

DECATUR PROPOSED CENTRAL TIF PUBLIC MEETING

Monday, February 12, 2024



DECATUR PROPOSED CENTRAL TIF AGENDA

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I. Call to Order

1. Pledge of Allegiance
2. Introductions

II. Tax Increment Financing presentation

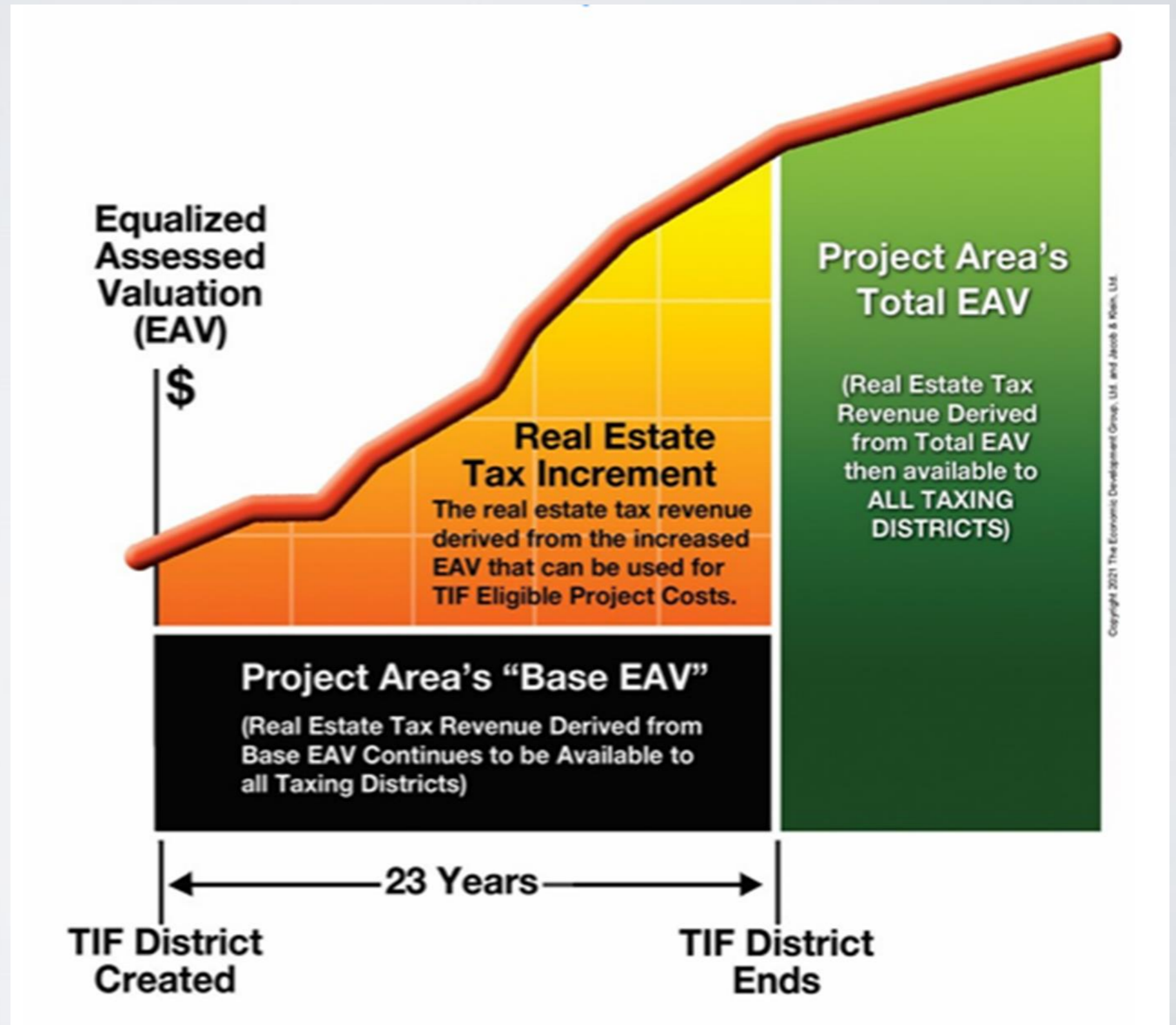
1. What is a TIF? Adam Stroud
2. How does a TIF Help Decatur's Citizens?



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What is a TIF?



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How Does TIF Generate Money?

1. Establish TIF area

(meeting statutory requirements)

2. Initial or “base” tax bill:

\$10,000 real property taxes
annually

3. Tax bill after project is completed:

\$30,000 real property taxes
annually

4. Tax increment calculation

\$30,000 Tax after project
-\$10,000 Tax on base EAV
\$20,000 Tax “increment”

5. \$20,000 tax increment annually

- Pay for eligible costs
- Pay-as-you-go or debt
- TIF funds must used in the TIF (some exceptions)

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TIF DISTRICTS IN ILLINOIS

“Real Estate Tax Increment
is used to reimburse
public and private
TIF eligible project costs.”

Types of TIF Eligible Project Costs

Pursuant to 65 ILCS 5/11-74.4-3(q)

- Studies, surveys, and other planning costs
- Professional services, such as architectural, engineering, accounting and legal fees
- Property assembly costs, including land & building acquisition, demolition and site preparation
- Rehabilitation, renovation & repairs to existing structures
- Marketing of vacant sites
- Affordable housing
- Financing costs
- Public costs, such as streets, sanitary sewer, water, stormwater facilities and reimbursements to other taxing bodies for capital expenditures that are in furtherance of the redevelopment plan



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TIF DISTRICTS IN ILLINOIS

“Tax Increment Financing
may be the
most widely used
local government
program for financing
economic development
in Illinois.”

✓ Most effective economic development
tool for:

- Improving deteriorated and blighted property conditions
- Repairing inadequate public infrastructure
- Stimulating new private investment
- Revitalizing downtowns
- Rehabilitating residential properties & neighborhoods
- Redeveloping commercial and industrial properties for retaining and creating job opportunities
- Expanding a stagnant real estate tax base

✓ Illinois Supreme Court in
Canton v. Crouch, 79 Ill. 2d 356 (1980):

“Stimulation of economic growth and removal
of economic stagnation are also objectives
which enhance the public [good].”



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TIF DISTRICTS IN ILLINOIS

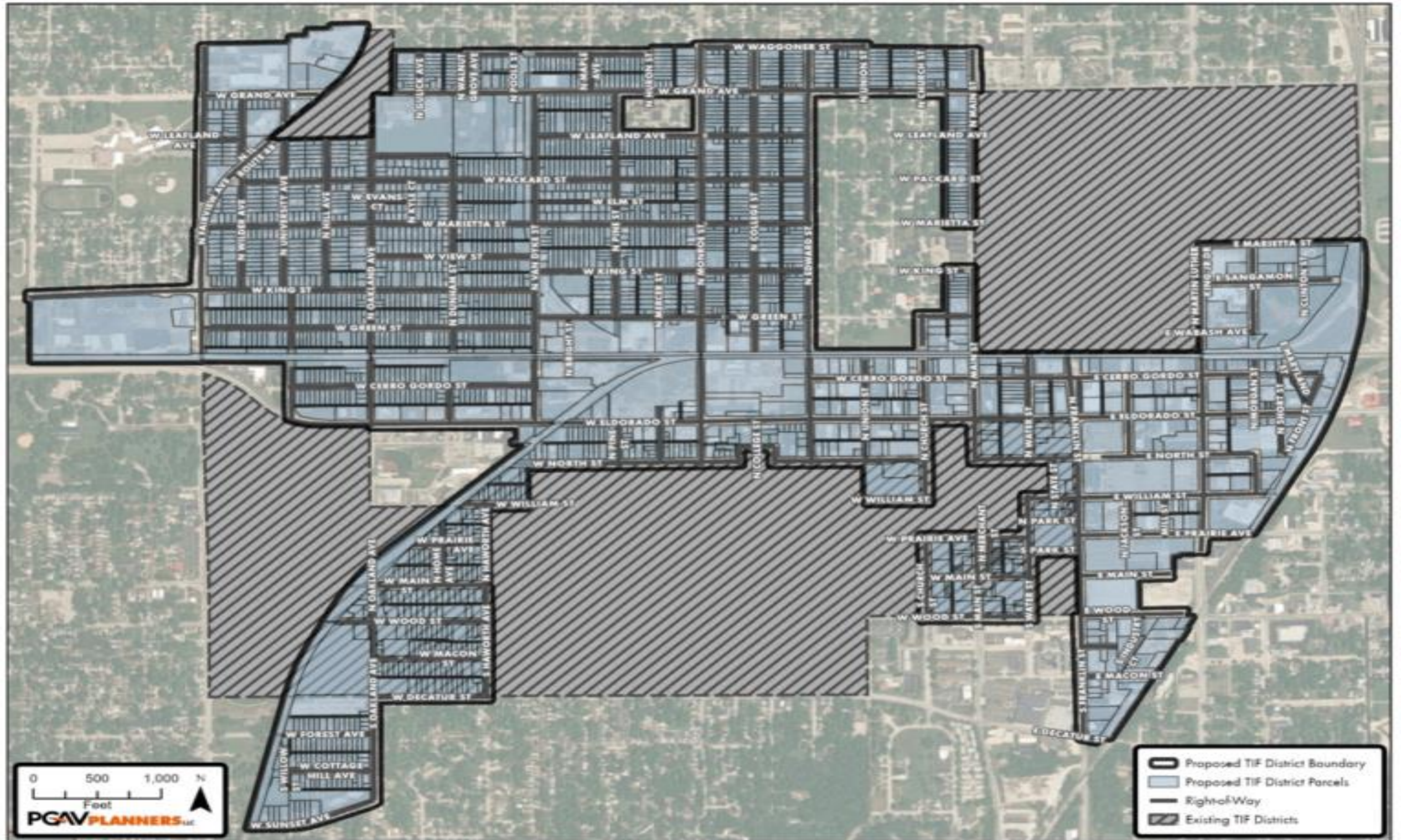
“Tax Increment Financing stimulates new private investment within qualified redevelopment project areas.”

“TIF Areas must be contiguous & exhibit characteristics of deteriorated or blighting conditions to a meaningful extent which are distributed throughout the Area.”



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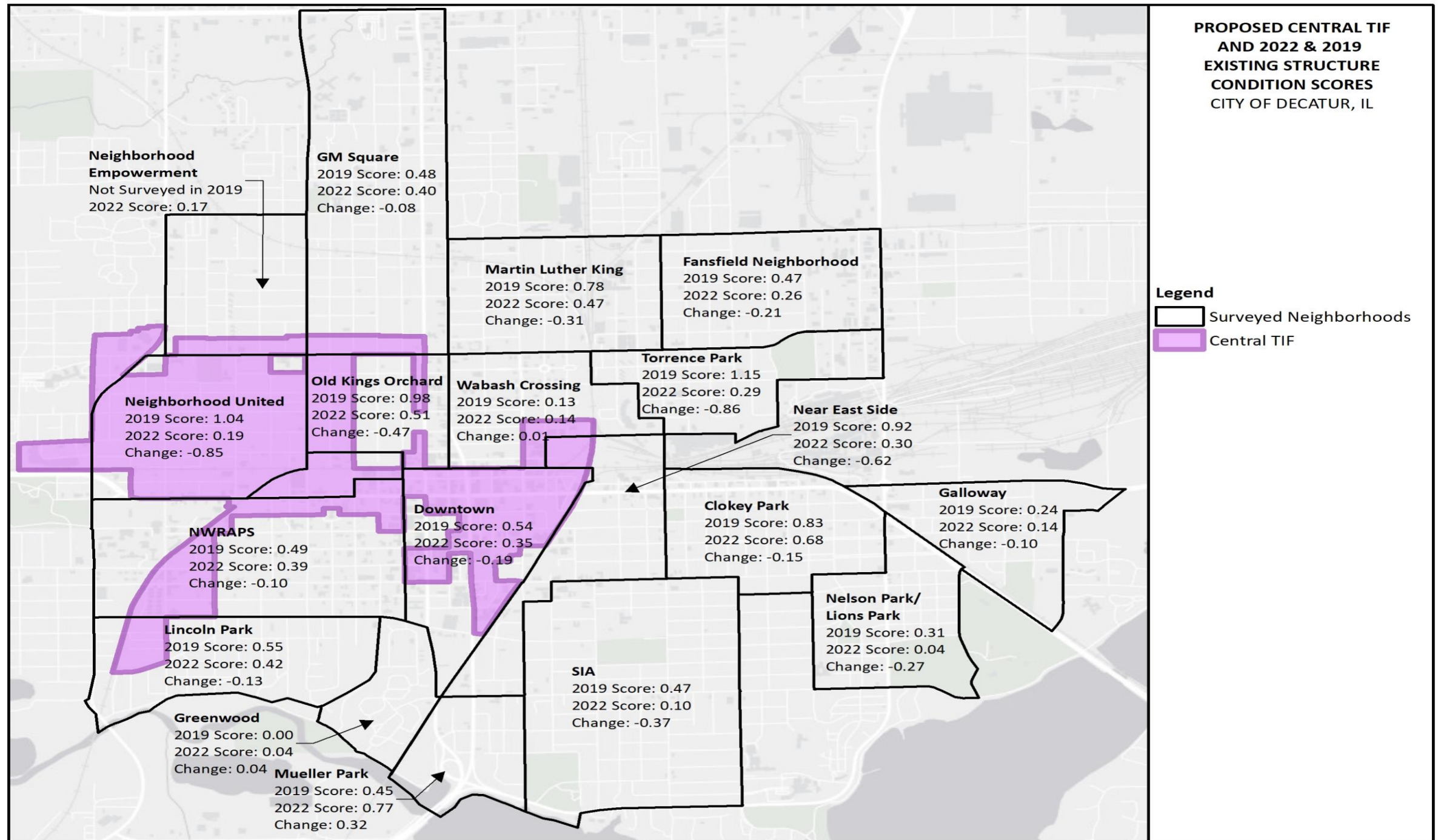
Attachment: Proposed TIF District Boundary Map



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Objectives Initiatives and Goals

Community Revitalization

- Pursue Demolition of Vacant and Abandoned Properties
- Improve Housing Stock by Providing Housing Rehabilitation Opportunities
- Consider Creative placemaking Opportunities in Public Spaces



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Objectives Initiatives and Goals

Economic Development

- Promote Façade Improvement Grants
- Build Small Business Capacity
- Utilize Traditional Pay-As-You-Go TIF Agreements for New Development
- Job Training Opportunities



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Objectives Initiatives and Goals

Transportation

- Ensure Safe Conditions, to include:
Utilities, Sidewalks, Streets, and Street Lights.
- Encourage Public Transit Use by Improving the Facilities



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ESTIMATED REDEVELOPMENT PROJECT COSTS Central TIF Redevelopment Project Area City of Decatur, Illinois	
Description	Estimated Cost ^{1, 2, & 3}
A. Public Works, Improvements, Sidewalks, Utility Infrastructure, Transportation/Parking Infrastructure	\$13,309,000
B. Property Assembly, Demolition, & Site Clearing	\$8,482,000
C. Building Rehabilitation/Retrofit	\$17,763,000
D. Relocation costs	\$914,000
E. Taxing District Capital Costs	\$914,000
F. Job Training	\$731,000
G. Interest Costs Incurred by Developers (30% of interest costs)	\$7,309,000
H. Planning, Engineering, Legal, & Professional Services	\$914,000
I. General Administration	\$914,000
J. Financing Costs	\$1,096,000
K. Contingency	\$3,654,000
Total Estimated Costs ⁴	\$56,000,000

Notes:

1. All costs shown are in 2023 dollars.
2. Adjustments may be made among line items within the budget to reflect program implementation experience.
3. Private redevelopment costs and investment are in addition to the above.
4. The total estimated redevelopment project costs shall not be increased by more than 5% after adjustment for inflation from the date of the Plan adoption, per subsection 11-74.4.5 (c) of the Act.

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See the full plan at:
Decaturil.gov/tif/

Public Comments

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