

# City of Forest Park

A Tale of Two TIFs

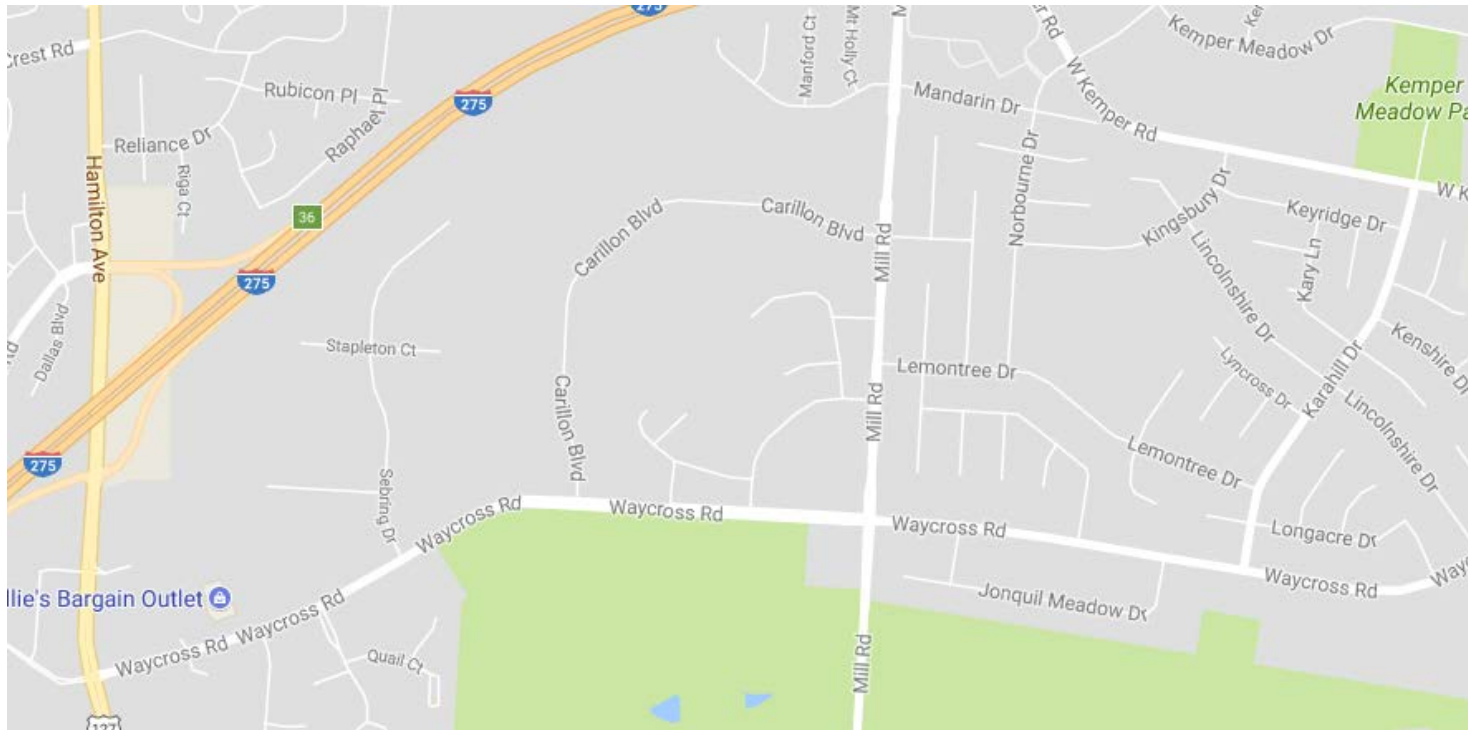
# A Tale of Two TIFs

“It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness...”

# The Best of Times – Carillon TIF

- \* 123 acres, home to city's largest employer
- \* Rezoned to a Special Planning Area (mixed use)
- \* Needs: access road, infrastructure for development
- \* Cost for public improvements: \$3.8 million
- \* One school district, one vocational district
- \* TIF Ordinance passed July of 2000
- \* 20 years, 100%

# The Best of Times – Carillon TIF



# The Best of Times – Carillon TIF

- \* TIF outperforms expectations
- \* Eight companies (2 regional HQ, 2 engineering, 1 tech)
- \* \$60 million in business investment
- \* Over 2,000 created or retained jobs
- \* Pay off original bonds early
- \* Revenue stream for \$1.5 million streetscape
- \* Other public improvements and private developments

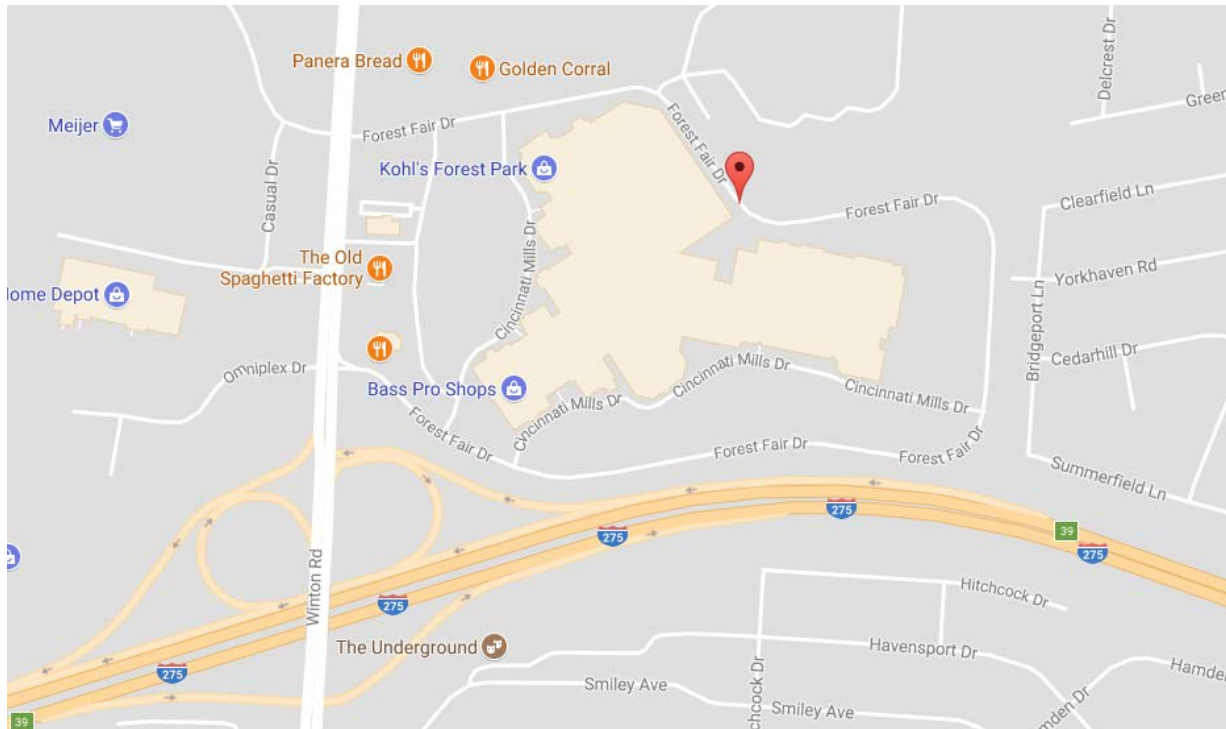
# The Best of Times – Carillon TIF



# The Worst of Times – Forest Fair TIF

- \* 1.9 million SF regional shopping center built in the 80s
- \* History of struggle for this 90-acre gateway property
- \* Bankruptcy, foreclosure, competition
- \* 2003 Mills Corporation \$120 million project
- \* \$18 million TIF with special assessment
- \* 30 years, 100%
- \* Two counties, two cities, three school districts, two vocational districts, port authority

# The Worst of Times – Forest Fair TIF





# The Worst of Times – Forest Fair TIF

- \* Initial results quite positive
- \* Grand Reopening Celebration
- \* Amy Grant, Terry Bradshaw
- \* Occupancy doubles
- \* Bass Pro Shops, Babies R Us, Guitar Center, Kohl's, Guess, Tommy Hilfiger, Samsonite, Media Play, Saks Off 5<sup>th</sup>, Dress Barn, Johnny Rockets, new restaurants, PBS Partnership, Bigg's Hypermarket, Lenscrafters

# The Worst of Times – Forest Fair TIF



# The Worst of Times – Forest Fair TIF

- \* Mills Corp. collapses
- \* Four different owners
- \* Stores leave for newer developments north of I-275
- \* Occupancy drops dramatically
- \* Tax and property maintenance issues rise
- \* Image decline
- \* Competition from nearby retail centers

# The Worst of Times – Forest Fair TIF



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Image: Elise Capper

# The Worst of Times – Forest Fair TIF

- \* TIF functions according to plan
- \* Assessment kicks in
- \* Bondholders paid
- \* Slows our ability to redevelop site
- \* Foreclosure, land bank off the table
- \* Property for sale - asking price \$55 million

# The Worst of Times – Forest Fair TIF

## Future Plans

- \* Mixed use development
- \* Abundance of retail space in the corridor
- \* Combination of uses, less emphasis on retail
- \* Issue of TIF assessments

# Lessons Learned

- \* Recognize importance of regional partners
- \* Be conservative with your forecasts
- \* Respect interests of local partners (e.g. schools)
- \* Understand volatility of certain industries (e.g. retail)
- \* Be prepared for dynamic nature of projects
- \* Don't be surprised by unintended consequences
- \* Don't be afraid to tackle the tough projects

# Tale of Two TIFs

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