



The City Newsletter

Elmhurst

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Issue 1



T.I.F. Districts

A Community Development Tool

What exactly is Tax Increment Financing?

T.I.F. is a tool used by local government to fund public investment in a particular area slated for redevelopment. The establishment of a T.I.F. District allows the City to capture, for a designated time period, the increased tax revenues that result if the redevelopment stimulates private investment in the area. Private investment contributes to a higher tax base within the area and the increased tax revenues are placed in a special fund earmarked for certain public purposes, as permitted by law. Tax Increment Financing provides local government a way to revitalize the community without imposing increased property taxes on the entire community. The establishment of a T.I.F. District also offsets, in part, the federal and state funds no longer available to communities.

Where are the T.I.F. Districts in Elmhurst located?

Elmhurst's first T.I.F. District (T.I.F. I) was established in 1986 in the Central Business District. T.I.F. II was created in 1993 in the Lake Street area in north Elmhurst and T.I.F. III in 1996 in the area of Illinois Route 83 and St. Charles Road.

How does T.I.F. work?

A number of steps are involved in Tax Increment Financing:

- A potential T.I.F. District is identified based on certain criteria, such as age and obsolescence of structures, deterioration, code violations, inadequate utilities, lack of community planning, etc.
- A redevelopment plan is adopted, including such goals as property acquisition; renovation of existing buildings; construction of infrastructure improvements; architectural, engineering, legal, marketing and financial planning; demolition and site preparation; etc.
- The tax base is frozen at the most recent equalized assessed value (EAV) and the incremental tax (the difference between the frozen tax base and subsequent EAV increases due to the T.I.F.) is collected and used for further improvements.

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Character Counts in Elmhurst

Not Just for Kids

The nationwide character development initiative, Character Counts!, has been adopted by the Elmhurst community. Character Counts in Elmhurst seeks to integrate the core ethical values of trustworthiness, respect, responsibility, fairness, caring and citizenship into government, schools, sports, religious institutions and the business community. In Elmhurst, the goal is for citizens of all ages to know, understand and implement these six pillars in their lives and interactions with others.

The Character Counts in Elmhurst coalition includes the City of Elmhurst, Elmhurst School District 205, the Elmhurst Park District, the Elmhurst Chamber of Commerce and Industry, the Elmhurst Public Library and many other individuals, businesses and organizations interested in promoting character-building in the community. The City officially kicked off the program in Elmhurst by proclaiming the month of October 2003 as Character Counts in Elmhurst month. Since then, the coalition and its members have initiated a number of programs and events to involve both children and adults in activities and special events that build character awareness. The following list includes a few of the many exciting developments in Character Counts in Elmhurst:

- A speaker's bureau provides suggestions to local organizations, businesses and groups for incorporating the six pillars into their activities.
- A photography contest for children and adults encourages contestants to think about the six pillar words, what they mean to the individual and how

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- When the T.I.F. is terminated, all taxing bodies receive tax revenue based on the full value of the improved properties.

What effects does the establishment of T.I.F. have on the redevelopment area, on homeowners within the community and on other taxing bodies?

- Blighted conditions in the redevelopment area are addressed. The EAV within the T.I.F. District increases and private investment is encouraged.
- The effect on homeowners is neutral in the short term, but in the long term, higher EAV within the City lessens the tax burden for individual property owners.
- Other taxing bodies, including school districts, park districts and libraries, may experience a modest loss in inflationary growth initially as they continue to receive tax revenue on the base EAV. In the long term, all taxing bodies benefit from increased tax revenue based on a healthier tax base.

What has been accomplished in the City's T.I.F. Districts?

- In T.I.F. I, increment funds have been used for streetscape improvements, facade renovation, additional parking, property acquisition, professional services, etc. Future projects will include additional streetscape work,

parking lot and parking deck improvements, utility upgrades, facade grants to business owners and retail business grants to encourage economic growth. Private investment in this area has led to the construction of a number of retail, commercial and multi-family residential projects. T.I.F. I experienced a 177.3% increase in EAV between 1985 and 2002. (Prior to the T.I.F. implementation and City action, the Central Business District EAV actually decreased in some years.) Retail sales have increased by over \$11 million during that time.

- The T.I.F. II area has seen the construction of a new hotel, a new car dealership, a bank and a number of other businesses in the last ten years. Improvements have been made in streetlighting, roads and other types of infrastructure. The area experienced a 160.4% overall growth in EAV between 1992 and 2002. Retail sales almost tripled during that time and over \$98,000 in hotel tax revenue was generated in fiscal year 2002-03 alone.
- T.I.F. III has experienced an impressive amount of private side development since its inception. The relocation of the City's public works facility made land available for a new grocery store and a number of other successful businesses. The demolition of the old grocery store and a large lumber/hardware store freed space for the construction of two large retail businesses. T.I.F. III experienced a 198.9% growth in EAV from 1995 to 2002. Retail sales increased from \$38 million in 1996 to over \$83 million in 2002.

The bottom line is that Tax Increment Financing benefits the residents, the taxing bodies and the business community of Elmhurst. T.I.F. finances upgrades to critical infrastructure systems, stimulates private investment in the community, increases EAV citywide, thereby lessening the tax burden for individual property owners, and increases revenues in the long run for all the community's taxing bodies.



Character Counts

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they might be pictured through the art of photography.

- The winter reading program at the Elmhurst Public Library includes a large selection of books featuring "characters with character," whose actions reflect the "Six Pillars of Character."
- Classroom discussions in District 205 schools highlight the core ethical values, and the principles of Character Counts are emphasized through assemblies, skits, songs, banners, activities and even the "Character Counts! Shuffle."
- The Board of Directors of the Chamber of Commerce has endorsed the program, contributed financially to the cause and encourages its members

to sign an agreement to run their businesses in accordance with the six core values.

- Plans are being put in place by the Elmhurst Park District to incorporate Character Counts into their daily programming and preschool curriculum, and to funnel information about the program to affiliate groups involved with recreational programming.
- All Elmhurst police officers have received training in the principles behind Character Counts and an awareness of their responsibility to lead by example. By the very nature of their duties, Elmhurst police officers demonstrate the six pillars of character on a daily basis.

For more information about how you, your organization or your business can get involved in Character Counts in Elmhurst, visit www.charactercountsinelmhurst.org or call 516-8869.