

Village of Peoria Heights
Public Hearing – TIF No. 2 Amendment
October 15, 2019

The meeting was called to order at 5:01 p.m.

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

Upon calling roll, the following Trustees were present: Elizabeth Khazzam and Brandon Wisenburg. Others present included Mayor Michael Phelan, Administrator and Chief of Police Dustin Sutton, and Clerk Stephanie Turner. There was not a quorum.

Mr. Steve Kline, of the Economic Development Group, came forward to explain the background for the amendment to the existing boundaries of TIF No. 2. In order to retain businesses that were going to be displaced, the Village looked to expand TIF No. 2 eastward. As part of the planning process, additional projects came to the Village's attention which extended the expansion all the way east along War Memorial Drive. This led to the conclusion that it would be most efficient to extend the boundary north on Prospect Road to make TIF No. 2 contiguous to TIF No. 1. Additionally, the Village was encouraged by Peoria Heights Community Unit School District No. 325, through its Superintendent Mr. Eric Heath, to include residential properties in the expansion with the goal of using TIF funds to create some kind of residential rehabilitation program in order to make the Village more attractive to young families. Mr. Kline explained it was possible the Village might expand the TIF in the future to include other residential areas if the initial program is successful. He noted that by making TIF No. 2 contiguous to TIF No. 1 all of the Village's TIF districts are contiguous which allows greater efficiency as the TIFs are able to make transfers between the funds. Mr. Kline emphasized that the residential rehabilitation program under discussion would not be used for eminent domain, and the TIF documents precluded use of eminent domain. He mentioned briefly that the area was also within a Business Development District which was another economic development tool which might be used to fund the residential rehabilitation program.

Trustee Sherryl Carter entered at 5:20 pm. The meeting still didn't have a quorum.

Mr. Kline explained the criteria used to establish a TIF district and noted the Village held a Joint Review Board meeting for the other taxing bodies to review and discuss the amendment. The Joint Review Board made the recommendation to proceed with the amendment to TIF No. 2.

A resident questioned why the boundary didn't include Monroe Avenue, and Mr. Kline explained the Village had established the boundary based on a legal requirement which states there must be a minimum of 300 feet touching for two TIFs to be considered contiguous. Past that, the boundary was established at Atlantic Avenue as it was a natural boundary point past the 300 feet rather than bisecting the block. Mr. Kline noted that in addition to those considerations the Village had sought to include a smaller area based on the request of other levying bodies.

Mr. Kline explained how TIF districts freeze tax rates and capture the increase in property taxes based on increased assessed valuation as TIF funds. He explained the TIF district reallocates new property taxes that are generated by improvements and directs them to the TIF fund to reimburse infrastructure improvements or property owners as part of an agreement. He noted the funds must be used within the district or within a contiguous TIF district. Mr. Kline stated after twenty-three years a TIF district

ends. He stated it was through TIF funds that Trefzger's Bakery was relocated to Peoria Heights, the old gas station at 4500 N Prospect was transformed into a new retail and office building, the apartments were built on Duryea Avenue, and the Other Dawg was relocated to War Memorial Drive. He explained the funds were not reimbursing the entire cost of the projects but were to provide incentives to developers to want to pursue projects in Peoria Heights.

A resident asked if the amendment would extend the life of the TIF, and Mr. Kline stated it would not. When asked for an estimate of how much revenue the TIF would raise, Mr. Kline detailed an estimate of the possibilities for private development in the TIF over the 20 year life of the district. He addressed the estimated TIF funds that would be generated as a result of the development and noted that all totals, which were also in the plan document, were estimates.

A resident asked for details of the location of the proposed Subway site, and Chief Sutton explained it would be located on War Memorial Drive.

A resident asked who would control the funds, if there would be a separate board, and what criteria would be used. Mr. Kline stated the criteria would be based on the property and project, and the Board of Trustees had the sole authority to administer the TIF funds. He explained the Board would be restricted by compliance with the TIF Act and TIF plan, but the Board would ultimately make decisions. Mayor Phelan explained the funds from commercial development could be used to fund residential development. Mr. Kline stated TIF funds allowed the Village to free up general funds to complete infrastructure projects elsewhere.

A resident asked when applications for the residential rehabilitation program would be made available. Mr. Kline explained the application couldn't be made available until the program was created, and the program couldn't be created until the TIF amendment was approved. He noted the earliest the TIF could be approved was in November. Mr. Kline stated after the amendment was approved the application would be created. He noted the earliest funds would be available would be late spring or early summer. Trustee Wisenburg asked if the amendment must be completed prior to establishing criteria for the residential program. Mr. Kline explained the mechanics for the residential program could be discussed at any point, but, without an amendment in place, there was no funding mechanism for such a program. Trustee Wisenburg expressed concern for establishing a TIF district without knowing how much benefit would be provided to the residents. Mr. Kline noted the district wouldn't increase taxes so there was no negative impact on the residential properties. Trustee Wisenburg expressed concern for the other levying bodies who would lose property taxes. Mr. Kline explained the assessed valuation for the area was already flat, but the TIF had the potential to prompt growth. Mayor Phelan requested Trustee Wisenburg and Trustee Khazzam work together to provide some suggestions to the Board of Trustees.

Mr. Kline noted that in order to have a thriving commercial district the Village needed a thriving residential body. He explained the importance in keeping residents and attracting new residents.

A resident asked if there would be an incentive provided to help turn some of the vacant properties into owner occupied properties. Mayor Phelan explained the Village had implemented the landlord registration program in order to address the high percentage of rental properties in the Village. Mr. Kline explained renovations, demolition, and expansion were all eligible costs for the TIF program.

A resident asked if doing work themselves would exempt them from the program. Mr. Kline explained materials would still be eligible for reimbursement, but labor would not be reimbursable. He encouraged residents to always approach the Village if they had a project in mind.

When asked about residential improvement loans, Mr. Kline noted the Village hoped to be able to offer forgivable loans but stressed the decision could not be made until the Village had a to determine fund availability, residential need, and how best to provide meaningful help based on resources.

A resident asked how many of the 290 parcels included in the amendment were residential. Mr. Kline estimated it was approximately 60%.

A resident asked if they could be made aware of the commercial projects. Mr. Kline explained any time TIF funds are made available to a business then it has to be approved by the Board of Trustees, and that information and the agreement became public information. He noted the annual report lists agreements and describes the projects. He explained that in the preliminary stage the information was confidential and could not be shared. He noted that inducement resolutions are sometimes passed which are nonbinding agreements which provide businesses with assurance the Village will make a good faith effort to create a TIF fund so the Village can proceed with a development agreement with that business.

A resident asked how difficult it would be to expand the TIF again. Mr. Kline noted the process wasn't difficult, but the cost was prohibitive so it would depend on the project details.

A resident commended the Board of Trustees and administration for the proposed program and thanked them for trying to make improvements in the Village.

After no more questions were posed, Mayor Phelan thanked the attendees for the discussion and concluded the meeting at 6:27 pm.

Michael Phelan, Mayor

Stephanie Turner, Village Clerk