

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
6/20/2023

SUBJECT:	SUBMITTED BY:
Meadowbrook Inducement Resolution	David Fieldman Village Manager

SYNOPSIS

An Inducement Resolution Relating To The Possible Adoption Of Tax Increment Financing For The 2023 Meadowbrook Shopping Center TIF District

STRATEGIC PLAN ALIGNMENT

The goals for 2021-2023 include *Strong, Diverse Local Economy*.

FISCAL IMPACT

No fiscal impact to the Village. Approval of the Resolution will allow the developer to incur TIF-eligible costs prior to the creation of the TIF District and the execution of a Redevelopment Agreement which will be reimbursed from the property tax increment generated by the project.

RECOMMENDATION

UPDATE & RECOMMENDATION

This item was discussed at the June 13, 2023 Village Council meeting. Staff recommends approval on the June 20, 2023 Active Agenda.

BACKGROUND

Meadowbrook Shopping Center is located at the southwest corner of 63rd Street and Woodward Avenue. It is currently improved with in-line buildings totaling 189,000 square feet of tenant space and one vacant, dilapidated out-building. The property was recently purchased by Stellco Properties in Naperville. The revitalization project, which will be completed within four years of the execution of a redevelopment agreement, will result in:

- A 15,000 square foot grocery store or retail store in the in-line buildings
- Three (3) new outlots with a minimum of 8,400 square feet leased to sales tax producing tenants
- Reconstruction of the existing parking lot including installation of landscaping throughout
- New facades on all four sides of the in-line buildings

The Tax Increment Financing District would include only the Meadowbrook Shopping Center properties and the adjacent public rights-of-way. The owner/developer will be responsible for preparing the documents required for the creation of the district. The district should be established in early 2024 and construction is expected to commence immediately upon creation of the district.

The developer will be incurring TIF-eligible costs including the preparation of TIF reports, architectural and engineering plans and other related items between the time the Village Council directs staff to prepare a TIF District and negotiate a Redevelopment Agreement and the date that these documents are approved in final form. Adoption of the Resolution allows the developer to be reimbursed for these costs from the TIF district.

ATTACHMENTS

Resolution

VILLAGE OF DOWNERS GROVE
COUNCIL ACTION SUMMARY

INITIATED: Village Attorney DATE: June 20, 2023
(Name)

RECOMMENDATION FROM: _____ FILE REF: _____
(Board or Department)

NATURE OF ACTION:

STEPS NEEDED TO IMPLEMENT ACTION:

- Ordinance
- Resolution
- Motion
- Other

Motion to Adopt "THE VILLAGE OF DOWNERS GROVE, ILLINOIS INDUCEMENT RESOLUTION RELATING TO THE POSSIBLE ADOPTION OF TAX INCREMENT FINANCING FOR THE 2023 MEADOWBROOK TIF DISTRICT", as presented.



SUMMARY OF ITEM:

Adoption of this resolution shall adopt the Village of Downers Grove inducement resolution for the possible adoption of the Meadowbrook TIF District.

RECORD OF ACTION TAKEN:

RESOLUTION NO. _____**VILLAGE OF DOWNERS GROVE, ILLINOIS
INDUCEMENT RESOLUTION RELATING TO THE POSSIBLE ADOPTION
OF TAX INCREMENT FINANCING FOR
THE 2023 MEADOWBROOK TIF DISTRICT**

WHEREAS, the Village of Downers Grove, Illinois (the “Village”) is a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health safety, morals, and welfare; and

WHEREAS, the Village is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 11-74.4-1, et seq. (the “TIF Act”), to finance redevelopment project costs in connection with redevelopment project areas established in accordance with the conditions and requirements set forth in the TIF Act; and

WHEREAS, the Village hereby finds and determines that the financing intended herein will serve the public purposes of the Village; and

WHEREAS, the Village desires to redevelop an area referred to as the proposed 2023 Meadowbrook TIF District Redevelopment Project Area generally bounded on the west by Belmont Road, the north by 63rd Street, the east by Woodward Avenue, and on the south by the north lines of Prentiss Creek Resubdivision, recorded in the Office of the DuPage County Recorder of Deeds as Document No. R2012-022399; and

WHEREAS, it appears that the area cannot be redeveloped without the adoption of a tax increment financing plan pursuant to the TIF Act; and

WHEREAS, pursuant to the TIF Act, to implement tax increment financing, it is necessary for the Village to adopt a redevelopment plan and project, and designate a redevelopment project area on the basis of finding that the area qualifies pursuant to statutory requirements, and make a finding that the redevelopment project area on the whole has not been subject to growth and development through private enterprise and would not reasonably be anticipated to be developed without the adoption of a redevelopment plan, which plan contains a commitment to use public funds; and

WHEREAS, time is of the essence due to redevelopment interest and needs in the subject redevelopment area; and

WHEREAS, the Village will expend funds in the investigation of a potential Tax Increment Financing District, including, but not limited to, legal, engineering, planning and other consultants which would be eligible to be paid as eligible redevelopment project costs in the event the Tax Increment Finance District is created and as permitted by the TIF Act (the “Village’s Potential Eligible Costs”); and

WHEREAS, in reliance upon the Village’s commitment to explore the issue of creating a Tax Increment Finance District, Developer(s) may expend money with respect to the following expenses, including, but not limited to, engineering, legal, design, remediation, property acquisition and other expenses which could be reimbursed if a Tax Increment Finance District is created and as permitted by the TIF Act (the “Developer’s Potential Eligible Costs”); and

WHEREAS, this Resolution does not obligate the Village to create a Tax Increment Finance District, nor shall it obligate the Village to enter into an Redevelopment Agreement (“RDA”) with a Developer, but rather, it is intended to induce Developer(s) to pursue plans for redevelopment and to provide for the potential reimbursement of the Village’s Potential Eligible Costs and the Developer’s Potential Eligible Costs in the event such a Tax Increment Finance District is created, the costs are legally permitted to be reimbursed, and the Village agrees to reimburse such costs; and

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Downers Grove that

Section One: Incorporation of Recitals

The recitals set forth above are incorporated into this Section as if fully set forth herein.

Section Two: Property Review

Village staff has examined the proposed 2023 Meadowbrook TIF District Redevelopment Project Area and its condition and circumstances and, at this time, the Corporate Authorities conclude that it is reasonable to believe that a tax increment financing plan may be adopted for said proposed 2023 Meadowbrook TIF District Redevelopment Project Area and expenditures of development costs in furtherance of the Eligibility Study and Redevelopment Plan and Project and potential development may be allowable “redevelopment project costs” under the redevelopment plan, provided however, that this resolution is not a guarantee that any such plan will be adopted, or that any such costs will be allowed as “redevelopment project costs” but rather, is an expression of the intent to consider that possibility in the event that a TIF District is created.

Section Three: Inducement

This Resolution is adopted for purposes of inducing the Village and Developer(s) to proceed with the potential redevelopment of the proposed 2023 Meadowbrook TIF District Redevelopment Project Area and to incur costs pending the possible approval of a TIF district and an RDA.

Section Four: Reimbursement

In the event a Tax Increment Finance District is created over some or all of the proposed 2023 Meadowbrook TIF District Redevelopment Project Area, the Village may consider making reimbursement for a developer’s Potential Eligible Costs and the Village’s Potential Eligible Costs to the extent approved by the Village and authorized by law. In the event that no Tax Increment Finance District is created over some or all of the proposed 2023 Meadowbrook TIF District Redevelopment Project Area, the Village shall in no way be obligated to reimburse any developer for any of its costs or expenses.

Section Five: Authorization

The Corporate Authorities hereby authorize and direct the Village Manager or his/her designee to draft and execute all necessary documents and perform all necessary tasks to effectuate the intent of this Resolution. The Village Clerk is hereby authorized and directed to attest to, countersign, and affix the seal of the Village to all such documents as are deemed necessary.

Section Six: Other Actions Authorized

The officers and employees of the Village shall take all actions reasonably required or necessary to carry out and give effect to the intent of this Resolution and otherwise take all actions necessary in conformity therewith including, without limitation, the execution and delivery of all documents required to be delivered in connection with the actions contemplated herein.

Section Seven. This Resolution and every provision thereof shall be considered severable, and the invalidity of any section, clause, paragraph, sentence or provision of this Resolution shall not affect the validity of any other portion of this Resolution.

Section Eight. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

Section Nine. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Mayor

Passed: _____

Attest: _____
Village Clerk