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CITY OF WARRENVILLE TAX INCREMENT FINANCING REDEVELOPMENT PROJECT ASSISTANCE POLICY

(Endorsed by the City Council on March 20, 2017)

PURPOSE

To provide guidelines for efficient and consistent City Council decision making and improve the City's ability to clearly and proactively communicate its position on potential Tax Increment Financing (TIF) assistance to developers, businesses, and property owners during the early stages of proposed redevelopment projects.

OVERALL POLICY GOALS

Strategically allocate TIF assistance to 1) facilitate private investment; 2) support high quality, coordinated, and catalytic redevelopment projects; and 3) implement new public improvements consistent with the City TIF Redevelopment Plans (TIF Plans), and other key policy documents, including the Old Town/Civic Center Subarea Plan, Southwest District Subarea Plan (Subarea Plans), and the Strategic/Economic Development Plan.

TIF ASSISTANCE GUIDELINES

GENERAL/ADMINISTRATIVE

TIF Redevelopment Project Proposal Forms and Submittal Requirements:

- Private redevelopment project proposals shall be submitted on forms provided by the City and shall include documentation from the applicant explaining the basis and need for the redevelopment project TIF assistance (TIF assistance) request and identifying the public benefit(s) that would be realized if the requested assistance is approved. Detailed redevelopment project proposal requirements are available from the Community Development Department.
- An initial review fee in an amount equal to the greater of \$1,000 or 2% of the total amount of requested TIF assistance, capped at a maximum of \$7,500, shall accompany all redevelopment project proposal submittals. Review fees will be used to cover consulting and legal costs incurred by the City during its initial review of individual TIF redevelopment project proposal submittals. If the City Council determines a specific proposal is worthy of TIF assistance and authorizes negotiation of a redevelopment agreement (RDA), the applicant shall execute a promissory note committing to reimbursement of City out-of-pocket legal and consulting costs incurred during the RDA preparation, negotiation, and approval process. The required promissory note shall be submitted prior to commencement of detailed City RDA actions.
- Promissory notes and TIF RDAs shall be in the City's approved form and format.

TIF Redevelopment Project Proposal Submittal Processing:

- The City Council’s Economic Development Representatives (EDR) will lead the review of TIF redevelopment project proposal submittals. The EDR will prepare and present project-specific TIF assistance recommendations for City Council review and final action.
- No TIF assistance will be provided unless the proposed redevelopment project and related improvements, which are the subject of the TIF assistance proposal, are substantially consistent with and materially advance the goals and objectives established in the City’s TIF Plans, Comprehensive and Subarea Plans, and Strategic/Economic Development Plan.
- TIF redevelopment project proposals the City determines will likely catalyze other desirable and significant private redevelopment projects will receive special consideration and priority processing.

CITY PRIORITIES FOR TIF ASSISTANCE (in order of City priority)

- Off-site public roadway, sidewalk, multi-use trail, and utility- (i.e. storm sewer, water main, and sanitary sewer main) related design and construction costs not typically required or implemented in conjunction with a specific proposed redevelopment project.
- Oversizing on-site public improvements to benefit off-site properties. TIF assistance would be associated with the additional costs incurred attributable to the off-site benefit only.
- Costs associated with paying the fair market (appraised) value to assemble land as requested by the City, as recommended in Subarea Plans, and when the fair market value of the land is materially higher than what would make financial sense for a private sector development project not receiving assistance. Assistance is to be used to close the financial “gap” between the fair market value of the property and what the property is worth as part of a redevelopment project, and to offset unique or extraordinary demolition, environmental remediation, and environmental mitigation costs that would otherwise prevent the City-requested land assemblage from being financially feasible in the absolute judgement of the City of Warrenville.
- Increased costs associated with moving and expanding an existing Warrenville business as part of a large-scale development or redevelopment project.
- Costs associated with providing or making non-required public open space and recreational improvements (this would only apply to public open space and other recreational amenities that would ultimately be owned by the City or other local governmental entities such as the Warrenville Park District, Forest Preserve District of DuPage County or DuPage County).
- Extra on-site stormwater detention/retention volume provided for regional benefits at the request of the City. TIF assistance would be associated with the additional costs incurred attributable to the off-site benefit only.
- Enhanced streetscape improvements requested by City. TIF assistance would be associated with the additional costs incurred attributable to City-requested public infrastructure enhancements that are not required under the City’s development regulations or typically installed in conjunction with non-TIF development projects. Examples include aesthetics enhancements such as City logos, public art/sculpture, decorative intersection lighting, community wayfinding or trailhead signage, decorative bridge pilasters, and special landscaping on public property or in public right-of-way.
- Brownfield remediation costs when these costs would otherwise prevent desirable development and redevelopment and such costs are not otherwise covered by other outside funding sources or grants.

- Commercial building facade improvement costs of local businesses within an existing TIF district will be reviewed on an individual case-by-case basis.
- Financing costs on actual money expended by a developer/property owner for items and improvements for which the City has approved TIF reimbursement assistance.

COSTS NOT APPROPRIATE FOR TIF ASSISTANCE

- Assistance will not be available for artificially inflated and unjustified (above fair market value) property assemblage costs.
- The cost of construction of new privately owned buildings.
- Normal and customary development and or business costs. This includes costs associated with the design and construction of public improvements that are required under existing City building, subdivision, stormwater management, zoning, and City Code regulations.

PREFERRED FORM AND STRUCTURE OF TIF ASSISTANCE

- City-approved TIF assistance will generally be structured in a manner that involves sharing back a portion of the TIF incremental revenue generated by the specific project for which the TIF assistance is granted, to offset specific TIF-eligible costs and expenses actually incurred and paid for by the owner/developer of the redevelopment project.
- Actual TIF assistance payments will be contingent upon actual TIF revenue availability, subject to the amounts allocated in the City's annual budget, and prioritized in accordance with existing City TIF commitments ("first-in" priority), including prior TIF assistance agreements, City projects and contractual commitments, other City agreements, and TIF Act obligations.
- All TIF assistance commitments and related payment obligations will be memorialized in TIF redevelopment agreements approved by the City Council and executed by the developer/property owner.
- A portion of the annual incremental revenue generated by individual projects will be retained for City TIF-eligible expenses, including but not limited to, City-hired TIF project consultants (such as civil engineers for infrastructure design and construction management, surveyors, real estate appraisers, and legal counsel) and City TIF projects (such as infrastructure construction or upgrades, pedestrian and bicycle trails) that benefit the larger area.

DISCLAIMER

The policy information contained in this document has been presented to and endorsed by the Warrenville City Council to support efficient and productive economic development and TIF redevelopment discussions between City representatives and individuals or entities considering investing in the City of Warrenville. It is not intended to establish a commitment or guarantee of the type, form, or level of TIF assistance the City may provide for a specific redevelopment project. TIF assistance requests received by the City will be reviewed on a case-by-case basis. Each request will be judged on its individual merit. The City reserves the right to deviate from the policy guidance provided in this document when it determines it is necessary or appropriate for the best interests of the overall community.