

**VILLAGE OF EAST DUNDEE
JOINT BOARD REVIEW
ANNUAL TIF REVIEW MINUTES
June 6, 2016
3:30 pm**

Village Attorney Kathleen Field Orr calls the meeting to order at 3:30 pm.

Members present at Roll Call: School District 300 Finance Director Jennifer Porter, East Dundee Fire District Deputy Fire Chief Jason Parthun, Village Administrator Robert Skurla, Deputy Village Clerk Katherine Holt, Village Attorney Kathleen Field Orr, Village Economic Development Consultant Doug Bergren, Fox River Valley Library Director Roxane Bennett and Assistant Director Lauren Rosenthal.

Attorney Orr advised that it is not necessary to appoint a Public Member because there will be no voting taking place.

Motion to appoint Robert Skurla as Chairperson by Bennett/Porter.
A voice vote was unanimous.

Attorney Orr gave a summary on the Cook County TIF. She noted that it has had minimal development and asked Administrator Skurla to explain the development it has had. Skurla said that the primary project for this TIF is Insurance Auto Auctions (IAA) which occupies 35 acres of the northern area near Healy Road. He said it is largely a parking lot surrounded by fence with one 15,000 square foot building on it. He doesn't believe that they have received their first full year assessment yet. He said this is the primary and only project that will be in the Cook County TIF this year. He added that the Village has negotiated with Commonwealth Edison over the last year and a half for an easement to extend Heinz Road to access the Prairie Materials property for utility and roadway access. He advised that IAA is on well and septic service. He commented that the taxable EAV in the Village has dropped every year over the last eight years by almost 40 percent but he said that this year it increased 6 2/3 percent. Attorney Orr advised that the bulk of the money spent was on engineering for the access road.

Village Finance Director Zaida Torres arrived to the meeting at 3:41 pm.

Attorney Orr next gave a summary of the Prairie Lakes TIF. She reported that this TIF produces the most revenue. She said the property tax increment was \$1.193 million. Skurla reported that the TIF was created to develop the Prairie Lakes Industrial Park. The land was a reclaimed gravel pit with no streets, buildings or infrastructure. He said nothing has been built there in at least the past eight years. She said that engineering, land planning and legal fees made up the bulk of the money spent.

Attorney Orr then gave a summary of the Route 25 Dundee Crossings TIF and reported that the increment is approximately \$300,000 a year and is running at a deficit. Skurla said that this year, the growth finding came from the River Haven and Gardiner Place housing projects. He explained that because it is considered affordable housing under state law, it is only valued at 20 percent of real EAV. He stated that these apartments accept Section 8 vouchers but is not exclusively Section 8 housing. He said of the 150 units, 19 of them are occupied by Section 8 families. He said that this year, these two housing projects are anticipated to throw off about \$225,000 of brand new property

taxes. If the projects were market rate, they would throw off well over \$1 million of brand new property taxes.

Skurla said the other project in the Dundee Crossing TIF is the River Valley Square Shopping Center. He reported that the Village is in the process of filing eminent domain proceedings to acquire the shopping center. He said the property owners have done nothing in the past ten years to market it or maintain it. He said there are interested buyers for the shopping center who would like to reoccupy the grocery store.

He went on to explain that the Walmart store was in place before the TIF was created. He said the store will be closing its doors in about one month and once it becomes vacant, the value will most likely drop for tax purposes by as much as 50 percent. He said Walmart has been the single largest property tax payer in the Village paying around \$160,000 a year. He noted that the Village is working with a potential developer who has an option to buy it and replace it with a retailer. He said the Village is still in litigation with neighboring Carpentersville because Walmart was in a TIF district and Carpentersville used TIF funds to lure them into their town.

Attorney Orr reported that the Downtown TIF has revenue of only \$52,000. She said that the Village has and owns property in this TIF that it is trying to sell, including the former Summit School and Spring Hill Ford properties. This TIF includes the old Fire Station renovation. She noted that this TIF has extraordinarily hefty obligations but also has the most to show for it. Skurla added that in addition to swapping land with the Fire District, the Village will be paying \$2 million, \$100,000 a year of TIF increment for 20 years, to the Fire District for acquiring the site that already had a valuable shell on it. He said that other projects within the next year include major expansions of Bandito Barney's, the 311 Barrington Avenue development and the future of the Haegar Pottery property. Ms. Bennett asked if there is any environmental risk at that site. Skurla responded that testing is being done at this time for that. Skurla explained that the Village Hall renovations will occur after the Village sells the Summit School and Spring Hill Ford properties.

Skurla explained that he is hoping to replace TIF funds with Business Development District (BDD) funds. He said the Village has the power to increase sales tax by up to a full one percent above what is normally collected. Attorney Orr said that BDD funds can be used for new construction unlike TIF funds. Skurla advised that the Village raised the rate in the BDD districts last year to $\frac{3}{4}$ of one percent which will bring in around \$700,000 to \$750,000 a year. He also said the home rule sales tax was raised a full $\frac{1}{2}$ percent. Attorney Orr said that these increases will help pay off some of the TIF commitments.

Attorney Orr gave a brief report of the Christina Drive TIF. She said that this TIF has generated no increment and only shows a positive because it was given money with some of the bond proceeds. Each TIF received some money to do development. Administrator Skurla said a water line was looped to Prairies Lakes making it a complete municipal water system which was paid for by bond proceeds.

Attorney Orr said that the Route 68 West TIF was created to bring in the Tovar Snow Professionals corporate headquarters. He said another redevelopment was just created for this TIF for the State Farm Insurance building renovations which may bring in some increment.

Skurla reported that the Route 25 South TIF includes all the annexation to the south of the Village. He advised that the Milk Pail decided that they did not want to be annexed at the last minute. He said that \$5.5 million was put into GAT Guns in exchange for the sales tax that they produce, which is astronomical. Attorney Orr added that only the expansion portion of GAT Guns is in the TIF. Skurla advised that GAT Guns collects an amusement tax for the use of their firing ranges

which is producing about \$75,000-80,000 a year. Ms. Bennett asked what their sales tax amounts to in a year. Skurla replied that all of their taxes combined amount to approximately \$550,000-600,000.

The Joint Review Board meeting adjourns at 4:24 pm by unanimous voice vote.