REDEVELOPMENT *Through* PARTNERSHIP

BUSSE/ELMHURST ROAD
TIF REDEVELOPMENT PROJECT

ELK GROVE VILLAGE, IL

POLISHING OUR CROWN JEWEL

For nearly six decades, Elk Grove Business Park has been the crown jewel of the Village. It's a leading hub in the state for both industry and employment. It is also a major reason the Village tax base has been strong, resulting in low property taxes for businesses and residents. The Village is taking proactive steps to protect and enhance its crown jewel.

THE CHALLENGE

- **Older buildings that have become obsolete.** From low ceiling heights to lack of loading docks, inefficient mechanical systems and other features, these aging structures simply aren't equipped to house modern-day operations for manufacturing, logistics and warehousing.

- **Infrastructure is an ongoing concern.** After 60 years, storm water issues, roads, sidewalks, lighting, aesthetics, and water/sewer lines continually need addressing.

- **Competition is intense.** As new business parks keep emerging in DuPage and Kane counties, Elk Grove Village must work to stay viable in today's economic development arena.

- **The Equalized Assessed Valuation (EAV) tax base has declined dramatically.** The result of aging buildings and infrastructure can be seen in the numbers due to inadequate upkeep of private property.

EAV Decline Over 5 Years

(Amount in Millions)

THE SOLUTION

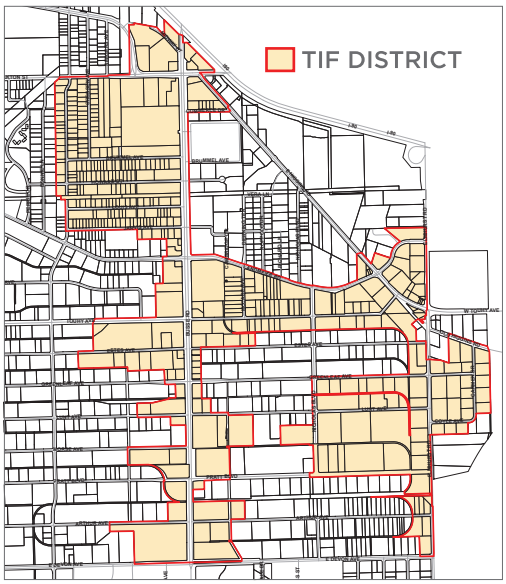
TAX INCREMENT FINANCING (TIF)

- **A new tool.** The purpose of Tax Increment Financing is to pave the way for significant infrastructure upgrades and redevelopment projects that, in turn, will spur economic development within the Business Park.

- **Carefully considered.** The Village's Industrial and Commercial Revitalization Commission identified TIF as a viable redevelopment tool in its 2011 Business Park Master Plan Update. The Village worked with Camiros, Ltd. to complete an eligibility study before deciding that Tax Increment Financing is the best way to pay for necessary improvements within the Business Park.

- **Critical area.** The TIF redevelopment project area (or "district") encompasses 904 acres within the Busse Road and Elmhurst Road corridors — where 75% of buildings are 35+ years of age. Concentrating redevelopment in this area will raise the overall EAV for the Business Park — benefiting even those properties outside the TIF district.

- **Strengthening partnership.** The TIF will enable public investment in private redevelopment by providing the dollars needed for improvements to the designated area. For the Village's development and real estate partners, this presents a tremendous opportunity to attract even more business activity in the Park.



The proposed TIF district encompasses 904 acres within the Busse Road and Elmhurst Road corridors.

CHANGING WITH THE TIMES

1956

EGV was incorporated and a master plan introduced, calling for development of the largest industrial park in North America.

1957

Anchored by Dallas-based construction company Centex Corporation, Centex Industrial Park opens as the crown jewel of Elk Grove Village.

2001

The Village changes the park's name to Elk Grove Business Park, reflecting that it had evolved to serve all kinds of businesses.

PRESENT

Today, 75% of the buildings in the designated TIF district are 35 years of age or older and beyond their planned life. TIF will enable the Village to invest in infrastructure and fund eligible projects to attract new business tenants.

FUTURE

The redeveloped Elk Grove Business Park will include modern office, retail and industrial uses, while the Elmhurst Road and Busse Road corridors both will be upgraded to serve as welcoming gateways worthy of a major global business hub.

HOW IT WORKS

Under TIF rules, the Equalized Assessed Valuation (EAV) of the property in the TIF district is established as the "base" amount.

During the TIF Project — up to 23 years per Illinois law — property taxes paid on the base amount continue to go to the various taxing bodies.

Growth of the value of the property generates a tax increment, which is collected into a Special Tax Increment Allocation Fund. The increment is reinvested back into the district.

Reinvestment generates additional growth in property value, which results in even more revenue growth for reinvestment — creating a vital cycle of redevelopment.

When the TIF project ends, all of the taxing bodies benefit from the new growth, and developers and real estate brokers have better product to offer their clients.

QUALIFYING EXPENSES

Property Acquisition
Demolition & Site Preparation
Rehabilitation of Existing Buildings
Infrastructure Improvements
Job Training
Relocation into the TIF
Environmental Remediation
Engineering & Architectural Studies

FAQs ABOUT TIFs

Q: How common is Tax Increment Financing?
A: TIF is a popular redevelopment tool that is used across the country and in over 250 Illinois municipalities.

Q: Where do TIF program revenues come from and where do they get spent?
A: Only property taxes generated by the incremental increase in value of TIF districts are available for TIF projects. 100% of the funds are collected into a special fund and funneled back into infrastructure and development.

Q: What will TIF mean for developers?
A: Tax Increment Financing will make it possible for the Village to provide direct payments to developers for qualifying work including but not limited to consolidating parcels, demolition, environmental remediation, utility improvement, and financing the construction of modern facilities within the TIF district.

Q: What kinds of expenses will qualify?
A: Qualifying development costs include: property acquisition; demolition and site preparation; rehabilitation or renovation of existing buildings; construction of public works or improvements; job training; relocation costs into or within the TIF district; financing costs, including interest assistance; studies, surveys and plans; and architectural, engineering, legal and financial planning services.

Q: What opportunities does TIF provide real estate brokers?
A: The ultimate goal is to increase opportunity for business activity. By investing in our buildings, facilities and public spaces, the TIF will enhance the Elk Grove product and give brokers real options for companies that are starting up, relocating or expanding.

Q: Does Elk Grove Village have any other TIF districts?
A: Yes, the Village has two active districts: the Town Center and Belvedere Plaza. The Town Center was established in 1997, and as a result of its success, it has been able to rebate increment back to the taxing districts since 2009. The Belvedere Plaza was established in 2003 and continues to perform extremely well.

Have more questions?

Contact Josh Grodzin
Director of Business Development & Marketing
Elk Grove Village
847-357-4005
JGrodzin@elkgrove.org

Visit **EGVBizHub.com,** your online resource for all things business in Elk Grove Village, IL.

Beyond BUSINESS FRIENDLY
ELK GROVE VILLAGE, IL