

# **ILCMA Winter 2017 Conference: Succeeding Despite the State of Illinois**

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# Panelists

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# Overview



# Challenges to Rural Area Economic Development

## i.Demographic

- Shrinking population
- Aging population
- Market scale

## i.Competitive

- State border towns
- Labor force
- Neighboring towns

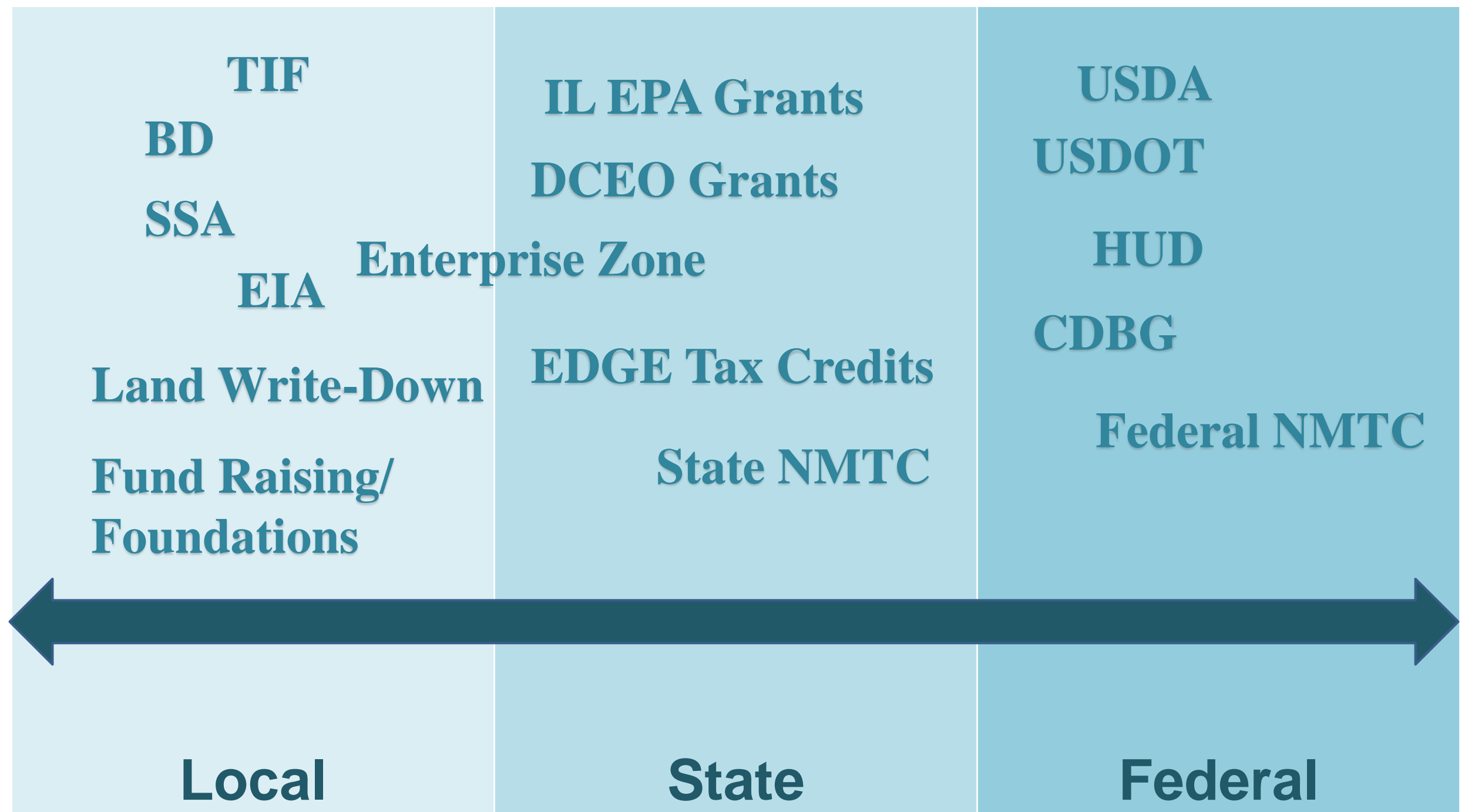
## Development/Real Estate

- Landowner challenges
- Access/Visibility
- Limited local developer capacity
- Lack of competitive buildings/sites
- Legacy and Environmental Issues

## i.Financial feasibility

- Ability to finance infrastructure
- Mismatch between rents and costs to deliver
- Lack of comps/access to capital

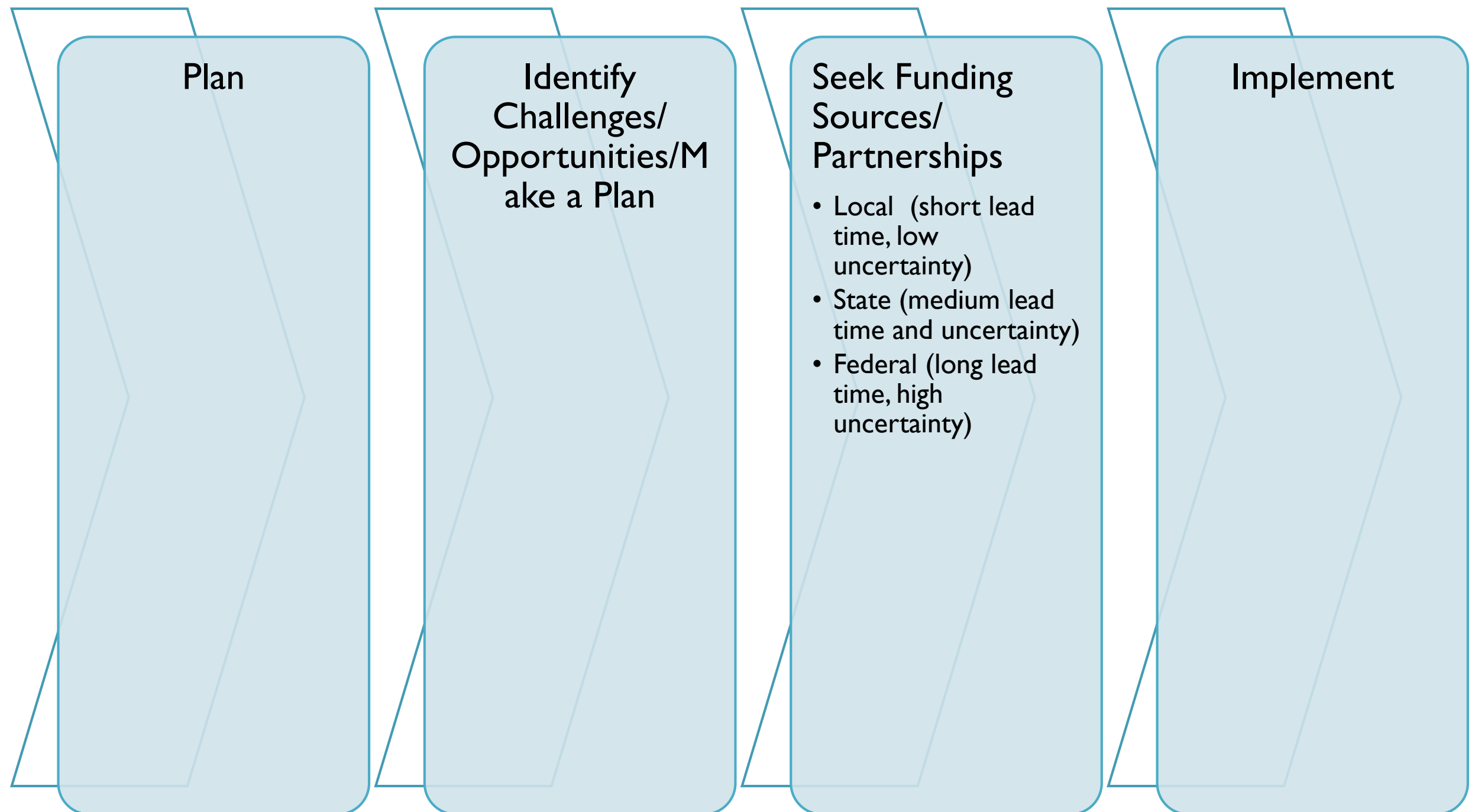
# Available Financial Tools



# Local Tools: Strengths and Weaknesses

	Strengths	Weaknesses
<b>Tax Increment Financing (TIF)</b>	Often largest source of funds; not additional tax	Limited flexibility of funds
<b>Business District (BD)</b>	Flexible use of funds	Additional tax
<b>Special Service Area (SSA)</b>	More transparent	Additional tax
<b>Economic Incentive Agreement (EIA)</b>	Flexible use of funds	Applies to retail properties only
<b>Land Write-Down</b>	Site control	Municipality must own land
<b>Fund Raising/Foundations</b>	Non-public money	Difficult to obtain

# Economic Development Process





# Case Study: Layered Financing

## Rock Falls, IL Riverfront Development

- Challenges:
  - Legacy Issues
  - Limited Access

- Sources: US EPA, IL EPA, IDOT, DCEO, ED Incentives(TIF), NMTC
- Successes:
  - New, \$7.1 million hotel development
  - \$4.2 million greenspace project

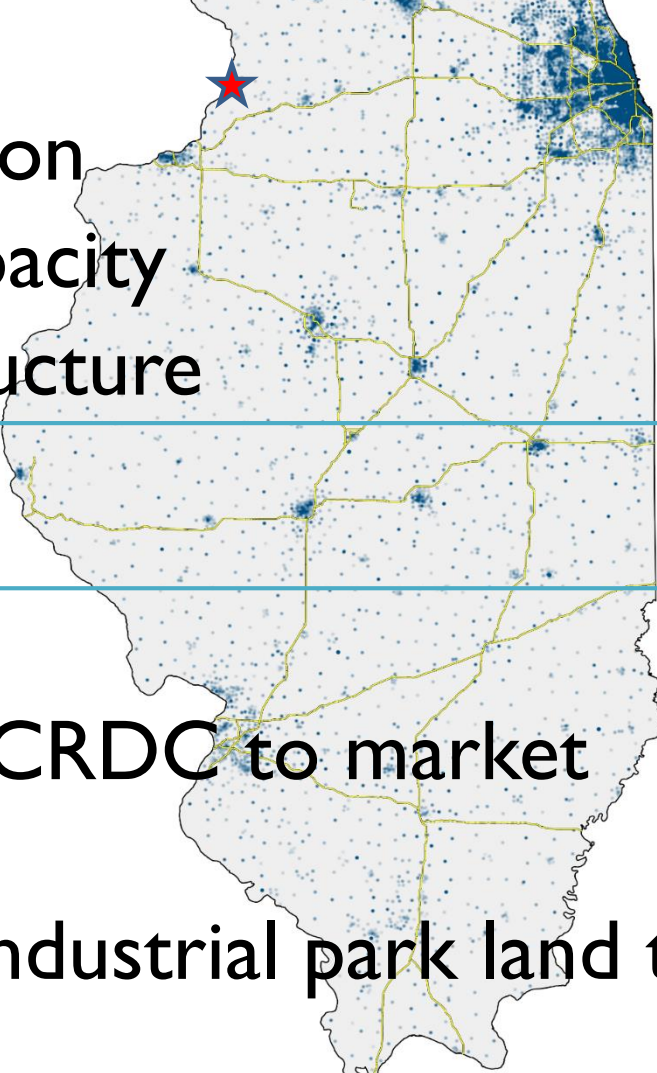


Source: TripAdvisor



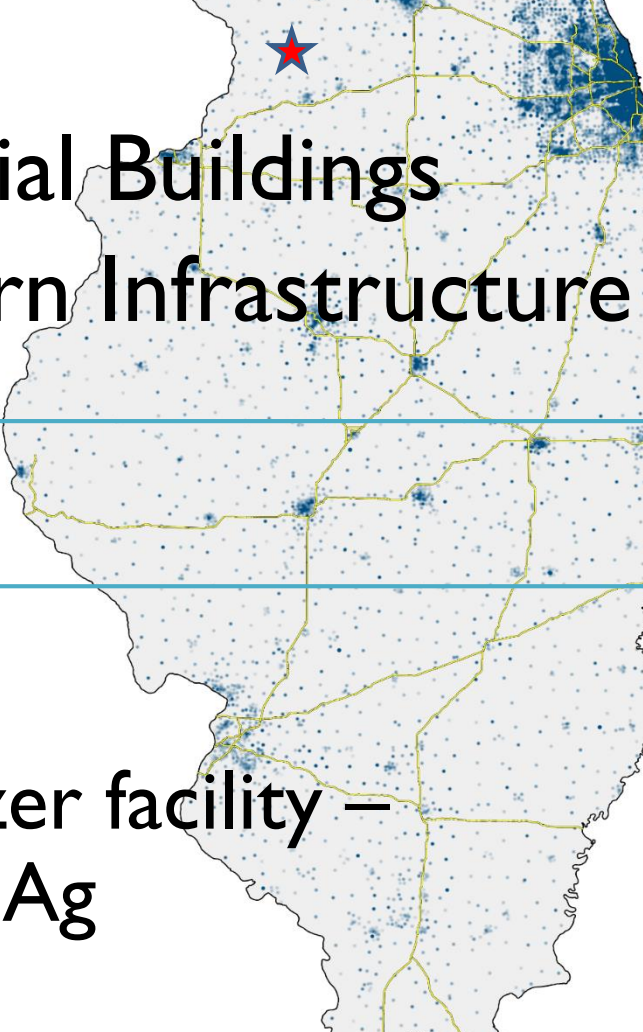
# Case Study: Partnerships and Relationships

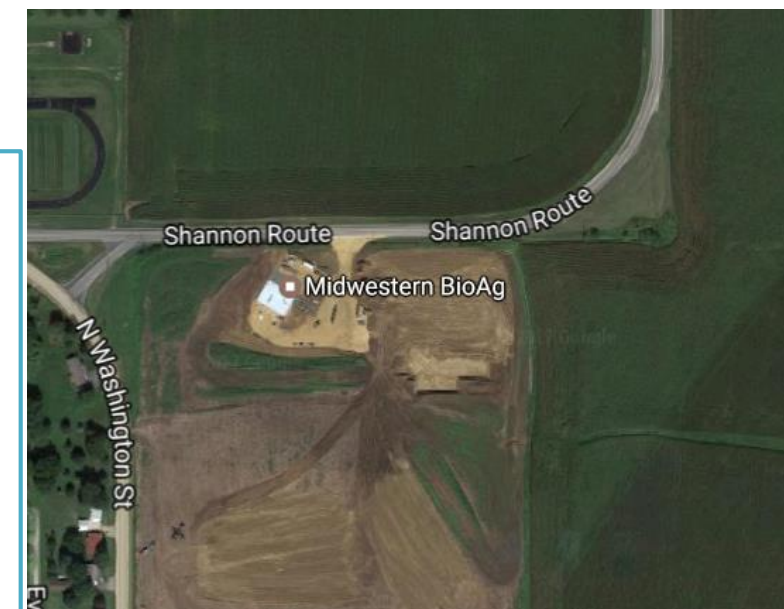
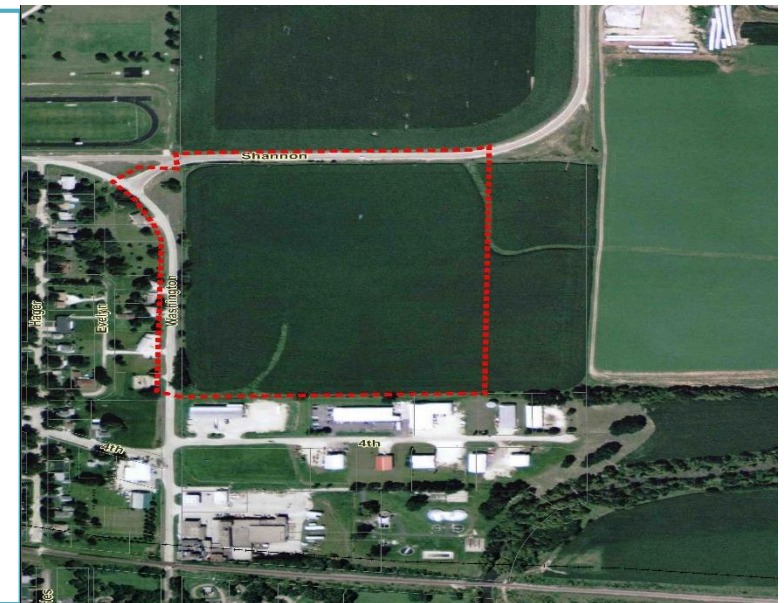
## Fulton, IL Industrial Development

- Challenges:
    - Iowa Competition
    - Land owner capacity
    - Lack of Infrastructure
  - Partnered with CRDC to market industrial area
  - Sold 5 acres of industrial park land to Iowa business
- 

# Case Study: TIF and Site Control

## Milledgeville, IL Industrial Park

- Challenges:
    - Older, Industrial Buildings
    - Lack of Modern Infrastructure
- 
- 17,000 sf fertilizer facility –  
Midwestern BioAg
  - Dollar General



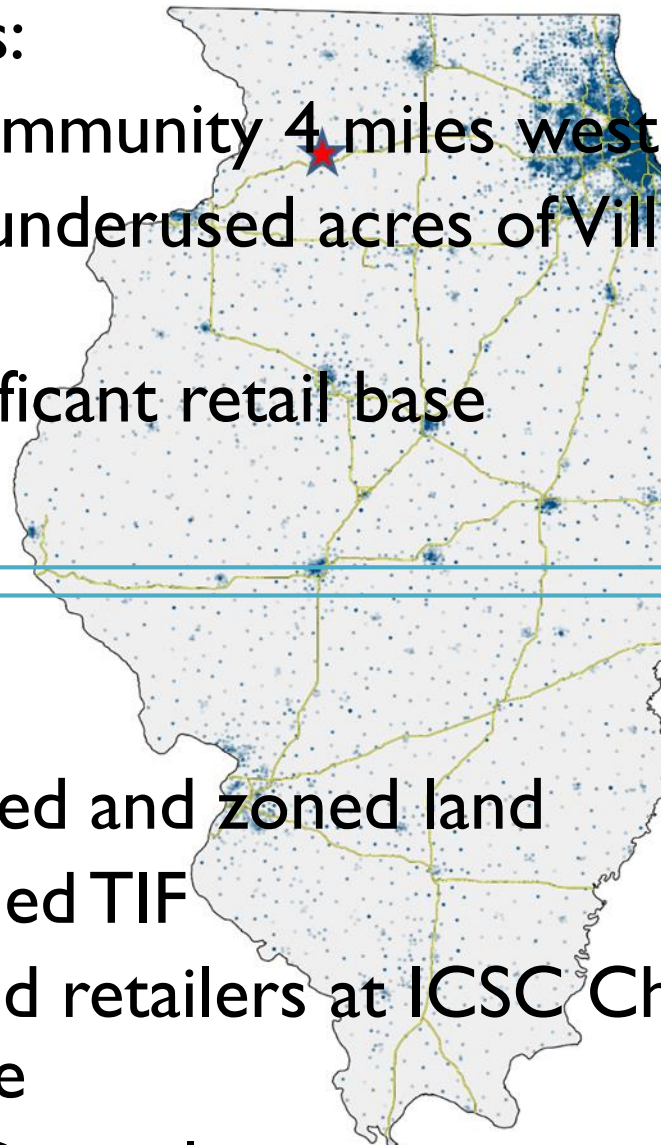
Source: Google Earth



# Case Study: Creating a Market

## Davis Junction, IL Retail Development

- Challenges:
  - Rural community 4 miles west of I-39
  - Several underused acres of Village owned land
  - No significant retail base
- Subdivided and zoned land
- Established TIF
- Recruited retailers at ICSC Chicago Ideas Exchange
- Dollar General



# Essential Terms of Development Agreements

- History of project
- Legal authority
- Uniform definitions and terms
- Sequence of relief
- Private development terms
- Public improvements requirements
- Fees, dedications, donations, contributions
- Performance Security
- Liability and indemnity
- Nature, survival, transfer of obligations
- Enforcement

# Promoting Economic Development Through Effective Codes and Process

- Process must be **predictable** to the applicant, elected / appointed officials, other departments and the public.
- Each step must **add value** to the process, the development and the community.
- The process must ensure open and continuous **communication** to all involved



# Predictability

- Codes should be written in clear and concise terms
  - ▶ Use graphics, tables, and charts
- Application Materials
- Conduct Commissioner Training
  - ▶ Ensure that volunteers understand roles and responsibilities
- Incorporate Community Plans
  - ▶ Use policy documents as guide for applicants
- Establish and Communicate Meeting Protocols
  - ▶ Have rules that establish sound meeting structures
  - ▶ Require and monitor commissioner attendance

# Add Value

- Streamline codes and make codes user friendly
- Fewer Meetings v. Better Meetings
  - ▶ Maintain process needed for public input and sound deliberation
  - ▶ Consider opportunities for meeting elimination or consolidation
- Administrative Approval v. Commission Approval
  - ▶ Consider value added by each commission review – communicate that value
  - ▶ Replace common approvals with administrative st

# Communicate

- Communicate externally
  - ▶ Process flow charts
  - ▶ Application materials
  - ▶ Staff and retained consultants
- Communicate Internally
  - ▶ Actively involve all staff from development related departments in approval process
  - ▶ Set regular meeting times
- Maintain Consistency Between Commissions
  - ▶ Manage opposing commission approvals
  - ▶ Logical order for review by multiple boards

# Development Advisors to the Public & Private Sectors

- Public-Private Development Finance
- Public-Private Partnerships
- Market and Economic Feasibility
- Fiscal and Economic Impact
- Community and Economic Development
- Urban Economic and Policy Studies

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