

**Downtown Skokie Redevelopment and New TIF District**  
**Updated FAQ's**  
**August 15, 2019**

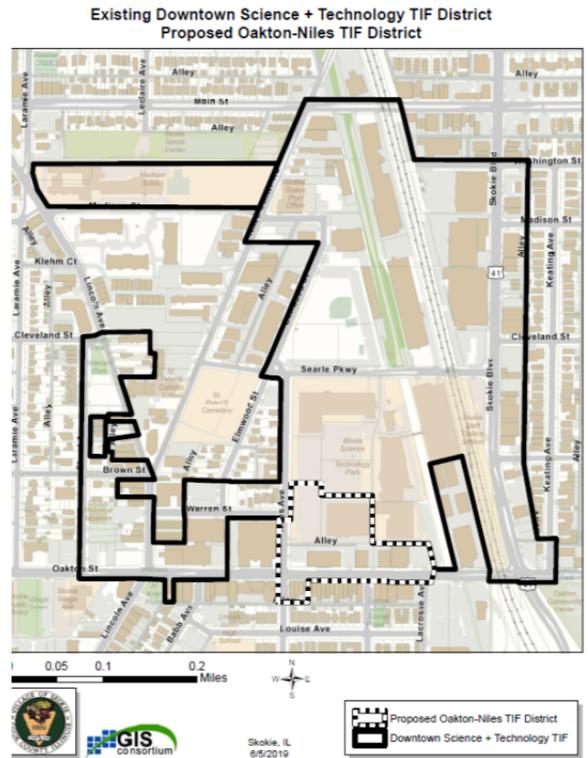
***What was the purpose of the Downtown Skokie Redevelopment Open House held on August 13, 2019 at the Ignite Gaming facility on Skokie Boulevard?***

Similar to the previous Open House hosted by the Village in the fall of 2017 to announce the new 8000 North development project at the corner of Lincoln/Oakton, the Downtown Skokie Redevelopment Open House was held throughout the day on Tuesday, August 13, 2019 to introduce the community to the rationale, purpose and opportunities which will be derived from the proposed Oakton-Niles TIF District. Beyond the proposed TIF District, Village staff thought it very appropriate to introduce and update the community on various mixed-use and residential developments currently or soon to be underway in and around the Downtown, as well as to showcase the new Ignite-Gaming Skokie, which offers state-of-the-art e-sports entertainment, video games, a full-service restaurant and bar and 7,500 sf of event space for groups of up to 500.

The event was heavily promoted by the Village, the Skokie Chamber of Commerce, the Skokie Park District and High School District 219 using a variety of outreach mechanisms. An estimated 300+ guests were able to visit twelve (12) information stations featuring the various development projects underway and anticipated in the Downtown. Participating developers, project team members, property owners, Village staff and consultants were on hand to receive and respond to questions raised by local residents and business owners. Guests were asked to provide their contact information on a voluntary basis in order to receive additional communications regarding the Village, and/or specific development or the proposed new TIF District. Any queries received by Village staff regarding specific developments outside the purview of the Village were forwarded to the respective developer/team.

***Why is the Village Proposing a New TIF District in Downtown Skokie?***

Establishment of the proposed Oakton/Niles TIF District creates an opportunity to produce several transformative and iconic buildings at the gateway to the Illinois Science + Technology Park (ISTP) on properties that have been vacant, underutilized and declining in equalized assessed value (EAV) for many years. The proposed TIF District will be directly adjacent to the existing 93-acre Downtown Science & Technology (DST) TIF District (expiring in 2029) and includes only commercially-zoned properties, covering approximately 6.25 acres. This new TIF District represents only .225 of the Village's entire EAV. The new TIF District's total EAV has declined by over 30% since 2012 and the initial proposed area to be redeveloped at this time has declined by over 44% over the past decade.



A \$43 million **Homewood Suites by Hilton Hotel and Conference Center** (141 rooms) is being proposed for the former Sanford Brown College site at 4930 Oakton Street (vacant since 2014) and will include formidable conference/banquet space, ground floor retail, and a unique restaurant/rooftop bar, along with other attractive amenities. Additionally, a multi-million dollar headquarter company (350+ employees) and/or several highly-valued tenants requiring office, laboratory and Research & Development (R&D) space are being recruited by the owner of the **ISTP** at 8030 Lamon Avenue (146,000 sf), which is located directly north of the proposed hotel. This structure's exterior is currently undergoing a \$7 million improvement on the part of the ISTP owner in advance of any leases on the property. As a result, a new 1,000+ space parking garage and infrastructure improvements surrounding the hotel and ISTP parcels will need to be constructed to support these new projects. The current 1,050 parking structure at the ISTP is almost fully occupied with only the top floor going unused throughout the year.

### 4930 Oakton Street: Current Condition - Vacant Since 2014



## Proposed Homewood Suites Hotel By Hilton



### **Project Facts:**

141 Room Suite Hotel

\$43+ Million Investment

Demand Quantified by 2 Feasibility Studies

### **Hotel Amenities:**

Rooftop Pub / Restaurant Open to the Public

Meeting Space - 10,000 Square Feet

Ground Floor Retail and Restaurant Space - 13,000 Square Feet

Pool, Fitness Center, Business Center, and Terrace Area

Significant Addition for Downtown Skokie and the ISTP

Potential Opening in Early 2021

### **8030 Lamon Avenue: Recent Condition - Primarily Vacant Since 2000**





### **8030 Lamon Avenue: Rendering of Completed Renovation**

#### **Project Facts:**

146,000 SF Building for Office/Research & Development/Wet Lab Space  
Projected \$63 + Million Private Investment  
Exterior Construction Underway - Anticipated Completion October, 2019  
Building Can Accommodate 400+ Employees as Single/Multiple Tenants

It is important to note that the proposed Homewood Suites by Hilton Hotel and Conference Center, the ISTP office and research facility, and adjacent parking garage to support these projects will not occur without a substantial public investment from the Village. While several market studies have shown that Downtown Skokie can support both a new hotel and more office/research/wet lab/R&D space, the proposed private developers and investors have emphatically indicated and proven with financial gap analyses and projected pro forma shortfalls that these developments will not be undertaken without significant public assistance to make all three (3) projects financially feasible. The economics of actually constructing and operating such facilities in today's construction marketplace have not proven financially feasible for private sector partners and will require additional gap financing. The use of tax increment finance (TIF), which relies on incremental property tax revenues collected over time by the Village to cover anticipated project deficits, is the best option currently available as determined by Village staff as well as the Village's TIF Consultants. The hotel project requires \$13.5 million in TIF assistance to complete a \$43+ million investment and the 8030 Lamon Avenue building and Niles Avenue parking garage will require over \$15 million in public assistance towards a potential \$80+ million investment. Both of these initial incentive agreements would be paid for over time from annual property tax increment generated from a new TIF District. No new Village-issued debt is contemplated for these projects.

Village staff, along with the assistance of TIF advisor Kane. McKenna and Associates, Inc., has confirmed the anticipated tax revenues to be generated based on information provided by the development teams and are in the process of establishing development agreements involving several forms of TIF public assistance with each of these entities. Finally, in order to support the above-described developments, the Village plans to fully reconstruct Oakton Terrace as part of the overall plan for the area, seek to induce the mixed-use redevelopment of the existing

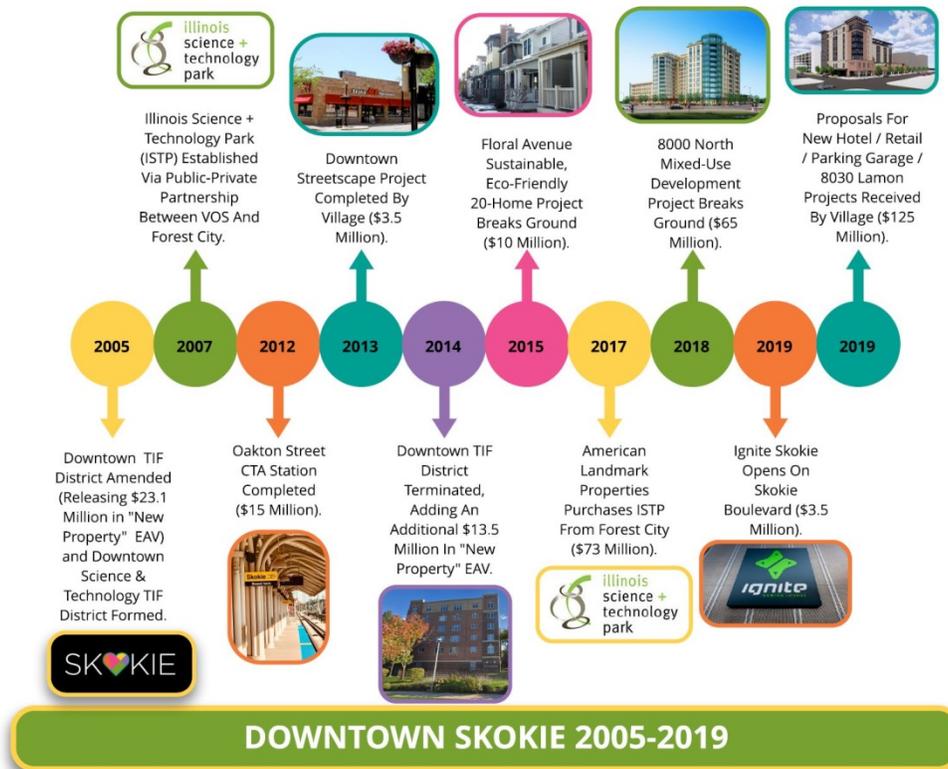
Casa Elegante site on the SE corner of Niles and Oakton, and remain open to the possibility that the adjacent parcels to the east of the proposed hotel will attract quality redevelopment uses for the existing parcels which include Annie's Pancake House, Oakton Medical and Walgreens.

**Why is it important to attract a Hotel and Conference Center to Downtown Skokie?**

Since the fall of 2016, there has been substantial interest from private sector developers to bring a high-quality, branded hotel project to Downtown Skokie. Several such proposals have been presented by experienced hotel developers to Village staff and two independent hotel market feasibility studies have been undertaken which confirm a demand for rooms and conference space within the Skokie market area. The original as well as the current owners of the ISTP have long contemplated such a use on Oakton Street to support the ever-growing tenant base and international visitors to the tech park. The proposed Homewood Suites by Hilton Hotel and Conference Center will offer competitive room and parking rates, along with direct access to the CTA and expressways for those guests heading to Cub games, Downtown Chicago, the North Shore or elsewhere. The estimated 35,000+ hotel guests visiting annually at this high quality destination, business, and event center will further strengthen the local economy, and, in particular, the restaurants, shops and service companies within Downtown Skokie.

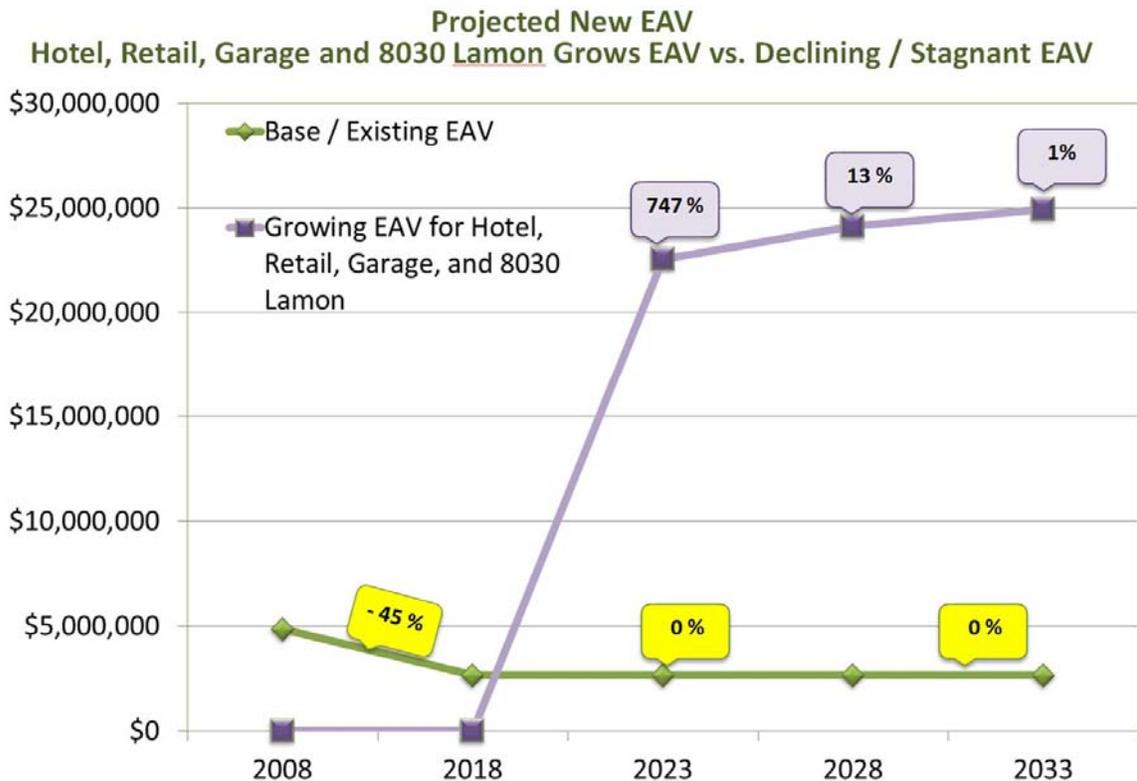
**What are some of the major projects that the Village has accomplished with its Downtown TIF program during the past 15 years?**

The following graphic depicts significant milestones since 2005 in the Downtown TIF.



**How will the School Districts and other taxing bodies benefit from the use of TIF for these new developments? Will the new TIF District harm either School Districts' ability to access revenue for their respective budgets?**

It is a known fact that the total equalized assessed valuation (EAV) and subsequent property taxes being generated from the parcels scheduled for development within the Oakton/Niles TIF District has declined by 44% over the past ten (10) years due to a lack of private investment and vacancies within the structures. The primary overlapping taxing districts (including School District 69, Niles Township HS District 219, the Skokie Park and Library Districts, the Village of Skokie, Niles Township and Oakton Community College) currently receive a prorated share of approximately \$340,000 in taxes from these properties. School District 69, for example, receives approximately \$160,000 from this total because it represents 47% of the current tax rate. Once the hotel and ISTP projects are stabilized, the annual taxes to be generated will increase to over \$2.8 million, allowing for School District 69 to receive over \$1.3 million annually (a 713% increase!) after the TIF District is terminated. But for the establishment of the TIF District and the subsequent incentives provided to the private developers, there would likely be continued EAV decline in this area.



As part of the ongoing outreach to the local school districts which overlap the Downtown TIF Districts, Village staff provided advance notice of requests from private developers to provide TIF assistance to address development needs within the Oakton/Niles Redevelopment Project Area at the January, 2019 annual Joint Review Board (JRB) meeting. Staff also met with the Superintendents and CFO's for both High School District 219 and Elementary School District 69 several times over the past several months to share information and to address any concerns with regard to the proposed TIF Plan and Project.

At the request of both Superintendents, Village staff made presentations to both School Boards. As the Village has often done in the past, staff determined that the upcoming proposed amendment to the DST TIF District will also include removing the eight parcels on the east side of Floral Avenue. These properties represent the recently completed second phase of the Streetscape residential development, thereby releasing the accessible EAV of these highly-valued properties for the following tax year. Additionally, the Village is currently completing an Intergovernmental Agreement (IGA) with School District 69 which is designed to proactively address issues, concerns, and updates on an annual basis from the proposed TIF District.

***Why can't the Village use other financing tools to assist the developers of these projects?***

While other areas within Skokie have experienced growth from private investment due to less expensive development options and parameters combined with the strong economy, the Village continues to hear from the private sector that quality economic development and significant private investment in Downtown Skokie will not occur without varying levels of public assistance. This need for help from the Village is not unique to Skokie, as it occurs in many similar communities seeking stronger, more robust commercial, retail/restaurant and mixed uses proximate to older residential neighborhoods, municipal institutions and public transit areas. As is the case in Downtown Skokie, the Village is challenged by significantly increased development costs, logistical, remediation, and infrastructure challenges which necessitate TIF assistance.

To achieve meaningful increases in the overall EAV, generate more sales taxes and foster stability within Downtown Skokie, the Village has, with the support of overlapping taxing jurisdictions, successfully used various public financing methods to leverage certain private investments and bring positive change. Since 1990, the Village has issued General Obligation bonds, established a Special Service Area within the ISTP, applied for and received various federal and state grants, utilized economic development funds generated by the Village's real estate transfer tax and has successfully implemented the state-authorized TIF tool to induce new and existing property owners to invest in Downtown Skokie. For example, **the original Downtown Skokie TIF District (which ended in 2014), produced over \$36 million in new EAV** and the existing Downtown Science & Technology TIF District, scheduled to end in 2029, is anticipated **to generate more than \$80 million in new EAV for all overlapping taxing districts.**

***How will this new TIF District work?***

As in previous years, the Village intends to allocate anticipated property tax increment produced from future development projects that would not occur "but for" the proposed new Oakton/Niles TIF District. As is Skokie's long-standing practice, use of these incentives will be dictated by a review of each project as well as the generation of sufficient tax increment on a 'case by case' basis. The Village believes that the above-described TIF assistance will bring highly attractive and unique transit-oriented destinations to Downtown Skokie, important amenities to the current and future ISTP tenants, and address the long-stated goals and vision for the ISTP by its owners, users and the Village. A focused, modestly-sized, 'developer-driven' TIF District as proposed will provide the critical revenue over time to secure quality investments and spur these and future development in the heart of

Downtown Skokie, leading to significant growth in EAV for all overlapping taxing districts once the TIF ends. [Proposed Oakton-Niles TIF District Plan.](#)

The advancement of the proposed Oakton Street/Niles Avenue TIF District will not only bring over 35,000 new visitors a year, but will generate well over 500 new jobs in Downtown Skokie and will have a significantly positive impact throughout the community and region.

***What are the Key Public Dates regarding the Proposed Oakton Street/Niles Avenue TIF District?***

Note: All meetings held at Village Hall

**June 17, 2019** Board of Trustees meeting, the Mayor and Trustees approved a resolution proposing the Oakton Street/Niles Avenue Redevelopment Plan, Project, and Project Area, convening a Joint Review Board (JRB), and setting the date for the required public hearing.

**July 11, 2019** Representatives from the taxing jurisdictions voted unanimously to recommend the proposed TIF District on the basis of the proposed TIF District satisfying the statutory eligibility criteria for a 6.5-acre area in Downtown Skokie following a presentation by Village of Skokie staff and consultants on the merits and qualification of the proposed TIF District. Representatives included: Niles Township Government, Niles Township High School District 219, Oakton Community College, Skokie/Morton Grove School District 69, Skokie Library District, Skokie Park District, the Village of Skokie and an at-large public member.

**August 13, 2019 – 11:30 a.m. – 2:30 p.m. and 5:30 p.m. – 8:30 p.m. – Downtown Skokie Redevelopment Open House**

**August 19, 2019 - 8:00 pm Village Board holds the public hearing for the proposed TIF District.** Any interested person or affected taxing district may file written objections or be heard orally in this forum. The public hearing may be adjourned to another date without any further written notices.

**September 3, 2019 - 8:00 pm Introduction by Village Board of (i) ordinance(s) to amend Downtown TIF and (ii) three ordinances necessary to adopt TIF Plan, establish the Redevelopment Project Area and to adopt tax increment financing.**

**September 16, 2019 - 8:00 pm Village Board considers adoption of (i) ordinance(s) to amend Downtown TIF and (ii) three ordinances necessary to adopt TIF Plan, establish the Redevelopment Project Area and to adopt tax increment financing.**

***What will happen to the existing retail and restaurant users within the proposed TIF District?***

As the majority of structures and spaces within the proposed TIF District are vacant, there are only several current users that may need to be relocated due to the private redevelopment plans being considered. For example, Village Staff has been actively working with the owners of Annie's Pancake House for almost four years as ownership has

been aware that their current location was subject to sale and/or redevelopment. Annie's Pancake House is a business tenant in a building that is owned by the same company who owns and operates the Illinois Science + Technology Park, American Landmark Properties (ALP). ALP is in the process of selling the building to the prospective developer who plans to construct the Homewood Suites by Hilton Hotel and commercial space on a portion of the property. To that end, the Village has been working with Annie's owners to find a suitable new location in Skokie and we now understand that they are currently in the process of establishing a lease elsewhere in Downtown Skokie. It is hoped that Annie's will be able to stay in their current location for as long as it takes to establish their business in another building and every effort will be made to ease this transition for one of Skokie's most iconic restaurants.

With regard to other current occupied buildings within the proposed TIF District, each existing property owner has been made aware of the Village's TIF Plan and the Village will work with these as well as prospective developers to ensure smooth transition of users as is normal during the redevelopment process.

***How will traffic concerns be addressed with regard to all of the new development projects underway and being proposed within the existing and proposed Downtown TIF Districts?***

All significant developments are required to perform a traffic study to determine impacts and improvements, if necessary as required by Village Code. Specifically as part of the review for the proposed mixed-use redevelopment, new trips generated as a result of the proposed mixed-use was analyzed. Compared to the existing uses of Sanford Brown College (closed) and Annie's restaurant, morning peak hour will generate only about 1 additional trip every 2 minutes or about 1 trip every traffic signal cycle at the Oakton Street intersection with Niles Avenue. During the weekday evening peak hour, the mixed-use redevelopment will generate only about 1 additional trip every 1 minute or about 2 trips every traffic signal cycle at the Oakton Street intersection with Niles Avenue.

Although the mixed-use redevelopment will generate about 1,130 additional trips over an entire day, a significant percentage of trips will be either internal among the land-uses or "walk-in" from neighboring businesses, employment centers, and residents within downtown Skokie. Further, site access and circulation improvements will be made at the Lamon Ave/Oakton St intersection and at Niles Ave/Oakton Terrace. In addition to the proposed parking garage on Niles Avenue, the intersection of Warren Street and Niles Avenue will be upgraded to a four-way stop controlled intersection.

***What has been going on in the Illinois Science + Technology Park this year?***

Since acquiring the ISTP in January of 2017, the owner of the Park, Skokie-based American Landmark Properties (ALP) has leased up all of the space available within the three completed buildings. To that end, and as a significant opportunity for the proposed Oakton Niles TIF District, ALP is seeking to expand the park to accommodate current and future growth. The two immediate projects include the 8030 Lamon Building (currently under construction for a new exterior and primarily vacant for almost 20 years) as well as a 1,050 space parking garage to accommodate the proposed hotel, future development along Oakton, employers at the park, as well as for Village Public Parking.



