

DTOP Sub Area Plan
Steering Committee Meeting
October 11, 2005, 6:30 p.m.
Brooks Middle School

Present: Chair Bob Tucker, Ilhan Avcioglu, Doug Gilbert, Sonny Ginsberg, Colette Lueck, Rich Carollo, Steve Rouse, Lisa DiChiera, Greg Marsey, Ray Johnson, David Weindling

Absent: Carolyn Saxton

Village staff: Craig Failor, Doug Kaarre, Jim Budrick, Bob Clements

Motion by Rouse to approve the minutes of October 6, 2005. Second by Carollo. Motion approved.

Craig Failor, Village Planner, explained the contents of the meeting packet provided to the committee at the meeting. It includes a letter from DTOP; a draft memo to the Board from Bob Tucker with the committee's comments; the consultant reports; amendments to the put/call agreement; emails from the public; market research provided by DTOP; and a critique of consultant reports by Mike Iversen.

Chair Tucker stated that a member of the public had requested that the committee direct Village staff to review the reports submitted the consultant, as well as the critique of the Bauer Latoza report from Mike Iversen, to ensure they are accurate.

The committee agreed to direct staff to conduct those reviews.

Lisa Lyons, Ellers & Associates, conducted a TIF (tax increment financing) analysis of the revenue streams that are potential from the development plan presented last week. The analysis also includes an "as is" scenario. The numbers are presented first annually and then a total figure for the balance of the TIF period. She looked at three phases – two are Taxman and Village-owned projects and the third is by other developers. In the "as is" scenario, the Shops of Oak Park generate \$245,000 in property tax revenue annually, resulting in \$2.3 million over the rest of the TIF period. The buildings being retained in the plan (combined) generate \$341,000 in revenue annually, resulting in \$3.3 million over the rest of the TIF period. If there is no development in the rest of the TIF, annually it would be over \$900,000 and \$3.1 million over the rest of the TIF period. If everything stayed the same there would be \$8.7 million in revenue over the rest of the TIF period.

She used the discussion plan, which includes new residential and a 600-car parking garage. She provided a summary of EAV (equalized assessed valuation), which allows for some being removed and some from new development. Phase I is for a garage, a new street and two new buildings, which is \$222,000 annually and \$2.8 million over the TIF period. This includes lost EAV and new revenue. Phase II is two more new buildings, which is \$3.8 million annually. Phase III is two more buildings, which is \$4.7 million annually. The total for all three phases is \$11.4 million annually.

Following this scenario, the Shops and retained buildings are valued at \$17 million over the TIF period. This is double the “as is” scenario.

Mr. Rouse asked if there is a goal to shoot for regarding the projected TIF revenue generated? Is doubling good?

Lisa Lyons stated that you should at least match the “as is” scenario. Other projects may take money away.

Mr. Rouse asked if her analysis included the Marion Street re-design.

Lisa Lyons stated that it did not include them or improvements to retained buildings.

Mr. Rouse asked if you could assume a greater return with the Marion Street improvements.

Lisa Lyons stated yes, as it would result in higher rents and less vacancies.

Mr. Gilbert asked how the analysis would be impacted if the Village purchased and rehabbed the Colt Building using TIF funds.

Lisa Lyons stated that the property would be tax-exempt while the Village owned it. It would draw down from the \$17 million revenue stream.

Mr. Ginsberg stated that the rehab would also reduce the EAV.

Mr. Johnson asked how the tax reassessments would impact the projections.

Lisa Lyons stated that there would be some enhancement of value after each triennial assessment – roughly 8-10%.

Mr. Johnson asked how these projections compare to the CA plan’s public/private ratio?

Lisa Lyons stated that she would have to look at that further. She will provide that information in her presentation to the Board.

A member of the public asked if the \$17 million is what is available for subsidies/public improvements or are there other rules as to what can be used, such as bonding capacity.

Lisa Lyons stated that 80% is bondable. If you remove commitments to other taxing districts, 60% is committed. There are other ways to pay under bonding.

Gary Schwab asked if the Shops pay \$60,000 more in taxes than the Colt Building?

Lisa Lyons stated that it is an incremental revenue, not a straight assessment.

Gary Schwab asked what the \$245,000 figure was based on.

Lisa Lyons stated that its calculated by the EAV plus the development which gives you the incremental EAV. It is the same calculation for the Colt Building.

Gary Schwab stated that the Shops are new and on a bigger parcel of land but don't pay much more in taxes. Infrastructure and subsidy costs weren't looked at. If all this is built, we get more revenue. If all this was developed on the Shops site without demolition of other structures, could we get the same increase in revenue?

Lisa Lyons stated that it depends on the EAV, but she would doubt it. Anything's possible, but it depends on the underlying EAV, which drives the revenue.

Barbara Furlong asked if "current" heading in Table 4 used 2004 figures or the new reassessment figures.

Lisa Lyons stated that she used the 2004 figures.

Mr. Avcioglu asked if the TIF is more beneficial for new construction rather than rehab or historic preservation?

Lisa Lyons stated that its based on what's there before the improvements. The increment of EAV is less than starting with a vacant lot. Higher rents and lower vacancies drive the value.

Mr. Avcioglu asked if TIF money is used more often for new development rather than historic preservation.

Lisa Lyons stated that there are over 1000 TIF districts in Illinois. What she has seen as the best approach is to balance preservation and adaptive reuse with new investment.

Vince Michael stated that TIF money is the pre-eminent historic preservation tool in Chicago.

Lisa Lyons stated that she has worked on several TIF projects in Chicago, such as Medinah Temple and the Blackstone Hotel in the Central Loop TIF. The historic preservation goals and infrastructure improvements are all paid by the large new investments in the Loop.

Mr. Johnson stated that Oak Park has carve-out agreements with the schools. They try to use the TIF both ways. An example is the Drechsler Building which was restored along with new development. The Board is trying to move out of the property acquisition arena into the capital improvement arena.

Chair Tucker provided a revised discussion plan updated by Doug Gilbert based on last week's comments.

Motion by Rouse to adjourn. Second by Carollo. Motion approved.
Adjourn at 9:00 p.m.

Minutes prepared by Doug Kaarre