

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
12/19/2023

SUBJECT:	SUBMITTED BY:
Ordinance Granting an Extension to the Term of the Ogden Avenue TIF District and the Ogden Avenue Corridor Redevelopment Project Area	Enza Petrarca Village Attorney

SYNOPSIS

An ordinance has been prepared extending the Ogden Avenue TIF District and the Ogden Avenue Corridor Redevelopment Project Area.

STRATEGIC PLAN ALIGNMENT

The goals for 2023-2025 include *Strong, Diverse Local Economy* and *Steward of Financial, Environmental and Neighborhood, Sustainability*

FISCAL IMPACT

N/A

RECOMMENDATION

Approval on the January 2, 2024 Active Agenda.

BACKGROUND

In 2001, the Village created the Ogden Avenue Corridor Tax Increment Financing District ("Ogden TIF") as a mechanism for spurring development along the Ogden Avenue corridor. As required by statute, the Village also adopted a project plan that defined the parameters of Ogden TIF. Pursuant to State statute, a tax increment financing district, such as the Ogden TIF, may only be in existence for 23 years absent legislative action to extend the term of the district. Further, State law provides that funds generated in a tax increment financing district may only be used in relation to certain eligible expenses. There are currently funds available in the Ogden TIF fund that the Village could not reasonably expend on eligible expenses prior to expiration of the Ogden TIF. Additional information about the Ogden TIF extension can be found in the [2023-2025 Long Range Plan](#) on page 26.

Illinois law allows the State legislature to extend the term of a tax increment financing district by an additional 12 years through the passage of a statute authorizing the same. Recently, the Governor signed into law P.A. 103-0575, which extends the Ogden TIF by an additional 12 years.

ATTACHMENTS

Ordinance

ORDINANCE NO. ____

**AN ORDINANCE EXTENDING THE TERM OF THE
OGDEN AVENUE TIF DISTRICT AND THE OGDEN AVENUE CORRIDOR
REDEVELOPMENT PROJECT AREA
FOR THE VILLAGE OF DOWNERS GROVE, ILLINOIS**

WHEREAS, the Village of Downers Grove (“Village”) is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution of 1970 and may exercise any power and perform any functions pertaining to its government and affairs, including the power to regulate for the protection of public health, safety and welfare; and

WHEREAS, the Tax Incremental Allocation Redevelopment Act found at 65 ILCS 5/74.4-1 et seq. (the “TIF Act”) establishes a procedure for the elimination of blighted conditions and conservation areas which exist within municipalities located in the State of Illinois; and

WHEREAS, on February 6, 2001 , the Village Council (the “Corporate Authorities”) of the Village approved Ordinance No. 4248, which designated the Ogden Avenue Corridor Redevelopment Project Area as therein described (the “2001 TIF District”) as a redevelopment project area within the meaning of the TIF Act; and

WHEREAS, also on February 6, 2001, the Corporate Authorities approved both Ordinance No. 4247 , which approved a development plan and project (the “2001 Plan and Project”) for the purpose of eliminating blighting conditions within the 2001 TIF District, and Ordinance No. 4249, which approved tax increment financing for the 2001 TIF District; and

WHEREAS, Public Act 103-0575 authorizes the Village to extend the estimated dates of completion of the redevelopment project proposed for the Ogden Avenue Corridor Redevelopment Project Area until no later than December 31 in the 35th calendar year after the year in which the initial ordinance was approved that adopted tax increment financing for this redevelopment project area; and

WHEREAS, pursuant to Section 3.5(c)(255) of the TIF Act (65 ILCS 5/11-74.4-3.5(c)(255)), as amended by PA 103-0575, and pursuant to Section 3(n) of the TIF Act (65 ILCS 5/11-74.4-3(n)), the Corporate Authorities hereby seek to extend the term of the 2001 TIF District to December 31 of the 35th calendar year after passage of Ordinance No. 4248 on February 6, 2001, that adopted tax increment financing for the Ogden Avenue Corridor Redevelopment Project Area; and

WHEREAS, the Corporate Authorities hereby now find that it is in the best interests of the Village and for the continued development of the 2001 TIF District, which includes Ogden Avenue Corridor Redevelopment Project Area, to extend the term of 2001 TIF District to 35 years as authorized under PA 103-0575;

NOW, THEREFORE BE IT ORDAINED by the Village Council of the Village of Downers Grove as follows:

Section 1. Incorporation of Recitals. The Corporate Authorities hereby find that all of the Recitals contained in the Preamble to this Ordinance are full, true, and correct and do incorporate them into this Ordinance by this reference.

Section 2. Extension of Term of TIF District. As authorized by PA 103-0575, the term of the 2001 TIF District is extended to thirty-five (35) years. Further, as authorized by PA 103-0575, the estimated date of the retirement of all obligations incurred to finance redevelopment project costs as defined in the Ogden Avenue Redevelopment Plan and Project is hereby extended to no later than December 31, 2037, being the year in which payment to the Municipal Treasurer as provided in Section 11-74.4-8(b) of the TIF Act is to be made with respect to ad valorem taxes levied in the thirty-fifth (35th) calendar year after the year in which Ordinance 4249 establishing tax increment financing for the 2001 TIF District was adopted.

Section 3. Amendments to the Redevelopment Plan. The following provisions of the 2001 Plan and Project are hereby amended as follows:

Section VI G. of the Ogden Avenue Redevelopment Plan and Project is hereby amended to state as follows:

“G. Nature and Term of Obligations to be Issued

The Village may issue obligations secured by the tax increment Special Tax Allocation Fund established for the Redevelopment Project Area pursuant to the Act or such other funds as are available to the Village by virtue of its power pursuant to the Illinois State Constitution.

Any and/or all obligations issued by the Village pursuant to this Redevelopment Plan and Project and the Act shall be retired not more than thirty-five (35) years from the date of adoption of the ordinance approving the Redevelopment Project Area. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance or by December 31st of the year in which payment to the municipal treasurer pursuant to the Act is to be made with respect to ad valorem taxes levied in the thirty-fifth calendar year in which the ordinance approving the Proposed RPA is adopted. One or more series of obligations may be issued from time to time in order to implement this Redevelopment Plan and Project. The total principal and interest payable in any year on all obligations shall not exceed the amount available in that year or projected to be available in that year, may be payable from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds, and all other sources of funds as may be provided by ordinance.

Those revenues not required for principal and interest payments, for required reserves, for bond sinking funds, for redevelopment project costs, for early retirement of outstanding securities, and to facilitate the economical issuance of additional bonds necessary to accomplish the Redevelopment Plan, may be declared surplus and shall then become available for distribution annually to taxing districts overlapping the Proposed RPA in the manner provided by the Act.

Such securities may be issued on either a taxable or tax-exempt basis, as general obligation or revenue bonds, with either fixed rate or floating interest rates, with or without capitalized interest; with or without deferred principal retirement, with or without interest rate limits except as limited by law; and with or without redemption provisions, and on such terms as the Village may determine. “

Section VII C. of the Ogden Avenue Redevelopment Plan and Project is hereby amended to state as follows:

“C. Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs

This Redevelopment Project and retirement of all obligations to finance redevelopment costs will be completed within thirty-five (35) calendar years after the adoption of an ordinance designating the Redevelopment Project Area. The actual date for such completion and retirement of obligations shall not be later than December 31 of the year in which the payment to the municipal treasurer pursuant to the Act is to be made with respect to ad valorem taxes levied in the thirty-fifth calendar year in which the ordinance approving the Proposed RPA is adopted.”

Section 4. Notice. The Village Clerk shall publish notice of the approval of this Ordinance within ten (10) days of the approval of this Ordinance, and the Village Clerk shall provide notice of the passage of this Ordinance to all affected taxing bodies and any registrants on the interest parties registry for the 2001 TIF District within ten (10) days of the passage of this Ordinance (65 ILCS 5/11-74.4-5(c)).

Section 5. Invalidity of Any Section. If any section, paragraph, or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Ordinance.

Section 6. Repealer. All ordinances, resolutions, motions or orders in conflict with this Ordinance are hereby repealed to the extent of such conflict.

Section 7. Effective Date. This Ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

Section 8. Transmittal to County Clerk. The Village Clerk is hereby directed to transmit forthwith to the County Clerk of the County of DuPage, Illinois, a certified copy of this Ordinance.

Mayor

Passed:

Published:

Attest: _____

Village Clerk