Topics to Cover

- Financial Environment Scan
- Community Benchmarking
- Business District Goals & Options
- Tax Increment Financing
- Discussion of Points of Concern
Financial Environment

- **Village Infrastructure** – Replacement Needed
  - Water Mains – Many exceed 100 years, water main breaks and occlusion. Estimated Repl. - $123M for remaining mains
  - Sewers
    - Sanitary – Lining system to extend life. Estimated Repl. - $1.5M
    - Storm – Newer system west of Green Bay, needed east of G.B. Est. $18M
  - Manholes – lining program occurring. No current estimate
  - Streetlights – wiring failing underground, poles strapped. No current estimate
  - Curb and Road Rehabilitation. No current estimate

- **Police Pension Obligation**
  - 2013= $365,391, 2019=$694,335, Funded ratio not improving and projected outflow exceeding $1M in eight years. (up $300k), liab. = $8.1M
  - Projected increasing capital and pension needs, limited options for additional revenue
Financial Environment

- **Expenditure Efficiencies**— regular review for opportunities
  - Water Plant Decommissioned
  - Joint Purchasing and Services
  - Outsourcing
  - Staffing Reductions

- **Daily Operations**— balanced budget. Immediate and future capital and pension requirements point toward additional funding need beyond resources.

- **Dependency upon Property Taxes**
  - Higher than other local communities
  - Due in part to lack of sales tax and transfer tax revenue
  - Lack of vitality in business district is impacting property taxes

- Need to diversify tax base and shift burden
Property Tax Percentage of Total Rev

Glencoe: 52%
Glenview: 42%
Kenilworth: 72%
Northfield: 31%
Wilmette: 29%
Winnetka: 20%

Property Taxes
Total Revenue
2018 Tax Rate Comp. by Village
2018 Taxes on $1.5M Home

Village of Kenilworth

Glencoe Glenview Kenilworth Northfield Wilmette Winnetka

Ptax $1.5M Local Tax Rate Village NT High School Elem/Middle
Business Dist. to Village EAV - 2018

The 0.23% drop between 2013 and 2018 equates to a loss of $82,759
Decline in Business District

• Identified in the 2008 Comprehensive Plan

• Top Cited Issue/Concern in Community Workshops (2006)
  • appearance / better uses / develop detailed plan / keep pedestrian oriented / better parking / better design and architecture.

• … out of sync with the character and architectural quality of Kenilworth’s residential neighborhoods

• … much of the corridor is ‘beyond repair’ and will require redevelopment to achieve any commercial revitalization and desirable aesthetic and character

• The plan noted that the lack of a vibrant business district had a negative impact upon property taxes – not diversifying tax base

• Obstacles to improvement were noted, but it was indicated that all could be overcome.

• AV vs. EAV
Goal for Business District

- From the Comprehensive Plan – primary objectives are to:
  - 1. Transform the corridor into a vibrant and mixed-use pedestrian-oriented district reflecting the Village’s overall character and quality;
  - 2. Provide opportunities for alternative housing options for Village residents; and
  - 3. Maximize the Village’s opportunity to diversify and strengthen its tax base by maximizing revenue opportunities.

- The vision was to accomplish the goals such that in 2025 – the commercial area had been transformed into a vibrant retail/mixed use corridor.

- Little progress has been made toward that vision

- As a result, residential property taxes are higher than neighboring communities.

- This further impacts desirability and home values.
Options for Business District

• **Special Service Area** – a tax overlay zone where additional property taxes are collected. This approach was likely to hasten decline as it increased tax burden in business district.

• **Village-wide property tax increase** – property taxes already highest in area, this approach would exacerbate problem.

• **Bond sale for specific projects** – difficult to time issuance with both need and bond rate projections. Funding too early – carrying costs, too late – lost opportunity

• **Grants** – most targeted toward transportation enhancements and public transit. (ITEP, STP, CMAQ) CDBG – Village not a target recipient.

• **TIF** – one of options presented in Comprehensive Plan. Smallest property tax impact of options, spread across larger base
Village of Kenilworth

Tax Increment Financing

• Economic Development Tool

• Designed to spur investment in business district

• Potential to increase vitality of district, improve overall EAV, and shift tax burden

• Village considering an incremental approach, vs. developer – driven TIF

• Village option to have a seat at the development table

• Village retains control of expenditure decisions

• Does not change development review process
# Development Review Process

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
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<tbody>
<tr>
<td>1</td>
<td>File Application with Administrative Official 35 Days Prior to Formal Consideration</td>
</tr>
<tr>
<td>2</td>
<td>Legal Notice and Notification to Property Owners - All property owners within 250 feet - Not less than 15 and not more than 30 days</td>
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<tr>
<td>3</td>
<td>Architectural Review Commission Public Hearing - ARC Approves or Denies Request for Certificate of Appropriateness</td>
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<tr>
<td>4</td>
<td>Plan Commission holds Public Hearing to Consider Special Use Permit Application - Makes Recommendation to Village Board</td>
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<tr>
<td>5</td>
<td>Village Board Considers Recommendation and Decides whether or not to Approve Ordinance Granting Proposed Special Use Permit and Grants Certificate of Appropriateness</td>
</tr>
<tr>
<td>6</td>
<td>Plan Commission holds Public Hearing to Consider Preliminary Planned Unit Development Application and ARC Input - Makes Recommendation to Village Board</td>
</tr>
<tr>
<td>7</td>
<td>Final Planned Unit Development Application Received</td>
</tr>
<tr>
<td>8</td>
<td>Architectural Review Commission - ARC Reviews and Provides Consulting Recommendations on Final PUD regarding whether proposed Final PUD conforms to Kenilworth Appearance Plan.</td>
</tr>
<tr>
<td>9</td>
<td>Legal Notice and Notification to Property Owners - All property owners within 250 feet - Not less than 15 and not more than 30 days</td>
</tr>
<tr>
<td>10</td>
<td>Plan Commission holds Public Hearing to Consider Final Planned Unit Development Application - Makes Recommendation to Village Board</td>
</tr>
<tr>
<td>11</td>
<td>Village Board receives Plan Commission recommendation and ARC input and makes determination on Final PUD Plan and Grants Certificate of Appropriateness</td>
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How TIF Can Help

- Provides new financial resources for:
  - Failing infrastructure – water mains, sewers, street lighting
  - Improved streetscape – sidewalks, benches, bike racks
  - Façade improvement grants
  - Economic Development
  - Environmental Cleanup
  - Development incentives (i.e., parking, public benefit)
  - Land purchase
  - Summary – helping reduce barriers to reinvestment in district
What is Not Planned

- No plans to take homes for parking lots
- No plans to issue TIF bonds
- No developer driving process
- Village is not in discussions/negotiations/planning process with any developer or individual
Current State

- Potential for TIF District discussed at six previous public meetings
- Draft ordinances presented June 17th
- Number of comments and questions received
- Most took form of solely encouraging a “no” vote
- Several expressing support or concern
- All reviewed and received by Village Board
- Homes west of alley – opt-in option
- Potential may exist to modify draft documents to address or moderate some concerns
- Recommend discussing concerns – determine if…
  - concern already addressed by existing ordinance/regulations/procedures
  - consensus to insert language to address concern
  - no need to take action on concern at this time
- Final consideration – July 15th – Meeting at Assembly Hall
Areas Expressed as Concern

• There is a concern that….
• A TIF District enhances the Village ability to take homes under eminent domain authority.
• A TIF District could cause a financial hardship for the school districts.
• The Village may undertake significant debt and not have the TIF resources to meet obligation.
• TIF Fund would not have adequate financial controls.
• No detailed plans for redevelopment of a specific property exist.
• Village Board may enter into secret deals which enhance developer profit.
• Village Board may expand scope of Redevelopment Plan or boundary if it is approved.
• The Village cannot succeed in improving business district.
• Proposed budget is not reflective of likely expenditures.
Next Meeting –
July 15th @ 7:30p

MEETING TO BE HELD AT THE KENILWORTH ASSEMBLY HALL