

VILLAGE OF LA GRANGE
Finance Department

EXECUTIVE COMMITTEE REPORT

TO: Village President, Board of Trustees, Village Clerk and
Village Attorney

FROM: Robert J. Pilipiszyn, Village Manager,
Lou Cipparrone, Finance Director

DATE: February 9, 2009

RE: **TIF FUND – CAPITAL PROJECTS**

Please find below an update of TIF Fund capital projects which have previously been approved by the Village Board and included as part of the current five-year operating budget.

Property Tax Increment

The Village Board has elected to waive the “24th” TIF tax levy subject to the receipt of the federal grant for the parking structure and the retirement of all outstanding debt. For financial planning purposes, the proposed budget reflects the end of TIF operations in May 2009 and early retirement of debt, regardless of the status of the federal grant.

With the end of the TIF District in FY 2009-10, the expanded tax base from new growth resulting from the revitalization of the district generating additional property tax revenue will be available to the Village, school districts, park district and library beginning with the 2009 tax levy received in FY 2010-11.

Sales Tax Increment

Beginning in FY 2007-08 the Illinois Department of Revenue ceased the distribution of the State's portion of sales tax generated within TIF Districts across the state. This was accomplished through a gradual reduction in funding to the Village which began in October 1998. Revenues in FY 2007-08 include the final distribution from the State and no local transfer from the General Fund due to the end of the Sales Tax TIF, resulting in additional sales tax revenue of approximately \$500,000 being retained within the General Fund to fund Village operations.

Federal Funds

The Village is anticipating receipt of the \$3.2 million federal grant for the parking structure in FY 2008-09.

Professional Services

Budgeted expenditures in FY 2009-10 reflect the engagement of a financial consultant to assist with the procedural termination of the TIF District. The financial consultant will work with the Village and local taxing bodies to ensure the capture of the incremental new growth from the TIF District as part of the 2009 tax levy and coordinate the distribution of surplus TIF funds with Cook County.

Expenditures in FY 2006-07 reflect final architectural, project management, engineering, financial, traffic, environmental and geo-technical services for the construction of the parking structure.

Legal Fees

FY 2008-09 estimated actual expenditures reflect legal fees incurred relating to the La Grange Theater rehabilitation project and the early termination of the TIF District.

Wayfinding Signage

The Village hired Schreiber, Anderson to design and plan wayfinding signage for the Central Business District. The project was completed in FY 2007-08.

CBD Beautification Project

Due to the varying styles and deterioration of existing fiberglass planter pots in the Central Business District, the FY 2007-08 and FY 2008-09 budgets reflected expenditures for replacement planters. Due to other priorities, this project was not able to be undertaken. We do not propose that this project is reauthorized under TIF for funding. The project will be re-budgeted elsewhere within the Village budget as soon as a style and estimate of cost has been identified.

Previously several styles of trash receptacles existed within the Central Business District (CBD). In addition, the CBD had outgrown the original capacity and inventory of receptacles implemented with Streetscape Phase I. FY 2007-08 expenditures reflect the complete replacement of trash receptacles to match the wrought iron-style introduced with the public plaza.

Intersection Improvements at La Grange Road & Ogden Avenue / La Grange Theater Project

This project scheduled in FY 2008-09 included design enhancements to improve pedestrian safety and access; burial of overhead utilities and improve the turning radii at this intersection. The components of this project will be incorporated as part of the redevelopment of the YMCA property.

These funds have been reallocated towards the rehabilitation of the La Grange Theater. The Village Board approved a renovation agreement with the theater owners in November 2008. TIF funds will be expended towards the renovation by placing them in an escrow account.

Central Business District Street Resurfacing

Previously, funds were budgeted in FY 2009-10 for street resurfacing and pavement marking within the Central Business District (CBD) with no other infrastructure or drainage improvements. Due to the timing of the operational end date of TIF (May 2009) and other priorities, we were unable to complete this project utilizing TIF funds. This project has been re-budgeted in the Capital Projects Fund in FY 2009-10.

KELMAR – Parking Structure

This project included the application of Kelmar to the parking structure. Kelmar is a thick membrane product applied to the parking surface which prevents moisture from entering cracks in the concrete and the resultant problems of thermal expansion and steel oxidation. The majority of the Kelmar project was completed in FY 2006-07. However, portions of the project were delayed due to inclement weather with additional applications required for expansion joints.

Parking Structure

FY 2008-09 estimated actual expenditures reflect legal fees pertaining to a bankruptcy proceeding filed by the contractor who built the parking structure. FY 2009-10 budgeted expenditures reflect additional legal fees, final resolution and payment of contract funds still being held by the Village. These funds will be committed from the TIF Fund before the operational end date of the TIF District.