



MEMORANDUM

To: Board of Education and Administration
From: Rob Grossi
Date: August 30, 2019
Re: Major Issue to Consider for 2019 Tax Levy

Although the Board of Education will not be rendering a decision on the 2019 tax levy until December, it was suggested during my meeting with Keecia and Holly that the significance of this tax levy, primarily due to the expiration of the TIF, warrants an early introduction of the topic in order to maximize transparency and clarity on this matter to the Board and the community.

Over the past 24 years, the equalized assessed valuation, which equals approximately 1/3 of market value, of all the property in the combined Greater Mall TIF and Madison Street TIF has grown from approximately \$44 million to about \$157 million. Throughout the entire 24 years, the District was never able to extend taxes on this \$113 million of EAV growth. Since the TIFs have recently expired, this 2019 tax levy is the first and only opportunity the District has to capture these tax dollars, which have been diverted into a special TIF fund held by the Village of Oak Park for the entire 24-year period.

If the Board elects to levy in an amount sufficient to capture the tax revenues that were previously diverted into the TIF fund, it would generate an additional \$5 million in annual revenues. This will offset the loss of TIF surplus dollars, which has averaged \$3.7 million over the past four years, and provide additional funds for District operations. If the District elects to not levy for these additional funds, the ability to capture these revenues will be forever lost.

The December decision on the tax levy will have a major long-term impact on the financial condition of the District, so careful consideration to this matter is warranted. At the meeting, I will get into more detail about issues to be considered prior to approval of the tax levy. The Board also has an added issue of deciding whether it wishes to again abate its bond levy as it has done in prior years.