

## MEMORANDUM

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*To: Chairman Lorenzini and Members of the Redevelopment Commission*

*From: Bill Enright, Deputy Director of Planning and Community Development*

*Date: June 4, 2014*

*Subject: Redevelopment Commission Public Hearing: June 11, 2014*  
*▪Proposed Village of Arlington Heights Tax Increment Financing District*  
*Hickory Kensington Redevelopment Plan*

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Please find attached the proposed Hickory Kensington TIF District Redevelopment Plan and Project. Also attached are three proposed Ordinances which would establish the TIF District if approved. The purpose of the Redevelopment Commission is to conduct a public hearing to consider the Redevelopment Plan, proposed Ordinances, and the recommendation of the Joint Review Board (also included). The Redevelopment Commission, and the Joint Review Board, are advisory to the Village Board of Trustees.

### Background

In 2012, the Village held numerous public meetings with property owners and nearby residents to discuss the Hickory Kensington Area Plan. The Plan, which was approved by the Village Board in January 2013, amended the Village's Comprehensive Plan setting forth Goals and Objectives and specific Recommendations and Actions to implement the Plan. Recommendation #4 was to rezone the area to allow for residential and mixed use development up to five floors. The Village Board subsequently rezoned the area in June 2013, again after numerous public meetings.

Recommendation #7 is to evaluate the use of Tax Increment Financing to provide a mechanism to assist with redevelopment, including the provision of extensive public infrastructure in support of future redevelopment. The Village Board in July 2013, authorized hiring Kane McKenna and Associates to conduct a Qualification Report to determine if the area qualified as a Tax Increment Financing District pursuant to State law. The report was presented to the Village Board in November 2013, at which time the Board authorized Kane McKenna to draft the TIF Redevelopment Plan and for staff to commence the public process to consider a TIF District. A public meeting was held on April 2, 2014 as required by State Statute, in order to provide information on the proposed TIF District, to property owners within the proposed TIF District and the taxing districts. The meeting was attended by approximately 20 persons. Further, on April 21, 2014 the Village Board adopted Ordinance 14-011, fixing the time and place for the Redevelopment Commission public hearing.

### Summary

As outlined in the Redevelopment Plan and Project, the project area qualifies as a "conservation area" as more than 50% of the buildings are at least 35 years old and the area meets at least three of the qualifying criteria. It was found that 6 factors are present in the proposed TIF area those being: Lag In Equalized Assessed Valuation; Lack of Community Planning; Deleterious Land Use; Inadequate Utilities; Deterioration; and Obsolescence.

The Joint Review Board, consisting of the various taxing districts, met on May 7, 2014 and held a public meeting to evaluate the Plan and qualifying factors and has determined that the area does qualify as a conservation area as a TIF District. The Resolution (findings) of the JRB are included in the electronic packet.

As mentioned, the purpose of the Redevelopment Commission is to hold the public hearing to consider the TIF District Plan and to evaluate the Plan and whether or not the area meets the qualifying factors identified in the Plan. As outlined in the Plan, the area does qualify as a TIF District, and given the economics involved in redeveloping the project area, in particular the extensive infrastructure costs, it is recommended that the Village establish a TIF district to accomplish the goals and objectives set forth in the Plan.

### Recommendation

It is recommended that the Redevelopment Commission determine that the area qualifies as a conservation area and recommend approval of the Village of Arlington Heights Hickory Kensington TIF District Redevelopment Plan and Project and related Ordinances establishing a Tax Increment Financing District.

C: Bill Dixon, Village Manager  
Charles Witherington Perkins, Director Planning and Community Development