VILLAGE OF VILLA PARK
Village Hall, Board Chambers
20 South Ardmore Avenue
Villa Park, IL 60181

Village Board of Trustees - Committee of the Whole

October 14, 2024 **6:00 PM**

Village President Nick Cuzzone
Village Clerk Hosanna Korynecky
Village Trustees Cari Alfano, Jorge Cordova, Jack Corkery, Jack Kozar, Deepa Kumar, Kevin Patrick

Public participation is invited. When called upon, please approach the microphone and state your name. Kindly limit your remarks to 3 minutes.

1. Call to Order - Roll Call

2. Pledge of Allegiance

3. Discussion

a. Discussion of TIF Alternative Revenue Source G.O. Bond Sale in Support of The Union Apartment Project

Geoff Dickinson of S.B. Friedman will discuss his financial analysis and projections for the proposed Union at Old Town project proposed by Marquette Companies and Three Leaf Partners. In order for Speer Financial to develop a projection for the bond coverage and repayment schedule, SB Friedman must look at the developers' project for the number of proposed units, the types of units, the estimated property value at construction, and the likely increases in property value over time. They also need to project the escalation of the required Tuition Payments per student for school districts to satisfy the requirement that the Village cover those payments for all students who move into the district and live in a project in a TIF district. Without an intergovernmental agreement, the TIF must pay up to 13% of the increment to the secondary school and 27% to the elementary school in the TIF District. Therefore, SB Friedman must make an estimate of the probable number of children that are expected to move into the TIF District.

Anthony Miceli will also be at the meeting to discuss the analysis by Speer Financial. Speer took the projections of the increment generated and payments required from Mr. Dickinson (and Emma Boananno-Lynch) at SB Friedman and determined that there was still sufficient projected revenue to cover the payments and have the 25% additional coverage required for a non-home rule municipality selling G.O. Bonds.

4. Public Comments

5. Adjournment

THE UNION AT OLD TOWN

Preliminary Incremental Property Tax Projections

Village Board Meeting | October 14, 2024

SBFRIEDMAN

VISION
ECONOMICS
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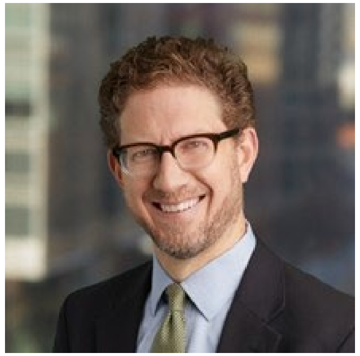
IMPLEMENTATION

INTRODUCTIONS

- **SB Friedman Development Advisors** is a Chicago-based consultancy working with the public and private sectors in a range of disciplines
  - Public-private partnerships and implementation
  - Market analysis and real estate economics
  - Development strategy and planning



Geoff Dickinson, AICP
Partner

OUR ROLE

Overview

- Prepare preliminary independent incremental property tax projections
- Provide them to Speer Financial
- Work with Village team to develop a funding approach to close the project's financial gap
- If Board directs staff to proceed, SB Friedman will refine projections and prepare a bond feasibility report

PROJECT OVERVIEW

Vertical mixed-use development project at 100 S. Villa Ave

Total Development Cost: **$80.5 M**

Financial Gap: **$13.0 M**

PROJECT

- **234** residential units
  - 32 studios
  - 127 one bedrooms
  - 70 two bedrooms
  - 5 three bedrooms
- **8,000 sf** retail
- **406** structured parking spaces
  - 312 private
  - 94 public
- **7** stories

INCREMENTAL PROPERTY TAX PROJECTIONS

SB Friedman's analysis projects $33.3 M in net incremental property taxes over the life of the TIF district

Est. Gross Incremental Property Taxes
$43.2 M

-

Est. School Districts 45 & 88 Payments
$9.0 M

Est. Library District Payments
$900 K

=

Est. Net Incremental Property Taxes
$33.3 M*

Increment from project parcels only.

* Undiscounted, through 2048 (final year of tax collections in TIF district)

ASSUMPTIONS

Incremental property tax projections are based on SB Friedman's analysis and IL state statute

CORE INPUTS / ASSUMPTIONS		
Number of Units	234 Units	Updated Project unit count as of 8.16.2024
Annual Escalation	2.3%	SBF analysis of Villa Park property value "clean" growth rate, 2021-2023
Residential EAV/Unit (2023$)	$79,000	SBF tax comparables analysis (York Township properties only)
Construction Start	March 2025	SBF assumption
TIF Designated in (Year)	2024	Village of Villa Park

ASSUMPTIONS

Incremental property tax projections are based on SB Friedman's analysis and IL state statute

TUTION PER ESTIMATED STUDENT - PROJECTION ASSUMPTIONS		
K-8 Students Generated	8	SBF projection of student generation
High School Students Generated	4	SBF projection of student generation
2023 Per Capita Tuition Cost, K-8	$16,926	SD 45, IL State Board of Education
2023 Per Capita Tuition Cost, HS	$21,706	SD 88, IL State Board of Education
Annual Tuition Payment Escalation, K-8	3.21%	Tuition payment 2018-2023 CAGR
Annual Tuition Payment Escalation, HS	4.98%	Tuition payment 2018-2023 CAGR
Library District Payments	2% of incremental property taxes from residential portion of the Project	65 ILCS 5/11-74.3-3-7.7

STATUTORY MAXIMUM - PROJECTION ASSUMPTIONS		
K-8 Tuition Payment Max	27% of incremental property taxes from residential portion of the Project	65 ILCS 5/11-74.3-3-7.7
High School Tuition Payment Max	13% of incremental property taxes from residential portion of the Project	65 ILCS 5/11-74.3-3-7.7
Library District Payments	2% of incremental property taxes from residential portion of the Project	65 ILCS 5/11-74.3-3-7.7

STUDENT GENERATION

Student generation assumptions drive difference in net incremental revenue to support bond issuance

SCENARIO	Amount ($)	Est. Students	Methodology
Gross Incremental Revenue	$43.2 M		
Net Incremental Revenue – **SB Friedman Assumptions**	**$33.3 M**	**(8)** K-8 **(4)** High School	• Analysis based on (1) actual students generated from comparable projects, (2) Census block-level analysis of residents by age for new development, and (3) projections provided by Tracy Cross
Net Incremental Revenue – **Statutory Max**	**$25.1 M**	**(18-21)** K-8 **(5-7)** High School	• 40% of incremental property taxes from the residential portion of the Project • "Est. Students" estimates the typical number of students that would be required to enroll in any given year to consume the Statutory Max

Actual payments to school districts will be based on the ***actual number of students generated from the Project*** *and enrolled in the districts*

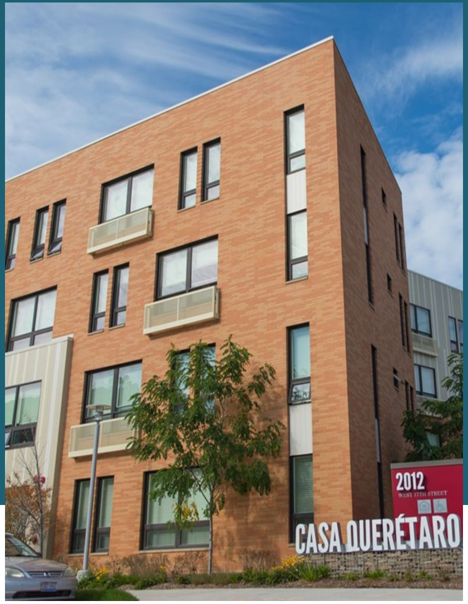
DRAFT

PROJECTED INCREMENTAL PROPERTY TAXES AVAILABLE FOR DEBT SERVICE

Year	TIF Year	Projected Incremental Property Taxes, Net of Tuition and Library Payments
2024	0	
2025	1	$0
2026	2	$0
2027	3	$687,295
2028	4	$1,281,824
2029	5	$1,306,813
2030	6	$1,332,179
2031	7	$1,357,922
2032	8	$1,384,040
2033	9	$1,410,532
2034	10	$1,437,396
2035	11	$1,464,631
2036	12	$1,492,232
2037	13	$1,520,198
2038	14	$1,548,523
2039	15	$1,577,203
2040	16	$1,606,233
2041	17	$1,635,606
2042	18	$1,665,314
2043	19	$1,695,351
2044	20	$1,725,706
2045	21	$1,756,371
2046	22	$1,787,334
2047	23	$1,818,584
2048	Final Year of Collections	$1,850,389
		$33,341,676

Projected Available Incremental Property Taxes:

$33,341,676



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10/8/2024

Year	TIF Year	Total GROSS Incremental Revenue	Statutory max Total Incremental Revenue, **NET student & library set asides**	SBF analysis Total Incremental Revenue, **NET student & library set asides**
2024	0			
2025	1	$0	$0	$0
2026	2	$0	$0	$0
2027	3	$969,230	$562,449	$687,295
2028	4	$1,586,436	$920,616	$1,281,824
2029	5	$1,622,924	$941,790	$1,306,813
2030	6	$1,660,251	$963,452	$1,332,179
2031	7	$1,698,437	$985,611	$1,357,922
2032	8	$1,737,501	$1,008,280	$1,384,040
2033	9	$1,777,463	$1,031,470	$1,410,532
2034	10	$1,818,345	$1,055,194	$1,437,396
2035	11	$1,860,167	$1,079,464	$1,464,631
2036	12	$1,902,951	$1,104,291	$1,492,232
2037	13	$1,946,719	$1,129,690	$1,520,198
2038	14	$1,991,493	$1,155,673	$1,548,523
2039	15	$2,037,298	$1,182,253	$1,577,203
2040	16	$2,084,155	$1,209,445	$1,606,233
2041	17	$2,132,091	$1,237,263	$1,635,606
2042	18	$2,181,129	$1,265,720	$1,665,314
2043	19	$2,231,295	$1,294,831	$1,695,351
2044	20	$2,282,615	$1,324,612	$1,725,706
2045	21	$2,335,115	$1,355,078	$1,756,371
2046	22	$2,388,823	$1,386,245	$1,787,334
2047	23	$2,443,766	$1,418,129	$1,818,584
2048	24	$2,499,972	$1,450,746	$1,850,389
	Total, 2025-2048	**$43,188,175**	**$25,062,304**	**$33,341,676**

Assumptions:

Number of Units	234	Updated Project unit count as of 8.16.2024
Annual Escalation	2.3%	SBF analysis of Villa Park property value “clean” growth rate, 2021-2023
Residential EAV/unit	$79,000	SBF tax comparables analysis (York Township properties only)
Construction Phasing	March start date	SBF assumption

Statutory Max: Net Incremental Revenue Assumptions

K-8 Students	27% of incremental property taxes from residential portion of the Project	65 ILCS 5/11-74.3-3-7.7
High School Students	13% of incremental property taxes from residential portion of the Project	65 ILCS 5/11-74.3-3-7.7
Library set aside	2% of incremental property taxes from residential portion of the Project	65 ILCS 5/11-74.3-3-7.7

SBF analysis: Net Incremental Revenue Assumptions

K-8 Students	8	SBF projection of student generation
High School Students	4	SBF projection of student generation
Tuition Payment Escalation, K-8	3.21%	Tuition payment 2018-2023 CAGR, SD 45
Tuition Payment Escalation, HS	4.98%	Tuition payment 2018-2023 CAGR, HSD 88
Library set aside	2% of incremental property taxes from residential portion of the Project	65 ILCS 5/11-74.3-3-7.7