

COUNCIL WORKSHOP ITEM

ITEM: Land Bank Discussion
DATE: January 18, 2001
PREPARED BY: Michael Baker
PURPOSE: Continue Discussion

DISCUSSION:

The Village Council will continue its discussion from the previous council workshop regarding the future of the Land Bank properties. At issue is the question of which alternative to select in disposing of the properties and returning them to private ownership. The Mayor and Staff will be meeting with key stakeholders this weekend to discuss issues raised at the last workshop.

ATTACHMENT:

The original report provided for the previous council workshop has been reattached.

RECOMMENDATION:

**Gilbert & Curtiss Street
Land Bank Property Report**

Village of Downers Grove

January 5, 2001

Background

The Downers Grove Village Council adopted Resolution 78-49 in December of 1978, commonly known as the land banking policy. The key provision of this resolution, which outlines the intent of the policy, is stated in paragraph 1: "That it is the policy of the Village of Downers Grove as set out herein, to purchase and hold land in certain situations to facilitate the use of said land in accomplishing objectives of the official Comprehensive Plan and other policies of the Village of Downers Grove."

The Village began applying this policy in 1979 with the purchase of two properties on the block between Curtiss and Gilbert Streets, west of Forest Street and the Central Business District. The Village identified this area because its land uses consisted primarily of single-family homes and two-flats on small lots under diverse ownership. This was inconsistent with the Village's Future Land Use plan, which called for residential uses at a capacity of 25-60 dwelling uses per acre.

The Village determined that promoting development compatible with the Future Land Use Plan could best be accomplished by the Village's acquisition of the properties as they came onto the real estate market. The Village-driven land banking concept has many advantages in contrast to a developer, who may attempt to assemble the properties. The Village can be more patient and wait to acquire parcels as they become available.

Acquisitions to Date

The Village maintains ownership of ten properties in this area (see attached map), which include the following:

Address	Date Approved By Council	Type of Dwelling Unit	Purchase Price
1. 1115 Gilbert	10-30-90	Single Family	\$102,000
2. 1119 Gilbert	03-02-81	Single Family	\$52,500
3. 1123 Gilbert	12-21-81	Two-Flat	\$67,000
4. 1127 Gilbert	12-21-81	Single Family	\$67,000
5. 1131 Gilbert	12-21-81	Two-Flat	\$70,000
6. 1137 Gilbert	01-29-79	Single Family	\$87,500
7. 1201 Gilbert	08-25-80	Single Family	\$74,000
8. 5115 Carpenter	04-29-85	Two-Flat	\$102,000
9. 1122 Curtiss	07-30-79	Two-Flat	\$95,000
10. 1126-28 Curtiss	12-21-81	Four-Flat	\$97,000

The Village leases the properties to residential tenants in order to recoup the cost of ownership and maintenance. The Village owned properties contain 17 dwelling units, including 5 single-family homes, four two-flats, and one four-flat structure. Of these units, 14 are currently occupied and three are vacant. The current leases for all of the occupied units extend until May 31, 2001.

The entire block is zoned for R-6, the least restrictive of all residential designations. This allows for a variety of residential uses, evident by the diverse set of structures surrounding the land bank properties.

In November of 2000, Krueger Appraisal Services, Inc. was asked to perform a comprehensive set of appraisals on all of the Gilbert and Curtiss Street land bank properties. Prior to that, the most recent set of appraisals had been completed in 1991. The following chart summarizes the results of the appraisals and uses the data from the 1991 appraisals to determine the annual increase in the property values.

Address	Est. Market Value – 2000	Est. Market Value - 1991	Annual \$ Increase	Annual % Increase
1111 Gilbert *	\$160,000			
1. 1115 Gilbert	120,000	102,000	2,000	1.96%
2. 1119 Gilbert	120,000	99,000	2,333	2.36%
3. 1123 Gilbert	160,000	126,500	3,722	2.94%
4. 1127 Gilbert	135,000	126,500	944	0.75%
5. 1131 Gilbert	150,000	130,000	2,222	1.71%
6. 1137 Gilbert	145,000	140,000	556	0.40%
7. 1201 Gilbert	170,000	136,000	3,778	2.78%
8. 5115 Carpenter	165,000	140,000	2,778	1.98%
9. 1122 Curtiss	160,000	125,000	3,889	3.11%
10. 1126-28 Curtiss	260,000	165,000	10,556	6.40%
Totals	1,585,000	1,290,000	32,778	2.54%

* 1111 Gilbert Street, a privately owned residence, was included in the appraisals because it may be useful to the Village should the redevelopment alternative be pursued.

The impetus for this report and for the upcoming discussion before the Village Council on the future of the land bank properties was recognition by members of Council that continued ownership of the properties by the Village was untenable and would not serve the best interests of the neighborhood nor the Village. Overall, the properties show signs of deterioration, and in some cases are becoming uninhabitable as rental units. A January 20, 2000 evaluation of the repair needs estimated that it would cost a total of \$160,000 to complete the basic maintenance needs of these ten properties. Many of these repairs were deferred pending a decision on the future direction of the land bank. In addition, several people have expressed the opinion that the role of landlord is not an appropriate one for municipal government to play, and the Village should return the properties to private ownership. The options available for the Gilbert and Curtiss Street land bank properties are addressed in the remainder of this report.

Curtiss Street Properties

The properties at 1122 (two-flat) and 1126-28 (four-flat) are in average condition overall, according to the recently completed appraisal reports. The appraisals determined the current values to be \$160,000 and \$260,000, respectively.

The discussion among the many stakeholders in the process regarding how to proceed with the two Village-owned Curtiss Street properties indicates consensus regarding future direction. There appears to be general agreement that redevelopment of the two-lot site into a low-density, high-quality, high-value multi-family use is most appropriate. One example of a viable project would include four townhomes with an estimated sale price of \$300,000 each. This particular illustration was chosen for the purposes of determining TIF (Tax Increment Financing) Impact and is the basis for "Value after Sale" figures

appearing in the TIF impact analysis section of the report. Other projects of varying scale and density, however, are feasible and could also be explored.

If Council concurs with this proposal, staff will develop an RFP and solicit proposals from interested developers. Should the Council decide to pursue redevelopment of the parcels on Gilbert Street, staff would explore the possibility of consolidating it with redevelopment efforts on Curtiss Street.

Gilbert Street Properties

The Village-owned properties that front Gilbert Street have been the source of a much greater degree of discussion regarding future direction. A long history of resident, council and staff dialogue has resulted in a variety of proposals as to how the Village should proceed with these land bank properties. The discussions that have taken place to date confirm that the opinions and options regarding the future direction for these properties are diverse. The remainder of this report will identify and provide analysis for two primary alternatives. Supporting information and a subset of more specific options and their implications is also provided. The report, however, does not attempt to address and respond to each issue in-depth. A decision by council that instructs staff to proceed on any one of the alternatives will initiate a process that focuses on the details pertaining to that particular alternative.

The following set of alternatives were identified and discussed by staff representing the Planning Department, Code Services Department, Economic Development Department, Redevelopment Department and Manager's Office. Staff reviewed historical documentation including meeting minutes, newspaper articles and previous reports in collecting information on this topic. The appraisals that were completed in November attempted to provide a professional opinion on the effect that some of the potential actions would have on the value of these properties. All of this information will hopefully provide assistance to the Village Council in making a well-informed decision.

These alternatives are explained in greater detail below:

- I. Stabilize the land uses along Gilbert Street and preserve the single-family status of these properties. *This can be accomplished by any one or a combination of the following actions:*
 - A. Sell individual properties in their existing condition with deed restrictions attached
 - B. Sell individual properties in their current condition
 - C. Sell individual properties after repairs are made to improve the condition of the homes

- II. Proactively redevelop properties to accomplish community goals per Village Resolution 78-49

ALTERNATIVE I. STABILIZE THE LAND USES ALONG GILBERT STREET AND PRESERVE THE SINGLE-FAMILY STATUS OF THESE PROPERTIES.

Should the Council wish to pursue this goal for the land bank, there are a variety of options that can be exercised to accomplish it. Each will produce a different effect and there are unique advantages and disadvantages to each of the options.

I.A. Sell individual properties in current condition with deed restrictions attached.

The Intent of this option would be:

- Preserve the existing structures on the Gilbert Street properties
- Transfer the properties to private ownership in an expedient manner

Process: This would require the Village, as owners of the properties, to write restrictions into the deeds that limit the potential for future owners to tear down and redevelop the structures. The Village would have a great deal of flexibility in writing the restrictions to suit its needs, determining such provisions as the length of time the restrictions were in effect and the extent of redevelopment projects that could be undertaken on the property. One example of the type of covenant that could be applied would state the owner must maintain the property as a single-family housing unit for a period of ten years.

A primary purpose for pursuing this course of action, from the Village's perspective, would be to encourage private property owners to purchase the properties and invest in the improvement and restoration of the existing structures. The use of deed restrictions to achieve this goal would likely have the effect of reducing the pool of interested buyers. This, in turn, would lead to lower sale prices compared to the other alternatives. The appraisers confirmed that a deed restriction could reduce the appraised value of the properties by as much as 25%. In addition, the use of deed restrictions may not achieve its intended effect if future owners buy the property at its reduced value, but take no steps to make the anticipated improvements.

See TIF Impact Analysis Alternative I.A.

I.B. Sell properties in their current condition

The Intent of this option would be:

- Provide for the most expedient transfer of the Gilbert Street land bank properties to private ownership
- Allow the private real estate market to decide the future improvement or redevelopment of the properties on Gilbert Street (The Village would continue to maintain its normal controls regarding any changes to the land or structures).

Process: Staff would either acquire the services of a professional realtor or use Village resources to sell the properties in their current condition.

This alternative offers several economical advantages. It would be expensive to complete the basic necessary repairs for the structures, and this approach eliminates that responsibility. The period of time that the properties were left unoccupied and still under Village ownership would be short, and consequently the potential lost rental revenue would be insignificant. Minimal staff work would be required for executing this alternative and it would resolve the concerns about Village ownership of the property quickly. In addition, the Village could reasonably expect to receive the total appraised value for sale of the properties, and would not have to lower the price of the property to satisfy a purchaser's requirements.

The disadvantages of this alternative include a loss of opportunity in the potential of the privately owned property to generate TIF revenue for the downtown TIF district. If sold at their appraised value, these properties would account for nearly \$1,165,000 of taxable land. Nearly all of the tax revenue, due to extremely low tax bills for the Village owned property, would be contributed to the TIF district. This alternative does not offer the infusion of tax revenue into the TIF district that redevelopment at a higher density can provide.

In addition, this option on its own may not insure stability of the neighborhood. If the properties are sold in their existing condition, they would be ripe for teardown and redevelopment, possibly by a developer who purchases and consolidates several lots on his own. One means of combating this possibility would be by down-zoning the Gilbert Street land bank properties from an R-6 to single family R-4 designation, preventing the construction of multi-family structures on this property.

See TIF Impact Analysis Alternative I.B.

I.C. Sell individual properties after repairs are made to improve the condition of the homes

The intent of this option would be:

- Ensure the improved condition of the properties on Gilbert Street and make them desirable as they currently exist
- Attempt to maximize the value of the land prior to sale in order to increase the financial benefit to the Village
- Increase the assessed value of the properties in order to generate a greater amount of revenue for the Village's Downtown Tax Increment Financing District while preserving the single-family status

Process: Village Staff would assess the condition the properties and either I) identify a list of repairs and improvements to be completed prior to sale or II) determine those properties for which demolition and reconstruction offers the most appropriate course of action. Staff would then develop a timeline and action plan for implementing the repairs and/or demolition of the properties. The action plan would be put into effect. Once work had been completed on a particular property, staff would either use a realtor or its own resources to sell the property to interested buyers.

While similar in many regards to Alternative I.B., this option commits the staff to a greater responsibility, as it must coordinate the repair or reconstruction of the Gilbert Street properties. It would also involve higher costs for repairs and a greater potential in lost revenue as a result of Village-owned properties being unoccupied for an extended period of time.

For those structures that are improved, this option alone does not preclude the possibility for a private buyer to purchase a property, tear it down, and rebuild. Even after repairs are made, the advantageous location of the properties may persuade buyers that it is more worthwhile for them to demolish and rebuild on the lot. Should the Village invest money into improvements, it may also consider the application of deed restrictions to

those properties to avoid such a possibility. As stated earlier, this action may have the effect of reducing the value of the properties at the time of sale.

The advantages to this alternative include the financial return to the Village as a result of the additional investment. The Village could expect to receive higher sale prices for the individual parcels and boost the overall potential TIF revenue that these properties generate.

See TIF Impact Analysis Alternative I.C.

ALTERNATIVE II: PROACTIVELY REDEVELOP PROPERTIES TO ACCOMPLISH COMMUNITY GOALS PER VILLAGE RESOLUTION 78-49

The intent of this option would be:

- Execute a primary goal of the original land banking policy
- Promote redevelopment that is consistent with the Comprehensive Plan
- Increase the assessed value of the properties in order to maximize the amount of revenue for the Village's Downtown Tax Increment Financing District.
- Provide for a stronger residential base in the downtown to support commercial establishments

Process: Village Staff would outline a process that first attempts to identify the general goals and sites for redevelopment. Further effort would need to be spent exploring the constraints involved in redeveloping the property along Gilbert Street. The Village would informally engage developers and gauge the private sector interest in redeveloping the property along Gilbert Street. A great deal of preliminary effort would be undertaken prior to creation of a request for proposal from interested developers.

Before redevelopment could occur, the Village would have to ensure that the constraints that exist on this land could be overcome. These constraints include the dimensions of the land and the impact of zoning regulations, as well as the presence of St. Joseph's creek, an 11-foot underground pipe that runs mid-block through several of the land bank properties (The shaded area on the attached map shows the easements for the pipe). While these constraints may present difficulties and limitations to higher-density redevelopment, they do not prevent it. They would need to be explored to a greater extent if redevelopment on Gilbert Street were pursued.

The identification of the constraints that limit redevelopment naturally leads into the question of what projects can be undertaken on this property. Staff has determined that the construction of some form of redevelopment is possible on all but a few of the land bank sites. The properties on the eastern end of Gilbert Street have very small lot depths and would present significant difficulties in siting structures on these lots. An assumption has been made that four upscale townhouse units (\$300,000 each in value) can be built on the Curtiss Street lots. It is the opinion of staff that similar developments could potentially be built on the two lots on the western end of Gilbert and from 1137 eastward on Gilbert. A series of pictures depicting other examples of possible developments is attached. The pictures were taken by staff of developments in communities around the Chicagoland metropolitan area.

The above text and attached maps provide only preliminary suggestions of what might be developed in the land bank. In order to confirm the feasibility of projects similar to these, the Village would have to contact potential developers to determine if there is a market interest in constructing them. The plans would also have to comply with the zoning regulations.

One of the advantages includes the maximization of TIF revenue from the higher property values associated with redevelopment. Though it's difficult to assess what type of development may occur and what the ultimate impact might be on property values and TIF revenues, it is likely that the redevelopment alternative will provide substantially more revenue for the TIF district than any of the other alternative. In addition, redevelopment is consistent with the Comprehensive Plan for that area of the Village. Many of the surrounding structures have much higher densities than any of the developments that were suggested for the land bank properties. Finally, the redevelopment alternative fulfills the intent of the Village Council in 1978 when the Landbank policy was first enacted.

See TIF Impact Analysis Alternative II

Recommendation / Conclusion

Given the many options before the Council and the multitude of issues that pertain to each, staff would like to submit its recommendation for proceeding with the land bank properties. After in-depth discussion and careful review of each alternative, staff recommends that the Village take action on the land bank by integrating the alternatives and proposals described above in the following manner:

- 1) Pursue high-quality redevelopment of the Curtiss Street properties as described.
- 2) Take Steps to maintain the existing houses at 1201 Gilbert and 1203 Gilbert/5115 Carpenter through a combination of restrictive covenants and structural improvements. This will ensure a buffer of single family homes exists between the multi-family developments on and around the land bank block and the single-family neighborhoods that predominate to the west.
- 3) Pursue high-quality redevelopment of the properties that extend from 1137 Gilbert eastward as described in Alternative II.

It is the opinion of Village Staff that this recommendation serves both the interests of the neighborhood, the downtown and the Village as a whole. The only interest that hasn't been included to this point in the report is that of the tenants who rent the units. Should the Council decide to transfer ownership of the land bank properties, whatever form that decision may take, Village staff will ensure that the tenants are notified far in advance of any actions. They will also be accommodated as fairly and justly as possible prior to the time when some or all of the properties no longer maintain their rental status.

LAND BANK PROPERTIES TIF IMPACT ANALYSIS

Scenario I.A. Redevelopment of Curtiss Street Land Bank Properties, Gilbert Street Properties Sold at Depreciated Value

	2000 Appraised Value	Est. Appr. Value after Sale	Equalized Assessed Valuation	2000 Tax (Apply 1999 Rate)	1999 Tax (From Tax Bills)	1999 TIF (From Tax Bills)	2000 TIF (2000 Tax less 1999 Tax)
1115 Gilbert	120,000	90,000	30,000	1,749	-	-	1,749
1119 Gilbert	120,000	90,000	30,000	1,749	60	0.14	1,689
1123 Gilbert	160,000	120,000	40,000	2,332	267	6.55	2,065
1127 Gilbert	135,000	101,250	33,750	1,968	164	4.39	1,804
1131 Gilbert	150,000	116,250	38,750	2,260	137	1.88	2,123
1137 Gilbert	145,000	108,750	36,250	2,114	194	6.77	1,920
1201 Gilbert	170,000	144,500	48,167	2,809	70	0.16	2,738
5115 Carpenter	165,000	123,750	41,250	2,405	158	4.53	2,248
Subtotal Gilbert	1,165,000	894,500	298,167	17,386	1,050	24.42	16,336
1122 Curtiss	160,000				85	0.24	
1126-28 Curtiss	260,000				458	13.34	
Subtotal Curtiss	420,000	1,200,000	400,000	23,324	543	13.58	22,781
Total	1,585,000	2,094,500	698,167	40,710	1,593	38.00	39,117

Years Remaining in Downtown TIF	TIFS Generated by Landbank under Scenario I.A.
19	39,117
18	40,682
17	42,309
16	44,002
15	45,762
14	47,592
13	49,496
12	51,476
11	53,535
10	55,676
9	57,903
8	60,219
7	62,628
6	65,133
5	67,738
4	70,448
3	73,266
2	76,196
1	79,244
0	82,414
Total	1,164,836

SUMMARY OF RESULTS AND ASSUMPTIONS

The analysis on the scenario I.A. charts estimates that the land bank properties, under the attached set of assumptions, will generate nearly \$1,160,000 in revenue for the downtown TIF district over the remaining life of the district. For the year after sale, the properties will generate approximately \$39,000 in revenue for the TIF District. The following assumptions have been incorporated into this analysis:

1. The Curtiss Street properties will be sold at their value as appraised in November, 2000. The Gilbert Street properties will be sold at approximately 25% below their appraised value as a result of deed restrictions (*see note below*).
2. All properties will be assessed at one third of their appraised market value.
3. Property tax for the privately owned properties is determined by applying the current 1999 tax rate, 5.831%.
4. The amount the properties will contribute to the TIF district after sale is determined by subtracting the total taxes paid in 1999 from the total taxes to be paid in 2000.
5. All properties are estimated to appreciate in value at 4% per year for the remaining life of the downtown TIF.

* NOTE: Per the Appraisal Report, the only property which will not be sold at 25% of appraised value under the assumptions of this scenario is 1201 Gilbert St. Its condition yielded a potential 15% depreciation of value with deed restrictions

LAND BANK PROPERTIES TIF IMPACT ANALYSIS

Scenario I.B. Redevelopment of Curtiss Street Land Bank Properties, Gilbert Street Properties Sold at Appraised Value

	2000 Appraised Value	Est Appr Value after Sale	Equalized Assessed Valuation	2000 Tax (Apply 1999 Rate)	1999 Tax (From Tax Bills)	1999 TIF (From Tax Bills)	2000 TIF (2000 Tax less 1999 Tax)
1115 Gilbert	120,000	120,000	40,000	2,332	-	-	2,332
1119 Gilbert	120,000	120,000	40,000	2,332	60	0.14	2,273
1123 Gilbert	160,000	160,000	53,333	3,110	267	6.55	2,843
1127 Gilbert	135,000	135,000	45,000	2,624	164	4.39	2,460
1131 Gilbert	150,000	150,000	50,000	2,916	137	1.88	2,779
1137 Gilbert	145,000	145,000	48,333	2,818	194	6.77	2,624
1201 Gilbert	170,000	170,000	56,667	3,304	70	0.16	3,234
5115 Carpenter	165,000	165,000	55,000	3,207	158	4.53	3,049
Subtotal Gilbert	1,165,000	1,165,000	388,333	22,644	1,050	24.42	21,594
1122 Curtiss	160,000				85	0.24	
1126-28 Curtiss	260,000				458	13.34	
Subtotal Curtiss	420,000	1,200,000	400,000	23,324	543	13.58	22,781
Total	1,585,000	2,365,000	788,333	45,968	1,593	38.00	44,375

Years Remaining in Downtown TIF	TIF\$ Generated by Landbank under Scenario I.B.
19	44,375
18	46,150
17	47,996
16	49,916
15	51,912
14	53,989
13	56,148
12	58,394
11	60,730
10	63,159
9	65,686
8	68,313
7	71,046
6	73,887
5	76,843
4	79,917
3	83,113
2	86,438
1	89,895
0	93,491
Total	1,321,397

SUMMARY OF RESULTS AND ASSUMPTIONS

The analysis on the scenario I.B. charts estimates that the land bank properties, under the attached set of assumptions, will generate nearly \$1,320,000 in revenue for the downtown TIF district over the remaining life of the district. For the year after sale, the properties will generate approximately \$44,300 in revenue for the TIF District. The following assumptions have been incorporated into this analysis:

1. All properties will be sold at their value as appraised in November, 2000.
2. All properties will be assessed at one third of their appraised market value.
3. Property tax for the privately owned properties is determined by applying the current 1999 tax rate, 5.831%.
4. The amount the properties will contribute to the TIF district after sale is determined by subtracting the total taxes paid in 1999 from the total taxes to be paid in 2000
5. All properties will appreciate in value at 4% per year for the remaining life of the downtown TIF.

LAND BANK PROPERTIES TIF IMPACT ANALYSIS

Scenario I.C. Redevelopment of Curtiss Street Land Bank Properties, Gilbert Street Properties Sold at as Improved Value

	2000 Appraised Value	Est. App. Value after Sale	Equalized Assessed Valuation	2000 Tax (Apply 1999 Rate)	1999 Tax (From Tax Bills)	1999 TIF (From Tax Bills)	2000 TIF (2000 Tax less 1999 Tax)
1115 Gilbert	120,000	135,000	45,000	2,624	-	-	2,624
1119 Gilbert	120,000	135,000	45,000	2,624	60	0.14	2,564
1123 Gilbert	160,000	185,000	61,667	3,596	267	6.55	3,329
1127 Gilbert	135,000	155,000	51,667	3,013	164	4.39	2,848
1131 Gilbert	150,000	180,000	60,000	3,499	137	1.88	3,362
1137 Gilbert	145,000	200,000	66,667	3,887	194	6.77	3,693
1201 Gilbert	170,000	170,000	56,667	3,304	70	0.16	3,234
5115 Carpenter	165,000	200,000	66,667	3,887	158	4.53	3,730
Subtotal Gilbert	1,165,000	1,360,000	453,333	26,434	1,050	24.42	25,384
1122 Curtiss	160,000				85	0.24	
1126-28 Curtiss	260,000				458	13.34	
Subtotal Curtiss	420,000	1,200,000	400,000	23,324	543	13.58	22,781
	1,585,000	2,560,000	853,333	49,758	1,593	38.00	48,165

Years Remaining in Downtown TIF	TIFs Generated by Landbank under Scenario I.C.
19	48,165
18	50,092
17	52,095
16	54,179
15	56,346
14	58,600
13	60,944
12	63,382
11	65,917
10	68,554
9	71,296
8	74,148
7	77,114
6	80,198
5	83,406
4	86,742
3	90,212
2	93,821
1	97,573
0	101,476
Total	1,434,261

SUMMARY OF RESULTS AND ASSUMPTIONS

The analysis on the scenario I.C. charts estimates that the land bank properties, under the attached set of assumptions, will generate nearly \$1,430,000 in revenue for the downtown TIF district over the remaining life of the district. For the year after sale, the properties will generate approximately \$48,000 in revenue for the TIF District. The following assumptions have been incorporated into this analysis:

1. The Curtiss Street properties will be sold at their value as appraised in November, 2000. The Gilbert Street Properties will be sold at the high end of the range if improved, as reflected in the appraisals.
2. All properties will be assessed at one third of their appraised market value.
3. Property tax for the privately owned properties is determined by applying the current 1999 tax rate, 5.831%.
4. The amount the properties will contribute to the TIF district after sale is determined by subtracting the total taxes paid in 1999 from the total taxes to be paid in 2000.
5. All properties will appreciate in value at 4% per year for the remaining life of the downtown TIF.

LAND BANK PROPERTIES TIF IMPACT ANALYSIS

Scenario II. Redevelopment of Gilbert and Curtiss Street Land Bank Properties

	2000 Appraised Value	Est. Appr. Value after Sale	Equalized Assessed Valuation	2000 Tax (Apply 1999 Rate)	1999 Tax (From Tax Bills)	1999 TIF (From Tax Bills)	2000 TIF (2000 Tax less 1999 Tax)
1115 Gilbert	120,000				-	-	
1119 Gilbert	120,000				60	0.14	
1123 Gilbert	160,000				267	6.55	
1127 Gilbert	135,000				164	4.39	
1131 Gilbert	150,000				137	1.88	
1137 Gilbert	145,000				194	6.77	
Subtotal Gilbert E	830,000	2,000,000	666,667	38,873	822	19.73	38,051
1201 Gilbert	170,000				70	0.16	
5115 Carpenter	165,000				158	4.53	
Subtotal Gilbert W	335,000	900,000	300,000	17,493	228	4.69	17,265
1122 Curtiss	160,000				85	0.24	
1126-28 Curtiss	260,000				458	13.34	
Subtotal Curtiss	420,000	1,200,000	400,000	23,324	543	13.58	22,781
	1,585,000	4,100,000	1,366,667	79,690	1,593	38	78,097

Years Remaining in Downtown TIF	TIFs Generated by Landbank under Scenario II.
19	78,097
18	81,221
17	84,470
16	87,849
15	91,363
14	95,017
13	98,818
12	102,771
11	106,882
10	111,157
9	115,603
8	120,227
7	125,037
6	130,038
5	135,240
4	140,649
3	146,275
2	152,126
1	158,211
0	164,540
Total	2,325,592

SUMMARY OF RESULTS AND ASSUMPTIONS

The analysis on the scenario II. charts estimates that the land bank properties, under the attached set of assumptions, will generate nearly \$2,330,000 in revenue for the downtown TIF district over the remaining life of the district. For the year after sale, the properties will generate approximately \$78,000 in revenue for the TIF District. The following assumptions have been incorporated into this analysis:

1. All properties will be sold at their value as appraised in November, 2000.
2. Development potential includes \$1,200,000 of appraised value on the Curtiss St. properties, \$900,000 on the 2 westernmost Gilbert St. properties, \$2,000,000 on the remaining Gilbert properties.
3. All properties will be assessed at one third of their appraised market value.
4. Property tax for the privately owned properties is determined by applying the current 1999 tax rate, 5.831%.
5. The amount the properties will contribute to the TIF district after sale is determined by subtracting the total taxes paid in 1999 from the total taxes to be paid in 2000
6. All properties will appreciate in value at 4% per year for the remaining life of the downtown TIF.

LAND BANK PROPERTIES TIF IMPACT ANALYSIS

Recommendation

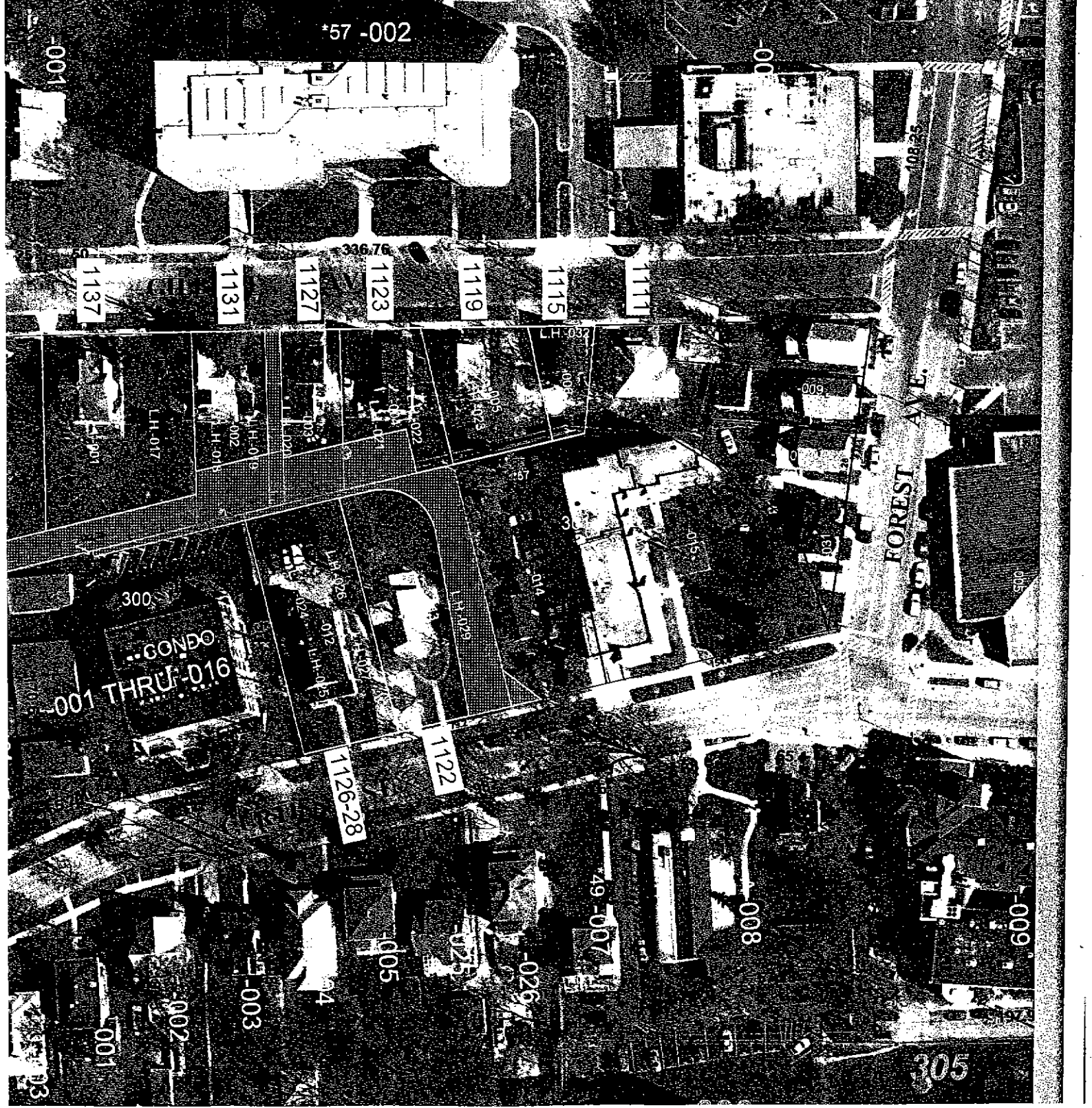
	2000 Appraised Value	Est. Appr. Value after Sale	Equalized Assessed Valuation	2000 Tax (Apply 1999 Rate)	1999 Tax (From Tax Bills)	1999 TIF (From Tax Bills)	2000 TIF (2000 Tax less 1999 Tax)
1115 Gilbert	120,000				-	-	
1119 Gilbert	120,000				60	0.14	
1123 Gilbert	160,000				267	6.55	
1127 Gilbert	135,000				164	4.39	
1131 Gilbert	150,000				137	1.88	
1137 Gilbert	145,000				194	6.77	
Subtotal Gilbert E	830,000	2,000,000	666,667	38,873	822	19.73	38,051
1201 Gilbert	170,000	170,000			70	0.16	
5115 Carpenter	165,000	200,000			158	4.53	
Subtotal Gilbert W	335,000	370,000	123,333	7,192	228	4.69	6,964
1122 Curtiss	160,000				85	0.24	
1126-28 Curtiss	260,000				458	13.34	
Subtotal Curtiss	420,000	1,200,000	400,000	23,324	543	13.58	22,781
	1,585,000	3,570,000	1,190,000	69,389	1,593	38	67,796

Years Remaining in Downtown TIF	TIFs Generated by Landbank under Scenario II.
19	67,796
18	70,508
17	73,328
16	76,261
15	79,312
14	82,484
13	85,784
12	89,215
11	92,784
10	96,495
9	100,355
8	104,369
7	108,544
6	112,885
5	117,401
4	122,097
3	126,981
2	132,060
1	137,342
0	142,836
Total	2,018,835

SUMMARY OF RESULTS AND ASSUMPTIONS

The analysis on the Recommendation charts estimates that the land bank properties, under the attached set of assumptions, will generate nearly \$2,000,000 in revenue for the downtown TIF district over the remaining life of the district. For the year after sale, the properties will generate approximately \$68,000 in revenue for the TIF District. The following assumptions have been incorporated into this analysis:

1. All properties will be sold at their value as appraised in November, 2000 except for 1201 Gilbert and 5115 Carpenter, which will be sold as their as improved values for a total of \$370,000.
2. Development potential includes \$1,200,000 of appraised value on the Curtiss St. properties and \$2,000,000 on the Gilbert Street properties at 1137 eastward.
3. All properties will be assessed at one third of their appraised market value.
4. Property tax for the privately owned properties is determined by applying the current 1999 tax rate, 5.831%.
5. The amount the properties will contribute to the TIF district after sale is determined by subtracting the total taxes paid in 1999 from the total taxes to be paid in 2000
6. All properties will appreciate in value at 4% per year for the remaining life of the downtown TIF.



Town House Development – Oak Park, Illinois



Garages
on first
level, both
sides of
building



Town House Development – Glenview, IL



