

# DEVELOPMENTS, INCENTIVES & GROWTH

- **Presenters:**

- Jared Polony, Director of Community Development – Elk Grove Village, IL
- Tony Topf, President – Wonder Lake, IL
- Justin Fischer, Director of Public Finance – RW Baird

- **Moderator:**

- Karen Daulton Lange, Village Administrator – Lake Barrington, IL

- **Learning Objectives:**

- Gain an understand of developer/public partnerships
- Explore the value of quantitative strategies to develop optimal financial incentives
- Learn how to take an effective and engaging approach with developers

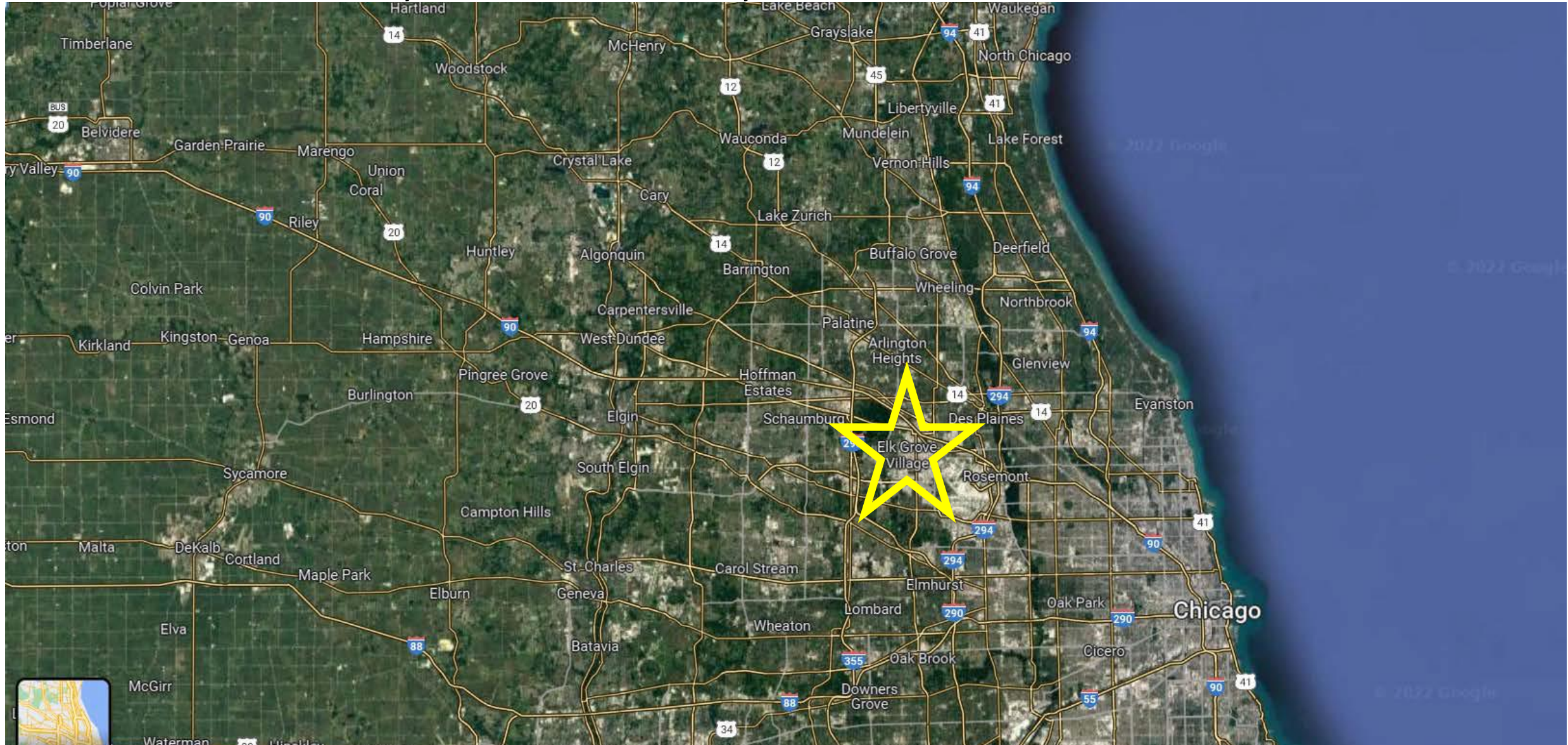
# Innovation and Technology Center Zoning District

Northwest Point- Elk Grove Village



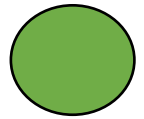


# LOCATION, LOCATION, LOCATION!

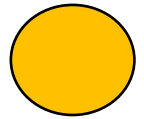




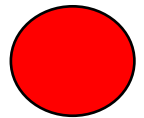
# Northwest Point Prior to ITC Zoning Change



Innovation/Tech  
Use



Underutilized



Vacant



# Why the need for an Innovation and Technology Center District?

- The COVID-19 Pandemic accelerated the increase in vacancy among Office Space in Chicago Suburban Office
- Below is a breakdown of the office overview as reported by CBRE:

	Building Count	Rentable Building Area	Direct Vacant	Vacancy Rate
East-West Tollway	457	40,173,701	8,556,850	23.1%
North Suburban	280	23,755,403	5,212,476	24.3%
<b>Northwest Suburban</b>	<b>226</b>	<b>26,853,924</b>	<b>7,454,768</b>	<b>29.2%</b>
O'Hare	91	13,106,936	2,463,699	19.5%
South Suburban	75	3,062,641	719,766	23.6%
Total	1,129	106,952,605	24,407,559	24.5%



# Northwest Point Today

Lot Size – 326,700  
Bldg. Footprint – 25,053  
Parking Lot Size – 149,136  
Parking Lot Size/Lot Size Ratio– 46%

Lot Size – 303,876  
Bldg. Footprint – 103,000  
Parking Lot Size – 75,892  
Parking Lot Size/Lot Size Ratio – 25%

Lot Size – 421,900  
Bldg. Footprint – 61,355  
Parking Lot Size – 260,888  
Parking Lot Size/Lot Size Ratio– 62%

Lot Size – 470,907  
Bldg. Footprint – 31,965  
Parking Lot Size – 314,415  
Parking Lot Size/Lot Size Ratio – 67%

Lot Size – 526,771  
Bldg. Footprint – 154,318  
Parking Lot Size – 153,598  
Parking Lot Size/Lot Size Ratio– 29%



# Northwest Point Today





# Northwest Point Today





# What is an Innovation and Technology Center District?

- Provides specific standards incorporating innovation, technology, and entrepreneurship.
- Regulations offer greater flexibility and creativity in design, as well as diversification in the planning, location, design, and use of buildings.
- Uses relate to operations and functions associated with innovation, advanced technology, and entrepreneurship.

# Uses in the Innovation and Technology Center District

## **Permitted Uses:**

- Business Services and Administrative Offices
- Co-Working Centers
- Entrepreneurship Centers/Business Accelerator
- Professional Offices
- Data Centers
- Restaurants (excluding drive thru)

## **Conditional Uses: (Review & Approval by Village Staff based on Prerequisites)**

- Clean Manufacturing
- Medical Research & Development
- Precision Engineering
- Research and Development
- Technology based operations

## **Special Uses: (Plan Commission Review at Public Hearing)**

- Surgery with Out Patient Care
- Microbrewery, Distillery & Winery
- Entertainment Facilities
- Hotels
- Churches

## **Prohibited Uses:**

- Specific prohibited uses are identified in the Innovation and Technology Center Design Guidelines
- Additionally, unless it is an expressly Permitted, Conditional or Special Use, the use will be deemed Prohibited.



# EGV's Vision for State of the Art Design Concepts in the Innovation and Technology Center District



Yamazen Elk Grove Village, IL

MC Machinery – Mitsubishi - Precision Metal Fabrication  
Equipment  
Elk Grove Village, IL



# EGV's Vision for State of the Art Design Concepts in the Innovation and Technology Center District



Amada – Precision  
Metal Fabrication  
Equipment  
Schaumburg, IL



IO Data  
Center  
Phoenix, AZ



Medical Device  
Research Facility  
Upper Midwest, MN



TRUMPF Smart  
Hoffman  
Estates, IL



# Purpose of this district – Innovation headquarters

- Represents 4% of the industrial park in a unique location
- District allows for attraction and retention of advanced technology driven users
- Design guidelines for I-90 frontage
- Site amenities for each parcel
- Building design requirements



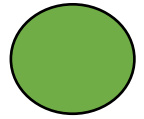
# Smart Zoning



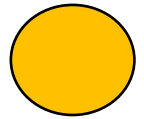
- Minimum parcel size
- Screening
- Parking for proposed use
- Signage
- Lighting
- Faster approval process
- Encouraging redevelopment of existing parcels



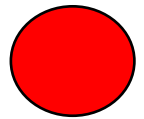
# ITC DISTRICT SINCE IMPLEMENTATION



Innovation/Tech  
Use



Underutilized



Under  
Development  
/Review



# In Conclusion

- Struggling Office Park for over 40 years
  - Opportunities to bring life to the area
- Sheraton and Apple Vacation up for Sale
  - Redevelop potential
- Lots undeveloped and ready for development
- Model ITC District off the success of the Technology Park

# Contact Information

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# THE BIG IDEA



THE VILLAGE OF WONDER LAKE PLANS FOR  
RESIDENTIAL, ECONOMIC & INFRASTRUCTURE DEVELOPMENT



# THE BIG IDEA WAS

Resurrect a bankrupt subdivision partnering with a new developer



**STONEWATER**

## Which Would

- \*Benefit The New Developer
- \*Benefit The Village With New Water/Sewer Infrastructure
- \*Bring Roof Tops To The Village
- \*Which Serve As A Metric For External Economic Development Decisions
- \*Which Creates A Non-residential Tax Base To Support Municipal Services

# THE BIG IDEA

- How it happened
- What do we want the village to be
- Think holistic
- Trustees that understand the Big Idea
- Big Idea buy in vision for Trustees, residents, elected officials, outside investors
- Have a stake in the opportunities





## FUNDING ALTERNATIVES

**Justin A. Fischer, Director**

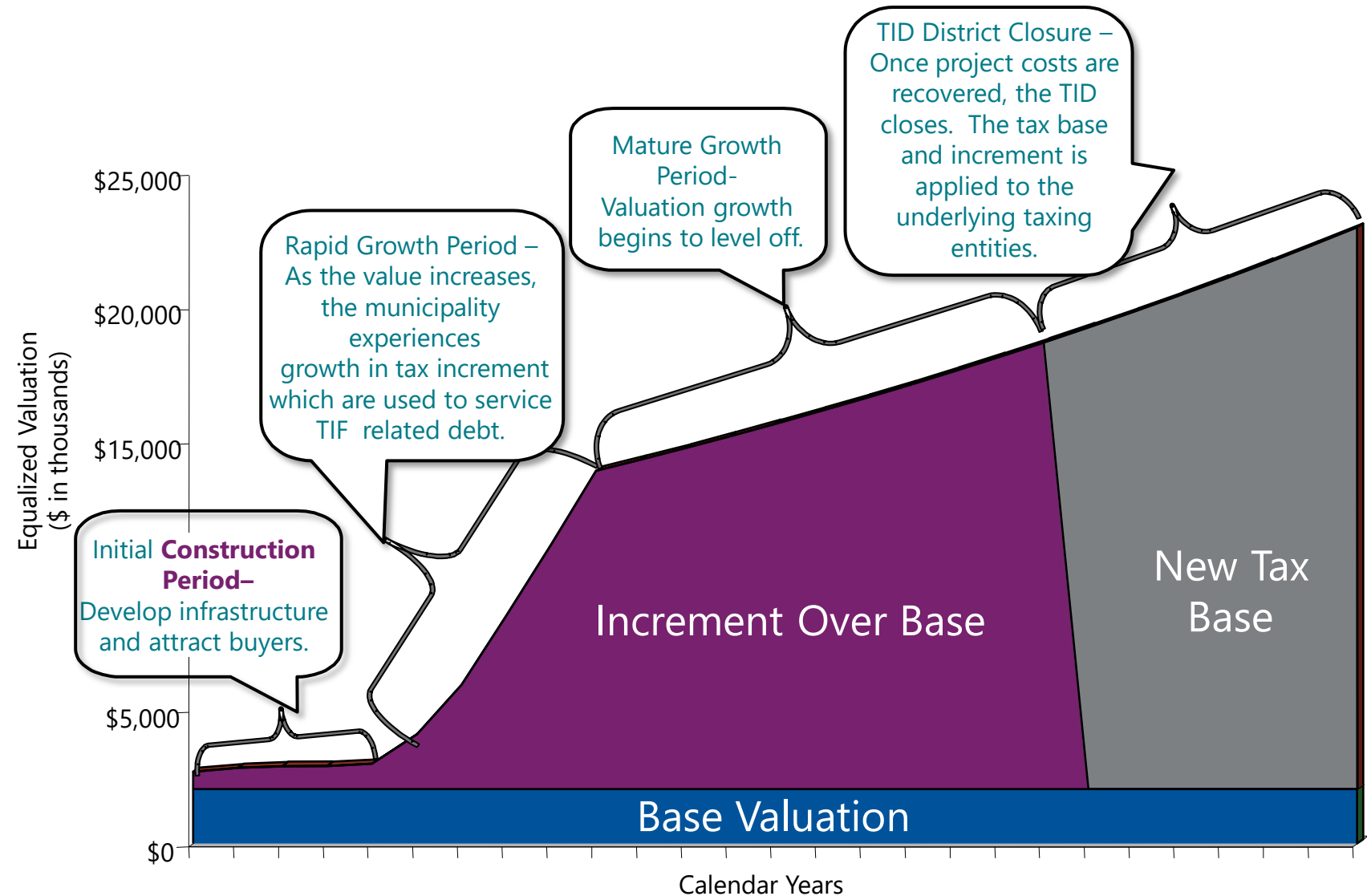
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Milwaukee, WI 53202

Phone 414.765.3827

# Example TID Lifecycle\*



\*The hypothetical example is for illustrative purposes only.



## **Up-Front**

- Projects the incremental property values of the project and extend an up-front payment to assist in development costs
- Lump sum
- City assumes risk

## **Pay-As-You-Go Note**

- Relies on the developer to pay for the up-front project costs with the promise of being reimbursed
- Series of installments
- Developer assumes risk

# Proforma Analysis (Project Based) - Revenues

Background Data					Revenues	
	(a)	(b)	(c)	(d)	(e)	
Year	TIF District Valuation	Construction Increment	TIF Increment Over Base	Tax Rate	Tax Revenue	Year
	(January 1)	(1)				
	Base Value					
	\$1,995,800					
2018			\$0	\$20.38		2018
2019	\$1,995,800		\$0	\$18.97		2019
2020	\$1,995,800		\$0	\$18.77	\$0	2020
2021	\$1,995,800		\$0	\$17.05	\$0	2021
2022	\$1,995,800		\$0	\$17.05	\$0	2022
2023	\$1,995,800	\$18,000,000	\$18,000,000	\$17.05	\$0	2023
2024	\$19,995,800	\$20,000,000	\$38,000,000	\$17.05	\$0	2024
2025	\$39,995,800	\$20,000,000	\$58,000,000	\$17.05	\$306,900	2025
2026	\$59,995,800	\$20,000,000	\$78,000,000	\$17.05	\$647,900	2026
2027	\$79,995,800	\$10,000,000	\$88,000,000	\$17.05	\$988,900	2027
2028	\$89,995,800	\$10,000,000	\$98,000,000	\$17.05	\$1,329,900	2028
2029	\$99,995,800	\$5,000,000	\$103,000,000	\$17.05	\$1,500,400	2029
2030	\$104,995,800		\$103,000,000	\$17.05	\$1,670,900	2030
2031	\$104,995,800		\$103,000,000	\$17.05	\$1,756,150	2031
2032	\$104,995,800		\$103,000,000	\$17.05	\$1,756,150	2032
2033	\$104,995,800		\$103,000,000	\$17.05	\$1,756,150	2033
2034	\$104,995,800		\$103,000,000	\$17.05	\$1,756,150	2034
2035	\$104,995,800		\$103,000,000	\$17.05	\$1,756,150	2035
2036	\$104,995,800		\$103,000,000	\$17.05	\$1,756,150	2036
2037	\$104,995,800		\$103,000,000	\$17.05	\$1,756,150	2037
2038	\$104,995,800		\$103,000,000	\$17.05	\$1,756,150	2038
2039	\$104,995,800		\$103,000,000	\$17.05	\$1,756,150	2039
2040	\$104,995,800		\$103,000,000	\$17.05	\$1,756,150	2040
2041	\$104,995,800		\$103,000,000	\$17.05	\$1,756,150	2041
2042	\$104,995,800		\$103,000,000	\$17.05	\$1,756,150	2042
2043				\$17.05	\$1,756,150	2043
2044					\$1,756,150	2044
		\$103,000,000			\$31,031,000	

(1) Increment per Village estimates.

(2) Village estimate



# Proforma Analysis (Project Based) - Expenditures

PRELIMINARY - VILLAGE INFRASTRUCTURE												
\$2,795,000 GO Promissory Notes Dated September 1, 2022 Callable September 1, 2025						Example Developer Grant \$20,600,000 Developer Outlay / Repayment Beginning November 1, 2025						
Expenditures												
(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)		
Year	Principal	Interest	Cap. I	Debt Service	Annual (Shortfall) / Surplus	Net Revenues Allocable to Developer	Developer Outlay	Annual (Shortfall)/ Surplus	Balance Due to Developer	Payment to Developer	Combined Expenditures	Year
	(9/1)	(3/1 & 9/1) TIC= 4.00%	(3/1 & 9/1)			70%						
2018					\$0	\$0		\$0	\$0	\$0	\$0	2018
2019					\$0	\$0		\$0	\$0	\$0	\$0	2019
2020					\$0	\$0		\$0	\$0	\$0	\$0	2020
2021					\$0	\$0		\$0	\$0	\$0	\$0	2021
2022					\$0	\$0		\$0	\$0	\$0	\$0	2022
2023		\$111,800	(\$111,800)	\$0	\$0	\$0		\$0	\$0	\$0	\$0	2023
2024		\$111,800	(\$111,800)	\$0	\$0	\$0	\$20,600,000	(\$20,600,000)	(\$20,600,000)	\$0	\$0	2024
2025	\$175,000	\$111,800		\$286,800	\$20,100	\$14,070		\$14,070	(\$20,585,930)	\$14,070	\$300,870	2025
2026	\$370,000	\$104,800		\$474,800	\$173,100	\$121,170		\$121,170	(\$20,464,760)	\$121,170	\$595,970	2026
2027	\$370,000	\$90,000		\$460,000	\$528,900	\$370,230		\$370,230	(\$20,094,530)	\$370,230	\$830,230	2027
2028	\$370,000	\$75,200		\$445,200	\$884,700	\$619,290		\$619,290	(\$19,475,240)	\$619,290	\$1,064,490	2028
2029	\$370,000	\$60,400		\$430,400	\$1,070,000	\$749,000		\$749,000	(\$18,726,240)	\$749,000	\$1,179,400	2029
2030	\$370,000	\$45,600		\$415,600	\$1,255,300	\$878,710		\$878,710	(\$17,847,530)	\$878,710	\$1,294,310	2030
2031	\$370,000	\$30,800		\$400,800	\$1,355,350	\$948,745		\$948,745	(\$16,898,785)	\$948,745	\$1,349,545	2031
2032	\$400,000	\$16,000		\$416,000	\$1,340,150	\$938,105		\$938,105	(\$15,960,680)	\$938,105	\$1,354,105	2032
2033					\$1,756,150	\$1,229,305		\$1,229,305	(\$14,731,375)	\$1,229,305	\$1,229,305	2033
2034					\$1,756,150	\$1,229,305		\$1,229,305	(\$13,502,070)	\$1,229,305	\$1,229,305	2034
2035					\$1,756,150	\$1,229,305		\$1,229,305	(\$12,272,765)	\$1,229,305	\$1,229,305	2035
2036					\$1,756,150	\$1,229,305		\$1,229,305	(\$11,043,460)	\$1,229,305	\$1,229,305	2036
2037					\$1,756,150	\$1,229,305		\$1,229,305	(\$9,814,155)	\$1,229,305	\$1,229,305	2037
2038					\$1,756,150	\$1,229,305		\$1,229,305	(\$8,584,850)	\$1,229,305	\$1,229,305	2038
2039					\$1,756,150	\$1,229,305		\$1,229,305	(\$7,355,545)	\$1,229,305	\$1,229,305	2039
2040					\$1,756,150	\$1,229,305		\$1,229,305	(\$6,126,240)	\$1,229,305	\$1,229,305	2040
2041					\$1,756,150	\$1,229,305		\$1,229,305	(\$4,896,935)	\$1,229,305	\$1,229,305	2041
2042					\$1,756,150	\$1,229,305		\$1,229,305	(\$3,667,630)	\$1,229,305	\$1,229,305	2042
2043					\$1,756,150	\$1,229,305		\$1,229,305	(\$2,438,325)	\$1,229,305	\$1,229,305	2043
2044					\$1,756,150	\$1,229,305		\$2,438,325	\$0	\$2,438,325	\$2,438,325	2044
	\$2,795,000	\$758,200	(\$223,600)	\$3,329,600	\$27,701,400	\$19,390,980	\$20,600,000	\$0		\$20,600,000	\$23,929,600	

# Proforma Analysis (Project Based) - Summary

Year	TID Status			Year
	(q)	(r)	(s)	
	Annual Balance	Year End Cumulative Balance (December 31)	Cost Recovery	
2018	\$0	\$0		2018
2019	\$0	\$0		2019
2020	\$0	\$0		2020
2021	\$0	\$0		2021
2022	\$0	\$0		2022
2023	\$0	\$0		2023
2024	\$0	\$0		2024
2025	\$6,030	\$6,030		2025
2026	\$51,930	\$57,960		2026
2027	\$158,670	\$216,630		2027
2028	\$265,410	\$482,040		2028
2029	\$321,000	\$803,040		2029
2030	\$376,590	\$1,179,630		2030
2031	\$406,605	\$1,586,235		2031
2032	\$402,045	\$1,988,280		2032
2033	\$526,845	\$2,515,125		2033
2034	\$526,845	\$3,041,970		2034
2035	\$526,845	\$3,568,815		2035
2036	\$526,845	\$4,095,660		2036
2037	\$526,845	\$4,622,505		2037
2038	\$526,845	\$5,149,350		2038
2039	\$526,845	\$5,676,195		2039
2040	\$526,845	\$6,203,040	Expenditures Recovered	2040
2041	\$526,845	\$6,729,885	Expenditures Recovered	2041
2042	\$526,845	\$7,256,730	Expenditures Recovered	2042
2043	\$526,845	\$7,783,575	Expenditures Recovered	2043
2044	(\$682,175)	\$7,101,400	Expenditures Recovered	2044

# Proforma Analysis (Projects Feed into Overall Proforma)



TID Status					
Year	(q)	(r)	(s)	Year	
	Annual Balance	Year End Cumulative Balance	Cost Recovery		
		(December 31)			
2017				2017	
2018				2018	
2019				2019	
2020				2020	
2021		\$3,599,736	Per 2021 Draft Audit	2021	
2022	(\$166,184)	\$3,433,552		2022	
2023	(\$174,929)	\$3,258,623		2023	
2024	(\$401,623)	\$2,857,001		2024	
2025	(\$198,216)	\$2,658,785		2025	
2026	(\$25,807)	\$2,632,978		2026	
2027	\$122,480	\$2,755,458		2027	
2028	(\$833,508)	\$1,921,950		2028	
2029	\$230,352	\$2,152,302		2029	
2030	\$327,907	\$2,480,209		2030	
2031	\$412,456	\$2,892,665		2031	
2032	\$464,345	\$3,357,011		2032	
2033	\$424,606	\$3,781,617		2033	
2034	\$476,039	\$4,257,656		2034	
2035	\$861,888	\$5,119,543		2035	
2036	\$919,716	\$6,039,259		2036	
2037	\$982,818	\$7,022,077		2037	
2038	\$2,579,327	\$9,601,404		2038	
2039	\$2,133,392	\$11,734,796	Expenditures Recovered	2039	
2040	\$3,238,675	\$14,973,471	Expenditures Recovered	2040	
2041	\$3,324,921	\$18,298,392	Expenditures Recovered	2041	
2042	\$3,535,166	\$21,833,559	Expenditures Recovered	2042	
2043	\$3,907,279	\$25,740,837	Expenditures Recovered	2043	
2044	\$3,023,629	\$28,764,466	Expenditures Recovered	2044	



## Project Area (Before)

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## Project Area (In Progress)

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# Project Area (Current & Future)





# Important Disclosures

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