

**INFORMAL CONSIDERATION
BOARD OF TRUSTEES, VILLAGE OF NILES
September 13, 2016 – 7:00 p.m.**

A meeting of the Board of Trustees Informal Consideration was called to order at 7:10 p.m. by President Andrew Przybylo in the Council Chambers, Village of Niles Municipal Building, on Tuesday, September 13, 2016. The following Board members were present: Trustees George D. Alpagianis, John C. Jekot, Danette O'Donovan Matyas and Denise McCreery. Trustees Joe LoVerde and Dean Strzelecki were absent. Staff present: Village Manager Steven C. Vinezeano, Community Development Director Charles Ostman and Economic Development and Marketing Coordinator Ross Klicker.

ECONOMIC DEVELOPMENT REVIEW AND ECONOMIC INTENTIVE TOOLS

Community Development Director Charles Ostman reported that the presentation this evening is intended to provide information related to economic development activity within the Village of Niles. This presentation includes overall sales tax revenue and the history of vacancy rates within the Village and surrounding communities and a look at the incentive tools being utilized.

Incentive tools are becoming more important to consider due to the competition of the surrounding communities utilizing these same tools. Tax increment Financing (TIF) Districts helped in Niles with the redevelopment of Lawrencewood/Civic Center Plaza, Village Crossing, Costco/Target/Leaning Tower Area, the Milwaukee Touhy Point Plaza and most recently Gross Point Touhy TIF.

Sales tax revenue sharing has provided assistance to Niles businesses, including Tony's Fresh Market, Fresh Farms on Golf, Costco and most recently Golf Mill Ford. This type of incentive enabled the Village to retain Costco while other communities were offering much larger incentives to bring the Niles Costco to their community. This incentive allowed their expansion into gasoline sales which is vital to all the Costco stores. The improved incentive is funded by the tax generated by the gasoline sales which was originally expected to be paid back in 7 years and it is now anticipated that the incentive will be paid in full in about 4 ½ years.

The Cook County incentives such as the 6b have taken many outdated buildings in the manufacturing district and brought in more modern with increased ceiling heights and improved fire protections through redevelopment. The 7b and 7c Cook County incentives are meant for commercial areas such as the new development of the Holiday Inn Express. Without this incentive this development most likely would not have occurred. The room tax revenue alone is estimated to generate over \$130,000 per year. Mr. Ostman strongly believes that all the improved incentives provided to date have either proven to be successful or time will show that the more recent incentives shall also prove to be successful investments by the taxpayers of Niles.

Economic Development and Marketing Coordinator Ross Klicker presented statistics for Niles and how they compare to neighboring communities, including Glenview, Morton Grove, Des Plaines, Park Ridge and Skokie.

- Vacancy Rate - Niles current industrial and retail vacancy rate is 6% which is very similar to our neighboring communities.
- Sales Tax Collection – Based on the total 1% State share, Niles collected slightly over \$15 million in 2015, which comes out to a 1.6% per year increase. Niles has over 1000 sales tax collectors.
 - Niles' top 20 sales tax producers account for over 58% of all sales taxes collected in Niles per year.

- Touhy Corridor accounts for over 55% of all sales taxes collected in Niles per year and is very important to our community.
- Golf Mill accounts for over 16% of all sales taxes collected in Niles per year.
- Incentive Tools – The Chicago Metropolitan Agency for Planning (CMAP) issued a report titled “Examination of Local Economic Development Incentives in Northeastern Illinois”. The report states that of the 284 municipalities in the Chicago Metro Region, 202 have deployed at least one of the four primary incentives tools:
 - Tax Increment Financing (TIF)
 - Sales Tax Rebates
 - Property Tax Abatements
 - Cook County Property Tax Incentive Classes

In addition, 157 municipalities currently have at least one TIF district; 137 municipalities have utilized a sales tax rebate since 1996; and in Cook County in 2011, 5.8% of estimated commercial or industrial market value was designated with an incentive class either 6b or 7b.

- Current Niles Policies
 - Support 6b and 7b
 - TIF Assistance
 - Façade Grants
 - Revenue Sharing

The Village needs to strengthen and protect its Economic Development while retaining current businesses and attracting new businesses. In an effort to promote available properties in Niles, there is now a link on the Village’s website.

Questions to consider - what makes the Village special? What do we have to offer? Do we need to revise current policies? Are we doing enough to help promote our municipality for development? Can we streamline our permit process approval to make it quicker?

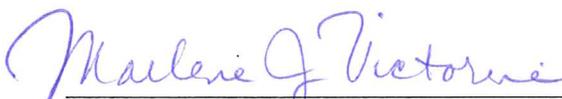
The Board agreed that there is much to consider. As we have in the past, it was recommended that we continue to take requests from businesses on a case-by-case basis and look at the big picture and how this will benefit our community in terms of growth and financial.

Public Comments

Louella Preston, Niles

Ms. Preston commented that the report was very well done and feels there is a need for an overall plan for the Village of Niles.

Trustee Alpigianis made a motion, seconded by Trustee Jekot, to adjourn the Informal Consideration. On roll call, all concurred. The meeting adjourned at 8:30 p.m.



Village Clerk



Village President