



ORLAND  
PARK

# TIF Reimbursement Ravinia Avenue

# TIF Background

## TIF Overview

- Tax Increment Financing (TIF) is a key economic development tool.
- TIF districts can only be established if an area meets conditions as outlined in State Statute

## TIF Approval Process Requirements

- Identification of deficiencies
- Review by Joint Review Board
- Public Hearing

## Key Advisors Engaged

- **SB Friedman** – TIF Financial Advisor
- **PMA Securities** – Municipal Financial Advisor
- **Croke Fairchild Duarte & Beres** – Bond Counsel (when debt is anticipated)

# Reasons to Consider Ravinia Avenue TIF Reimbursement

- At the **December 4, 2023, Board meeting**, the Village Board approved an Escrow Agreement with JD Realty for the former Petey's II property (SWC of LaGrange/159) which was followed by approval of a Reimbursement Resolution at the **August 19, 2024, Board meeting**.
- The escrow agreement was established to reimburse the Village for costs associated with the creation of a TIF District on the parcel.
- Ultimately, a commitment was made to JD Realty for the Village to issue **approximately \$21 million** in general obligation debt for the redevelopment of the former Petey's II property.
- The JD Realty process was halted when Amazon approached the Village.
- In the end, through negotiations, Amazon agreed that it would not request any Village incentives for their project.
- The first-of-its-kind Amazon retail store was recommended by the Village's Plan Commission and then ultimately approved by the Village Board at its January 19, 2026, meeting.

# Reasons to Consider Ravinia Avenue TIF Reimbursement

- Amazon's retail investment in Orland Park is anticipated to generate millions in sales and property tax revenue.
- This new revenue will be used to fund critical Village infrastructure improvements designed to improve traffic flow, reduce congestion, and enhance safety.
- These needed traffic improvements, specifically the Ravinia Extension, have been known for a decade.
- Absent the new revenue generated by the Amazon project, the Village does not have the funding capacity to make these traffic improvements due to previous spending priorities and debt commitments the new Village Board is now working to address.

# PREVIOUS DEBT COMMITMENTS

## Some of the previous GO Debt Planning

- **\$68.3M** in new debt in the Five-Year Financial Plan (June 2023)
- **\$30.15M** for water/sewer projects via utility rate study (Oct 2022)
- **TIF Projects & GO Debt Estimates at the Time**
  - **Downtown Orland Park TIF:** \$33M pledged
  - **Dick's House of Sport:** \$6M upfront incentive plus \$3M for storm water
  - **Former Andrew Corp Site:** \$43.7M
  - **Terry Lincoln Mercury:** ~\$15M (including 143<sup>rd</sup> & JH Drive intersection)
  - **Former Petey's 2:** ~\$21M (including 161st Street extension)

## Estimate of Previously Committed GO Debt

- The Village was on pace to issue **\$274.3M** in GO Bond debt
- The Village Board is now working to mitigate this impact.

# ADDITIONAL PRE-2025 PRELIMINARY DEBT COMMITMENTS

## Additional TIFs Under Discussion

- **Crossroads TIF** – Site of the failed apartment proposal, considering for sale product
- **I-80 TIF District** – Spur development
- **Jefferson Ave TIF** – Early redevelopment discussions
- **Orland Square Mall BID** – To support Simon if another anchor fails

## Business Improvement Districts (BIDs)

- Similar to TIFs but funded via **local sales tax**.
- Revenues may support roads, facades, and business area improvements

# Ravinia Avenue TIF Reimbursement Resolution

## TIF Reimbursement Resolution

- A TIF reimbursement resolution is a formal document adopted by a municipality to authorize the use of future TIF district tax revenues to repay, or reimburse, the municipality or a private developer for qualified, eligible redevelopment project costs.
- It officially declares intent to use TIF funds, enabling costs incurred before or during project creation to be paid back once the district generates revenue.
- As mentioned, the then-Village Board, at its August 19, 2024, Board meeting approved a Reimbursement Resolution for the proposed JD Realty project.
- As mentioned, the Village previously committed to issuing approximately \$21 million for the project.

# Ravinia Avenue TIF Reimbursement

## TIF Reimbursement Resolution

- Tonight's proposed Reimbursement Resolution replaces the formerly approved Reimbursement Resolution and lowers the previous debt commitment by \$9 million.
- All of the proceeds will go for needed Village infrastructure improvements. The previous \$21 million commitment was mostly developer incentives.
- Amazon does not receive any of the proceeds.
- Absent the new revenue generated by the Amazon retail project, the Village does not have the funding capacity to make these traffic improvements due to previous spending priorities and debt commitments the new Village Board is now working to address.

# Ravinia Avenue TIF Proposed Improvements

High-level engineering cost estimate for various elements of the project.

• Ravinia Ave extension	\$4,000,000
• Ravinia Avenue ROW	\$ 500,000
• Traffic light 161st St	\$1,000,000
• Dual Left Turn at 161st St	\$1,000,000
• 159th St Median Closure/Left Turn Extension	\$ 500,000
• Design Engineering	\$ 500,000
• Construction Engineering	\$ 500,000
• Contingency/Permits	\$ 600,000
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	Subtotal
	\$8,600,000
•Burial of Power Lines along 159th St	\$3,000,000
	<b>TOTAL</b>
	<b>\$11,600,000</b>

•The Village has already spent approximately \$70,000 for wet land credits and \$250,000 for Ravinia Design. These costs are included in the above estimated costs.

# Economic Development Benefits (Direct and Indirect)

Direct economic development incentive benefits are immediate, measurable gains from investment—such as new jobs, increased tax revenue, and direct capital investment.

- Job Creation & Retention: Immediate hiring of employees for new or expanded facilities.
- Increased Tax Revenue: Long-term growth in property, sales, and corporate taxes, even after abatement periods.
- Capital Investment: Direct expenditure on machinery, equipment, and building construction.
- Maintain, increase, & diversify tax base
- Increase revenues faster than cost of municipal services increase
- Beneficial partnerships between local governments, businesses, & community members
- Self-sufficiency in the face of state and federal budget issues

# Economic Development Benefits (Direct and Indirect)

Indirect benefits represent the broader, secondary "ripple effects," including supply chain growth, increased local spending from workers, improved infrastructure, and community revitalization.

- **Supply Chain Expansion:** Local vendors and suppliers experience increased demand for materials and services.
- **Induced Spending:** Increased economic activity in the local economy as new workers spend wages on housing, food, and services.
- **Infrastructure Improvements:** Public investment in roads, utilities, and site improvements.
- **Enhanced Reputation:** Attracting major companies can boost reputation, attracting further investment and talent.
- **Encourages economic vitality and discourages economic stagnation.** Depending on which path is selected, both have compounding effects.