



UNITED TOWNSHIP

HIGH SCHOOL DISTRICT 30

TO: Board of Education
FROM: Dr. Jay Morrow
DATE: May 8, 2025
RE: East Moline TIF Extension Request

As shared in previous communication, the city of East Moline has requested a Tax Increment Financing (TIF) extension of the Kennedy Square development in the southwest quadrant of the city. Below are various consideration points:

Quick TIF Primer

TIF districts are established by municipalities to incentivize development within certain property boundaries. The original intent of TIF was to encourage development in “blighted” areas, and by statute, there are multiple criteria a potential development site needs to meet in order for it to be designated TIF eligible.

When established, TIF districts last for 23 years. Upon establishment, a threshold property value is set, based on the existing property value. Taxing bodies continue to receive tax revenue on this baseline. Over time, as property values increase within the TIF (due to development or natural property value growth), the added property value (and subsequent property taxes above the baseline) create an increment. This increment is then used to reimburse developers for costs associated with developing the property, and/or to reimburse a municipality for payments made to improve the property (such as water, sewer, or road improvements).

Kennedy Square TIF

The original Kennedy Square TIF was established in 2002 and is due to expire on December 31, 2025. The properties within this TIF created an increment of \$350,975 for the 2023 tax year, payable in 2024. UT’s portion of this would have been \$62,558.

TIF Extension Request

The city approached taxing bodies on April 24, 2025, requesting an April 28 meeting to discuss the request. At the meeting, the city shared a concern of a business possibly leaving, without additional incentives. In subsequent meetings and communications, it is unclear if extending the TIF would ensure the business stays.

Due to the very tight timeframe of this request, there has been little time to effectively negotiate a possible agreement.

TIF extension requires Illinois legislative approval, with action needed no later than May 31. There would be an opportunity to introduce legislation during the fall veto session. TIF extension bills are usually part of an existing “shell bill,” which can be introduced at any time during the session, as long as it can proceed in both the House and Senate in time for May 31 adjournment.



UNITED TOWNSHIP

HIGH SCHOOL DISTRICT 30

Some possible positions to consider, in exchange for support of the TIF extension:

The city, in the original meeting, offered traditional available options, including a yearly tax surplus, which would be distributed to all taxing bodies, as well as capitol reimbursement for UTHS and EMSD. The proposal for UT was \$481,854 over 12 years (roughly \$40K per year).

Other options shared with the city, include:

- Assistance with the community Wi-Fi project.
- Financial assistance for the School Resource Officer.
- Extension of the current swim pool lease to coincide with the 12-year extension.

Additional Considerations

UT and other taxing bodies have been approached by other municipalities for support of TIF extensions. We have taken these requests on an individual basis, mostly on the longer term financial impact to UTHS.

Any possible extension, will certainly invite the idea of possible future requests to extend other TIF districts. I believe it is prudent to take each request individually and consider the merits of the extension and possible implications. A blanket “no” to all TIF extension requests does not serve the interests of the broader community.

Recommended position:

We have offered the city, in exchange for support of the TIF extension, the following:

- Extension of the swim pool lease agreement for 12 years. We believe this is revenue and expense neutral for both parties and allows for future budgetary certainty.
- Capitol Reimbursement, as described in the previous paragraph.

Moving forward:

If the city wants to continue seeking an extension, the BOE can:

- Decline support of the extension.
- Authorize the superintendent to negotiate on behalf of the BOE. If a successful negotiation occurs, then the superintendent can provide a letter of support, on behalf of the BOE.
- BOE could call a special meeting to officially take action, in the form of a resolution, to support the TIF extension.

It is recommended that the two latter points be considered. Either one allows flexibility for all parties. Please plan for a discussion of this matter on May 12.