

VILLAGE OF EAST DUNDEE
JOINT BOARD REVIEW
ANNUAL TIF REVIEW
May 15, 2017
3:30 pm

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

Members present: Village Administrator Jennifer Johnsen, Village Clerk Katherine Holt, Village Attorney Kathleen Field Orr, School District 300 Chief Operating Officer Susan Harkin and Fox River Valley Library Director Roxane Bennett.

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

Attorney Orr gave a summary on the Cook County TIF. She reported that the Village is now receiving \$1,977 of property tax increment. She explained that the Insurance Auto Auctions development agreement for this TIF gives 60 percent of the increment to the developer. She said the TIF will generate more increment now that the project is fully developed with its first full year of taxes occurring in 2016. Administrator Johnsen added that the taxes that came in this past fiscal year were quite lucrative coming in around \$380,000. She stated that this TIF will be self supporting. She explained that Prairie Materials owns property adjacent to Insurance Auto Auctions and will begin filling their site.

Attorney Orr next gave a summary of the Prairie Lakes TIF. She advised that this is the only lucrative TIF. Johnsen stated that the projects are mainly completed and are currently supporting the other TIF districts. Ms. Harkin commented that she is not in favor of TIFs porting money to other TIFs.

Attorney Orr then gave a summary of the Dundee Crossings TIF and reported that the increment was \$69,857 for last fiscal year. Johnsen added that this TIF is slowly improving but there are obligations coming up that were not there in previous years. She said some of these include a Speedway project at Christina Drive and Route 72, an 11,000 square foot retail development adjacent to Speedway and a 50,000 square foot building behind Speedway. She went on to explain that the former Walmart property has been purchased by Plote and rezoned for commercial, retail and office use. Plote has plans to fill the existing building and then build two additional buildings in front of it. She said the entire project is expected to bring in significant increment and the developers are not seeking any financial assistance from the Village. Attorney Orr added that the Speedway developer will receive 90 percent of the increment because when the property was initially acquired, it had no streets, lighting, and water or sewer infrastructure. And the only way the Village was able to induce was to promise to reimburse him.

Administrator Johnsen advised that Attorney Orr has recently helped free up the lease of the old Dominick's store. She said the lease has been paid for the last 9 years and all parties have finally reached a settlement so it is hopeful there may be some movement at that location. Orr added that the only way to induce that property is to re-tif it because it is under water in terms of EAV. Johnsen commented that when the TIF was created, the EAV was quite high for the Dominick's store. But it has since, unfortunately, become vacant.

Ms. Harkin voiced her opinion of the TIFs being a tremendous concern to the school district and other taxing bodies. Ms. Bennett stated that the idea of relying on sales tax works for restaurants and such, but not for retail. She said this is already transferring burden onto the homeowners through property tax increases. Johnsen agreed stating that it is so important to get vacancies filled to take the burden off of residents. Ms. Bennett advised that she has not yet received her request for funding from this TIF. Attorney Orr replied that there were no revenues and all is underwater as a total.

Attorney Orr said that the Route 68 West TIF is not getting any increment but is spending money. Johnsen added that this is the TIF that recently had a parcel removed to go towards creating a two parcel TIF. She said there are two redevelopment agreements in place, one for State Farm and the other for Tovar Snow Professionals. She said she is not anticipating any significant EAV.

Attorney Orr reported that the Christina Drive TIF generates no increment. Johnsen explained that a portion of the Palumbo redevelopment agreement to put infrastructure into place falls in this TIF. She said that she is hoping with the expansion of Speedway that things will begin to transpire. Ms. Harkin asked what the bonds were issued for regarding this TIF. Johnsen replied that there were a water main construction bond a couple of years ago as well as a road bond. She said portions of IEPA loans get charged to different parts of the TIF. Attorney Orr explained that each of these TIFs had a purpose to spur development. She said the Downtown TIF is the only one that has really spurred results. It just has not begun generating any revenue.

Administrator Johnsen stated that the Downtown TIF includes large bonds used for the police station renovation, assistance to the fire district and the purchase of Summit School. In addition, she said there are several redevelopment agreements as well as the overhead utility line burial project. She said with all the TIF districts combined, there is \$6 million due back to the Village. She said the TIFs will never produce enough increment to pay this back so it is subsidizing with home rule sales tax.

Attorney Orr reported that the Route 25 South TIF is generating \$69,000 but is still underwater. This TIF includes redevelopment agreements for GAT Guns and Pampered Pets after they were annexed into the Village. Johnsen added that amusement tax is collected from GAT Guns from use of the gun ranges.

Administrator Johnsen said that in general, the Village is taking steps to improve the position of the TIFs. She said one of the things being done is not up fronting funds any more and also there is no more bonding. She said as the developer earns, they will receive a percentage back. She added that the economic development consultant position has been eliminated as well as other salaries and consultants. She said the numbers will look much better in two years.

Attorney Orr advised that a new TIF is being created and will include two parcels. One of the parcels has been vacant for eight years. A developer will be converting the commercial building into residential apartments. Ms. Harkin advised that the school district will be taking a position to vote against any residential TIFs. Ms. Bennett asked that the Board take into account what is owed to the library and school district when considering the new residential TIF prior to it generating increment. She also asked if the new 311 Barrington building has a residential component as well. Attorney Orr responded that it will have 10 units and the school district and library will be paid appropriately. Ms. Harkin stated that she would like to solidify an intergovernmental agreement prior to the Joint Review Board meeting on the new TIF to memorialize what is in the state statute. Attorney Orr advised that she will discuss and work with Ms. Harkin on that.

The Joint Review Board meeting adjourned at 4:19 p.m.