

VILLAGE OF EAST DUNDEE
JOINT BOARD REVIEW
PENNY AVENUE DEVELOPMENT PROJECT AREA MINUTES
June 5, 2017
6:00 pm

Village Administrator Jennifer Johnsen calls the meeting to order at 6:00 pm.

Members present at Roll Call: Village President Lael Miller, Village Administrator Jennifer Johnsen, Village Clerk Katherine Holt, School District 300 Susan Harkin and Dr. David Scarpino and Dundee Township Park District Dave Peterson

Motion to appoint Kathleen Mahony as Public Member by Miller/Harkin.

A voice vote was unanimous.

Motion to appoint President Miller as Chairperson by Miller/Mahony.

A voice vote was unanimous.

In reviewing the eligibility report, Administrator Johnsen advised that the Penny Avenue TIF consists of two properties, 201 and 210 Penny Avenue. She said that until recently, 210 Penny was previously included in the Route 68 West TIF district. It has since been removed from that TIF and moved to the Penny Avenue TIF. She said the main reason for creating the Penny Avenue TIF is for a redevelopment project for 201 Penny Avenue. Also, she stated that the roadway adjacent to these properties needs improvement. Another reason 210 Penny was included was because the EAV has dropped substantially since the creation of the Route 68 West TIF, therefore, it made sense to move the property to the new TIF.

Johnsen explained that the eligibility report finds that there are three factors that qualify the Penny Avenue TIF as a conservation area. The factors that apply to both properties are obsolescence, excessive vacancies and the decline of the EAV. She said there are other factors also present at a limited extent only present in 201 Penny Avenue which is the deterioration of the property and inadequate utilities. She said this property is a former medical and professional office building that is no longer suitable for these types of uses. She explained that the building will be converted into residential apartments. She said that 210 Penny has a mixed history of vacancy under the current ownership with only one long term tenant.

Fox River Valley Public Library Director Roxane Bennett arrived at 6:04 pm.

Susan Harkin stated that School District 300 has concerns that the eligibility report appears to have been prepared by the Village rather than an outside professional land use planning company. She feels that it is mainly the Village's interpretation versus a professional company that would review the area and provide input on it. Johnsen responded that the report was created by the Village in conjunction with Building and Code Consultants, Inc. and Kathleen Field Orr and Associates. She said the report satisfies the requirements of the law and since this is a small TIF district, the Village wanted to do as much in house as possible to keep the cost at a minimum. Harkin said another concern that was noted in her attorney letter was that much of the information about obsolescence or excessive vacancies is the same thing. Therefore, they have concerns on whether this truly qualifies from an eligibility perspective. Dr. Scarpino asked if the Village Board will be voting on this tonight. Johnsen responded that it will not but she is asking the Joint Report Board today for a motion to direct to proceed.

Johnsen then discussed the redevelopment plan. She advised that it has a total budget of \$2.7 million which includes all eligible costs as part of the TIF district. Harkin said they have concerns that the increment generated will be much less than what is in the plan in relationship to the work that would get done. Her increment projections are roughly \$600,000-\$700,000 over the life of the TIF and she asked for clarification on the discrepancy between the budget and what increment will be generated. She added that many of the items outlined in relationship to work that would get done seemed to be normal, municipality obligations and she questioned why this is being covered in a TIF agreement. Johnsen replied that the sale of 201 Penny has dramatically dropped the EAV of 201 Penny which will allow for a greater level of increment. She advised that the sale price was \$200,000 and there is an \$800,000 investment going into the property. The Dundee Township Assessors office has determined what the new EAV will be and the Village has been able to calculate what the increment will be. Johnsen stated that 210 Penny was more of an estimate and its EAV has dropped in half. She has had discussions with the property owner who has done some work but plans to do additional renovation work. She feels the EAV could easily double which is how she arrived at the calculation over the 23 year period.

Harkin said there is a residential component involved and feels there will be an impact to the school district. She said the plan states there will be no increase demand on the district and feels this is an inaccurate statement. She said if there are students generated from the new TIF area, there is an impact to the school district. She said there should be a proper reflection on what this TIF is doing to the various taxing bodies that will become impacted by this. In response to Harkin's comment about municipality work being covered in the TIF agreement, Johnsen stated that public roadway and utility work are TIF eligible expenses.

Dr. Scarpino said that before a decision is made, he would like the Village to take into consideration the financial impact this will have on the school district. Johnsen responded that the Village will abide by the law and if there are students residing in the TIF, the Village will pay accordingly to what the law requires. Harkin advised that the report states that the TIF will not raise property taxes and said she believes this statement is not correct. Roxane Bennett added that any time new residential units are added, people are looking for library services and therefore, the library district is eligible for a formula reimbursement from the TIF funds. Harkin said what the school district has done previously when there has been a residential component in relation to the school district is to include this in an intergovernmental agreement to solidify the arrangement.

Harkin made a motion to delay the motion to proceed for thirty days so that an intergovernmental agreement can be put into place and discussions could be had to clear up any concerns related to this during this time frame. President Miller seconded the motion. Motion passes by unanimous vote.

The Joint Review Board meeting adjourns at 6:18 pm by unanimous vote.