

What Is A Business Development District?

A Business Development District is a tool available to municipalities to aid in the development of targeted areas. The purpose is to strengthen the tax base, attract opportunities for development or redevelopment, and to enhance property values.

How is a Business Development District established?

To establish a Business Development District, the Board of Trustees must by ordinance propose the establishment of a Business District and the adoption of a Business District Plan. That Ordinance must set the date for a Public Hearing on that proposal. Notice must be placed in a paper of general circulation twice and no more than 30 but no less than 10 days prior. If a Business Sales and Hotel Taxes are being proposed, then it must be in the Ordinance as well. After the Public Hearing the Board of Trustees may adopt the Ordinance establishing the Business District, Business District Plan, and adoption of any taxes.

On August 23, 2021, the Mayor and the Board of Trustees adopted an Ordinance setting the date of the Public Hearing with the possible adoption of the ordinances establishing the Business District, adopting the Business District Plan, and adoption of any taxes for September 13, 2021.

You can view the full eligibility study and plan here: [insert link]

What tools does a Business District make available to help spur investment?

A Business District may levy a Business District Tax on sales and hotels if the area is contiguous and blighted, as defined in the Illinois Municipal Code 65 ILCS 5/11-74.3-5. That definition states,

““Blighted area" means an area that is a blighted area which, by reason of the predominance of defective, non-existent, or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire or other causes, or any combination of those factors, retards the provision of housing accommodations or constitutes an economic or social liability, an economic underutilization of the area, or a menace to the public health, safety, morals, or welfare.”

Does Burr Ridge Downtown qualify?

On October 12, 2020, the Board of Trustees approved a contract with SB Friedman to perform a feasibility study and create a District Plan as to the eligibility to establish a District in downtown Burr Ridge. Their study concluded that the economic conditions and trends observed in downtown Burr Ridge would support the creation of a District to aid in its continued overall development. There is strong legal and economic basis for the establishment of a District in downtown Burr Ridge under State law.

You can view the full eligibility study and plan here: [insert link]

Will this affect property tax rates?

No. As the Business District may only levy sales and hotel taxes, property tax rates will be unaffected.

Will these decrease any money to other governments (School, Fire District, etc.)?

As a Business District receives revenue through sales and hotel taxes rather than property taxes, other taxing bodies are unaffected. As the property tax grows within the District, the tax bases of other government agencies will similarly grow, enhancing their ability to provide local services.

Can any taxes generated be spent on anything else besides improving the downtown?

No. All funds generated from the Business District taxes must be spent within the boundaries of the Business District. Additionally, eligible uses of the funds include:

- Creation of studies or plans;
- Acquisition of property;
- Clearing and grading of land;
- Demolition of existing buildings;
- Installation or repair of infrastructure;
- Renovation of existing buildings or construction of new buildings;
- The ability to borrow money against revenues from the District; and
- Reimbursement of costs related to the implementation of a Plan.

What other examples are there of Business Development Districts in the area?

- Willowbrook. A District was established in 2018 along Route 83/Plainfield Road which prompted the redevelopment of the old K-Mart site into Pete's Fresh Market and a substantial upgrade of the intersection's infrastructure.
- Lombard. A District was created over the eastern half of Yorktown Mall in 2005. A second District was created in 2019 covering the rest of the Mall to develop the property's outlots and now-vacant big-box spaces.
- La Grange Park. In 2017, four smaller Districts were created at targeted intersections to drive redevelopment of existing retail properties.
- Blue Island. A District was created over Western Avenue and the balance of their downtown. The proceeds from this District are primarily used to improve public infrastructure, such as streetscapes and parking, as well as provide business development grants to targeted business types, such as breweries.

Who can I talk to at the Village to learn more about the proposed Business District?

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