

# Dieterich, IL – Hartke Subdivision

Please allow me to provide a brief background which has led to this submission.

The adage of “if you’re not growing, you’re dying” was very true of our small farming community in south-central Illinois. Dieterich, IL with a population of approximately 600 residents had become stagnant. During the 1980’s and an early 1990’s, the Village had become complacent with no plan for sustainability or growth. Without change, Dieterich as we knew it would fade away.

During the 1990’s there was an average annual enrollment loss of nearly 3% in the Dieterich Unit 30 School District. To some, this may not mean much, but with an already previously consolidated K-12 school with a total enrollment of less than 600 students, losing 14 or more students a year can lead to disaster over a short period of time.

The Dieterich Community Development Corporation (DCDC) had been started a few years prior by a group of 12 concerned Dieterich community members with varied backgrounds. DCDC was alarmed by this trend of decreased enrollment and its’ effects on local industry and retail.

In 1997, DCDC established the first TIF District in Dieterich and ultimately was endorsed by The Village Board. Under this TIF, twenty 20 residential lots were developed to attract young families to Dieterich. The Village sold the approximately ½ acre shovel ready lots for \$5,000 each, a significant loss (\$30,000 per lot) to The Village subsidized by the TIF.

A municipality owned development was a new concept for this region. The development, North Pointe Estates, has far exceeded anyone’s expectations in the following ways;

- In 2008, the rapidly declining school enrollment made a turnaround and for the first time in 11 years, Dieterich Unit 30 School saw an increase in enrollment.
- For the past 10 years, the school has increased enrollment an average of 8 students per year, other area schools in the region continue to experience annual student enrollment declines.
- North Pointe Estates now has a park and a total of 90 residential lots developed
- Only 3 lots remain with a demand for more residential lots in Dieterich
- 260 new residents, 110 of those being school age children or younger who now attend or will attend Dieterich Unit 30 School, now call Dieterich home.
- The Village receives \$315,000 of real estate tax revenues annually, until the TIF districts expire.
- The local lumber company, furniture and floor covering store, gas station, restaurants, bank, insurance office, etc., have all reaped the benefits of Dieterich’s amazing residential growth.
- The average home value has increased, 14% to nearly \$190,000.

This leads to the reason why The Effingham Regional Growth Alliance with The Village of Dieterich as a member, is applying for the Economic Impact Deal of the Year award.

In March 2018 the Village purchased 18.5 acres adjacent to the school and the community park to develop a new development, Hartke Subdivision.

In May 2018, the Village broke ground on the development, which will add 38 more residential lots to Dieterich. Village leaders knew that this would be an ideal location for families seeking an opportunity to build an affordable new home that would appreciate in the years to come.

As of today, just four months later, 11 lots are already under contract and these families are anxiously awaiting the green light to start their home construction.

The Village has priced these lots at \$4,000 each for an approximately 1/3-acre shovel ready lot. The low price of the lots is a huge attraction for most, since this makes building your families dream home a much more affordable reality. Surrounding communities have an average residential lot price of \$20,000 and up.

The average cost per lot for the Village to develop Hartke Subdivision is \$35,000. Because of the structure of the TIF District, the Village is able to take a \$30,000+ loss on each lot. The goal of this development is not for the Village to make a profit. The big picture goals of adding roof tops, residents to sustain our community, tax revenues, added school enrollment, added work force labor and local business stimulation are the reasons for this development.

The economic impact Hartke Subdivision, once fully developed is noted below.

- Approximately \$140,000 annually in real estate tax revenues to the Village through the life of the TIF.
- Based on averages in North Pointe, we expect at least 50 new school aged children to be brought into the district, an estimated \$300,000 in additional State aid for our District.
- The average price of new construction homes in our community is \$190,000, which is a total of over \$7,000,000 being pumped into our local economy in the construction labor force, construction supply companies, furniture and floor coverings, landscaping companies, etc.
- This residential boom in Dieterich has also created a snowball effect prompting the growth and expansion of current Dieterich businesses and the attraction of new businesses.

The state of Illinois has seen its fair share of challenges over the years. Much of this is due to state government and policies that make industry recruitment extremely difficult. The Village of Dieterich has chosen to act boldly to encourage future growth of jobs, our school and community, thus creating for a better future for our children and grandchildren.

Community leaders and residents of Dieterich are very proud of what we have been able to accomplish through cooperation and some out of the box thinking.

Human capital and creating an environment of sustainability is a key factor, if not the number one issue facing industry today. We are pleased to submit the development of the Hartke Subdivision as the Economic Impact Deal of the Year (small division).