

A G E N D A

ANNUAL JOINT REVIEW BOARD MEETING FOR THE FOLLOWING REDEVELOPMENT PROJECT AREAS:

COOK COUNTY

June 3, 2019 at 3:30 p.m.
Village of East Dundee Police Department
2nd floor Meeting Room
115 E. 3rd Street, East Dundee, IL 60118

- A.** Call to Order
- B.** Roll Call
- C.** Motion to appoint Public Member
- D.** Motion to appoint Chairperson
- E.** Approval of JRB Meeting Minutes dated June 4, 2018
- F.** Review of the Annual TIF Reports for Fiscal Year ending April 30, 2018
- G.** Public Comment
- H.** Adjournment

**VILLAGE OF EAST DUNDEE
JOINT BOARD REVIEW
ANNUAL TIF REVIEW
June 4, 2018
3:30 pm**

COOK COUNTY TIF

Village Attorney Gregory Smith calls the meeting to order at 3:30 pm.

Members present: Village President Lael Miller, Village Administrator Jennifer Johnsen, Village Clerk Katherine Holt, Village Attorney Gregory Smith, Dave Peterson Executive Director Dundee Township Park District, Fire Protection District Fire Chief Randy Freise and East Dundee Deputy Chief Jason Parthum, School District 300 Board Member Dr. David Scarpino and D300 Finance Director Jennifer Porter.

Attorney Smith advised that there does not appear to be a Public Member present. He also stated that it is not necessary to appoint a Chairperson because there will be nothing presided over today.

Motion to approve the Annual Joint Review Board Meeting Minutes dated May 15, 2017 by Miller/Freise. Motion passes by unanimous voice vote.

Administrator Johnsen gave a review and status of the Cook County TIF. She reported that the Cook County TIF was established in August 2012 and that FY2017 brought in a TIF increment of \$589,924 primarily from Insurance Auto Auctions (IAA). The Village shares 60 percent of the TIF increment with IAA. Johnsen stated that there is land being filled by Prairie Materials just south of IAA that is a potential redevelopment site.

Motion to adjourn the Cook County TIF review meeting at 3:34 p.m. by Miller/Freise. Motion passes by unanimous voice vote. Meeting adjourns.

A G E N D A

ANNUAL JOINT REVIEW BOARD MEETING FOR THE FOLLOWING REDEVELOPMENT PROJECT AREAS:

PRAIRIE LAKES
DUNDEE CROSSINGS/ROUTE 72 AND ROUTE 25
DOWNTOWN
CHRISTINA DRIVE
ROUTE 68 WEST
SOUTH IL ROUTE 25
PENNY AVENUE

June 3, 2019 at 3:40 p.m.
Village of East Dundee Police Department
2nd floor Meeting Room
115 E. 3rd Street, East Dundee, IL 60118

- A.** Call to Order
- B.** Roll Call
- C.** Motion to appoint Public Member
- D.** Motion to appoint Chairperson
- E.** Approval of JRB Meeting Minutes dated June 5, 2017, July 10, 2017 and June 4, 2018
- F.** Review of the Annual TIF Reports for Fiscal Year ending April 30, 2018
- G.** Public Comment
- H.** Adjournment

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.

VILLAGE OF EAST DUNDEE
JOINT BOARD REVIEW
PENNY AVENUE DEVELOPMENT PROJECT AREA MINUTES
July 10, 2017
4:00 pm

Village Attorney Kathleen Field Orr calls the meeting to order at 4:00 pm.

Members present at Roll Call: Village Administrator Jennifer Johnsen, Village Clerk Katherine Holt, Village Attorney Kathleen Field Orr, School District 300 Susan Harkin and Dr. David Scarpino, Dundee Township Park District Dave Peterson, Fox River Valley Public Library Director Roxane Bennett, Dundee Township Supervisor Trish Glees, Kane County Assessment Mark Armstrong and Public Member Kathleen Mahony.

Kathleen Mahony was reappointed as the Public Member.

Administrator Johnsen was appointed as Chairperson.

Attorney Orr explained that 201 Penny Avenue has been vacant for seven years. She said the use of the building as office space is obsolete. She advised that the Village has changed its comprehensive plan and zoning, and as part of this process, this particular site has been studied. The study found that the building was no longer of a commercial use. She said that the property has declined by 34 percent since 2010 and continues to decline in its value. She advised that the intention of this project is to address something that has been blighted. She explained that this is a two parcel TIF established primarily to address the structure that is too good to be torn down but too bad to be continued in the use that it was initially constructed.

Mark Armstrong asked if the TIF statute provides any minimum area for a TIF district. Orr responded that it provides for 1 ½ acres and the combined two parcels meets the statutory minimum area. Dr. Scarpino stated that of the seven TIF districts, six are currently in the negative. He asked why the Village would want to create another TIF. Orr responded that the TIFs are overlaid with the BDDs. She said the Village has imposed an additional ¾ percent sales tax and has undertaken home rule sales tax. She stated that the Village has been able to incentivize by borrowing from the general fund, BDD taxes and sales taxes.

Susan Harkin stated that she wanted to go on record that the Village did not use a land use planner to evaluate and make these recommendations. She said the decline in the EAV and her concern is that the Village already has a negative fund balance in relationship to the TIFs and sees this project as a no winner in a financial aspect. Administrator Johnsen responded that there have been substantial policy changes in the way the Village is funding projects. She said the Village will not be fronting any money for projects and has eliminated all façade grant programs. She said there is no risk at this point because reimbursement will only be given on a percentage of what is generated. She said the only way to bring any health to this is to use the existing TIFs and continue to do projects where increment will be generated. Trish Glees stated that her sticking point is that she feels the taxpayers of Dundee Township will shoulder most of burden.

Roxane Bennett asked if there were plans for development for 210 Penny Avenue. Johnsen responded that the owner purchased the property with the intent to do some redevelopment on it. She advised that she is working with him at this time. She said the problem was that when the Route 68 West TIF was created, the EAV was so high that there was no chance of redevelopment

improvement of the property to generate any increment. She advised that with the creation of this new TIF, the EAV will fall in half.

Dr. David Scarpino asked if it is possible to have a TIF less than 23 years. Attorney Orr said it is possible. He asked if it was possible to try the TIF for 5 years and then come back and revisit it. Attorney Orr said that the expense to do this all over again would likely be more than the increment generated. She said it is doubtful to get an interested developer for 5 years because that is not enough time for reimbursement.

Mark Armstrong explained that the role of the Joint Review Board is to review the eligibility report and decide whether the Board agrees with the findings that are presented. He said at this moment, he is not persuaded that the correct conclusion is that both properties have fallen into disuse and are ill-suited for the original use in which they were constructed. He asked how many units are in the building at 201 Penny Avenue and how long has the property been vacant. Developer Joe Billitteri replied that there are 8 units of variable sizes. Attorney Orr added that the property has been 100 percent vacant since 2014. Armstrong asked what year the rezoning took place. Orr replied that the property was rezoned in late 2016. In response to Armstrong's question of vacancy history at 210 Penny Avenue, Administrator Johnsen stated that Units A and B were vacant from 2010 until 2016; Unit C is not currently used and was last occupied in 2013; Unit D was vacant from 2013 until 2014, Units E and F have been occupied consistently; Units G and H were vacant from 2012 until 2015 and Unit I has been vacant since 2012.

Armstrong stated that the report indicated that 210 Penny Avenue has had two owners since 2013. He asked when did the property sell each time and what were the sales prices. He also asked what the construction date was on 201 Penny. Billitteri replied that construction was done in the 1980s. Armstrong said that the report's statement that "structures have become ill-suited for the original use" is not the same as the original use is no longer in demand. He said he has not been persuaded by the report's conclusion of obsolescence. Attorney Orr said because of the excessive vacancies and the building being originally constructed for office space, an alternative use must be found as it is not working and has not for years. Johnsen added that the developer that purchased this property was aware of this which is why he had plans to redevelop the property. The owner was unable to do so because there was no increment generated because of where the EAV was. In response to Armstrong's question of the sale dates and prices of 210 Penny, Johnsen responded that she does not have the prices but the dates of sale were 2015 for the current owner and 2008 for the previous owner.

PUBLIC COMMENT:

Joe Billitteri, developer for 201 Penny Avenue

Mr. Billitteri, addressing the developer's risk for this project, stated that he lost everything in 2008. He said he has started over and has made it all back. He said he is borrowing the funds from the bank and will not be receiving reimbursement on the project until later.

Attorney Orr advised that a Public Hearing will be held on July 17 at 7 pm.

Motion to recommend the Village Board to proceed with the creation of the Penny Avenue TIF by Mahony/Johnsen.

Ayes – 2 – Johnsen and Mahony. Nays – 5 – Peterson, Bennett, Glees, Harkin and Armstrong.

Attorney Orr advised that with a negative vote and recommendation, this will require more than a simple majority on the part of the Village Board. She said she will advise of their decision.

The Joint Review Board meeting adjourns at 5:00 pm by unanimous vote.

**VILLAGE OF EAST DUNDEE
JOINT BOARD REVIEW
ANNUAL TIF REVIEW
June 4, 2018
3:45 pm**

**PRAIRIE LAKES
DUNDEE CROSSINGS/ROUTE 72 AND ROUTE 25
DOWNTOWN
CHRISTINA DRIVE
ROUTE 68 WEST
SOUTH IL ROUTE 25**

CALL TO ORDER

Village Attorney Gregory Smith calls the meeting to order at 3:45 pm.

ROLL CALL

Members present: Village President Lael Miller, Village Administrator Jennifer Johnsen, Village Clerk Katherine Holt, Village Attorney Gregory Smith, Executive Director Dundee Township Park District Dave Peterson, Fire Protection District Fire Chief Randy Freise and East Dundee Deputy Fire Chief Jason Parthum, Kane County Supervisor of Assessments Mark Armstrong, Dundee Township Supervisor Trish Glee, School District 300 Board Member Dr. David Scarpino and D300 Finance Director Jennifer Porter.

MOTION TO APPOINT PUBLIC MEMBER

Attorney Smith advised that there does not appear to be a Public Member present and it is not necessary to reappoint as there will be no action the Board will be taking today.

MOTION TO APPOINT CHAIRPERSON

Attorney Smith advised that it is not necessary to appoint a Chairperson as there will be no action the Board will be taking today.

Administrator Johnsen stated that Village wide, there has been a 23% EAV growth in the last three years. She advised that there have been an elimination of salaries and a reduction of consultant fees in the TIF districts. The past year has brought the creation of the Penny Avenue TIF. She reported that obligations continue to exceed revenue and there are plans to move towards sales tax sharing agreements to encourage economic development.

Prairie Lakes TIF:

Administrator Johnsen reported that the Prairie Lakes TIF is the oldest TIF and was established in October 2000. This TIF has a significant EAV as it is primarily an industrial park. The TIF increment is approximately \$1.2 million in the 2017 report. The FY2019 budget is \$1,272,000. Johnsen stated that this TIF has been used as backing for the debt and is currently supporting the other TIF districts.

Fox River Valley Public Library Executive Director Roxane Bennett arrived to the meeting at 3:52 p.m.

Route 72 and Route 25 TIF (Dundee Crossings):

Johnsen then gave a summary of the Dundee Crossings TIF which was established in September 2006. She reported that in 2017 this TIF produced an increment of \$440,000 and has an FY2019 budget of \$711,000. This TIF includes a loan obligation by JD Byrider and debt service that has been charged to this TIF. She explained that there is a PAL Land TIF Note, which also affects the Christina Drive TIF, where PAL Land receives 90% of TIF revenue generated by any of its properties within these two TIF districts. There are a total of ten projects in the Dundee Crossings TIF. Johnsen gave an overview on four new projects and on the areas of focus in the district.

Mr. Armstrong advised that there is a specific type of tax break called “Open Space Valuation”. He explained that it allows landscaped areas in certain circumstances to be treated at a very low taxable value just for building purposes, not for assessment purposes. He stated that he has seen redevelopment agreements written up where as long as the EAV maintains a certain level, you qualify for this funding. He said that the land owner will then apply for Open Space Value. The EAV does not get reduced, however, the amount that is built on does. So there is a tax benefit from the municipality and also a lower tax bill. He stated that the assessed increment goes up but the actual tax dollars don’t come with it. He said he just wanted to make the Village aware of this. Administrator Johnsen advised that the redevelopment agreements made with the Village are written up as “pay as you go” agreements.

Johnsen provided an update on the River Valley Square Shopping Center stating that the owners of the southern portion of the property have settled with Dominicks. The Village has been continuing discussions with the owners and with developers to see what options the future may hold for the property. She went on to explain that the Village maintains 57% ownership of Summit School and is exploring ideas for redevelopment.

Trish Glees asked what type of housing the new 36 unit housing project will be. Johnsen advised that it will be market rate apartment units. Glees stated that she has a concern with the trucks at PAL Land being parked closer and closer to the cemetery, which also includes the columbarium and serenity garden. She said that there are truck drivers camping out as well. She asked that the Village protect this asset. Johnsen said that she will check into this.

Downtown TIF:

Johnsen reported that debt service associated with the Downtown TIF is primarily related to the acquisition of the old Fire Station building and the renovation of the Police Station. She advised that this TIF has 34 projects. The areas of focus in this TIF are additional parking lots, development at 1 E. Main Street and business recruitment.

Roxane Bennett asked when the apartments at 311 Barrington Avenue will come on to the tax rolls. Johnsen stated that there is a partial assessment at this time and that she has been informed that the apartments are fully occupied. So a full assessment will need to be discussed and determined.

Christina Drive TIF:

Johnsen reported that the TIF budget for FY2019 is \$255,000 and is primarily related to Enterprise Inc, which is part of the PAL Land TIF note where PAL Land receives 90% of TIF revenue generated from its properties. The area of focus for this TIF is for intersection improvements at Penny Avenue and Route 68. She said it is hopeful that the Village may receive some additional IDOT funds for signalization at that intersection.

Route 68 West TIF:

Johnsen reported that this TIF district has a total of two completed projects, Tovar Snow Professionals Inc. and State Farm. She explained that this was the TIF that removed the property at

210 Penny Avenue and placed the property into the new Penny Avenue TIF district primarily because the value of the property was about two times the value that it is now when it was in the Route 68 West TIF and there is no way for redevelopment to generate any EAV growth.

Route 25 South TIF:

Johnsen reported that this TIF district was established in June 2012 and has a TIF increment of approximately \$70,000. The debt service is primarily related to Gat Guns with a bond that is backed by Prairie Lakes TIF revenue. This TIF has supported four projects including Pampered Pets.

Administrator Johnsen said that in general, the focus is doing what is right at the time for redevelopment. Everything being done now is “pay as you go” and the door has also been open to the idea of sales tax sharing.

PUBLIC COMMENT: None

ADJOURNMENT

Motion to adjourn the Joint Review Board meeting at 4:19 p.m. by Miller/Freise. Motions passes by unanimous voice vote. Meeting adjourns.