

# East Farnsworth TIF #8 - Proposed First Amendment

City of Aurora  
Public Hearing

March 22, 2016



Kane, McKenna  
and Associates, Inc.

# Agenda

- I. Redevelopment Project and Plan**
- II. TIF Mechanism**
- III. Key Elements of the Amended  
TIF Plan**

# I. Redevelopment Plan and Project

## **Background**

- The East Farnsworth TIF was created in 2011 in order to assist in the Aurora Premium Outlet Mall expansion.
- This TIF will be amended with an updated budget and revised TIF District boundaries (includes one tax parcel to the north of current boundaries)
- This amendment would also include clarification language relating to proposed public improvements (mainly roadway related).

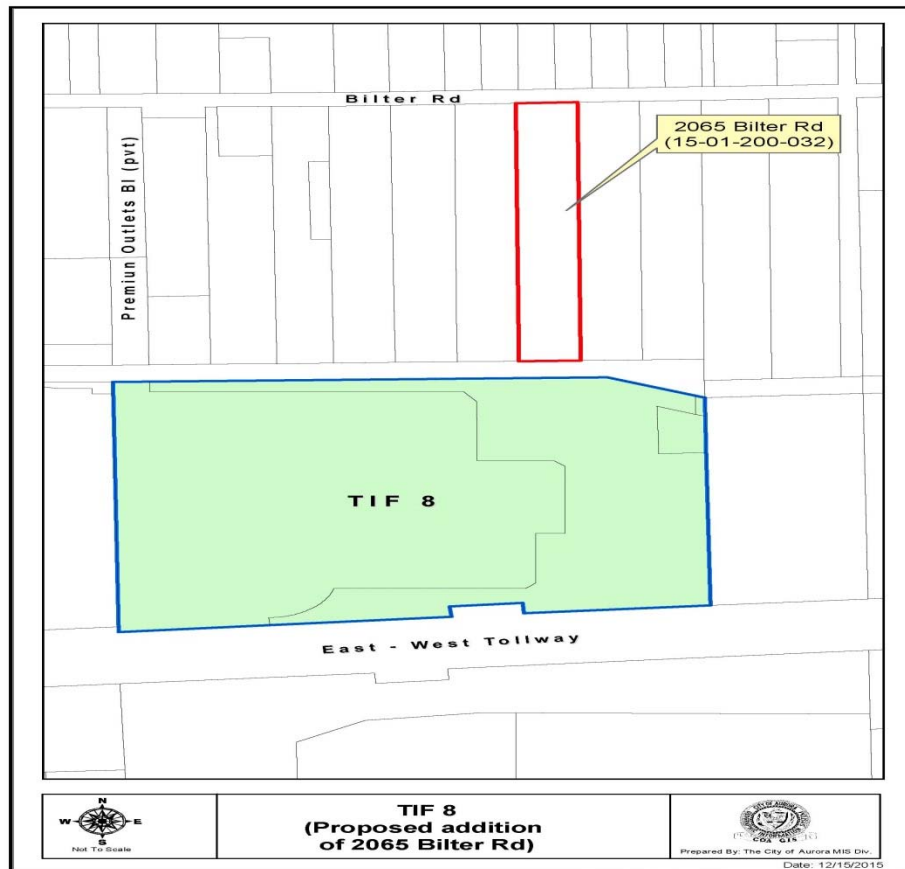
# I. Redevelopment Plan and Project

## **Rationale for Amendment**

- Provides for necessary capital/public improvements that improve access/egress to the mall.
- Despite the success of the mall in general the area still requires concerted planning by the City in order to maintain competitiveness.
- Amending the TIF will increase the possibility that the original goals and objectives can be met and the City can continue with a successful redevelopment.

3/18/2016

# TIF Boundaries As Amended



# I. Redevelopment Plan and Project

## **Goals of Redevelopment**

- In general the City wants to enable the original 2011 TIF plan to come to fruition and continue project success.
- Following its general economic development goals the City will continue efforts to provide the assistance required to eliminate conditions detrimental to successful redevelopment of the mall area.

# I. Redevelopment Plan & Project

## **TIF Plans complies with legal provisions of TIF Act**

- The TIF can contiguous parcels and exceeds 1 ½ acres
- The “But-for” requirement is met because redevelopment is only feasible with utilization of tax increment financing

## II. TIF Mechanism

**TIF is a tool for achieving the City's economic development goals**

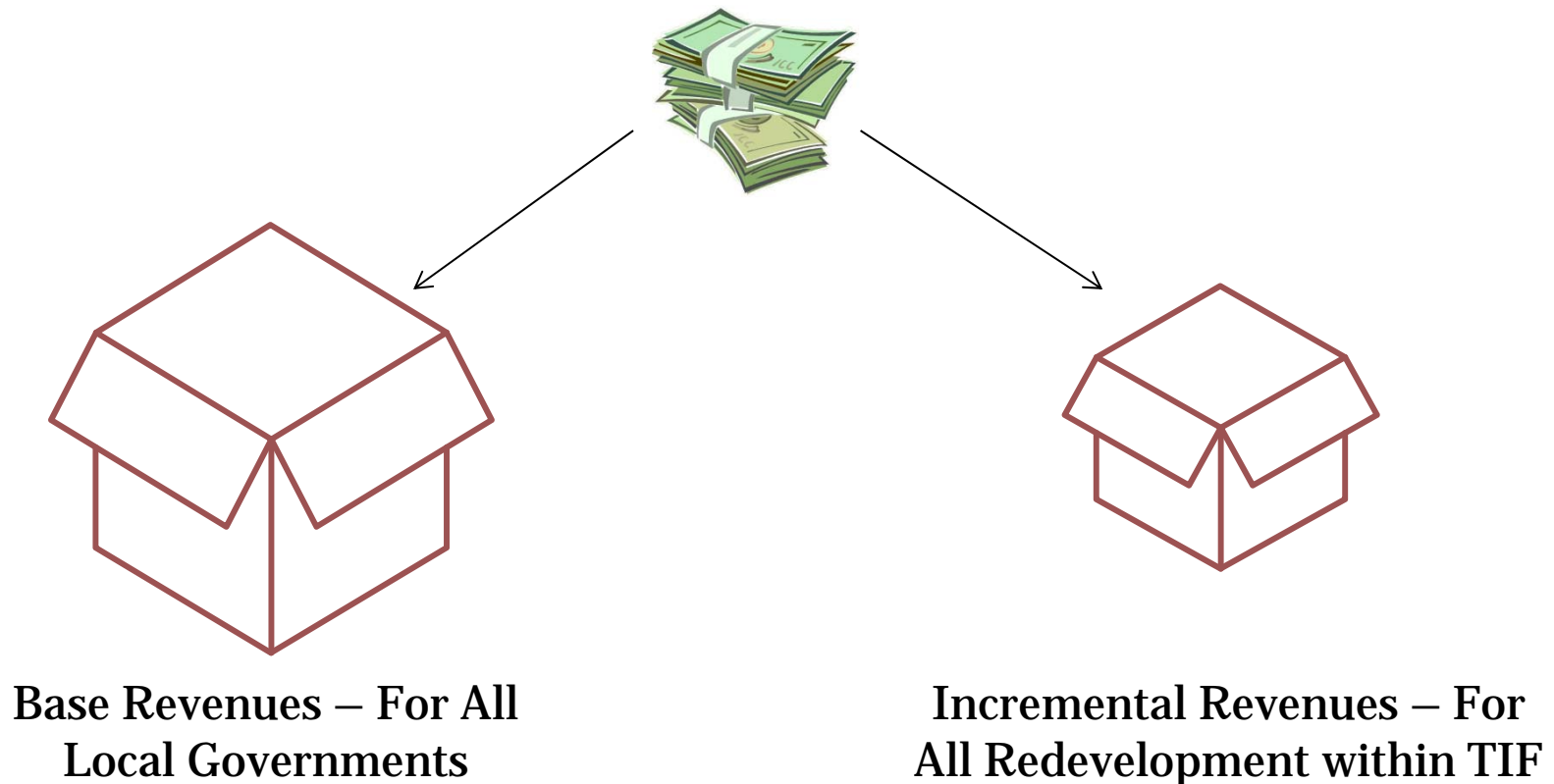




## II. TIF Mechanism

### **Review of TIF Mechanism**

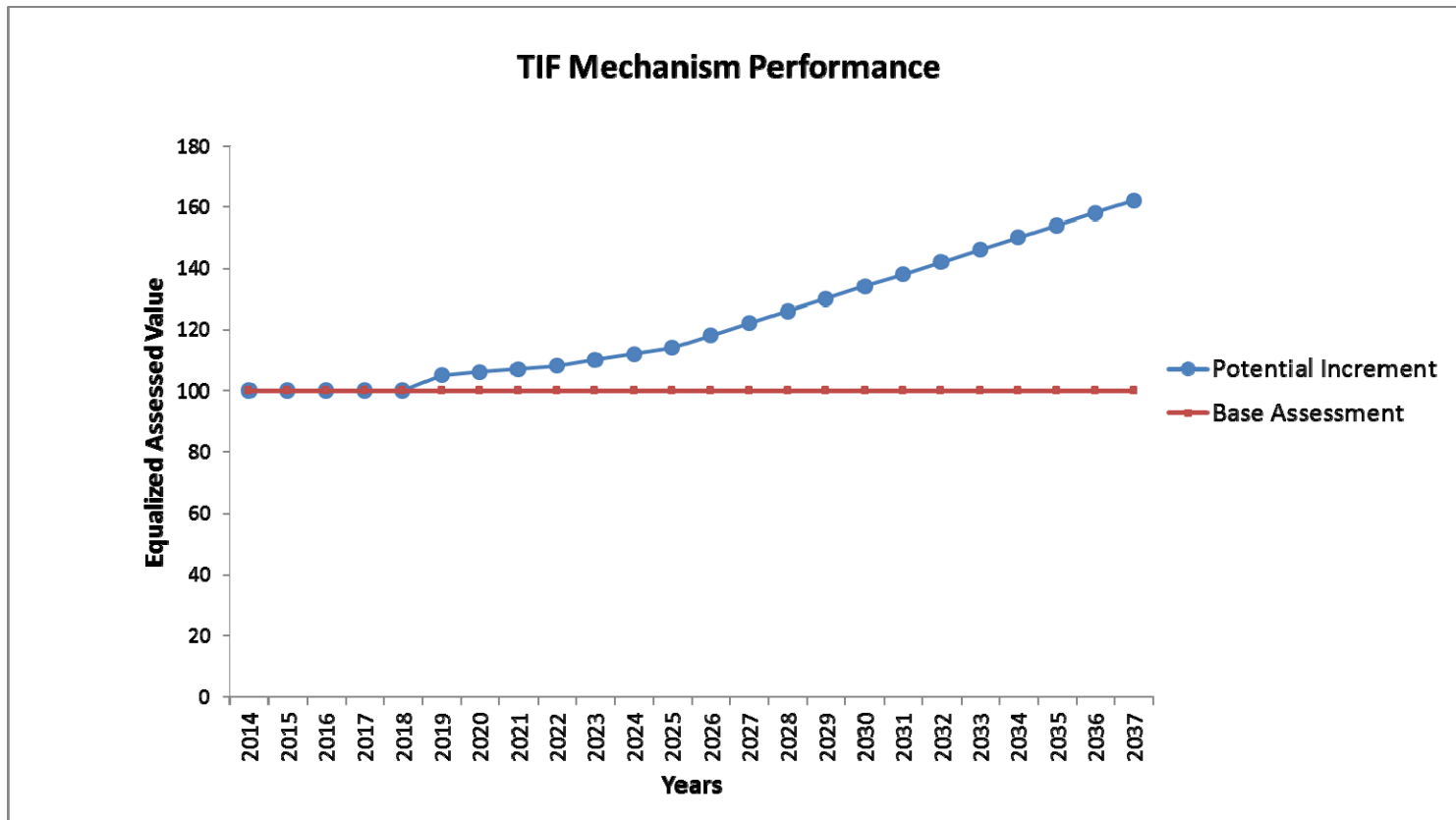
TIF splits property tax revenue generated within the area into two components:



3/18/2016

## II. TIF Mechanism

A successful TIF produces positive incremental revenue over time

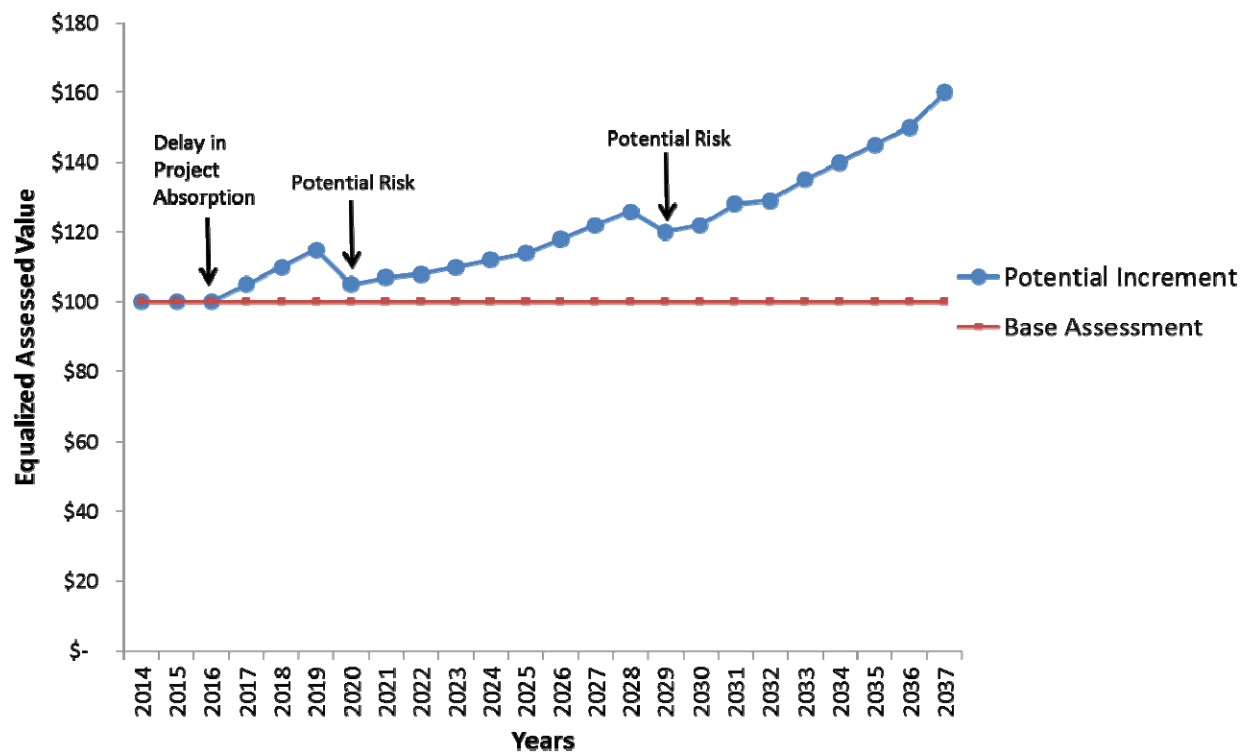


3/18/2016

## II. TIF Mechanism

In practice, a successful TIF faces certain challenges generating positive increment

Potential TIF Performance Adjusted for Project-Related Risks



## III. Key Elements of TIF Plan

### **The TIF Budget**

- The Base EAV for the proposed amended TIF District area would increase by \$75,230 (over the initial Base).
- Land uses and other plan components remain the same.
- The TIF budget remains at \$45,700,000.
- The TIF term remains at 23 years.

## III. Key Elements of TIF Plan

### **The TIF Budget**

- The budget represents the maximum possible amount of expenditures by the City
- Sized to accommodate potential development requirements
- 23 year budget, not annual budget
- TIF eligible costs include public improvements as well as incentives for private redevelopment

# TIF ordinances may be introduced 14 to 90 days after the Public Hearing

- Subject to review/approval by City Council after close of the March 22<sup>nd</sup> Public Hearing

