

Maywood – Melrose Park – Broadview School District 89

Memorandum

To: Dr. Michael Robey

From: Alan Hahn, Consultant

Dated: December 6, 2012

Re: TIF Districts

Attached is a spreadsheet showing the Tax Increment Financing (TIF) Districts within School District 89's boundaries. I'd be glad to discuss this with the Board at the next Finance Committee meeting.

Please note on the attached sheet, column H shows the Equalized Assessed Value (EAV) within School District 89 that was frozen at the time the TIF district was established. Note in column G the Total EAV of the TIF districts within the same District 89 boundaries for the most recent 2011 tax year. Finally note column I is the incremental EAV, or the growth in the TIF district since it was created. All the property tax revenue on Incremental EAV (column I) is shifted to the TIF and away from the original districts. For the life of the TIF district, it gets the revenue from all the taxing bodies on the incremental EAV. Note column M is the amount of tax diverted from School District 89 each year to subsidize the eleven TIF Districts. The column M tax of \$1.9 million represents District 89's tax rate of 2.32 times the total incremental EAV from the TIF districts. This revenue will eventually come back to the school district after all the TIF's are ended.

Note that the St. Charles Rd TIF in Maywood is one of the oldest of the TIF districts that started in 1990 (there's also an older one in Melrose Park.) It will be important to follow this one (and all the TIFs) since it will end in only a few years. It is important to know when the TIF's will actually end and which tax year will be the last one for the TIF to collect its revenue. The incremental EAV for the St. Charles Road TIF in 2011 was \$29,023,562. At the total 15.204 tax rate, the village received \$4,412,742 in tax revenue for 2011. Of that, \$673,347 was from District 89's share representing 89's tax rate of 2.32. When this TIF ends, the \$29,023,562 EAV will go back to District 89 as new growth. Remember, the district is allowed to levy more money as the County will extend the taxes for new growth beyond what the tax cap would otherwise allow. When this TIF ends, the \$673,347 in tax revenue could go back to the school district as long as its tax levy is high enough to capture it beyond the tax cap in the first year it is available.

Let me describe an example to point out exactly what happens to the EAV and taxes when a TIF district ends. If the St. Charles TIF in Maywood ended today, the district's EAV tax base would increase by about \$29 million, or 5.6% due to the ended TIF that becomes new growth EAV to the district. The district would have to increase its levy by at least 5.6% just to receive the additional taxes from the new growth. Also if the tax cap CPI allowed a 3.0% increase in the levy, the district would need to increase its tax levy by another 3.0% in order to receive the tax cap allowed increase. Therefore, in order to receive the taxes allowed by the tax cap CPI increase and the new growth from added property from the TIF, the district would need to increase its tax levy by at least 8.6% in that year.

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>
Tax Increment Financing (TIF) Districts as of 2011 Taxes							
within Maywood-Melrose Park-Broadview School District 89							
					Total		
	Date	Estimated			Tax Code	2011	
<u>Description of Agency</u>	<u>Started</u>	<u>Date End</u>	<u>Agency</u>	<u>Tax Code</u>	<u>Rate</u>	<u>EAV</u>	<u>Frozen EAV</u>
TIF Vil of Broadview - Roosevelt Rd	9/20/1999	9/20/2022	03-0130-501	31139	9.577	5,330,218	4,780,739
TIF Vil of Broadview - 17th Ave	9/4/2009	9/4/2032	03-0130-504	31175	9.577	4,341,865	5,648,066
TIF Vil of Maywood-Madison St/5th Ave	1998***	2021	03-0750-501	31132	15.204	36,678,205	31,454,466
TIF Vil of Maywood-Madison St/5th Ave	1998***	2021	03-0750-501	31133	15.204	16,318,510	11,574,565
TIF Vil of Maywood-Roosevelt Ave	1997**	2020	03-0750-502	31130	15.204	6,959,509	4,232,738
TIF Vil of Maywood-Roosevelt Ave	1997**	2020	03-0750-502	31131	15.204	1,397,705	763,154
TIF Vil of Maywood-St Charles Rd	1992*	2015	03-0750-500	31110	15.204	12,270,323	4,942,265
TIF Vil of Maywood-St Charles Rd	1992*	2015	03-0750-500	31111	15.204	32,732,653	11,037,149
TIF Vil of Melrose Park-Chicago/Superior	12/27/2010	12/31/2033	03-0770-510	31176	8.835	15,510,251	3,576,037
TIF Vil of Melrose Park-Lake St Corridor	9/24/2007	12/31/2030	03-0770-509	31167	8.835	34,175,656	36,794,509
TIF Vil of Melrose Park-Mid Metro Ind Ar	12/11/1989	12/31/2024	03-0770-508	31151	8.835	6,412,168	5,227,326
TIF Vil of Melrose Park-North Ave/25th Ave	11/9/1998	12/31/2021	03-0770-507	31150	8.835	6,661,684	4,417,470
TIF Vil of Melrose Park-Seniors First	4/6/2001	12/31/2024	03-0770-506	31147	8.450	12,099,997	3,209,362
TIF Vil of Melrose Park-Seniors First	4/6/2001	12/31/2024	03-0770-506	31153	8.835	6,953,311	996,292
TIF Vil of Melrose Park-9th St/North Ave	4/20/1992	12/31/2015	03-0770-505	31118	8.835	9,435,812	1,005,241
						207,277,867	129,659,379
* start date 8/23/1990 per Maywood report; Cook Co listed as 1992							
** start date 3/27/1997 per Maywood report; Cook Co listed as 1997							
*** start date 3/27/1997 per Maywood report; Cook Co listed as 1998							
****School District 89's portion only of tax revenue currently going to the TIF District. This amount comes to SD89 after TIF ends.							

<u>A</u>	<u>B</u>	<u>C</u>	<u>I</u>	<u>J</u>	<u>K</u>	<u>L</u>	<u>M</u>
Tax Increment Financing (TIF) Districts as of 2011 Taxes						2011	
within Maywood-Melrose Park-Broadview School District 89			TIF EAV			Capped	****Lost/
			Increment	TIF District	Agency	Funds	Potential
	Date	Estimated	(SD89 EAV	Agency Tax	Distrib	SD89	New Tax
<u>Description of Agency</u>	<u>Started</u>	<u>Date End</u>	<u>at end)</u>	<u>Amount</u>	<u>Percent</u>	<u>Tax Rate</u>	<u>at End</u>
TIF Vil of Broadview - Roosevelt Rd	9/20/1999	9/20/2022	549,479	52,624	10.3%	2.32	12,748
TIF Vil of Broadview - 17th Ave	9/4/2009	9/4/2032	-	-	0.0%	2.32	0
TIF Vil of Maywood-Madison St/5th Ave	1998***	2021	5,223,739	794,217	14.2%	2.32	121,191
TIF Vil of Maywood-Madison St/5th Ave	1998***	2021	4,743,945	721,269	29.1%	2.32	110,060
TIF Vil of Maywood-Roosevelt Ave	1997**	2020	2,726,771	414,578	39.2%	2.32	63,261
TIF Vil of Maywood-Roosevelt Ave	1997**	2020	634,551	96,477	45.4%	2.32	14,722
TIF Vil of Maywood-St Charles Rd	1992*	2015	7,328,058	1,114,158	59.7%	2.32	170,011
TIF Vil of Maywood-St Charles Rd	1992*	2015	21,695,504	3,298,584	66.3%	2.32	503,336
TIF Vil of Melrose Park-Chicago/Superior	12/27/2010	12/31/2033	11,934,214	1,054,388	76.9%	2.32	276,874
TIF Vil of Melrose Park-Lake St Corridor	9/24/2007	12/31/2030	-	-	0.0%	2.32	0
TIF Vil of Melrose Park-Mid Metro Ind Ar	12/11/1989	12/31/2024	1,184,842	104,681	18.5%	2.32	27,488
TIF Vil of Melrose Park-North Ave/25th Ave	11/9/1998	12/31/2021	2,244,214	198,276	33.7%	2.32	52,066
TIF Vil of Melrose Park-Seniors First	4/6/2001	12/31/2024	8,890,635	751,259	73.5%	2.32	206,263
TIF Vil of Melrose Park-Seniors First	4/6/2001	12/31/2024	5,957,019	526,303	85.7%	2.32	138,203
TIF Vil of Melrose Park-9th St/North Ave	4/20/1992	12/31/2015	8,430,571	744,841	89.3%	2.32	195,589
			81,543,542	9,871,655			1,891,810
* start date 8/23/1990 per Maywood report; Cook Co listed as 1992							
** start date 3/27/1997 per Maywood report; Cook Co listed as 1997							
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