

Ordinance 2023-69

An Ordinance Adopting Tax Increment Allocation Financing for the Northbrook Court II Redevelopment Project Area

Passed by the Board of Trustees 10/30/2023
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Printed and Published in Pamphlet Form
by Authority of the
President and Board of Trustees
VILLAGE OF NORTHBROOK
COOK COUNTY, ILLINOIS

I hereby certify that this document
was properly published on the
date stated above.

/s/ Debra J. Ford
Village Clerk

Ordinance 2023-69

BE IT ORDAINED by the President and Board of Trustees of the Village of Northbrook, County of Cook and State of Illinois, THAT:

An Ordinance Adopting Tax Increment Allocation Financing for the Northbrook Court II Redevelopment Project Area

shall be, and is hereby, adopted as follows:

Section 1. RECITALS.

The Village of Northbrook is an Illinois home rule municipal corporation operating in accordance with Article VII, Section 6 of the Illinois Constitution, and with the Illinois Municipal Code, 65 ILCS 5/1-1-1 *et seq.*

The Village's economic development strategy is to make Northbrook a resilient community, inclusive of economically sound, sustainable and livable place making that supports the location, improvement, and/or modernization of mixed residential, retail, commercial, and institutional uses within designated areas of the Village.

The approximately 104.12-acre area commonly known as the Northbrook Court Shopping Mall, which is legally described in ***Exhibit A*** and depicted in ***Exhibit C*** attached to this Ordinance ("***Northbrook Court II Redevelopment Project Area***"), had been a commercial anchor for the Village that generated a significant portion of the Village's sales and property tax base.

Due to changing market conditions and shifts in consumer behavior, the existing single-use regional shopping center is an outmoded type of development. The Northbrook Court Shopping Mall is significantly challenged by its configuration as well as the difficulties in accessing much of the mall given the decline and closure of two of the four traditional fashion anchor tenants, impairing access and activation. Oversized, inflexible space requires significant

capital investment to activate. This rigid format and building vintage create insurmountable challenges given the pace of changing preferences of retailers who seek more adaptability to respond to market trends and consumer demands, which impedes the feasibility for the Northbrook Court Shopping Mall to regain vibrance as a retail destination in its current configuration as an enclosed regional shopping mall surrounded by large parking fields.

The Northbrook Court II Redevelopment Project Area suffers from a variety of impediments to economic development, including obsolescence, deterioration, excessive vacancies, inadequate utilities, and lack of community planning.

The Village does not anticipate that the Northbrook Court II Redevelopment Project Area will be redeveloped without the implementation by the Village of a new comprehensive plan for the economic redevelopment of the Northbrook Court II Redevelopment Project Area.

The Village has explored various methods by which sufficient private investment can be attracted to the Northbrook Court II Redevelopment Project Area so that the Northbrook Court II Redevelopment Project Area can be redeveloped for the long-term growth and benefit of the Village and its residents.

One means by which the Village could attract the private investment necessary for the redevelopment of the Northbrook Court II Redevelopment Project Area is the use of tax increment financing (“**TIF**”) and the establishment of a newly-designated redevelopment project area (“**TIF District**”) as authorized under the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.* (“**TIF Act**”).

The Village President and Board of Trustees (“**Corporate Authorities**”) have commissioned a study by financial consultant Michio Murakishi of Chicago, IL (“**Murakishi**”) to determine whether the Northbrook Court II Redevelopment Project Area meets the qualifications for designating a new TIF District.

After extensive review of the Northbrook Court II Redevelopment Project Area, Murakishi delivered to the Village a report dated June 16, 2023 in which Murakishi concludes that the Northbrook Court II Redevelopment Project Area qualifies as a TIF District under the TIF Act (“**Eligibility Report**”).

In light of his review of the Northbrook Court II Redevelopment Project Area and pursuant to extensive discussions with Village officials and stakeholders in the Northbrook Court II Redevelopment Project Area, Murakishi has also prepared a plan for the redevelopment of the Northbrook Court II Redevelopment Project Area in accordance with the TIF Act (“**Redevelopment Plan and Project**”).

The Eligibility Report and Redevelopment Plan and Project set forth the qualification factors that make the Northbrook Court II Redevelopment Project Area eligible for consideration as a “blighted area” under Section 11-74.4-3 of the TIF Act.

The Eligibility Report and the Redevelopment Plan and Project have been on file and available at the Village Hall since June 16, 2023.

Pursuant to Section 11-74.4-5 of the TIF Act, the Corporate Authorities convened a meeting of the joint review board on July 18, 2023.

At its meeting on July 18, 2023, the joint review board: (i) reviewed the public record, planning documents, and proposed ordinances approving the Redevelopment Plan and Project; and (ii) approved a resolution recommending to the Corporate Authorities the establishment of a newly-designated TIF District for the Northbrook Court II Redevelopment Project Area (“**JRB Resolution**”).

Pursuant to Section 11-74.4-5 of the TIF Act, the Corporate Authorities held a public hearing relative to the Redevelopment Plan and Project and Northbrook Court II Redevelopment Project Area on August 22, 2023 (“**Public Hearing**”), at which hearing the Corporate Authorities: (i) reviewed the Redevelopment Plan and Project, the information contained in the Eligibility Report, and the JRB Resolution; (ii) heard testimony and received written information concerning the Redevelopment Plan and Project; and (iii) reviewed other information, documentation, and studies so as to be generally informed about the conditions of the Northbrook Court II Redevelopment Project Area.

On October 30, 2023, the Corporate Authorities of the Village adopted (i) Ordinance No. **2023-69**, approving the Redevelopment Plan and Project prepared by Murakishi for the Northbrook Court II Redevelopment Project Area and (ii) Ordinance No. **2023-68**, designating the Northbrook Court II Redevelopment Project Area pursuant to the TIF Act.

The Corporate Authorities have found and determined that it is desirable and in the best interests of the public and the Village for the Corporate Authorities to approve tax increment allocation financing for the Northbrook Court II Redevelopment Project Area to carry out the terms and conditions of the Redevelopment Plan and Project;

Section 2. **TAX INCREMENT FINANCING ADOPTED.**

Tax increment allocation financing is hereby adopted to pay for redevelopment project costs (“**Project Costs**”) as defined in the TIF Act and as set forth in the Redevelopment Plan and Project within the Northbrook Court II Redevelopment Project Area. The Northbrook Court II Redevelopment Project Area is legally described in **Exhibit A** attached to and incorporated into this Ordinance. The general street location for the Northbrook Court II Redevelopment Project Area is described in **Exhibit B** attached to and incorporated into this Ordinance. The map of the Northbrook Court II Redevelopment Project Area is depicted on **Exhibit C** attached to and incorporated into this Ordinance.

Section 3. **ALLOCATION OF AD VALOREM TAXES.**

Ad valorem taxes, if any, arising from the levies upon taxable real property in the Northbrook Court II Redevelopment Project Area by taxing districts and tax rates determined in the manner provided in Section 11-74.4-9 of the TIF Act each year after the effective date of this Ordinance until the Project Costs and obligations issued in respect thereto have been paid are to be divided as follows:

- A. That portion of taxes levied upon each taxable lot, block, tract, or parcel of real property that is attributable to the lower of the current equalized assessed value or the initial equalized assessed value (2022 equalized assessed valuation) of each such taxable lot, block, tract, or parcel of real property in the Northbrook Court II Redevelopment Project Area are to be allocated to, and when collected are to be paid by the County Collector to, the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.
- B. That portion, if any, of such taxes that is attributable to the increase in the initial equalized assessed valuation (2022 equalized assessed valuation) of each lot, block, tract, or parcel of real property in the Northbrook Court II Redevelopment Project Area are to be allocated to, and when collected are to be paid by the County Collector to, the municipal treasurer of the Village, who must deposit said taxes into a special fund, hereby created, and designated as the "Northbrook Court II TIF Redevelopment Area Special Tax Allocation Fund" of the Village and such taxes are to be used for the purpose of paying Project Costs and obligations incurred in the payment thereof and for the development and implementation of the Redevelopment Plan and Project.

Section 4. USE OF ALLOCATED AD VALOREM TAXES.

The Village will obtain and utilize incremental ad valorem taxes from the Project Area for the payment of redevelopment project costs and all Village obligations financing redevelopment project costs in accordance with the provisions of the TIF Act and the Redevelopment Plan and Project.

Section 5. AUTHORIZATION FOR TRANSMITTALS AND OTHER ACTION.

The Corporate Authorities hereby authorize and direct the Village Manager to take any and all other statutorily required steps in connection with the adoption of tax increment allocation financing, including, without limitation, the transmission of a certified copy of this Ordinance to the Cook County Clerk.

Section 6. SEVERABILITY.

If any provision of this Ordinance or part thereof is held invalid by a court of competent jurisdiction, the remaining provisions of this Ordinance will remain in full force and effect, and are to be interpreted, applied, and enforced so as to achieve, as near as may be, the purpose and intent of this Ordinance to the greatest extent permitted by applicable law.

Section 7. EFFECTIVE DATE.

This Ordinance shall be in full force and effect only upon the occurrence of all of the following events:

- A. passage by the Village President and Board of Trustees by a majority vote in the manner required by law;
- B. publication in pamphlet form in the manner required by law; and
- C. the execution of a Redevelopment and Economic Incentive Agreement in substantially the form as ***Exhibit D*** attached to and incorporated into this Ordinance.

PASSED: This 30 day of October, 2023.

| | RESULT: | ADOPTED BY CONSENT VOTE [7 TO 0] |
|------------------|---|---|
| MOVER: | Dan Pepoon, Trustee | |
| SECONDER: | Bob Israel, Trustee | |
| AYES: | Ciesla, Israel, Collison, Ross, Hebl, Pepoon, Ebhomielien | |

ATTEST:

/s/ Kathryn L Ciesla
Village President

/s/ Debra J. Ford
Village Clerk

EXHIBIT A

**LEGAL DESCRIPTION OF THE NORTHBROOK COURT II REDEVELOPMENT
PROJECT AREA**

EXHIBIT B

**GENERAL STREET LOCATION OF THE NORTHBROOK COURT II
REDEVELOPMENT PROJECT AREA**

EXHIBIT C

MAP OF THE NORTHBROOK COURT II REDEVELOPMENT PROJECT AREA

EXHIBIT D

Redevelopment and Economic Incentive Agreement