

Village of Arlington Heights

FAQ

Memorandum of Understanding Regarding Arlington Park Development

December 5, 2024

1. I heard about an agreement having to do with the former Arlington Park property, the Village, and School Districts 15, 211, and 214. What is the agreement?

A Memorandum of Understanding (MOU) has been developed over the past several months by the Village of Arlington Heights, local school districts, and the Chicago Bears Football Club (CBFC). It is designed to serve as a fair-minded framework to help reach common ground on both short-term and long-term property tax issues, and is intended to protect the interests of all parties involved.

2. Does this agreement mean that the Chicago Bears will be building a stadium in Arlington Heights?

No. The Chicago Bears have not yet decided to build a stadium in Arlington Heights. They are still evaluating other sites, including the Chicago lakefront. This MOU provides an outline of how certain issues related to taxation would work if a development including an NFL stadium were to be built in Arlington Heights. This process will take years to evaluate and complete, and there will be lots of opportunity for public input along the way.

3. What has to happen in order for the MOU to take effect?

The Arlington Heights Village Board, School District Boards, and the CBFC need to discuss, approve, and sign the MOU in order for it to take effect.

Approval of the MOU by the Village and each of the school districts will be considered at the following public meetings:

- The Village of Arlington Heights Board Meeting on Monday, Dec. 9th, 2024, 7 p.m., at Village Hall, 33 S. Arlington Heights Rd.;
- The Board of Education Meeting of Community Consolidated School District 15 on Wednesday, Dec. 11, 2024, 7 p.m., at Walter R. Sundling Middle School, 1100 N. Smith Street, Palatine;
- The Township High School District 211 Meeting on Thursday, December 12, 2024, 7:30 p.m., in the Anne Koller Board of Education Meeting Room at the G.A. McElroy Administration Center, 1750 S. Roselle Rd., Palatine; and
- The School Board of High School District 214 Meeting on Thursday, Dec. 12, 2024, at 7 p.m., in the Board Room at the Forest View Educational Center, 2121 South Goebbert Rd., Arlington Heights.

4. I've heard that this development can generate hundreds of school children, which will burden our schools. What are the main points of the MOU regarding the amount of school children that might be generated by this project?

Neither the CBFC or the Village are inclined to propose or approve a project that generates school-aged children as residents without necessary financial support for the schools. To address this concern, the MOU provides that IF the revenue generated by the taxes from the project is NOT sufficient to support the schools for the children generated by the project, then the CBFC and the

Village will have to make up the difference with other revenue. However, the Village has the authority to approve or deny any proposal regarding housing on the site, and intends to ensure that any school children can be supported by the new tax revenue that the development generates.

5. I saw that the taxes owed on the Arlington Park property were decreased. Why did the Village make a deal with the Bears to decrease their taxes?

In the MOU, the parties agree to enter into a short-term property tax settlement for the years before a development occurs. The \$125 Million assessed value was developed by the Cook County Board of Review, which is responsible for hearing property tax appeals.

6. If the Bears build a stadium at Arlington Park, will the Village pay for it?

In the 2022 Pre-Development Agreement, the Bears and Village agreed that the Bears will not ask the Village to pay for any part of a stadium structure built on the site.

7. Would the Village own any potential stadium that might be built?

No. The Village does not have any interest in owning a stadium. The Bears and the Village have agreed in the 2022 Pre-Development agreement that any NFL stadium be privately owned, and funded.

8. If it's not a publicly owned stadium, how will the project be funded?

The stadium would be privately funded. The Village would not be contributing towards the cost of any stadium structure.

9. How does the PILOT program work?

The MOU proposes that the parties work together with the State of Illinois to create a new program that would allow local taxing authorities and the private sector to establish predictable taxation for large developments for a period of time. These negotiated Payments in Lieu of Taxes (PILOT) would be established to provide certainty to both the taxing bodies and the property owner. The program recognizes the difficulty in establishing fair taxation for large new developments in Illinois, and would serve as an incentive for new private investment. To start, a designated PILOT district would need to be set up for the area. A local board, made up of representatives of all overlapping local taxing districts for the defined PILOT district, would have to approve and agree upon several items, including a base year for property taxes, an agreement on the base assessed value, and the amount of the payment in lieu of taxes for a period of years. Voting by the taxing bodies would be based on proportions of the property tax bill for the site in question.

The MOU requires all parties to agree to work together in good faith on required legislation in Springfield in order to get the PILOT Program approved on a state level.

10. Why is this funding structure being considered?

The PILOT Program is being pursued because, if designed appropriately, it can produce adequate local revenue to support public services, while still providing an innovative framework that makes large-scale projects financially possible for developers.

11. Could TIF be used with PILOT?

As this is a large site, a variety of tools could be used to help redevelop different areas of the site. TIF and other traditional economic development tools could be used on parts of the property where PILOT is not being used. The MOU contemplates the prospective use of TIF, but prohibits concurrent use of a TIF and PILOT for a stadium. The parties agree that it would be highly unlikely that TIF could support the feasibility of the stadium portion of any development.

12. What is the short-term property tax agreement outlined in the MOU?

Under the agreement, the parties would all support a property tax settlement agreement for the period of time during which the property remains vacant. Under this settlement agreement, the assessment for the property would be set \$124,691,296, at a 10% vacant assessment level, requiring the CBFC to pay approximately \$3.6 million in taxes annually. This figure was developed by the Cook County Board of Review, which heard the property tax appeal for the site early this year. This level of taxation is more than Arlington Park was paying when horse racing was still occurring.

The property tax settlement is only guaranteed for the 2025-2027 tax years. *IF* the CBFC submits a formal application for the land use entitlements for construction and operation of an NFL stadium by December 31, 2027, then the property tax settlement will extend through 2030 or until stadium construction occurs. If they have not, then the assessed valuation would increase annually in accordance with the Consumer Price Index (CPI) (but never by less than 2%, or more than 5%, per year). Similarly, for assessment years 2031 through the end of pre-construction, if the CBFC has submitted formal application for permits required for the construction of the stadium on the property, then the settlement assessment would continue; if not, the CPI multiplier would be applied. The deal on short-term property taxes ends when the Village issues a building permit for vertical construction of a stadium on the property.

13. Will the short-term property tax agreement continue even if the Bears build somewhere else?

No. The short-term property tax agreement would become null and void if any governor or mayor of another jurisdiction signed legislation that approved funding for a new NFL stadium for the Bears outside of Arlington Heights.

14. What happens after the MOU is signed?

Within 60 days after the certification of the new assessment by the Cook County Board of Review, the CBFC will resume traffic and financial/economic impact studies for the site, as described in the 2022 Pre-Development Agreement.

15. I would prefer if the space remained open space without any construction. Why can't the Village just make it a public/open space?

On February 15, 2023, the Arlington Park Racetrack property was officially purchased by the CBFC. The Village does not own the property, and cannot completely prohibit development of privately-owned land. However, the Village can still reject discretionary approvals for any proposed development.

16. What is the role of the Village of Arlington Heights in this project?

The Village oversees zoning and the approval of plans, and then, if zoning entitlements are approved, the issuance of building permits and the supervision of the construction process in accordance with local codes. As this is the largest privately owned piece of property in Arlington Heights, Village officials and staff have a vested interest in ensuring the best outcome possible. The Village retains the right to approve or reject any plan submitted by CBFC, just like any other project proposed within the community. The Village will not approve any plan for which it believes the negatives outweigh the positives for our community. The Village Board took action in 2021 to put a zoning overlay district in place over the entire property, which requires that any development of the property be subject to a master plan that the Village Board must review and approve in advance. Even though the Village does not own the property, it can still reject discretionary approvals for any proposed development.

17. Have the Bears submitted any formal plans to the Village for review yet?

No. The CBFC debuted several concept images to the public in 2022; however, no formal plans have been received by the Village at this time. If and when formal requests for approval are received, they will be subject to the same review process as every other privately owned development that occurs within the Village. Additionally, the Village has not yet received traffic, parking, financial, or market impact studies for the project. All of these will be required for formal review, which will include public hearings, and for which the Village will encourage and solicit community input.

18. Is the Pre-Development Agreement still in place?

Yes. The Village and the CBFC entered into a [Pre-Development Agreement](#) in November 2022, to help serve as a “roadmap” by defining how future plans and processes will be reviewed, should the project move forward. The Pre-Development Agreement allows the Village of Arlington Heights and the CBFC to clarify broad goals and expectations of the project, and provides a clear understanding of what potential next steps may be included for both parties. That agreement also highlights that the Village and CBFC pledge to cooperate in good faith with each other and with all stakeholders in order to take all reasonable next steps toward the full design and implementation of the project. The MOU is the next step in the ultimate development of the site.

19. Will the CBFC ask for money for any other parts of the project?

The Pre-Development Agreement acknowledges that the CBFC does intend to request the Village to participate in funding a portion of infrastructure costs, and other costs as may be authorized by state law, for other parts of the project. While the parties agree that the Village will not be funding construction of the stadium, the Village will review any request for infrastructure or other assistance in the same manner as any such request is evaluated for other redevelopment projects in the community.

20. Why would the Village even consider providing incentives for this project?

Per our long-standing practices, the Village will only consider using project generated revenues to support aspects of the project if:

- A determination is made by the Village that the project will not be feasible without Village assistance; and

- A determination is made by the Village that the project will generate enough new tax revenues to cover all Village expenses for the project and STILL provide a net financial benefit to the community above and beyond those costs.

21. Will I be able to provide input should the project move forward?

Yes. The Village recognizes that any redevelopment of the site will have major local and regional impacts. We remain dedicated to transparency throughout this project and will continue to seek input from residents, community members, and neighboring communities as part of this effort.

22. I'm hearing a lot of contradicting information. Where can I find accurate information?

Rumors and misinformation can be expected as we continue to move forward. In efforts to quell confusion from spreading, we are fully committed to providing transparent and accurate updates in a timely manner, throughout the duration of the project. Below are several ways for you to access updates:

- **Arlington Park Redevelopment Webpage**

We will continue to update our Arlington Park Redevelopment Page on the Village's website with upcoming meeting information, related documents, presentations, and FAQs. You can access the page by visiting www.vah.com/arlingtonpark, or by clicking the Arlington Park Development Project image at the bottom of our homepage at www.vah.com.

- **Sign up for the Village's Twice Monthly E-Newsletter**

To receive Village news and updates, [sign up for our E-Newsletter online](#).

- **Connect with the Village on social media**

We encourage you to connect with the Village of Arlington Heights on social media for news and updates.

- Facebook: <https://www.facebook.com/ArlingtonHtsGov>
- Twitter: <https://twitter.com/ArlingtonHtsGov>

- **Contact Us with Your Questions**

Have you heard a rumor and you're not sure if it's true? The Village always encourages residents to reach out with any questions by emailing specialprojects@vah.com.