GENEVA FOX RIVER REDEVELOPMENT PROJECT AREA (TIF 3)

In 2013, in keeping with the Strategic Plan goal, the Downtown Area Station Master Plan and the Comprehensive Plan, the City began to evaluate and explore a number of economic development incentives that could be used as potential means for creating new funding measures and incentives to economic development in the City's downtown area. Because Geneva is a non-home rule municipality, the types of incentives available are limited by state law. Tax increment financing (TIF) was one of a few tools available that was identified as a potential means to spur needed investment.

In early 2014, the City engaged the services of SB Friedman Development Advisors to conduct a formal TIF Eligibility Study and Redevelopment Plan and Project for the Geneva Fox River Redevelopment Project Area (TIF 3). The Study concludes that the area qualifies as a "conservation area" under the Illinois TIF statute because at least 50 percent of the structures are 35 years of age or older and qualifying factors have been found to be present to a meaningful extent and reasonably distributed throughout the redevelopment area.

The Joint Review Board (JRB) which consists of representatives from certain taxing districts with authority to directly levy taxes on the property within the Redevelopment Project Area including the City and a public member, selected in accordance with the Act, met in early April 2016 to review the Plan. The JRB has submitted a recommendation to the municipality that the Geneva Fox River Redevelopment Plan and Project and the Eligibility Study satisfied the plan requirements, the eligibility criteria and the objectives of the Act and recommended that the Geneva Fox River Redevelopment Project Area be approved.

Following the JRB meeting, the school district published information and held a public forum on the proposed TIF. The City Council held a Public Hearing to hear a presentation on the Study findings and to receive public comment. The following is provided to summarize and respond to public statements and questions:

Statement:
TIF diverts increases in property taxes within the TIF district away from taxing bodies such as schools for a period of 23 years. This means schools will be deprived of the natural market increases on EAV, funds that schools need to operate effectively. Diverting tax dollars away from

schools to pay for economic development is counter intuitive because quality schools are a huge driver of economic growth in any municipality.

Response:
It is not accurate to state that TIF will deprive schools of funds to operate. As a tax capped taxing body, the school district will receive the full levy amount with or without TIF. TIF is not counterintuitive; the City recognizes that good schools are a significant economic driver but it is not the only driver. Many of the other drivers are the responsibility of the municipality and not the school district. The rationale for TIF is that only the City has the responsibility and authority to support redevelopment and, more broadly, economic development. All taxing bodies benefit in the long run from the City's activites. It is, therefore, appropriate to utilize "their taxes" to help pay for costs necessary, such as roads, traffic control, utilities and to bring about redevelopment from which the entire City will benefit. Since only the City can incur those costs, it is fair to re-allocate those tax dollars to ensure that redevelopment actually takes place before a deteriorating condition affects the value of surrounding properties.

It is important to recognize that in the area proposed for redevelopment, the total EAV of the area has suffered from a lack of growth and the EAV has actually declined and has been less than the rate of growth in the CPI during all five of the last five year-to-year periods (see page 21 of the TIF 3 Study). The EAV of the area has grown slower than the balance of the City over four of the last five year-to-year periods.

It is also important to note that the City, by choice, has an ordinance which requires that developers donate either land or cash to the school district for any new development. This is a benefit to the school district that only the City can require of developers, even though the law does not allow the same benefit for the City. This benefit has been in place for several decades and has served the school district well.

Statement:
TIF 3 will have a detrimental effect on school finances but more so a detrimental effect on taxpayers of the City of Geneva and school district.

Response:
As a tax capped taxing body, the school district will receive the full levy amount with or without TIF. As earlier stated, it is important to recognize that in the area proposed for redevelopment, the total EAV of the area has suffered from a lack of growth and has actually declined and has been less than the rate of growth in the CPI during all five of the last five year-to-year periods. The EAV of the area has grown slower than the balance of the City over four of the last five year-to-year periods. Without TIF, the declining EAV will have a detrimental effect on the tax payers of the City of Geneva and the school district. The TIF program is a forward thinking investment strategy designed to secure the future viability of the Project Area and the City.

Statement:
TIFs siphon money away from other taxing bodies (school district, library district, park district, etc.) for a period of at least 23 years. If these bodies are not receiving sufficient tax dollars to

continue to provide the level of service expected by the public, they could be forced to increase their tax levies to compensate. This could result in increased property taxes. Residents of the school district outside of the TIF district (including taxpayers in the Mill Creek subdivision) would bear the burden of paying for any increased school district levies over the life of the TIF district.

Response:
It is not correct to state that TIF will siphon money away from taxing bodies. State law limits the amount of additional property taxes a taxing body can request each year. Taxing bodies generally ask for more than what they think they can receive and this amount is adjusted by the County as the overall levy amount is capped by PTELL (Property Tax Extension Law Limit). Hypothetically, if a taxing body levied $1 million last year, they can levy no more than $1 million dollars + X % (CPI) the next year. TIF has nothing to do with this dynamic. The taxing bodies will still receive the revenues that they levy.

It is correct that other taxpayers (outside of the TIF District) will pay a slightly higher amount of property taxes as a result of the TIF in the short term. However, what is not said is that this increase would have happened anyway and in a more significant amount because without TIF intervention, the EAV of the area will continue to decline resulting in the tax burden being spread in a more significant amount. Once the TIF expires and the new revenues are realized by all the taxing bodies, the amount paid will be distributed to new developments that would not have occurred without the TIF program. Also, it is not accurate to state that the TIF will last "for a period of at least 23 years." TIF District law allows TIFs to last for a maximum of 23 years but can be dissolved any time before the end of the 23 year period should the City decide it is no longer necessary.

Statement:
Creating a task force to encourage developers to continue to invest in Geneva, as they have in the past to take advantage of this great city-a city with a rich and vibrant history, with great public services including city services, parks, libraries, and one of the highest ranking school systems in Illinois, would be a better approach than TIF.

Response:
A task force to encourage developers and tax breaks will not serve to overcome financial gaps in development pro formas or the cost of needed public infrastructure improvements that are hindering development that the TIF is designed to address. Tax relief and/or waiving of fees alone will not be able to generate upfront dollars needed to ready sites and encourage redevelopment.

TIF is a financing tool that allows municipalities to make targeted investment in order to spur economic development in areas that are displaying a combination of statutory specific eligibility factors that are not reasonably anticipated to be developed, or not reasonably anticipated to be developed during the 23 year TIF timeframe without assistance. The TIF Act requires collaboration with the school district and other taxing bodies through the Joint Review Board (JRB). A meeting of the JRB was conducted in April to review the proposed TIF 3. At that meeting the majority of the members, including other taxing districts and the school district, reviewed the planning documents and voted to recommend the furthering of the plan.

Each taxing district within the City has a purpose and responsibility. The City is the governing body responsible for economic development, life safety, property maintenance, utilities, streets, sidewalks and public safety. The proposed TIF does not create a new plan for the area or the district. The proposed TIF is an implementation tool identified through Strategic Planning as a desired way to help finance public improvements and encourage and support private investment and redevelopment goals that are proposed in the Downtown Station Area Master Plan and the Comprehensive Plan. These plans were put into place with extensive public participation including collaboration with commissions, committees, property owners and the citizens of Geneva. There are few economic development implementation tools available to enable the City to implement and incentivize these plans.

<u>Statement</u>:
The school district is willing to collaborate with the City and other taxing bodies to develop a TIF that meets the eligibility requirements and that brings economic development to Geneva without harming its schools and other public service providers.

Response:
The City has collaborated with taxing districts and stakeholders as detailed in the preceding response. The school district is opposing the TIF because they fear the possibility of losing future tax revenue. The City's responsibilities are broader than generating revenue. The City is planning for the future and working to protect all property values within the TIF and surrounding areas. The City is the governing body that is responsible for economic development, life safety, property maintenance, utilities, streets, sidewalks and public safety. The School District has none of those responsibilities. The City is also working to implement ideas embodied in the Comprehensive Plan and the Downtown Station Area Master Plan which were developed by the citizens of Geneva.

<u>Statement:</u>
The proposed TIF does not meet the eligibility requirements as defined by the state statute.

Response:
Findings are not made at the parcel level. Findings are made area wide and infrastructure fixes may be required to serve sites that do not exhibit all of the factors found. The test is that factors must be found to be present <u>to a meaningful extent</u> and reasonably <u>distributed throughout the area</u>.

<u>Statement</u>:
Many of the parcels included in the TIF have been subject to growth and development through private investment including Malone's Funeral Home, Buttermilk, Covenant Retirement Home, Doerner Jewelers building, Warlick Law Office building, Konicek & Dillon Law Offices, Mill Race Cyclery, Foxfire, School of Rock, Shodeen Purchase of Mill Race Inn property, Shodeen Contract

to purchase Geneva Cycle parcel. These examples show that private investment is occurring in the area without the need for TIF.

Response:
The City is not stating that private investment in the area has not occurred in the past and will not occur in the future. Similarly, the City recognizes that there are some successful businesses in the Project Area. The City is stating that without the designation of the TIF district and the use of tax increment financing, it is unlikely that significant investment will occur in the area over the next 20 years.

Contrary to the statement, many of the properties listed have received public assistance including Malone's Funeral Home, Geneva Place (The Covenant Retirement Home), Konicek & Dillon, Foxfire, and the School of Rock building. With respect to the Mill Race and the Geneva Cycle, the City began to review the potential for TIF in this area prior to the sale of the property to Shodeen, Inc. Moreover, all of the properties listed have experienced a decrease in EAV over the several years and Doerner Jewelry building has been for sale for a significant amount of time.

Statement:
The proposed TIF 3 does not meet the "but for" test.

Response:
The City is required to find that, but for the designation of the TIF district and the use of Tax Increment Financing, it is unlikely that significant investment will occur in the Redevelopment Area. Without the support of public resources, the redevelopment objectives for the redevelopment project area would most likely not be realized. The area-wide improvements and development assistance resources needed to redevelop and revitalize the redevelopment area are extensive and costly, and the private market, on its own, has shown little ability to absorb these costs. Excessive vacancy throughout the area demonstrates that the private market has been unwilling to invest in these properties. Public resources to assist with site preparation and public infrastructure improvements are needed to leverage private investment and facilitate area-wide redevelopment. TIF funds can be used to support building rehabilitation, utility and infrastructure improvements, site assembly and preparation, and environmental remediation. Accordingly, but for the designation of a TIF district, these projects, which will contribute substantially to area-wide redevelopment, are unlikely to occur.

Statement:
There are legal issues with the City's eligibility study specific to boundaries, vacant parcels, improper use of the river corridor, etc.

Response:
The City engaged SB Friedman Development Advisors to conduct a formal Tax Increment Eligibility Study and prepare a Redevelopment Plan and Project. The report details the eligibility factors found within the redevelopment project are in support of its designation within the definition set forth in the Illinois Tax Increment Allocation Redevelopment Act.

Statement:
There are alternatives to TIF including enterprise zones, tax abatements, special assessments, sales tax incentives, agreements similar to the Batavia-school district agreement, waivers for utility charges and permit fees, grants and loans from the Illinois IEPA and other state agencies for water and sewer improvements, and waivers and/or reductions to land/cash contributions for any new residential development.

Response:
TIF is the best tool to implement redevelopment in the Project Area. Geneva is a non-home rule municipality and is limited by state law as to the types of incentives that can be offered to spur investment, redevelopment and public improvements. Many of the alternatives listed cannot be used by the City and/or are not applicable to the development project as detailed below:

Enterprise Zone: Enterprise zones are designed to stimulate economic growth and neighborhood revitalization in economically depressed areas by providing state and local tax incentives, regulatory relief and improved government services. To be considered for an enterprise zone, an application and state legislation are required.

Businesses in an enterprise zone that create or retain a certain number of jobs may be eligible for exemptions on retailer's occupation tax paid on building materials; on the purchase of personal property; on manufacturing products or pollution control facilities; on the state utility tax for electricity and natural gas; on the Illinois Commerce Commissions investment tax credits; and on state sales tax administrative charge and telecommunication excise tax.

To qualify an area must meet three of the following tests: 1) unemployment rates at least 120 percent of the state average; 2) create or retain a minimum of 1,000 full time equivalent jobs; 3) poverty rate of at least 20 percent; 4) abandoned coal mine, brownfield or a federal disaster area; 5) large-scale business closings; 6) vacant structures; 7) tax base improvement plan; 8) public infrastructure improvement plan; 9) career skills programs; 10) equalized assessed valuation at 50 percent of state average.

Tax Abatements: Non-home rule municipalities can only authorize tax rebates for expanding or relocating commercial or industrial firms (not retail); reused vacant facilities (two-year abatement permitted); electric generating facility or coal mines; horse and motor vehicle racing facilities; academic or research institutes employing more than 100 people and performing scientific research; affordable housing for older households; historical society owned properties; and relocating corporate headquarters.

Special Assessments: Special assessments for the cost of new street pavement, sidewalk, sewers, drains and other public improvements for vacant properties can be utilized. Costs are paid over time by the end users of properties on their tax bills and are typically used for maintenance costs and not to spur private-public redevelopment partnerships.

Sales Tax Incentives: The City can agree to share the locally collected portion of sales tax through a sales tax rebate agreement when vacant structures will be reused, code violations repaired, jobs created and proof received that the tax on retail sales, absent the agreement, would not have been paid to another unit of local government. As sales tax is less predictable, any front-end funding needed will be difficult to generate on a project by project basis and relying on future sales tax for the repayment of financing upfront costs is risky.

Waiver of Utility Charges: Utility charges include tap on fees or service costs. Tap on fees are collected to pay for the cost of bringing service to the development. Waivers will require the costs of the infrastructure and labor to be paid for by an alternative revenue source or will require costs to be passed on to other rate payers. Utility service costs for water and sewer are production and distribution cost fees. Waivers will result in shifting costs to other revenue sources or pass through to other rate payers. Electric is a commodity and costs are related to transmission and acquisition that the City pays to purchase electric from the supplier. Waivers will result in fees being distributed to other rate payers.

Waiver of City Permit Fees: Permit fees are user fees and oftentimes pass through fees for outside professional services. Waivers will require these expenses to be paid from other budget funds.

Grants and Loans from the IEPA and State Agencies: State and federal grants and loans are not available to further redevelopment activities. TIF funds can be used to pay for local share amounts for larger infrastructure grants projects such as water plant enlargements or upgrades.

Waiver of Land/Cash Contributions: Land cash contributions are only collected for residential developments and are not paid for by commercial developments. The project area is not expected to attract significant residential development.

Intergovernmental Grants and Loans: State and federal grants and loans are not available to further redevelopment activities. TIF funds can be used to pay for local share amounts for larger infrastructure grant projects such as intersection improvements and roadway projects.

The City of Batavia and the School District's Proposed Agreement: Batavia and the school district's agreement was not finalized. A school district tax abatement for a single industrial user was proposed. This example is not applicable to the redevelopment activity expected in the Project Area.

Special Service Area: A special service area is already in existence in the downtown area and includes many properties in proposed TIF 3. The purpose of the SSA is to pay for ongoing costs to provide free public parking. Similar special service areas may be created to cover future expected costs of redevelopment in the Project Area.

Comment:
A v*ariety of economic tools were used to encourage commercial development along Randall Road which may be possible also to be used in this instance*.

Response:
The City used business district and sales tax agreement to stimulate growth in the Randall Corridor. A business district was proposed for the area in 2011 but did not receive support from the business community. Sales tax rebates may be used in the Project Area depending upon the type of retailers established. In the Randall Corridor, the big box users were significant tax generators allowing for significant impact. Users expected in the Project Area are not expected to generate the same amount of tax dollars as a big box retailer.

Question:
Was TIF 1 successful?

Response:
TIF 1 was created in 1982 and ended in 2004; the base EAV was certified at $1,625,618; the final year EAV was $16,967,004. TIF 1 did not begin to generate significant funds until the last two years; specifically collecting $687,535 in year 22 and $852,668 in year 23. The 2005 recovered EAV was $17,241,138. TIF 1 is considered successful as it spurred redevelopment and public-private investment. Some noteworthy projects include the Herrington Inn, the River West Condominiums and Geneva Place.

Question:
Do TIF 1 and TIF 3 include some of the same properties?

Response:
Yes, some properties that were included in TIF 1 are included in TIF 3 as further redevelopment is needed. The City has taken care to not include some of the successful projects from TIF 1 including the Herrington Inn and the River West Condominiums. Some properties need to be included to allow for contiguity, the redevelopment of State Street properties, and to ensure that needed utility upgrades can be completed.

Question:
Consider reducing the size of the proposed TIF District.

Response:
The original study area consisted of properties east of the river including Opportunity Site 5 in the Downtown Master Plan. The boundary was expanded by City Council in September 2014 after a policy discussion to include several other properties west of the river. Specifically the north end of the proposed study area or Opportunity Site 2 in the Downtown Master Plan was added.

Reducing the size of the study area will create contiguity issues, may eliminate an opportunity site, and will impact public infrastructure improvement goals. Care has been taken to exclude properties that have already successfully developed, namely the River North Condominiums and the Herrington Inn.

Statement:
Consider reducing the length of time of the TIF district.

Response:
The City, legal counsel and TIF consultant are not aware of a TIF district that has been purposefully designed to be less than 23 years. Shortening the duration of the TIF will limit public financing options. TIF improvements can either be front-end funded through a bond issuance or improvements can be funded with a "pay as you go" approach. Either way a shorter time period limits the options for bond issuance and limits the amount of increment generated and distributed. Also, as development projects in this area will be complicated and staggered over time (not one project, but several projects), starting a TIF with a shorter time allotment will deplete the chances for success. Plus, there are always unforeseen and uncontrollable factors that could occur with the economy and with development in general.

A better approach would be to examine the status of the projects within the district each year with the Joint Review Board and agree to early termination and distribution of surpluses, if the redevelopment goals have been met.

Statement:
Geneva is and always will be, a beautiful and vibrant City with plenty of economic and development opportunities.

Response:
Geneva is a beautiful and vibrant City and it is vital to continue to press for continued betterment and improvement. There are many communities throughout the region that were once similarly dynamic that are now lacking. It is vital to continuously strive for new investment and to embrace forward thinking to maintain vibrancy and relevance. The proposed redevelopment area has experienced lack of growth in EAV, deterioration, inadequate utilities, and excessive vacancies. Without the designation of the TIF district and the use of tax increment financing, it is unlikely that significant investment will occur in the area over the next 20 years.

Question:
How much was SB Friedman paid for the study and services? When did the City Council vote on funds to be used to request this study?

Response:
A request for proposals was issued in 2013 and the City Council authorized a contract with SB Friedman in the amount of $25,700 in April 2014. An additional $9,800 was authorized in September 2014 to allow for the study of the revised boundary and $7,800 in October 2015 to update eligibility research.

Question:
What are the benefits for taxpayers that may have have to assume additional burden?

Response:
Homeowners and property owners will benefit from stabilized and improved property values. In addition, owners will benefit from public improvements including upgraded utilities and infrastructure that would have been paid through general property taxes. The public will benefit from downtown improvements, river front and river access improvements and improved public amenities that will improve values community wide. Increased investment and business opportunities will help to shift the reliance from homeowner property tax revenues to other revenue sources to help pay for essential services such as police, fire, and public safety.

Question:
Which properties benefitted from TIF #1 funds, directly or indirectly?

Response:
The following properties received TIF 1 funds: Swatek Law Group, 22 W. State Street; Konicek & Dillon, 21 W. State Street; Mill Race Inn, 4 E. State Street; Riverfront Condos, 1st Street and River Lane; Geneva Place, 113 E. State Street; School of Rock building, 15 W. State Street; Foxfire Restaurant, 17 W. State Street; Geneva Cycle Shop, 12 E. State Street; Herrington Inn, 15 S. River Lane; and Geneva on the Dam, 1 W. State Street.

Question:
Were the funds obtained and used for development in TIF 1 responsible for the increased EAV in TIF 1 and thus a payback in increased tax revenues?

Response:
The success of a TIF is determined by a Project Area analysis specifically by examining the increase in the EAV over the base EAV upon designation. TIF 1 was created in 1982 and ended in 2004; the base EAV was certified at $1,625,618; the final year EAV was $16,967,004. Several redevelopment agreements and public improvement projets were authorized by the City Council in place during those years. Each expenditure was publically reviewed and determined to be worty of funding for the purpose of furthering the redevelopment plan for TIF 1.

Question:
Did all the EAVs in TIF 1 increase or just some during those 23 years?

Response:
The City staff has not completed a parcel by parcel forensic of TIF 1 to be able to answer this question. Similar to qualification standards, the success of a TIF is not determined on a parcel by parcel basis. TIF 1 did not begin to generate significant funds until the last two years; specifically collecting $687,535 in year 22 and $852,668 in year 23. TIF 1 is considered successful as it spurred redevelopment and public-private investment. Some noteworthy projects include the Herrington Inn, the River West Condominiums and Geneva Place.

Question:
Is there a summary sheet available anywhere that shows the total revenues received during TIF 1 and how they were spent? How does a taxpayer find out which of these TIF improvements

directly benefited from development that would otherwise have been paid for by a developer if there were no TIF? (Example: sewer improvements that benefitted Herrington Inn).

Response:
No. The City files contain copies of annual reports submitted to the state and development agreements approved by the City Council for projects.

Question:
Would River North Condos and Geneva Place have happened without a TIF? What TIF improvements were made?

Response:
The development agreements for these projects stipulates that the City purchased approximately two acres of riverfront property for public open space, constructed parking areas, extended and rehabilitated sanitary sewers, installed sidewalk railing and brick banding, added street light, streetscape landscaping and completed curb renovations. In addition façade money was provided.

Question:
Mill Race, a real eyesore, is being deliberately allowed to become blighted. Perhaps to further validate the need for a 3rd TIF? The current owner seems to have privileges beyond what smaller or non-Geneva based developers would have. Nothing has been done to it in probably five years? Would the city have allowed any other developer to purchase property and let it deteriorate like that? Perhaps there are no restrictions?

Response:
By law, there is a difference between an eyesore and enforceable code violation for an unoccupied building. Code enforcement has required several steps to be taken to secure the property and to protect the general public. There was a similar situation with the former Cetron property which was demolished after it was determined that it presented a potential hazard to the general public.

Question:
Is there a "wish list" with estimated costs to show the improvements for which the money from TIF 3 would be spent before it is voted on?

Response:
No, a wish list has not been created. There is a Financial Plan included in the Eligibity Study and Redevelopment Plan and Project for TIF 3 that lists categories of potential expenditures and line item estimates. As reviewed at the Public Hearing these numbers are placeholders and actual expenditures will be determined by the City Council as projects are proposed and budget requests reviewed.

Question:
Is there a comparison of EAVs for the rest of the City and the TIF District?

Response:

Yes, page 21 of the Eligibility Study includes information on the EAV for the Redevelopment Project Area as well as the remainder of the City.

<u>Question</u>:
How about number of vacancies in the TIF vs the rest of the city?

Response:
For the same study period, the vacancy rate for the Project Area was approximately 26.8 percent. Retail in the downtown minus the eastern portion of downtown was 4.40 percent for retail and 16.50 percent for office. The Randall Road vacancy rate was 8.60 percent.

<u>Question</u>:
The deterioration noted is mostly surface deterioration. I thought there should be more than that?

Response: The statute requires the deterioration factor to be found to a meaningful extent and reasonably distributed. The most common form of deterioration was on surface improvements, including parking, alleys and storage areas; catalogued deterioration included cracks, depressions, potholes, crumbling curbs and protruding weeds. Building deterioration included brick spalling, buckling shingles, cracked and crumbling stairs, and water damage.

<u>Question</u>:
What was the approximate amount of the taxes diverted from the school during the first TIF?

Response: TIF 1 fund captured an annual average of $2,241 in revenue from Geneva Community Unit School District 304 from its creation until year 8; $184 during year 9 and $0 during years 10-21. The TIF did not begin to generate signficant funds unthe the last two years; specifically collecting $687,535 in year 22 and $852,668 in year 23. In total, the "difference" was $1,566,316. The "difference" calculation is based on the premise that all of the development would have occurred without the TIF, which is very unlikely. By year 24, the TIF had expired and the school district, along with all the taxing districts, received tax dollars based on the full value of the EAV amount - an amount made possible by the TIF program.

<u>Question:</u>
Where did the seed start with a TIF? City Council, economic development department, developer?

Response:
The seed for the TIF grew from the City Strategic Plan for 2017 created in May 2007 and

reaffirmed and updated each year at the Council's Strategic Plan workshop. The Strategic Plan goal is to maintain a strong economic development posture for downtown Geneva to ensure the district stays competitive with surrounding retail and entertainment districts. The objective is to evaluate existing and explore potential means for creating new funding measures as incentives to economic development in the City's downtown business district.

Question:
Will the taxpayers ever see property taxes stabilized? There is no relief for the taxes? School district apparently messed up a bond. Considering TIF 3 will divert more away from schools than TIF 1. It appears it'll divert 20 million within a small area. This will result in all taxpayers having to up the ante. Diversion of tax dollars will burden Geneva taxpayers based on other projects that are occurring in our tax body.

Response:
The rationale for TIF is that only the City has the responsibility and authority to support redevelopment and, more broadly, economic development. All taxing bodies benefit in the long run from the City's activities. It is, therefore, appropriate to utilize "their taxes" to help pay for costs necessary, such as roads, traffic control, utilities and to bring about redevelopment from which the entire City will benefit. Since only the City can incur those costs, it is fair to re-allocate those tax dollars to ensure that redevelopment actually takes place before a deteriorating condition affects the value of surrounding properties.

It is important to recognize that in the area proposed for redevelopment, the total EAV of the area has suffered from a lack of growth and the EAV has actually declined and has been less than the rate of growth in the CPI during all five of the last five year-to-year periods (see page 21 of the TIF 3 Study).

Question:
What is the importance of having TIF 3 and reasons for it?

Response:
The overall goal of the Redevelopment Plan and Project is to reduce or eliminate the conditions that qualify the area for TIF designation. The TIF provides the mechanisms necessary to support public and private development to strengthen the Fox River area as a neighborhood-level commercial and residential district, and improve connections to the downtown and Fox River. This goal is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate private investment.

Question:
What could compel the group of owners who own the bottling plant property to make these changes with or without a TIF?

***Response**:*
The TIF is designed to facilitate redevelopment of vacant or underutilized property by providing

resources for site assembly and preparation, including demolition and environmental cleanup, where necessary, and marketing of vacant and underutilized sites for redevelopment and new development.

<u>Question</u>:
What are the ramifications for property values surrounded by the TIF, but not in the TIF?

Response:
Investment in the project area will have a positive impact on surrounding property values and the total EAV of the City.

<u>Question:</u>
What would the impact of a rising EAV have on residents who live in affordable housing in the TIF area? Will residents be displaced?

Response:
The Study documents 78 housing units in the Area, of which approximately 74 are inhabited. Several of the units are within Geneva Place. The Redevelop Plan and Project documents that the City of Geneva has certified that no residential displacement will occur as a result of the Plan.

<u>Question:</u>
Is the wealth of the current property owners considered? Can't they just pay for this on their own with private money?

Response:
The Study has shown that without the support of public resources, the redevelopment objectives for the Area will most likely not be realized. The area-wide improvement and development assistance resources needed to redevelop and revitalize the area are extensive and costly, and the private market, on its own, has shown little ability to absorb these costs. Establishment of the TIF does not guarantee funding for any project or any owner. In keeping with the City's established Economic Development Policy, any request of assistance will need to demonstrate a financial gap existing in the financing pro forma. Such information will be vetted by and decided by City Council.

<u>Question</u>:
The reason businesses don't flourish is because of the lack of parking. What good is the TIF if these projects are going to fail due to lack of parking?

Response:
The TIF can provide funding to assist with meeting parking improvement goals that have been established as part of the Downtown Station Area Master Plan for increased shared parking, new public surface parking lots and parking garages. In addition, new development will address individual parking needs on a case by case basis.