

Just the facts...

Proposed Downtown Redevelopment Project

Development Partners

Preferred Development

Chicago-based development firm. Purchasing the property on the NW corner of Island and Wilson. Coordinate move with McDonald's and construct recreation facility, parking deck and retail.

Batavia Park District

Own & Operate 62,000 sq ft recreation and community center on NW corner of Island and Houston.

City of Batavia

Own 200+ parking deck.

McDonald's

Would build a new McDonald's on the corner of NW corner Wilson & Island with a double drive thru system.

Information Compiled by:

City of Batavia

Economic Development

100 North Island Avenue
Batavia, IL 60510

Phone: 630-454-2000

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www.cityofbatavia.net/business



Proposed Project Includes:

McDonald's

- Construction of an updated restaurant at the NW corner of Island and Wilson with a double drive thru system

Recreation & Community Center

- Construction of a 62,000 sq ft facility that will include a fitness center, gymnasium, 6 lane swimming pool, programmable rooms for various classes, meeting rooms and offices

New Retail

- Construction of a 5,000 sq ft space on Wilson St

Public Parking

- Construction of a 200+ space public parking deck to service the retail space, recreation center and community events

Elimination of the current property on NW corner of Island and Wilson

City's Estimated Investment

Estimated Cost

- 50% of the Parking Deck (including land purchase) and 16% of the retail space construction costs totaling an estimated \$5.6 Million, including interest and construction management costs. Land purchase price includes elimination of environmental contamination on the site.
- The retail space would be sold to a private operator, so some of those costs would be recouped.
- The City and Park District would jointly maintain the parking deck, but it would be open to general use by the public.

Where is the money coming from?

- The City would be paying for this project with TIF revenues. The two TIF districts currently generate approximately \$926,000 annually. These funds are generated by increased property values in the TIF from projects such as the Quarrystone Pond Condominiums and Waterford Townhomes, both projects were assisted by the TIF initially.
- The estimated annual bond payment for the City is \$350,000 for 16 years.
- TIF #1 expires in 2024 and TIF # 3 expires in 2027.
- Currently the property on the NW corner of Island and Wilson generates no TIF revenue as it is depressed in value to such a large extent below its value at the time the TIF was created. Therefore, there is no loss in positive TIF revenue as a result of the project.

Just the facts...

What is a TIF District?

Eligible Uses for TIF Monies

- The administration of a TIF redevelopment project
- Property acquisition
- Rehabilitation or renovation of existing public or private buildings
- Construction of public works or improvements
- Job training
- Relocation
- Financing costs, including interest assistance
- Studies, surveys and plans
- Marketing sites within the TIF
- Professional services, such as architectural, engineering, legal, and financial planning
- Demolition and site preparation

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Tax Increment Financing District

Tax Increment Financing, or TIF, is a development tool that local governments can use to make improvements to areas that meet certain standards set by the state funding law. Improvements may include new roads or sewers, and financial incentives to attract new businesses or help existing businesses stay and expand. And TIF does this without tapping into general municipal revenues or raising taxes.

A tax increment is the difference between the amount of property tax revenue generated before TIF district designation and the amount of property tax revenue generated after designation. Only the new property taxes generated by the incremental increase in the value of these properties after the TIF is established are available for investment in the TIF.

Properties that do not increase in property value or even decline in property value do not increase the funds in the TIF district.

Illinois law allows a TIF district to exist for a period of up to 23 years. At the end of the period all of the taxing bodies benefit from the new tax growth. Batavia currently has two (2) active TIF districts. TIF #1 expires in 2024 and TIF # 3 expires in 2027.

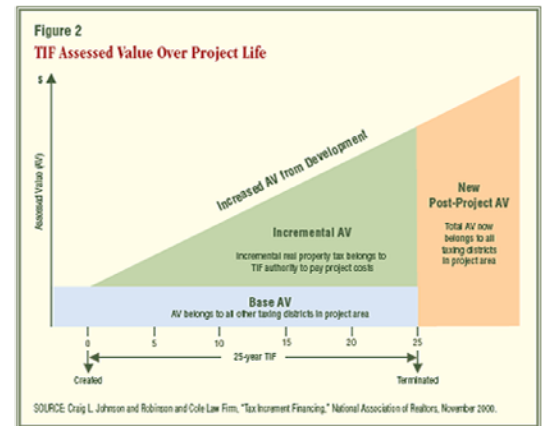
How does Batavia utilize TIF funds?

Batavia has utilized TIF for public improvements including streetscape design, etc, etc. TIF funds have also been utilized in revitalization projects including the Façade Improvement Grant program and the Downtown Improvement Grant program. Individual redevelopment agreements have also been utilized for projects larger than the existing grant programs.

Since 2009, over \$287,000 in public funds helped leverage nearly \$1,000,000 in private investment in downtown.

What projects are eligible for TIF funding?

Because there are limited expenses that TIF funds can be used for (see *Eligible Uses for TIF Monies*) the City Council evaluates projects on several different criteria. Among other things the Council weighs the “but for” test, meaning would the project happen *but for* TIF assistance and whether the project supports downtown goals as set forth in the comprehensive plan.



Information provided by Illinois Tax Increment Association.
More information available at illinois-tif.com.