

## **LEGACY TIF DISTRICT FREQUENTLY ASKED QUESTIONS AND ANSWERS**

### **1. What would happen if there were no TIF?**

Development and improvements in the area would be delayed or not happen at all.

TIFs are one of the most effective tools to encourage economic development. They are one of the few economic development tools available in Illinois. If the Village does nothing, it gets nothing. The creation of the proposed TIF can assist in funding needed public improvements for which property owners would otherwise be required to pay. If the Village misses this opportunity, it's lost.

If the proposed TIF doesn't happen, Panduit is expected to demolish most of the existing structures and sell the property. Panduit has looked at options for the existing facility and has not found any commercial interest in the existing buildings. The location is no longer ideal for these types of uses and most likely will be redeveloped as residential properties. The site's proximity to the Cook County Forest Preserve is a positive amenity for residential uses.

### **2. How will the Legacy TIF benefit the Village?**

TIF Districts encourage economic development and generate new tax revenues that would not exist "but for" the TIF creation. TIF Districts only receive taxes generated by new growth. This 'new' tax revenue supports the Redevelopment Plan and Project activities and encourage further development within the TIF area. After the TIF ends, the taxing bodies receive the benefit of the growth in the tax base. When a TIF District is established, existing taxing bodies (schools, parks, etc.) continue to receive taxes from the current property values; they do not receive 'new' tax revenue (known as tax increment) generated by development occurring after the establishment of the TIF District. After the TIF expires all tax revenue (including the increment) will be paid to the taxing bodies.

The boundaries of the TIF were expanded by the elected officials to potentially assist in addressing stormwater management needs in the residential areas. Absent the TIF, it would be difficult to fund these storm water improvements without additional tax burden on the residents.

### **3. How will the Legacy TIF benefit Downtown Tinley?**

The Legacy TIF will assist in the creation of a retention pond located on eight acres of the Panduit property. This pond is also required to fulfill storm water detention

requirements to serve redevelopment sites in Downtown Tinley, including the former Central Middle School property, North Street and South Street.

The development of the pond is critical for the redevelopment of Downtown Tinley; without it, development sites could lose over 30% of their developable area for storm water needs. This most likely would render current and future projects financially impossible.

#### **4. How does the Legacy TIF benefit residents located within the district boundaries?**

The creation of the TIF can produce funds to support storm water improvements beneficial to the existing residential neighborhood west of the Panduit site and along 175<sup>th</sup> Street. There are over 400 residential property owners within the District boundaries comprising 96% of the total number of parcels and nearly 43% of the acreage. This residential area lost approximately 33% in EAV between 2009 and 2014. It is a goal of the Village to attempt to arrest this decline by addressing some public improvements issues in this area — most notably storm water deficiencies. The residential neighborhoods west of Ridgeland Avenue weren't built by today's standards, and typically the only way to provide the upgrades without a TIF would be through establishing a Special Assessment or creating a Special Service Area. These both require property owner contributions toward the projects.

#### **5. How does the TIF benefit the Panduit Corporation or ABC Roofing?**

The Legacy TIF is designed to benefit the Village of Tinley Park, not any specific owner of property within the TIF area, including these corporations. There are 425 taxable parcels within the proposed TIF District. There are only 11 non-residential (commercial or industrial) properties within the TIF boundaries. Panduit owns 5 parcels, ABC Roofing owns 2; Johnny's Body Shop owns 3 and there is one vacant undeveloped parcel. The remaining 414 parcels are residential. Through the TIF eligible expenditures, the Village can possibly provide financial assistance to Panduit to help overcome some of the difficult challenges associated with finding a buyer to redevelop the property, or assist in relocating business activities (such as ABC Roofing) to a new location, if assistance is needed..

While Panduit has continued to generally maintain its property, it remains a mostly vacant building that can become an attractive nuisance for vandalism and does not add to the vitality of the area. As a vacant structure its EAV has also decreased from previous levels. Demolishing the unused buildings is in the best interests of the Village and its residents, as well as Panduit.

## **6. What impact does the TIF have on taxes?**

The creation of the TIF District will have no impact on the taxes an individual property owner pays; what changes is how those tax dollars get distributed by the County. The taxable value (Equalized Assessed Value, or EAV) of the property at the inception of the TIF is set (frozen) as the base value for the TIF area. Property taxes will continue to be shared annually with all taxing bodies found on the property tax bill, based on this base EAV, over the 23-year life of the TIF. Any taxes generated by an increase in the EAV of the TIF will be directed to the TIF Fund to support the improvements and economic development activities within the TIF.

## **7. Who controls the money generated from the TIF?**

The Tinley Park Village Board and, by extension, the residents they serve, control the money generated from the TIF. Every project and agreement associated with the TIF District will come before the Village Board for approval.

## **8. What would happen to Downtown Tinley if no pond was built?**

If the pond isn't built, it's unlikely that redevelopment would occur.

The Metropolitan Water Reclamation District of Greater Chicago (MWRD) has the statutory authority of regulating floodplain and storm water management Cook County. In July 2014, the MWRD adopted a Watershed Management Ordinance (WMO) that established some new stringent standards for storm water retention and management applied to any new developments within the jurisdictional authority of the MWRD. These new requirements mandate that approximately one-third (1/3, or 33%) of the identified redevelopment sites in Downtown Tinley (North Street, South Street, former school site, etc.) must be dedicated for onsite storm water storage. With the investment in land acquisition, demolition, site preparation, engineering, architectural designs and the other costs associated with new development, this new stormwater requirement will most likely render these sites unbuildable.

## **9. Why is it important to redevelop certain sites in Downtown Tinley (Central Middle School, South Street, North Street)?**

The Downtown Tinley redevelopment sites are planned to take advantage of their close proximity to the Oak Park Avenue Metra commuter rail station (transit hub). Under the principles of Transit Oriented Developments, higher residential densities are expected in close proximity to transportation hubs, with densities reducing as the distance from the transit hub increases. The higher residential densities translate into more "people seeds" that are needed to support the existing and proposed commercial spaces to be developed in the Downtown Tinley area. A "built-in" customer base will

contribute to the success of existing downtown businesses and offer opportunities for new businesses.

**10. Who will want to locate at the redevelopment Panduit site? Will businesses go here? Will apartments go here?**

It is largely up to Panduit and ABC as to who will purchase their properties. There are many disadvantages that work against this physical area for successful re-use for commercial or industrial purposes, not least of which is the Cook County property tax structure that taxes such properties more heavily than residential. The most likely redevelopment for this property would be residential. The Village will have some control over the redevelopment as the property will need to be rezoned. Additionally, the project would be required to be presented before the Plan Commission, and this affords the Village and our citizens some say in what the development would look like.

**11. Can the Village fund the necessary improvements with existing tax revenue?**

The Village receives roughly 10% of the total tax bill (Bremen Township). The Village's share of these taxes is committed toward covering a portion of day to day operational costs. None of the property tax revenue is available for capital improvements.

The TIF provides the Village additional options for paying for public improvements. It can allow the Village to potentially fund projects that would otherwise not be possible without requiring additional taxes from all residents of the Village. The TIF adds to, and diversifies, the Village funding options for public improvements. TIF Redevelopment Plans and budgets are future plans and projections, not unlike a Comprehensive Plan. A budget is required as part of the planning process for the establishment of a TIF but unlike the Village's budget it 'errors' on the highest estimate vs. the most conservative, particularly because the TIF "budget" covers a 23 year time span. Amending TIF budgets requires a lengthy process, therefore governments typically attempt to have the TIF "budget" reflect all the possible funding scenarios identified in the Redevelopment Plan. All expenditures are identified and are available for public review.

**12. Will this TIF aid the Main Street TIFs?**

Yes. This TIF will potentially help fund the improvements needed to direct storm water away from the downtown area and store it until it can be safely released into Midlothian Creek without causing downstream flooding.

**13. Has Panduit been cited for their deteriorating building?**

Panduit has continued to provide general maintenance of the exterior of the property even though most of the building is empty and unused. While it has been reported that leaky roofs have caused some interior damage, this damage is not visible from the exterior of the property. Since the building is unoccupied, this damage is not currently a health or safety risk, but would be of greater concern if the building was expected to remain and be reused. Panduit has indicated their desire to demolish the majority of the building but has delayed this activity at the Village's request during the planning for the TIF district.

The company's research and development department is still located on the property, and they have built a new addition to that part of the facility in recent years.

**14. What are the projected clean up costs for the redevelopment area?**

These are unknown at the time. Panduit personnel have indicated that a majority of the clean-up costs are internal to the buildings.

**15. Will the need for more public services associated with new development on the Panduit site raise taxes?**

It is not expected that the redevelopment of the Panduit site would significantly change the nature of the public services the Village provides or dramatically change the associated costs that would entail an increase in property taxes. The Village of Tinley Park has not increased its property tax levy for the past three years (since tax year 2013, payable in 2014).

**16. Has the pond area been leased to the Village of Tinley Park from Panduit for 100 years?**

This is a false rumor. The Village of Tinley Park and Panduit continue to discuss options for the purchase or other means of transfer of the property necessary for the detention pond. However, no agreement has been reached at this time.

**17. Who will be the developer for the redevelopment area?**

There are currently no formal proposals for the redevelopment of the Panduit/ABC Roofing properties that have been submitted to the Village for consideration. There are no developers who have formally proposed plans for redevelopment of the site at this time. It is unlikely that businesses would be interested in renovating or re-occupying the existing structures for new commercial or industrial uses.

### 18. Have any incentives been offered to Panduit?

No incentives have currently been approved for Panduit for this site.

### 19. Has the proposed pond area been surveyed/engineered?

Yes. The design engineering for the proposed detention pond has been substantially completed.

Village of Tinley Park, Illinois  
Proposed Legacy TIF  
By the Numbers

					Tax Year 2009		Tax Year 2014		5 Year Change	
	Acres	Percent	Parcels	Percent	EAV	Percent	EAV	Percent	Dollar Change	Percent Change
Panduit	64.4	29.7%	5	1.2%	10,212,590	32.9%	4,408,524	24.3%	(5,804,066)	-56.8%
ABC Roofing	3.6	1.7%	2	0.5%	1,634,161	5.3%	896,477	4.9%	(737,684)	-45.1%
Other (vacant)	3.6	1.7%	1	0.2%	809	0.0%	809	0.0%	0	0.0%
NE of 175th/Ridgeland	71.6	33.0%	8	1.9%	11,847,560	38.2%	5,305,810	29.2%	(6,541,750)	-55.2%
Johnny's Body Shop	0.6	0.3%	3	0.7%	269,052	0.9%	214,817	1.2%	(54,235)	-20.2%
Total Commercial	72.2	33.3%	11	2.6%	12,116,612	39.1%	5,520,627	30.4%	(6,595,985)	-54.4%
Railroad	4.4	2.0%	1	0.2%	0	0.0%	0	0.0%	0	
St George Church/School	6.5	3.0%	3	0.7%	0	0.0%	0	0.0%	0	
TP High School	41.0	18.9%	1	0.2%	0	0.0%	0	0.0%	0	
Total Exempt/Institutional	51.9	23.9%	5	1.2%	0	0.0%	0	0.0%	0	
Residential properties	92.9	42.8%	414	96.2%	18,883,255	60.9%	12,631,670	69.6%	(6,251,585)	-33.1%
Total Proposed TIF	217.0	100.0%	430	100.0%	30,999,867	100.0%	18,152,297	100.0%	(12,847,570)	-41.4%
Total Tax Rate					9.600		15.398			
Total Taxes Produced					<u>\$2,975,987</u>		<u>\$2,795,091</u>		(180,896)	-6.1%