



ECONOMIC DEVELOPMENT

in Southwestern Illinois



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TIFs, business incentives show they are working across the region

By DENNIS GRUBAUGH

Southwestern Illinois's tax increment financing districts have been doing their jobs in the past couple of decades, Keith Moran says. And, newer tools like business district and enterprise zone incentives, are playing a growing role.

"The work remains active," said Moran, the president of Moran Economic Development in Edwardsville, which works closely with Metro East communities on such incentives. "Economic development tools are helping to fill in some of the blanks especially when it comes to fulfilling infrastructure, making land available for development, and getting some of these buildings rehabbed and filled."

Not as many TIF districts are being formed. Instead, more targeted TIF districts, with more specific projects are being considered.

"Smaller TIFs are designed to get a



Moran

project up and running. You don't see the big expansive TIFs like you once did, where they encompassed an entire downtown area."

"In Jerseyville we did one not long ago that promoted development along the south side of town, in areas that weren't taken in by (Jerseyville's first TIF, No. 1). The area is also seeing a variety of TIFs expiring. Glen Carbon recently ended theirs a bit early, this past year. Another was recently retired in Wood River.

"The TIF helped make Glen Carbon a viable, relevant retail community. Now there is no need for a TIF. That's how it is supposed to work," he said.

In Glen Carbon, the TIF boosted the development of much of the Cottonwood area, including the Walmart, Lowe's, and considerable stormwater and infrastructure improvements.

"It funded a heck of a lot that the village couldn't have done at the time, without the aid of the TIF program and the revenue it provided," he said.

Such districts exist for a 23-year period.

"The TIF program takes a while to get going, because it works in conjunction with the tax cycle. You'll get something

developed, built, assessed and then taxed. Oftentimes, that can take two or three years before any TIF proceeds or revenue are realized," Moran said.

A lot of TIFs were initially approved in the 1998 timeframe, when the incentive was really taking off in this area.

"There were some major TIF reforms in 1999, which caused some folks at that time to establish TIFs prior to those amendments; and then immediately following the overhaul of the TIF statute a number of other TIFs were established after that point."

Now, tax money that was abated as part of the process to finance development of blighted areas is going back on to the tax

rolls, he said.

Some of these municipalities are working with taxing districts to get an extension of 12 years.

"Caseyville extended their TIF district with the help of their taxing districts, and we worked with them on that, although we reduced the size of it and shared some money with taxing districts as well," Moran said.

All extensions have to be approved via the Illinois Legislature and governor.

However, for the TIF to be extended, the Legislature is going to want to hear from the taxing districts on whether they approve or support the extension of that TIF.

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