



# MANAGER'S MEMO ITEM

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**ITEM:** Ogden Avenue Tax Increment Financing District Strategy  
**WORKSHOP DATE:** July 26, 2005  
**PREPARED BY:** David Fieldman, Deputy Village Manager  
**BID AMOUNT:** \$n/a **ACCOUNT:** n/a  
**BUDGET AMOUNT:** \$n/a

**PURPOSE:** To discuss the implementation strategy for the Ogden Ave TIF District

## **BACKGROUND:**

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The Ogden Avenue Tax Increment Financing District was created in February 2001 and includes parcels fronting on Ogden Avenue from Cumnor to Stonewall. The Economic Development Commission raised some questions about the TIF district's performance and the Village's plan to facilitate further reinvestment. Staff has prepared the attached presentation to address these issues. The EDC reviewed and approved the strategy at their July 13, 2005 meeting.

## **Goals of the Ogden Avenue TIF Strategy**

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The goals of the strategy are:

- Improve the appearance of Ogden Avenue both on public and private property.
- Improve the economic performance of the district focusing on sales tax revenue and property values.
- Improve vehicular & pedestrian traffic

## **Financial Performance of the TIF**

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The following bullet points summarize the financial performance of the district to date. The information indicates that the district is performing well.

- Total Tax Increment of \$673,000 (revenue)
- Total TIF Expenses of \$240,000.
- Net Present Value of TIF Obligations of \$280,000 (incentive obligations)
- Total Private Investment of \$19 Million (estimated).
- Total Grant Funding of \$1,324,891.
- Leverage Ratio of 39 to 1.

## **Specific Objectives**

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- **GOAL:** Improve the Appearance of Ogden Avenue
  - **OBJECTIVE:** Improve Appearance of Public ROW by Installing Street Signs, Gateway Signs and Landscaping by 2010.
  - **OBJECTIVE:** Improve Appearance of Private Sites by Facilitating Redevelopment Adhering to Site Design Standards
- **GOAL:** Improve the Economic Performance
  - **OBJECTIVE:** Increase EAV to \$52 million by 2010 (7% per year)
  - **OBJECTIVE:** Increase Sales Tax Revenue to \$\_\_\_\_\_ by 2010 (5% per year –Note: Staff does not yet have the ability to determine the specific sales tax revenue generated within the TIF boundaries. We are working with the State to obtain access to this information).

- GOAL: Improve Vehicular & Pedestrian Traffic
  - OBJECTIVE: Improve Vehicular and Pedestrian Traffic by Installing Sidewalks and Closing Streets / Curb Cuts

**2005 – 2006 Implementation Steps**

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- Facilitate Redevelopment of a minimum of 2 sites per year
- Use Pay-As-You-Go (Developer Note) Financial Incentive Program
- Explore the use of Industrial Revenue Bonds as Financial Incentives
- Create and Implement a Comprehensive ROW Plan
- Close 33 Streets and Curb Cuts
- Meet with IDOT to Outline Proposed Improvements
- Amend the Development Codes
- Design Standards
  - Improve the Development Review Process
  - Amend the Zoning Ordinance

**ATTACHMENTS:**

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- Ogden Avenue TIF District Presentation

**STAFF RECOMMENDATION:**

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Staff recommends approval of the proposed Ogden Avenue TIF Strategy.

**REQUESTED COURSE OF ACTION:**

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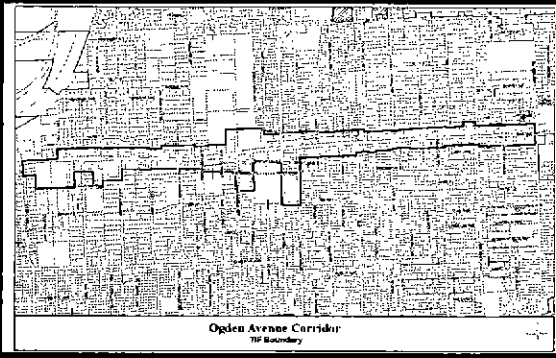
Staff requests that Council approve a Motion approving the Ogden Avenue TIF Strategy.

# Ogden Avenue TIF District Strategy

## Ogden Avenue TIF Background

- Created in February 2001
- Boundaries
  - Stonewall Avenue on the West
  - Connor Road on the East
- Expires in February 2024

## Ogden TIF Boundary

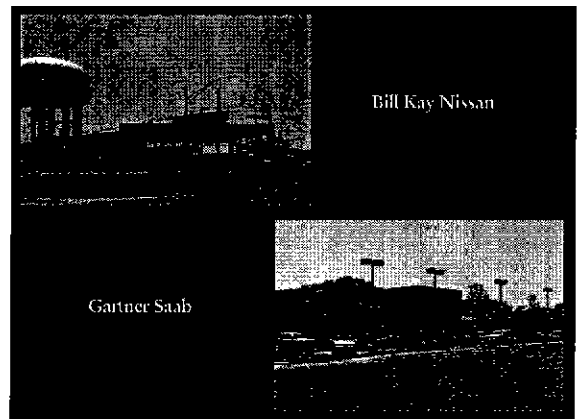


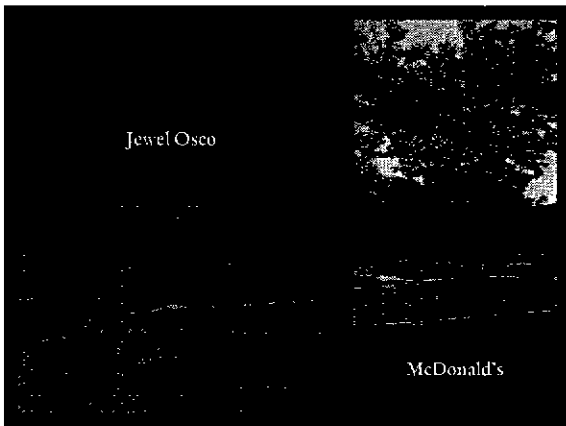
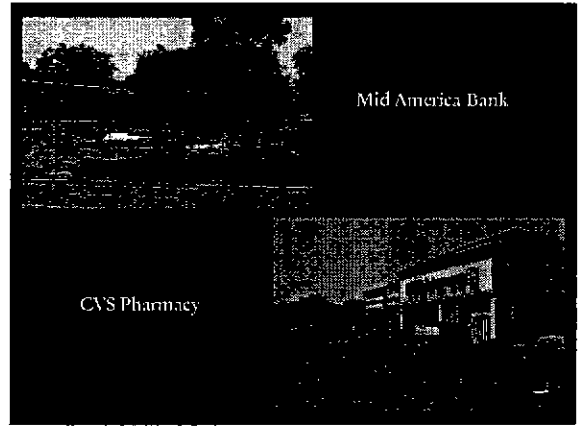
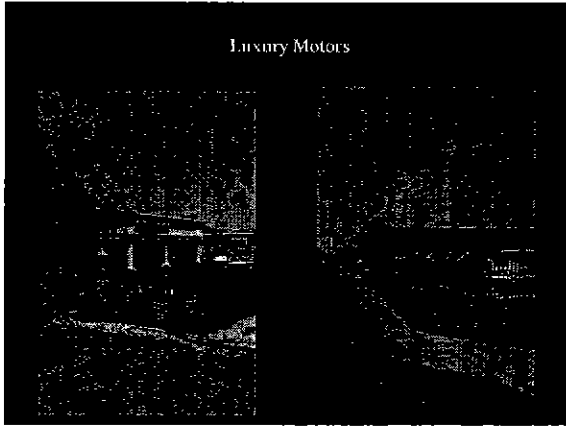
## Ogden Avenue TIF Goals

- Improve the Appearance of Ogden Avenue
  - Public (streets, sidewalks, signs, gateways)
  - Private (buildings, signs, landscaping)
- Improve the Economic Performance
  - Increase Sales Tax Revenue
  - Increase Property Values (EAV)
- Improve Vehicular & Pedestrian Traffic
  - Reduce Curb Cuts
  - Eliminated unnecessary cross streets

## Approved Development Projects

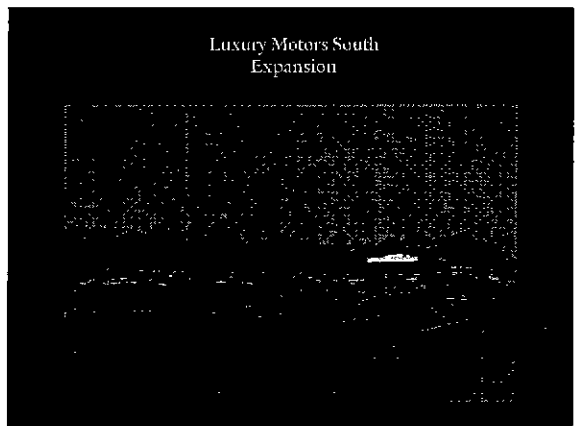
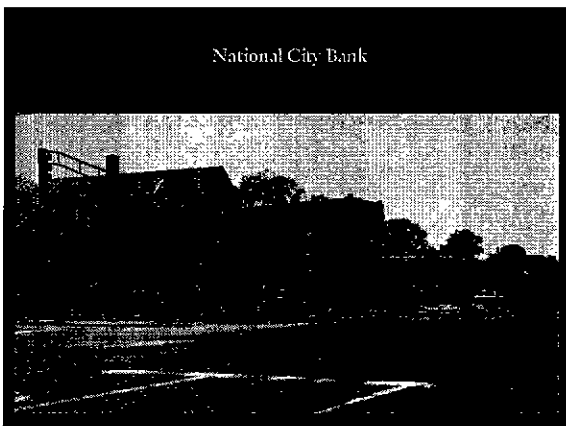
- Bill Kay Nissan - Remodeling
- Gartner Saab - New Dealership
- Luxury Motors North - Expansion
- Mid American Bank - New Development
- CVS - New Development
- Jewel / Osco - Total Reconstruction
- McDonalds - Total Reconstruction



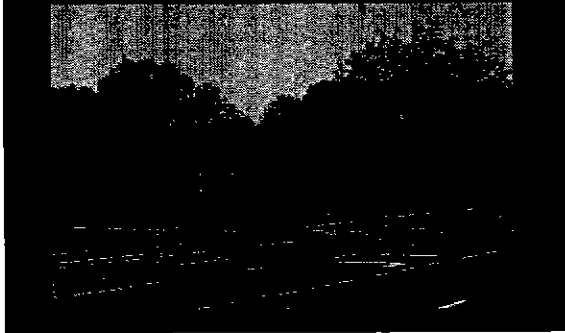


### Pending Development Projects

- National City Bank - New Building
- Luxury Motors South - Expansion
- 621-631 Ogden (Between Stanley & Sterling) - New Retail Center



### Retail Expansion



### Approved Public Projects

- Lee & Ogden - Stormwater Improvements
- Street Signs - New Signs Installation
- Sidewalks - New Sidewalk Installation
- Curb Cut Elimination
- Lacey Road - Environmental Assessment

### Redevelopment Projects



Ogden Avenue Corridor  
1 of 4

### Redevelopment Projects



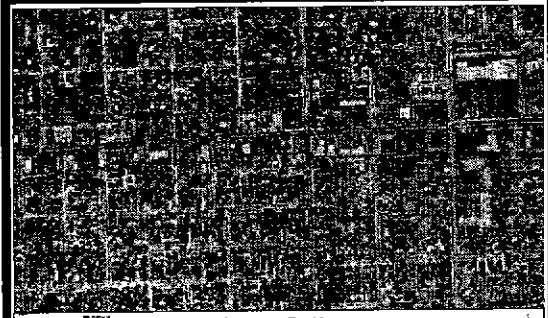
Ogden Avenue Corridor  
2 of 4

### Redevelopment Projects



Ogden Avenue Corridor  
3 of 4

### Redevelopment Projects



Ogden Avenue Corridor  
4 of 4

## Financial Performance

- EAV Increase from \$29.32 Million to \$36.95 Million (26%) Since TIF Was Created.
- EAV Increase for the Previous 4 years was 8.7%
- Sales Tax Increase from \_\_\_\_ to \_\_\_\_ (%).

## Financial Performance

Year	Initial Frozen EAV	Current EAV	Incremental EAV	Incremental Tax Revenue	Expenses	Difference
2021	\$29,321,028	\$31,228,716	\$1,906,688		\$26,317	-\$26,317
2022	\$29,321,028	\$31,481,557	\$2,160,529	\$113,622	\$41,827	\$71,795
2023	\$29,321,028	\$34,299,826	\$4,977,998	\$271,740	\$64,739	\$197,001
2024	\$29,321,028	\$36,951,774	\$7,630,746	\$361,448	\$11,996	\$349,452
Total			\$16,674,713	\$673,188	\$239,879	\$433,309

## Financial Performance

Project	TIF Assistance	NPV of TIF Revenue Stream	Net Impact to the TIF
Blk Kay Nisam	\$779,937	\$13,1824	-\$746,753
Gamer Sub	\$0	\$351,012	\$351,012
Luxury Motors	\$0	\$171,025	\$171,025
MFL America Bank	\$0	\$15,537	\$15,537
Jewel PCS	\$0	\$431,075	\$431,075
Total	\$779,937	\$1,068,653	-\$280,284

## Grant Funding

- IEPA Brownfield Remediation Grant (Lacey Road Site) - \$57,413
- Illinois Tomorrow Grant (Design Standards) - \$135,000
- Integrated Corridor Management Module Grant (Redevelopment Guidelines) - \$44,478
- CMAQ Grants (Street Signs, Curb Cut Elimination) \$333,000
- STP Grant (Sidewalks) - \$755,000

## Financial Performance

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- NPV of TIF Obligations of \$280,000.
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## Potential Public Projects

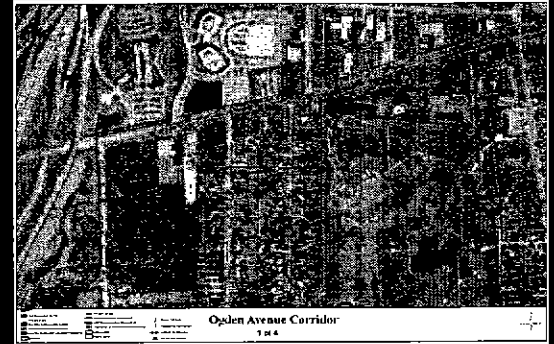
- Overhead Utility Burial
- Streetlight Installation
- Gateway Signage Installation
- Improved Sidewalk Design

## Short Term Redevelopment Opportunities

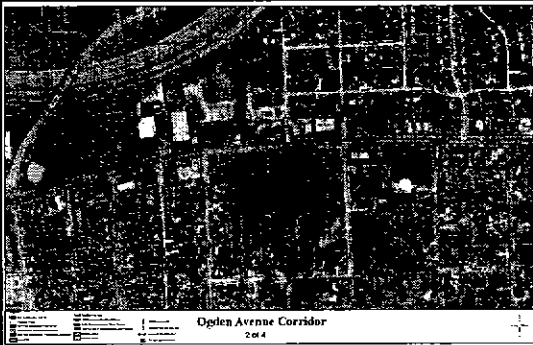
- Lacey Road site
- Shell Property at Fairview
- NWC Main & Ogden
- Vacant Building at NWC Cumnor



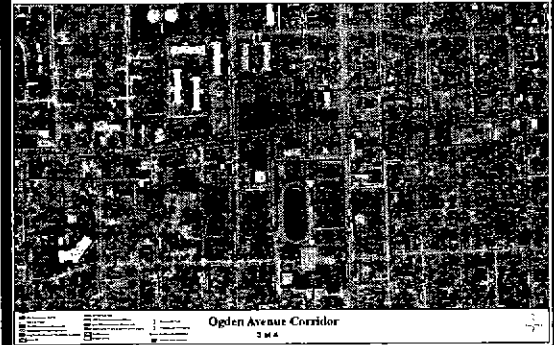
## Redevelopment Opportunities



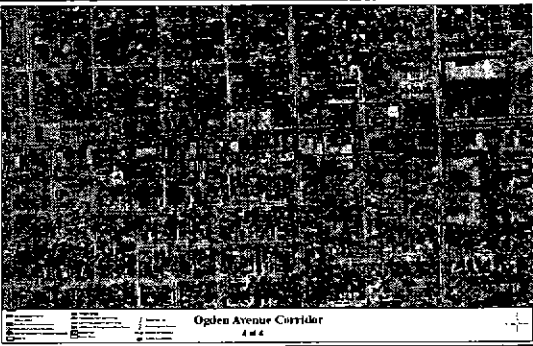
## Redevelopment Opportunities



## Redevelopment Opportunities



## Redevelopment Opportunities



## Constraints

- Ogden Avenue is a State Route
- Lack of Sufficient ROW
- Environmental Contamination
- Lack of Lot Depth
- Multiple Ownership
- Low Cash Balance
- Antiquated Codes
- Trade Area Competition

### Ogden Avenue TIF Goals and Objectives

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