

Village of Peoria Heights
Public Meeting for Proposed First Amendment to Peoria Heights TIF District No. 2
August 6, 2019

The meeting was called to order at 5:30 p.m.

Everyone stood for a moment of silence and the Pledge to the Flag.

Mr. Nic Nelson, of Jacob and Klein, explained the law requires the Village to hold a public meeting to explain the basic elements of the Tax Increment Finance, or TIF, Funds and the probable boundaries to the public any time there are more than seventy-five residential units in a TIF. Mr. Nelson explained that TIFs are not additional taxes even if there are additional lines on the property tax bills. Mr. Nelson explained that TIF No. 2 was established in 2015, but any amendment, such as the one being considered by the Village, required new meetings and hearings as if it were a new TIF. He continued to explain that a TIF freezes property assessments at their current values, and the TIF captures the increased valuation for purposes of economic development and public infrastructure costs within the TIF district. Mr. Nelson explained the uses of TIF funds and eligible costs and finished by stating that TIF districts typically last for 23 years. Mr. Nelson noted that the Village shares TIF funds with Peoria Heights Community School District per an intergovernmental agreement. He shared the details of the expansion of TIF No. 2 east along War Memorial Drive to Prospect Road and north along Prospect Road.

Mayor Phelan requested Mr. Nelson explain to the public the residential housing program the Village had requested be developed as a part of the expansion of TIF No. 2. Mr. Nelson explained the possibilities of matching grant programs for residential properties. Mayor Phelan stated the Village of Peoria Heights would like to implement a revitalization plan for Monroe Ave. He emphasized the goal of strengthening the neighborhoods in the area.

Upon calling roll, the following Trustees were present: Sherryl Carter, Beth Khazzam, Brandon Wisenburg, and Sarah DeVore. Trustees Diane Mariscal and Jeff Goett were absent. Others present included Mayor Michael Phelan, Village Administrator and Chief of Police Dustin Sutton, and Clerk Stephanie Turner.

Mayor Phelan opened the meeting for public comment.

A resident questioned if there were programs for residential property improvements already in place. Mr. Nelson stated there were not currently programs in place, and Chief Sutton mentioned the possibility that future programs could be modeled similar to the BDD façade program which provides \$10,000 matching grants to businesses. Upon further questioning regarding rehabilitation programs, Mr. Nelson noted that both exterior and interior improvements were TIF eligible, and, while programs were typically created as exterior only, the details would be determined by the Board of Trustees. When asked for where to find examples of criteria for the program, Mr. Nelson stated that the program had yet to be developed. Mayor Phelan invited comment from the attendees regarding what they would be interested in seeing in the program.

A resident commented he'd like to see homes rehabilitated but expressed concerns about the older housing stock not necessarily being up to code. He continued to express the opinion that with so many older homes in the neighborhood they likely needed maintenance to supply lines and electrical. Chief

Sutton stated the landlord registration program had been a big help in bringing older homes into code compliance and that things were improving.

A resident questioned if her mother, who lives in the area, would lose her home as a result of the TIF. Mr. Nelson assured the resident the Village will not be using eminent domain to acquire land. Mr. Nelson explained the TIF plan was required to state if eminent domain would be used, and the Village's TIF plan specifically did not state such an intention. Mayor Phelan added the TIF was to collect funds to spur economic development, but it was not for the purpose of taking property from residents. The resident asked for if it would be correct to say that the TIF was to improve what already existed, and Mayor Phelan agreed.

A resident wanted to know the standards for determining if a property was blighted. Mr. Nelson stated there were ten characteristics which were used to determine if a property qualified as legally blighted. He listed some of the more common factors which included deteriorating sidewalks, code violations, stagnant assessed valuations, a lack of services, and a lack of a development plan in the neighborhood.

A resident questioned how the funds would be spent, and Mr. Nelson referred them to the Village's plan which is on file for public review. The resident questioned transparency of the use of funds, and Mr. Nelson explained the Village had an annual audit as well as the annual TIF Report which listed all TIF related expenditures.

Another resident asked when the TIF went into effect. Mr. Nelson stated that the approval of the final ordinance should be on November 5, 2019. He continued to explain the full process of amending the TIF which includes several more public meetings.

Trustee Goett entered the meeting at 5:58 p.m.

When asked about TIF's effect on property taxes, Mr. Nelson explained the County set evaluations, and there were processes for protesting property tax values. Mayor Phelan explained that the township assessor evaluated property tax values every four years. Mr. Nelson stated that assessed evaluations were not going up significantly in Illinois in most places at this time.

Another resident asked Mr. Nelson to explain how this amendment would make the TIF districts work more efficiently. Mr. Nelson explained that the districts must be contiguous in order to share funds, and expanding the TIF area increased the potential number of projects in Peoria Heights. Chief Sutton pointed to the Other Dawg and Subway as examples of the types of projects which might occur when a resident questioned what types of projects to expect. After hearing concerns that commercial development would draw more traffic into the neighborhoods, Chief Sutton stated that Houseal Lavigne, a planning firm retained by the Village in the past, would be completing evaluations for the Village of the neighborhoods, and those evaluations would be used to help select future developments.

A resident questioned if the properties in the Samuel project had been purchased as a result of being declared blighted. Mr. Nelson explained that the properties were purchased by a private developer, and that any sales were the decision of the individual owner.

A resident questioned if requesting funds from the rehabilitation program would result in an increase in property taxes. Mr. Nelson noted that improvements in the property causes the evaluation to increase. The commenter noted that owners could be forced out of their homes because of increase in property

taxes from the improvements made by their neighbors. Mr. Nelson stated while possible such situations didn't happen in downstate Illinois.

A resident asked Mr. Nelson to shared some of the successes of the TIF. Mr. Nelson explained that the Trefzger's was a huge success because it had rehabilitated the building and had sparked multiple developments in the area. The resident clarified that she was curious about development in TIF No. 2. Mr. Nelson stated that TIF No. 2 was slower growing, but that interest had spurred the expansion. Mayor Phelan emphasized there had been serious interest from parties who were not ready to have their projects made public.

A resident questioned if the focus of the TIF was commercial or residential. Chief Sutton stated that the focus was going to be both. He explained development is important to the Village, and that the Village was seeing increase in interest of commercial development on War Memorial Drive. The resident questioned if remodeling a home was worthwhile if developers were going to buy her property and demolish it. Chief Sutton stressed that none of the developers he'd spoken to had spoken about buying residential properties. Trustee Goett reminded the residents that if they didn't want to sell their houses then they should not sell. Trustee Khazzam stated that all the meetings she's attended have proposed a healthy mix of commercial and residential interests. She continued to note that the School District had actually been the ones to request that the Village include a residential component in the expansion of TIF No. 2. Mayor Phelan noted that the TIF expansion could be redrawn to exclude residential property if the neighbors did not want to be included. A resident explained since the proposed programs included matching grants which could increase her property value she approved of the amendment.

A resident expressed that he wanted to see the livability of the neighborhoods increased. He expressed a desire to see a mix of interests served. Mayor Phelan noted that people wanted to move into the Village, and providing housing stock was a complicated, but wonderful, problem. Trustee Goett stated that he was dedicated to protecting the neighborhoods of Peoria Heights because the Village couldn't exist without the residents.

A resident questioned if residents should wait to complete renovation projects. Mr. Nelson stated that residents should, at minimum, wait until November when the TIF was in place to spend funds, but it would be in their best interest to wait until a program was established before committing to any large projects. He noted that immediate repairs should, of course, be completed right away.

Mayor Phelan asked if there were additional questions or comments. Hearing none, he invited the residents to contact Chief Sutton if they had additional questions.

Trustee Carter made a motion to adjourn, and Trustee Wisenburg seconded. The meeting adjourned at 6:27 p.m.

Michael Phelan, Mayor

Stephanie Turner, Village Clerk