TIF CASE STUDY: CHICAGO PREMIUM OUTLET MALL, CITY OF AURORA, ILLINOIS

Financing: $7,140,000, Tax Increment Financing District #2 Revenue Bonds, Series 2004B

Overview:
The project being financed is the Chicago Premium Outlet Mall, an upscale, fashion-oriented outlet center located at the northwest quadrant of Interstate 88 and North Farnsworth Avenue, in Aurora, Illinois. The $96 million redevelopment area broke ground in October of 2002 and is the second largest retail-oriented investment in the City of Aurora since the Fox Valley mall opened in 1975. Of the total 140-acres in the redevelopment district, 50 acres are dedicated to the outlet center and 92 acres are for wetland and floodplain mitigation in the Indian Creek area. According to City officials, the 477,000 square foot outlet center, called Chicago Premium Outlets, will have more than 100 outlet stores. The stores in Chicago Premium Outlets will offer customers everyday savings of 25-65 percent on products from fashion designers and name brand manufacturers. Moreover, the center will offer a variety of products in addition to clothing such as fashion accessories, leather goods, tabletops and home furnishings. According to the Aurora Economic Development Council the center will create 800-1,000 jobs and contribute more than $2.5 million annually in sales tax revenues once the obligation of the TIF is realized.

Proceeds of the Bonds are for acquisition of approximately 140 acres of land (the “Property”) and development and construction of a retail outlet facility (the “Project”) consisting of approximately 50 acres and develop approximately 90 acres of the Property for a series of wetland and drainage improvements (the “Conservation Area”).

With respect to the project, the developer is responsible for constructing all site improvements, site preparation, all infrastructure, including sanitary sewer, water, storm sewer, streets, roads, driveways, storm water detention or retention facilities, parking facilities and all other buildings or improvements necessary to construct an outlet mall consisting of 477,000 square feet.

The repayment of debt service on the bonds shall be paid from the portion of the ad valorem real estate taxes arising from levies upon taxable real property in the Redevelopment Project Area over the equalized assessed value of the taxable real property in the Redevelopment Area on June 22, 1989 (the “Incremental Taxes”).

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