



EXECUTIVE DIRECTOR COMMENTS...

2021 was a very interesting year. COVID-19 continues to be instrumental in how businesses conduct their affairs via modern technology, such as the ITIA 2021 Spring Conference via zoom. However, things did turn around in mid-summer and we had our first in-person event at the Union League Club of Chicago for our annual fall conference. Although we had to comply with state and city mandates of face masks, vaccine cards, and the likes, the event resulted in one hundred attendees. It was such a pleasure to meet in person once again where he had the opportunity to exchange ideas, make new friends, as well as to experience our long-lasting camaraderie.

I wish all of you and yours a very Happy Holiday season and a Happy, Healthy, and Prosperous New Year in 2022.

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2022 CONFERENCES

SPRING CONFERENCE

April 19-21, 2022

President Abraham Lincoln Hotel
Conference Center
Springfield, IL

FALL CONFERENCE

September 14-15, 2022

Union League Club
Chicago, IL

Please submit your conference topics and ideas to the ITIA Executive Director or to a Board Member.

ITIA SPRING CONFERENCE PREVIEW

TUESDAY, APRIL 19, 2022

- 1:30 pm – 2:45 pm – TIF reporting programs
- 3:00 pm – 4:15 pm – TIF Monetization
- 5:00 pm – 7:00 pm – Early Bird Reception
- 7:00 pm – Dinner on your own

WEDNESDAY, APRIL 20, 2022

- 9:00 AM – 9:15 am Welcome
- 9:15 am – 10:30 AM - Business Districts 101
- 10:45 am – 12 noon - Business Districts 201
- 12 noon – 1:15 pm - Conference luncheon
- 12 noon – 1:15 pm – Board meeting and luncheon
- 1:30 pm – 3:00 pm - TIF and Business District clean up amendments by the ITIA
- 3:15 pm – 4:30 pm - 2022 Legislative updates
- 5:00 pm – 7:00 pm – Reception at the President Abraham Lincoln
- 7:00 pm – Dinner on your own

THURSDAY, APRIL 20, 2022

- 9:00 AM – 10:15 am - County Economic Development Project Area TIF's
- 10:15 am – 11:00 am – Conference wrap-up and a look to the fall conference

VISIT CONFERENCES | ILLINOIS TAX INCREMENT ASSOCIATION (ILLINOIS-TIF.COM) FOR INFORMATION.

*Hotel Reservations for the ITIA Spring Conference is live!
Follow the link below to reserve your room using our exclusive group rate.*

www.my-event.hilton.com/iltaxincrementassociation/

Contact your host hotel representative directly for any issues concerning your attendee website.

LEGISLATIVE UPDATE

NOTES TO MEMBERSHIP

Senator Ann Gillespie reconvened her TIF/PTELL Reform Taskforce just before Christmas day to discuss **new** amendments to SB2298 that she would like to introduce in the 2022 Spring General Assembly for a TIF Act rewrite. The ITIA Legislative Committee has compiled the following issues that would prohibit redevelopment project areas from being achieved if those legislative changes are implemented.

This bill, as amended, contains major changes that will negatively impact every community's ability to incentivize the type of development they want to see. The bill makes it more challenging to incentivize development in a historic downtown or an area that does not meet the bill's arbitrary qualification thresholds for jobs and business bankruptcies.

Tax increment financing is currently accessible to any city that can prove that a portion their community qualifies under the strict guidelines in the TIF Act, but 2298 will severely limit every community's ability to fight blighting influences. The bill eliminates several qualifying factors and makes it harder for areas that lack private investment to qualify for use of TIF.

The bill takes the power to make decisions about economic development out of a city's hands and places it firmly with the members of the Joint Review Board. Just one dissenting vote on the Joint Review Board can spell disaster for a redevelopment proposal as 100% consensus is required for passage. The Joint Review Board must also offer 100% consensus around a TIF extension, similar to the current unwritten rule around TIF extensions. What other governing body decision requires that level of approval?

If a member of the Joint Review Board unreasonably withholds support from a redevelopment plan, the municipality may appeal to the Comptroller's office for the ability to waive the objection from that particular board member.

The Joint Review Board will review all funds and determine what is surplus and what is not. This provision risks the feasibility of future redevelopment projects by potential eliminating the possibility of accumulating funds for later usage on projects. There is a good chance that all funds not committed through a redevelopment agreement will be declared surplus and distributed to the taxing bodies.

No more porting of TIF funds between redevelopment project areas except those pertaining to an agreement between municipalities.

THE ITIA WOULD LIKE TO KNOW IF YOU HAVE ANY TRANSFORMATIVE PROJECTS THAT WOULD NOT QUALIFY IF THESE NEW AMENDMENTS BECOME LAW.

If these new amendments are released, the ITIA will immediately contact you with a detailed analysis of the changes and strongly encourage you to contact your Senators, Representatives, developers, and clients to express your deep concerns on this proposed legislation.

THE 2022 ILLINOIS GENERAL ASSEMBLY CALENDAR FOR JANUARY – APRIL.

HOUSE SESSION CALANDAR SENATE SESSION CALANDAR

Listed below is legislation that has already been introduced for the upcoming 2022 General Assembly:

Bill Version: SB2965

MUNI CD-TIF SURPLUS FUNDS (Sen. Laura Murphy) Amends the Tax Increment Allocation Redevelopment Act of the Illinois Municipal Code. Provides that all surplus funds in the special tax allocation fund shall be distributed as soon as possible after they are calculated (rather than distributed annually within 180 days after the close of the municipality's fiscal year).

ILCS Section(s) Affected: 65 ILCS 5/11-74.4-7;

Bill Version: SB2990

TIF-VILLAGE OF PALATINE (Gillespie, A) Amends the Tax Increment Allocation Redevelopment Act of the Illinois Municipal Code. Extends the estimated date of completion of a redevelopment project and the retirement of obligations issued to finance redevelopment project costs for an ordinance adopted on December 13, 1999 by the Village of Palatine to create the Village of Palatine Downtown Area TIF District. Effective immediately.

ILCS Section(s) Affected: 65 ILCS 5/11-74.4-3.5;

2021 FALL VETO UPDATE

TIF-REDEVELOPMENT PROJECT COST (Turner, D) Amends the Tax Increment Allocation Redevelopment Act of the Illinois Municipal Code. Extends the estimated date of completion of redevelopment projects and the retirement of obligations issued to finance redevelopment project costs for various ordinances adopted by the Village of Homer, City of Greenville, and City of Chicago. Creates a tax increment allocation financing extension to the 47th year (currently, the 35th year) after for various ordinances adopted by the City of Pekin and City of Belleville if those municipalities adopt a specified ordinance and provide notice to the taxing bodies that would otherwise constitute the joint review board of each redevelopment project area. Makes an organizational change. Effective immediately.

Bill Version: Public Act 102-0675 eff., November 30, 2021

ILCS Section(s) Affected: 65 ILCS 5/11-74.4-3.5;

ILLINOIS SUPREME COURT UPDATE

BOARD OF EDUCATION OF RICHLAND SCHOOL DISTRICT NO. 88A V. CITY OF CREST HILL, 2021 IL 126444 (SEPTEMBER 23, 2021).

The Board of Education of Richland School District No. 88A (School District) challenged the City's ordinance which purported to create a TIF district. Section 11-77.4-4(a) of the Illinois Tax Incremental Redevelopment Act (TIF Act) requires that a redevelopment project area shall include only those contiguous parcels of real property and improvements thereon substantially benefitted by the proposed redevelopment project improvements. (65 ILCS 5/11-74.4-4(a)). The City's TIF district included parcels on either side of a utility easement that had not been annexed into the city pursuant to exceptions to contiguity provided in Section 7-1-1 of the Illinois Municipal Code. (65 ILCS 5/7-1-1).

The circuit court granted the City's motion for summary judgment, applying the Illinois Municipal Code exceptions to contiguity, as the term "contiguity" was not defined within the TIF Act. The Appellate Court reversed the summary judgment in favor of the city, and the Supreme Court affirmed, on the basis that the plain language of the TIF Act required contiguity, defined as tracts of lands which touch or adjoin in a substantial physical sense. The Supreme Court noted the exceptions in the Illinois Municipal Code but found that those exceptions did not apply to the TIF Act.

The Supreme Court affirmed the Appellate Court judgment, which reversed the circuit court judgment and remanded the case with direction to enter summary judgment in favor of the School District.