



Dani Tietz <dani@mahometnews.com>

TIF number

Sean Widener <mayor@mahomet-il.gov>
To: Dani Tietz <dani@mahometnews.com>
Cc: Patrick Brown <pbrown@mahomet-il.gov>

Mon, Feb 6, 2023 at 11:17 PM

Good evening Dani.

Here are some details around the \$3M number that I reported to the NG. This was in response to comments that were generalizing what the School District gave up with the extension of the East Mahomet TIF District (EMTIF).

Discussion Point 1

As you already know, the School District assumed development responsibilities when purchasing the 60+ acres within the EMTIF. This meant they had an obligation to fund and construct certain infrastructure. This obligation is no different than any other development project.

Before the Intergovernmental Agreement (IGA) on October 19, 2020, the school's original infrastructure obligations were approximately \$2.2 million in 2019. In today's dollars with inflation, it equals approximately \$3.1 million.

Starting in September 2019, the Village engaged the BOE seven times (from our count) to solicit and discuss an extension of the EMTIF and discuss the South Mahomet Road Extension Project (SMR). When discussing options with the BOE, we estimated that the value of replacing SMR with the District's prior obligations was approximately \$2.6M.

Ultimately approved in 2020, the IGA resulted in the Village assuming responsibility of said infrastructure in the form SMR project to be funded through EMTIF funds. As you know we moved forward with SMR and the project is almost complete. We also know now, that the actual costs from the awarded bid in 2022, the value SMR through the District's property is approximately \$3 million, slightly higher than we anticipated due to a variety of factors outside of our control. Inflation, supply chains, contractor availability, and bidding environment to name a few.

Discussion Point 2

The EMTIF has seen two significant events since being formed in 2000 that changed the financial projections. The first occurred in 2008 whereas the percent pass through for commercial properties was changed in regards to which properties were included. As you know, we pass through 100% of residential properties and 50% of commercial properties. This resulted in more funds being directed into the EMTIF. The second event was the 12 year extension that was supported in 2020.

When we estimate the 50% of the taxes generated from commercial properties beginning in tax year 2024 (the first tax year of the 12-year extension) with an assumed 2% growth escalation for the next 12 years (final in Tax Year 2035), the District's contribution is approximately \$3,000,000.

We acknowledge that our numbers are conservative assuming 2% growth in value. This is because we have to use conservative growth assumptions for various bonding reasons. We hope they are wrong and our growth is much greater.

This has proved to be true in recent years which means the amount of money the TIF fund keeps for infrastructure projects is greater, and also would mean the disbursements paid out to the taxing bodies also increases at the same proportions. Everyone benefits if it is greater.

I hope the above information helps clarify the statement. Please feel free to reach out if something is not clear.

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