



## Prospect Heights School District 23 Finance Committee Information Item

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**Date:** January 4, 2021

**Subject:** Status of Prospect Heights TIF & Lexington Homes Development

**Contact:** Amy McPartlin, Assistant Superintendent for Finance & Operations

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For over the past year, the District has been following the City's plan for redevelopment of the land adjacent to Muir park and inclusive of the Jolly Fun House Academy. We have attended City meetings and have been in regular contact with City Administration as their plans have progressed. While we realize that the municipality can certainly exercise its ability to create the proposed TIF with limited taxing body input, we recognize the long term implications this may have for the District and believe it's essential to be "at the table" in advocating for the needs of District 23.

We have received formal notifications of meetings and have continued to share in discussions with District 214, as a partnering taxing body. Initial plans have been approved for a 69 unit townhome community and early projections show an impact of 15 new students for District 23.

We have reviewed the Prospect Pointe/Muir Park Tax Increment Financing Area Plan. The developer, Lexington Homes, is expected to apply for TIF assistance for such project costs as well construction, fire suppression requirements, stormwater management and other factors. As you know, Prospect Heights does not have municipal lake water service in this area, which creates further development challenges.

While the City has attempted to be surgical in mapping area boundaries for considered neighborhood public improvements. The establishment of the Tax Increment Financing (TIF) District does have some significant consequences for the assessed valuation and subsequent property tax revenue for the District. As this new development falls within the boundaries of Districts 23 and 214, we are jointly working with Franczek Attorney, Ares Dalianis to determine the potential impact and the best course of action for both districts.

In our meeting with the City on the 22nd, we articulated some concerns regarding the establishment of the TIF district and requested the following:

- Establishment of impact fees for the benefit of the District (from the Developer to the City to the District)

- Guaranteed payment from the City each year equal to 27% on the incremental property taxes for the townhome parcel
- Developer contribution to the District directly
- Duration of the TIF District

We will be attending the meeting of the Joint Review Board in early January and will continue to keep the Board apprised of those plans and developments as the discussions proceed.