

Economic Development Tools to Build Your Community

January 26, 2023

- Adam Stroud – PGAV Planners
- Brittney Gipson – Village of Dieterich
- Todd Hull – City of Effingham

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OF SOUTHCENTRAL & SOUTHEASTERN ILLINOIS


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Business Navigator Alliance of Southcentral and Southeastern Illinois

- Regional collaboration for the Community Navigator Program
- Purpose: provide professional outreach and technical assistance for local, state, and federal economic relief programs
- Mission: to ensure that small businesses in our region are competitive in applying for necessary resources
- Goal: position local businesses for success by acceleration business recovery and growth



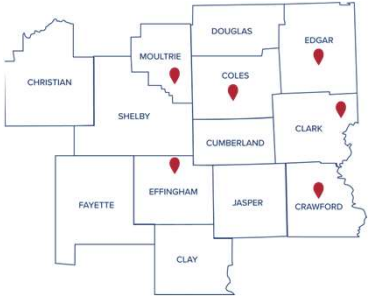
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Economic Development Incentives Programs

Adam Stroud
Senior Project Manager



1/19/2023

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About PGAV Planners

Development Finance – Incentive Tools, Annual Reporting, Negotiating, Incentive Policies

Market Analysis – Feasibility Studies, Real Estate Market Reports, Revenue Projections

Community Planning – Zoning Codes, Comprehensive Plans, Development Strategies

GIS – 3D Visualization, Reference Maps, Online Web Apps, Field Data Collection

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Agenda

- Why utilize incentives?
- TIF District
- Business District
- Enterprise Zone
- Overlapping Incentives
- Policies and Upkeep



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Do you need to use incentives?



- An area with opportunities for new construction and/or renovations? • Yes
- Is there a need for public improvements and infrastructure? • Yes
- Does your community plan propose economic development? • Yes
- Is the area struggling, or "blighted"? • Yes
- Will projects happen without incentives? • No

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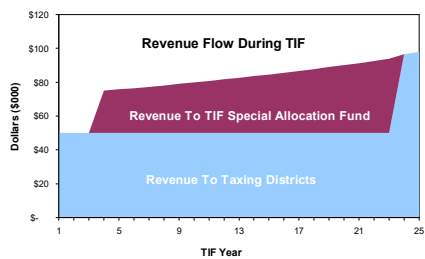
Tax Increment Financing or "TIF" Districts

- TIF is a property tax generated incentive
- It is important to have good relations with other taxing bodies
- You must attract private investment to generate TIF money
- Area must qualify for use of TIF



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How Does TIF Generate Money?



► Life is 23 years of tax collections (24 calendar years) and possibility of extension

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How Does TIF Generate Money? Cont'd

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Establish TIF area
(meeting statutory requirements) 2. Initial or "base" tax bill:

\$10,000 real property taxes annually 3. Tax bill after project is completed:

\$30,000 real property taxes annually | <ol style="list-style-type: none"> 4. Tax increment calculation

\$30,000 Tax after project
-\$10,000 Tax on base EAV
\$20,000 Tax "increment" 5. \$20,000 tax increment annually <ul style="list-style-type: none"> Pay for eligible costs Pay-as-you-go or debt TIF funds must used in the TIF (some exceptions) |
|--|---|

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Business Districts

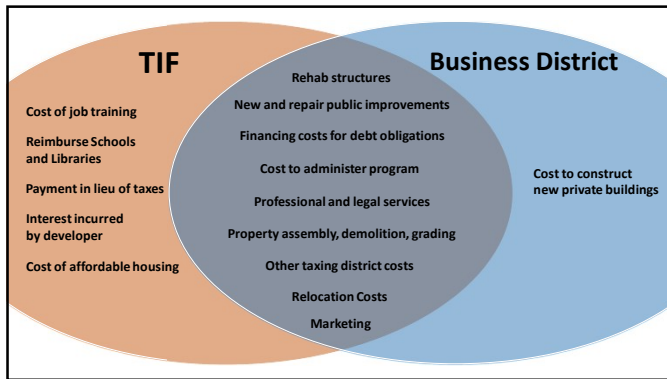
- (Run through the previous checklist of questions)
- Business District imposes an additional sales tax to generate money
- Does the area generate taxable sales?
- Will the area generate taxable sales?

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How does a Business District work?

- Municipality may levy a maximum of 1% tax (done in 0.25% increments) in the following categories:
 - Business District Retailers' Occupation Tax
 - Business District Service Occupation Tax
 - Business District Hotel Operators' Occupation Tax
- Area must qualify as a "blighted area"
- Last 23 years

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Enterprise Zones

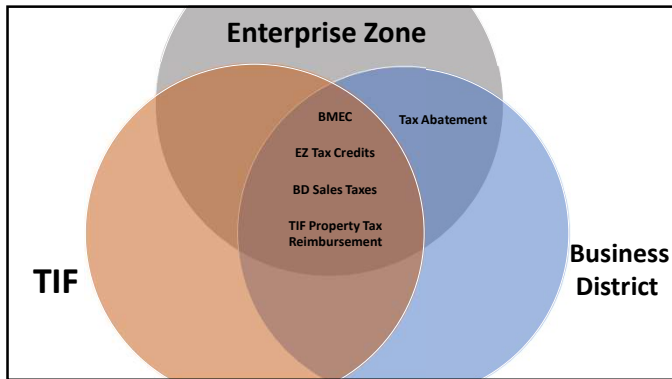
- There probably won't be many new zones created in Illinois for a long time.
- The current zones can be amended to include additional territory.
- Enterprise Zones provide two primary benefits:
 - Real property tax abatement
 - Exemption from sales tax on building materials
- Last for 15 years with a possible extension of 10 years (total of 25 possible years)

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Local Control of Enterprise Zone Benefits

- Each Zone can have its own unique set of benefits related to property tax abatement and sales tax exemption.
- Local gov'ts can set minimum requirements such as job creation, dollar amount invested, etc.

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Policies and Upkeep

- All of these tools can be amended after creation
- Annual reporting is required for TIF's and Enterprise Zones.
- Business District Hotel Tax is the municipalities responsibility
- Many cities have standard applications and policies
- These can encourage consistency, transparency, and timing
- One of the best incentives is great customer service and a business-friendly attitude

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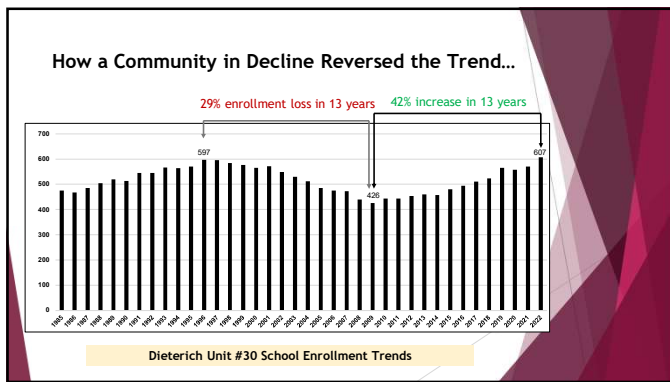
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- Thank you and keep up the good work!

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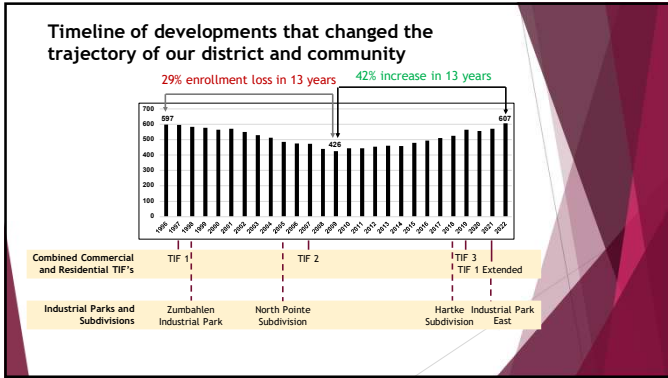
Dieterich Community Development Corporation (DCDC)-
Local leaders break down barriers, align community to a vision of growth

- ▶ 1986- Representatives from local business, government, education, and community come together to address the future needs of the community.
- ▶ Brought in colleges and planning commissions to help lay the groundwork and assist in strategy.
- ▶ Hosting joint meetings with School Board, Village Board, and Business Association to address community needs and progress.
- ▶ 1997- Explored creation of a TIF District and how to acquire the necessary land assets to create a path to growth.

Congratulations
DIETERICH COMMUNITY DEVELOPMENT CORPORATION

Local leaders break down barriers, align community to a vision of growth. The Dieterich Community Development Corporation (DCDC) was formed in 1986 to address the future needs of the community. The DCDC has been instrumental in bringing in colleges and planning commissions to help lay the groundwork and assist in strategy. The DCDC has also been instrumental in hosting joint meetings with the School Board, Village Board, and Business Association to address community needs and progress. In 1997, the DCDC explored the creation of a TIF District and how to acquire the necessary land assets to create a path to growth.

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Hartke Subdivision - With the first subdivision nearly full and the need for more residential growth, a second subdivision was established

May 2018 (Phase 1)




- Developed by the Village of Dieterich and established in TIF 3
- 1/3 acre lots sold \$4,000 for Contractors and Residents
- 38 lots for sale in 2018. Only 7 remaining and planning for Phase 2.

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Growth can seem slow, but once momentum catches, the speed is incredible!

March 2019

January 2021





- 10 new homes in the first year, 30 total homes in just 4 years
- Construction shows investment, building pride in community and acceleration of businesses and residential growth.

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Industrial Park East - With housing needs currently being met, attention is shifting back to business development with a second industrial park newly completed

May 2021


August 2021


- Developed by the Village of Dieterich and established in TIF 3
- 23 lots from .82 to 7.43 acres, shovel ready
- Commercial and Light Industrial uses
- 13 lots already sold!
- Lots sell for \$10,000 per acre

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With the help of state and federal grants we have invested in downtown beautification and park improvements, making Dieterich an even more desirable place to visit or live



- ▶ Beginning in 2012, we have executed 3 different projects focused on downtown beautification, street, sidewalk, pedestrian bridges, and lighting improvements
- ▶ ITEP grants helped fund a majority of these projects with total grants awarded at \$2.1M. Total project costs were \$3M. TIF funds provided the necessary local match.

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These beautification projects work not only to serve the growing community, but also a growing school district

2021 Dieterich Liberty Park Improvements



- ▶ In 2019, we were awarded an IDNR OSLAD grant worth \$306k, 50% of the total project cost
- ▶ TIF funds supplied the required 50% match for our park improvement project
- ▶ Improvements included expanding the pond and pavilion, new tennis/pickleball courts, and additional playground equipment

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Wright Family Center- a \$5M project to help shape generations to come

Groundbreaking Ceremony was held September 9, 2022

- ▶ Village owned, park district led, the Wright Family, CDC and anchor business as the lead donors, and school-donated land and parking lot
- ▶ 50 student daycare, full size gymnasium, 3 community rooms, and a 24-hour fitness center
- ▶ \$2.1M State PARC grant awarded
- ▶ TIF funds used to bridge the grant funding & donation gap with COVID price increases




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Funding a crazy idea with a really crazy idea - in May 2021, we raffled off a NEW HOUSE in Hartke Subdivision to help fund the new Wright Family Center, raising \$213,000!

Be a witness to the **BIGGEST** thing that Dieterich has ever done!!

IF YOU DON'T HAVE A TICKET, BRING YOUR YOUTHFULNESS, BECAUSE THE NEW HOUSE IS MOVE IN READY FOR THE WINNER!!

WELCOME HOME STREET PARTY
MAY 12
7PM-9PM
LIVE DRAWING AT 8PM
315 INDEPENDENCE DR, DIETERICH, IL

Tickets will be on sale at the event until 8pm!!

- 3 bedroom, 2 bathroom, 1700 sq ft home with full and basement and 2 car garage
- Tickets were \$100 each or 6 for \$500, 7,500 max
- Sold 4,238 tickets! Only 1,500 sold prior to the week of the drawing
- TIF enabled the Village to donate the lot in Hartke Subdivision

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In the ten years, since the last census, Dieterich has flourished like only few others in Illinois have

- The Village of Dieterich's population has increased over 44%, from 617 residents to 890.
- We are number 7 in the state for population growth rate.
- The new subdivisions have already added 142 kids, age 0-18, to the district. We continue to see this number climb.
- 48 of those kids haven't entered the school system yet!
- The Dieterich Park District was able to start spring and fall soccer leagues for youth ages pre-k to 4th grade, grow the youth baseball/softball leagues, and have added pickleball leagues for those 11 and up.

1. Thomson (+172.88 percent)
2. Pingree Grove (+128.71 percent)
3. Volo (+109.01 percent)
4. Annapolis (+92.73 percent)
5. Kaskaskia (+50 percent)
6. Symerton (+47.13 percent)
7. Dieterich (+44.25 percent)
8. The Galna Territory (+41.78 percent)
9. Hampshire (+37.82 percent)
10. Exeter (33.85 percent)

Illinois State Census
2020

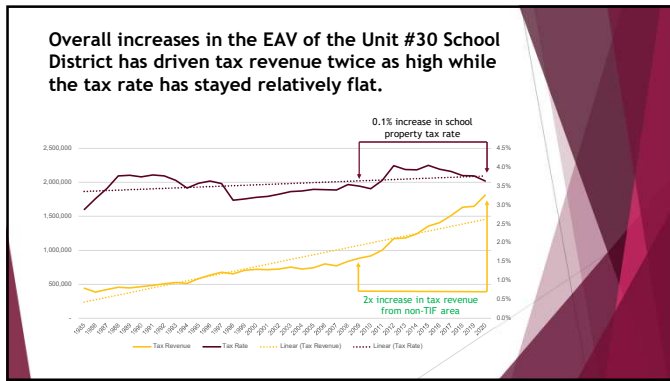
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TIF Investments are Catalyst for Commercial and Industrial Growth

- Since TIF 1 began in 1997, over \$6.2M in private investment has occurred in Dieterich
- There have been over 20 TIF assisted commercial and industrial projects
- The Village has invested \$366,000 in TIF incentives to help foster this growth
- Some of the more notable projects include:
 - Dieterich Medical Center
 - Dollar General
 - Old Mac's Drive Thru & Convenience Store
 - Subway
 - Septic Solutions
 - Probst Auto Body
 - Candle Art



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Questions

We love to share our story! Contact us!

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All Aerial Photos Courtesy of Mike French

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City of Effingham

Economic Development Programs
January 26, 2023

The City of Effingham Illinois

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Effingham Enterprise Zone

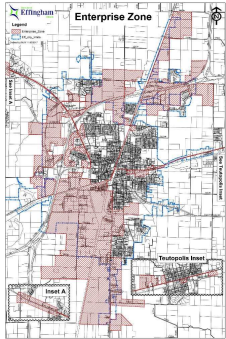
Real Estate Tax Abatement

- Commercial – 3 years, 100%
- Industrial – 7 years, 100%
- Residential (upon approval)
 - New Single Family – 5 years, 100%
 - New Multi-Family – 3 years, 100%

Building Materials Sales Tax Exemption


- Commercial/Industrial – 100%
- New Residential (upon approval) – 100%
- Residential Rehabilitation (upon approval) – 100%
 - \$50,000 project cost minimum






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Enterprise Zone Projects




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TIF and Business Districts Incentive Calculations




Project Needs



Project Impact



Project Return



Project Intangibles

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TIF Districts

TIF 1 – Expires 2021

- Active Projects
- Sales Tax TIF

Central TIF – Expires 2035

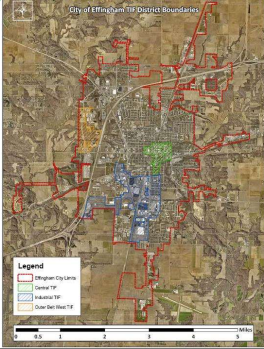
- Façade Program
- Downtown Infrastructure
- John Boos Project

Industrial TIF – Expires 2038

- Façade Program
- Infrastructure Improvements
- Business Retention/Attraction
- Boundary Expansion

Outer Belt West TIF – Expires 2024

- Outer Belt West
- Infrastructure Improvements




City of Ethingam TIF District Boundaries

Legend

- Unimproved City Limits
- Central TIF
- Industrial TIF
- Outer Belt West TIF

0 0.5 1 2 Miles



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Façade Program Projects



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TIF Projects



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Business Districts



- 5 Business Districts
- 1% Sales Tax
- Infrastructure Focus
- TIF Replacement
- Business Attraction and Rehabilitation



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Business District Projects



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Contact

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Thank you!

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 **COLES Together**

 **SULLIVAN ILLINOIS**
CHAMBER & ECONOMIC DEVELOPMENT

 **CCDA**
Crawford County Development Association

 **MARSHALL AREA CHAMBER OF COMMERCE**

 **PEDCO**

 **The Alliance**
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