engineering, Administrative, Annual Reporting, and Marketing)	\$2,000,000
Job Training	\$1,000,000
Statutory School District Payments Allowance	\$6,000,000
TOTAL ESTIMATED TIF BUDGET	\$46,000,000



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Proposed TIF Plan Budget Items

TIF Statutory Budget Guidelines:

- Overall budget cannot be exceeded.
- Budget covers 23 years (the life of the TIF/ not an annual budget).
- Line-items within budget are flexible (e.g., if site preparation costs exceeded \$4 million, than Village has authority to reallocate additional funds from other TIF budget line-items).
- Budget expenditures are subject to Village approvals and/or review of redevelopment proposals in order to demonstrate payment of TIF expenditures.



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Next Steps

- Village elected officials review public input.
- Ordinance amending the Lehigh/Ferris TIF to be introduced at a Village board meeting prior to the introduction of the Lincoln/Lehigh TIF designation ordinances.
- Lincoln/Lehigh TIF designation ordinances may be introduced 14 to 90 days after the Public Hearing.
- If the TIF ordinances are approved, they are then filed with the Cook County Clerk.



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