



CITY COUNCIL

AGENDA ITEM STAFF REPORT

MEETING DATE:	JULY 14, 2026
TITLE:	DISCUSSION OF SOUTHWEST CORRIDORS BUSINESS DISTRICT 2
DEPARTMENT:	ADMINISTRATION
PROJECT MANAGER:	JESSICA SHORT, ASSISTANT CITY MANAGER/ECONOMIC DEVELOPMENT MANAGER
REQUESTED ACTION:	DISCUSSION
STRATEGIC PLAN GOAL(s):	#3: ENCOURAGE TOURISM AND ECONOMIC DEVELOPMENT
ATTACHMENTS:	NONE

OVERVIEW

Since 2025, staff have worked with professional economic developers and Uptown business owners to devise a method for providing incentive funds to Uptown and other areas of the community currently lacking access to incentive funds, such as tax increment financing (TIF) or business district, despite a perceived need. Through many discussions with stakeholders and consultants, staff is recommending the dissolution and recreation of the existing Southwest Corridors Business District (SWCBD) to both extend the life of the business district to achieve the goals originally set out in the SWBD Plan and also encompass Uptown.

EXECUTIVE SUMMARY

Uptown was previously located within TIF 1, which was created in 1986, extended once, and expired in 2021. Uptown is also located within the Discovery Enterprise Zone (DEZ); however, the benefits of the DEZ are not necessarily aligned with the needs of a dense, historic corridor. Staff met with Moran Economic Development who recommended utilizing a business district to incentivize Uptown, specifically expanding the existing SWCBD to include Uptown.

The existing SWCBD is, per the District Plan “from the Fairmount Racetrack on the west to the intersection of Main Street and Hesperia Street on the east and the IL 157 (Bluff Road) Corridor from its intersection with St. Louis Road on the south to I-55/70 on the north... The Area does not include the Collinsville Crossing development located between I-255, I-55, and Eastport Plaza Dr.” The SWCBD is the same footprint as the Southwest TIF District (TIF 4). The district is comprised of 346 parcels, approximately 857 acres total, and was created in July 2016. Business districts are valid for 23 years and the SWCBD will expire in July 2039. The SWCBD contains many commercial retail uses and generated approximately \$490,000 in business district tax in 2025.

No mechanism currently exists to add time to the life of a business district as it does with TIF. However, the same outcome can be achieved by dissolving the current business district and overlaying a new business district, carefully timing with the Illinois Department of Revenue (IDOR) the dissolution of the

*July 14, 2026**Southwest Corridors Business District 2*

existing with the start of the new, and moving the funds held within the existing business district into the new district.

As it relates to Uptown, Moran Economic Development recommended creating a new business district that overlays the existing SWCBD and at the same time expanding the boundaries to encompass Uptown and other areas of the city that would benefit from incorporation into this incentive district. This course of action would both extend the life of the district as well provide Uptown immediate access to incentive funds, instead of waiting for a brand new business district to grow and accumulate business district sales tax revenues. Moran further advised that when creating a business district in a “downtown” corridor, best practice is to pair it with a larger commercial corridor to ensure a consistent revenue stream.

On May 11, 2026, staff held an Uptown Business Owner Meeting to discuss the topic. Jared Kanallakan and Anne Stevenson of Moran Economic Development provided a presentation to the group regarding the inclusion of Uptown in a business district. A preliminary map was shown to the group, and the discussion was overall favorable. Staff also received support for the plan via email from stakeholders after the meeting.

The proposed course of action is to time the dissolution of the existing SWCBD (which will technically return the unspent business district funds to the City’s general fund) with the establishment of the new, expanded SWCBD 2. Staff recommends transferring the entire balance, approximately \$3.3 million, of the SWCBD funds immediately into the new SWCBD 2 to preserve the balance for its intended purpose, prevent disruption of incentive opportunities in the original SWCBD, and provide Uptown with immediate access to incentive funds.

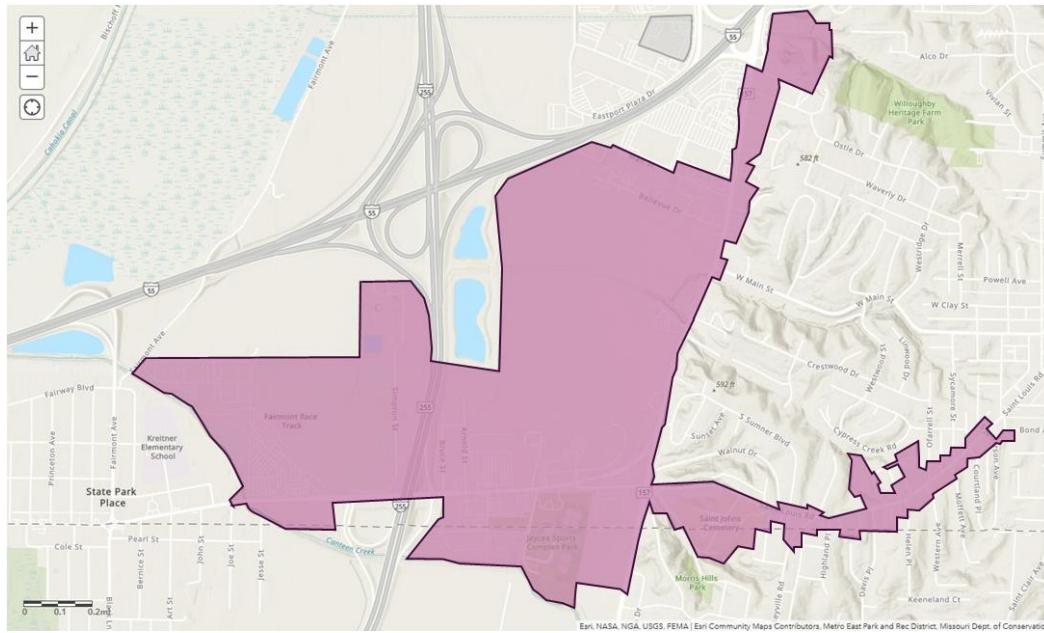
The Illinois Department of Revenue has two deadlines annually for implementing new sales tax, including Business Districts (April 1 and October 1). The City is on target to complete the necessary notices to the paper, public hearings, and adopt the ordinance in time to meet the October 1, 2026, filing deadline so that tax collection will begin on January 1, 2027.

Staff will bring forward a discussion item (presentation of the Draft Business District Redevelopment Plan) and a new business item (Ordinance Establishing a Public Hearing Date) at the July 28, 2026 City Council meeting.

DEPARTMENT REVIEW

Administration, Community Development, Corporate Counsel

CURRENT SOUTHWEST CORRIDOR BUSINESS DISTRICT BOUNDARIES



PROPOSED SOUTHWEST CORRIDOR BUSINESS DISTRICT BOUNDARIES

