



February 26, 2019

VIA ELECTRONIC MAIL

Richard C. Irvin, Mayor
Robert J. O'Connor, Alderman At-Large
Sherman L. Jenkins, Alderman At-Large
Tina Bohman, Ward 1 Alderman
Juany Garza, Ward 2 Alderman
Ted Mesiacos, Ward 3 Alderman
Bill Donnell, Ward 4 Alderman
Carl Franco, Ward 5 Alderman
Michael Saville, Ward 6 Alderman
Scheketa Hart-Burns, Ward 7 Alderman
Rick Mervine, Ward 8 Alderman
Edward Bugg, Ward 9 Alderman
Judd Lofchie, Ward 10 Alderman
City of Aurora
5 S. Broadway
Aurora, IL 60605

Re: Route 59 Corridor Plan – Use of TIF Districts

I am writing in response to the City's letter of February 4th and the discussion from the Planning Commission meeting of February 13th. The Board of Education continues to have significant concerns with the City's plan to rely upon tax increment financing (TIF) for the Cedarwood development at 75th Street and Ogden Avenue, and the Pacifica development. In addition, we do not agree with your assessment of the student impact from multi-family housing being discussed for the Route 59 corridor and the District's ability to educate those students in existing facilities.

The Board is concerned about the establishment of a TIF district at the Cedarwood development. This property has full access from both 75th Street and Ogden Avenue and neither Phase I nor Phase II of the proposed senior housing facility would seem to require an extension of Commons Drive to be developed for the property to operate and be successful. The proposed road extension appears to be for the convenience of the City to connect Commons Drive north of Ogden Ave. and south of 75th St. We are perplexed as to how this is a proper expenditure of taxpayer funds from the proposed TIF district. If the City believes Commons Drive should be



connected to the road north and south of the subject site, the City should pay for the road construction on its own. The City has a host of funding sources available for such a project. Moreover, the City can use recapture to recoup some of the road building expenses as the three outlots to the west of the proposed new road are developed.

The Board applauds the addition of senior housing to the mix of residential options in the area. Normally, we would enthusiastically welcome such a development. Here, however, the City's proposal for the Cedarwood development takes a vacant land site and precludes the School District from deriving any property taxes from the site for the next 23 years, other than the current very low taxes generated from the land assessment. We are also bothered by the fact that the redevelopment agreement for this site factors in the use of a TIF district before the City has shared any information on eligibility or a budget for the proposed TIF district. You are putting the cart before the horse here in obligating property taxes that would otherwise flow to the School District to a road project in a TIF district not yet found eligible or approved. This is the wrong way to move development forward. Further, it suggests that whatever concerns or objections the joint review board may have with this TIF district will be ignored given the City's contractual obligation to the developer. You refer to the School District as a 'partner' but we are not seeing those words backed up with deeds.

With respect to the Pacifica proposal, we are concerned that a TIF district is contemplated for an apartment building and parking structure at this residential site. The unit mix including one and two-bedroom apartments suggests that the School District will receive students from the development, without adequate corresponding property tax revenue to educate those students. As we have discussed with you before, the per pupil reimbursement provisions of the TIF Act are inadequate and do not come close to making the School District whole.

Through long experience, we have seen that parents want to enroll their children in District 204 schools. A development that would, on paper, seem to not be attractive to families winds up generating significant student counts. Chesapeake Landing, the Plaza on New York, and Lehigh Station are all examples of developments where student generation is two to three times what is predicted by the widely-used student generation tables. As described by the City, we would expect to see many more students at the Pacifica development than forecast by the student generation tables. The examples you cite (Station Boulevard and Metro 59) are not yet fully occupied or stabilized. Accordingly, we do not know what the final student count will be for these developments. Apartments that are new today, will be older apartments in short order. A TIF district with a 23-year term, will be around long after today's new apartments are no longer new.

In addition, the City is emphasizing the quality of the proposed residential developments as somehow creating a disincentive for families to move in. But, we see quality and the amenities the City will be insisting upon (i.e., enclosed parking, nicer facades, enhanced amenities) as



being a draw for families eager to enroll their children in District 204 schools, not a limitation. There is a reason our high schools have among the largest numbers of National Merit Scholar Semi-Finalists of any school district in Illinois. Our parents are willing to make personal sacrifices for their children to gain access to District 204 schools. We will not see that jeopardized by the City's efforts to fund projects tenuously connected to a TIF district. Also, we don't have the classroom space on the north end of the School District. The City's plans are creating demand without providing the School District the funding necessary to meet that demand.

We renew our request that the City reconsider its funding model for both the Cedarwood and Pacifica development proposals. As you well understand, using tax increment financing will draw upon the School District's tax rate (and the rates of other area taxing bodies) to increase property taxes throughout the Aurora and Naperville area. These two TIF district proposals are a direct tax increase on area taxpayers, that they have neither approved nor consented to. The City has a host of options at its disposal to fund infrastructure and development. Property tax abatements, special service areas, sales tax abatements, and recapture agreements are among the many tools at your disposal. In addition, both the County of DuPage and the Illinois Department of Transportation have programs that could assist the City with the proposed Commons Drive extension.

We want to see Route 59 become a vibrant economic engine for the area, but not at the expense of how we fund and operate our schools, and not by jeopardizing future tax resources over a 23-year period.

We continue to welcome your engagement in this process. We urge the City Council to not act in furtherance of the Cedarwood development to the extent any tax increment financing is involved in that development.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Michael Raczak", written over a horizontal line.

Michael Raczak, Board President

cc: Board of Education
Dr. Karen Sullivan
Jay Strang
Ares Dalianis
Ed Sieben
Trevor Dick