

Meeting Minutes

Joint Review Board Special Meeting

Clarendon Hills Downtown Tax Increment Financing District

Tuesday, January 14, 2020

3:00 P.M.

- I. **Call Meeting to Order:** The Downtown Tax Increment Financing District Joint Review Board (JRB) meeting was called to order at 3:07pm.
- II. **Roll Call of Joint Review Board Members/Attendees:**
 - Present:* Ken Hall-Village Representative designated by Len Austin, Mark Thoman-Downers Grove Township, Mike Fletcher-CH Park District, Mike McCurry- Public Member/Resident at Large
 - Absent:* Representatives from the County of DuPage, the College of DuPage Community College District No. 502, the Hinsdale Township High School District No. 86 and the Consolidated Elementary School District No. 181
 - Others Present:* Kevin Barr – Village Manager, Maureen Potempa – VOCH Finance Director, Dan Ungerleider – Community Development Director, Jennifer Tammen – Ernst & Young w/ Associate Susanne, and Tom Bayer – Village Attorney
- III. **Appointment of the Public Member to the Joint Review Board:** Trustee Hall made a motion, seconded by Mr. Fletcher, to appoint Mike McCurry as the JRB Public Member. The motion was unanimously passed.
- IV. **Appointment of the Chairperson to the Joint Review Board:** Mark Thoman made a motion, seconded by Mr. Fletcher, to appoint Trustee Hall as chair. The motion was unanimously passed.
- V. **Overview of Joint Review Board Duties:** Village Attorney Bayer spoke about the two notices that went out to parcels within the proposed TIF District. The first letter was short postage, therefore another letter had to go out to confirm receipt of the message. Mr. Bayer then advised to review the plan documents, ordinance, eligibility report along with other documents to be fully informed regarding the decision to recommend approval or if there is an objection. He then continued to outline the timeline regarding working out the issues to the objection of the TIF District. A negative recommendation increases the vote requirement to 5 of 7, instead of 4 of 7. If the TIF District is formed, it will meet annually.
- VI. **Overview:** Ms. Tammen of Ernst & Young provided a summary of the Downtown Tax Increment Financing Redevelopment Plan and Project Report at 3:15pm (Slides included for reference).
 - a) The TIF District will help areas that need a jump start to attract private investment. The TIF, if established, will be around for 23 years.

- b) Mike McCurry would like a Parcel Map for reference.
- c) In order to qualify for a TIF District, the area needs 3 of 13 qualifying factors. The proposed area has 6 qualifying factors. The EAV means lack of private investment. 3 of the last 5 years the RPA area increased less than the balance of the village.
- d) Up to 30% of developer financing costs are eligible for reimbursement.

Presentation Ended 3:32pm

Questions: Chair Hall asked the following question. If the TIF is successful, what is the projection of increment growth and the difference between non-inflation? Ms. Tammen explained that the report does not provide projected increments but does provide estimates for equalized assessed value (see to Page 26, item #26 and #27 in Report.) The current value is \$12.5 million. In 2043, the value could be ranging from \$17.6/\$26.1 million. The \$17.6 million is with inflation being at the low end.

VII. Public Comment: None

VIII. JRB Questions: Mr. Thoman expressed that is pleased with the Village's conservative approach when developing the TIF Report. There were no questions.

IX. Next Steps: Chair Hall made a motion, seconded by Mr. Fletcher, to recommend the Village Board move forward with the designation of the redevelopment project area and approved the redevelopment plan and project in relation there to, and to authorize Chair Hall to draft and sign the a Letter of Recommendation on behalf of the JRB. The motion unanimously passed.

Tom Bayer said he would share the letter with the entire JRB. If this TIF is created, future JRB meetings would be held in conjunction with the Village's Ogden TIF District JRB meetings. The next meeting would likely be held in August 2021.

X. Adjournment: Meeting Adjourned 3:40pm

Respectively Submitted,

Building Assistant Valerie Smith

Downtown Tax Increment Financing Redevelopment Plan and Project Public Meeting

Village of Clarendon Hills: Joint Review Board Meeting
January 14, 2020



The better the question. The better the answer.
The better the world works.



Agenda

- 1 What is Tax Increment Financing (TIF)?
- 2 Summary of key findings
- 3 Overview of report
- 4 Proposed TIF qualifications
- 5 Redevelopment plan goal & key objectives
- 6 TIF eligible expenses
- 7 Housing impact study
- 8 TIF adoption timeline



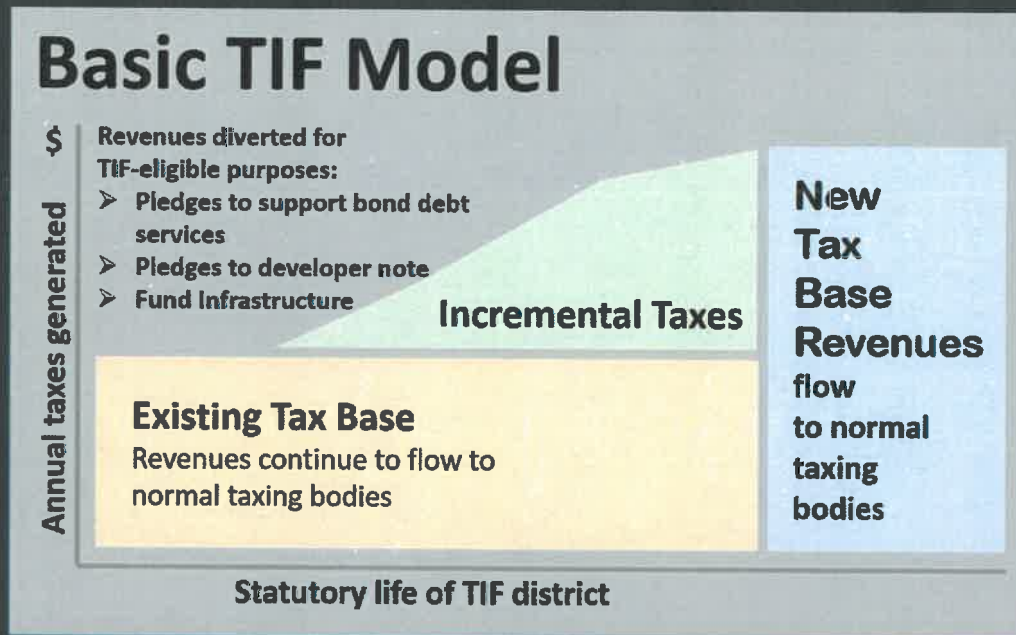
What is Tax Increment Financing (TIF)?

- ▶ A tool to help local governments
 - ▶ restore run-down areas or jumpstart economically sluggish parts of town
 - ▶ attract **private development** and new businesses
 - ▶ make the improvements that are needed, such as new roads, sewers, and water mains.
- ▶ Allows redevelopment costs to be comparable to green grass development costs, therefore “incenting” redevelopment.
- ▶ The **tax increment** is the difference between the amount of property tax revenue generated before a TIF district is established and the amount of property tax revenue generated after the TIF district has new development.

TIF is not:

- ▶ It is **not** a tax increase.
- ▶ TIF does not reduce property tax revenues available to other taxing bodies.
 - ▶ Only property taxes generated by the incremental increase are available for use by the Village for eligible expenditures within the TIF District.

What is a Tax Increment and How is it Created?



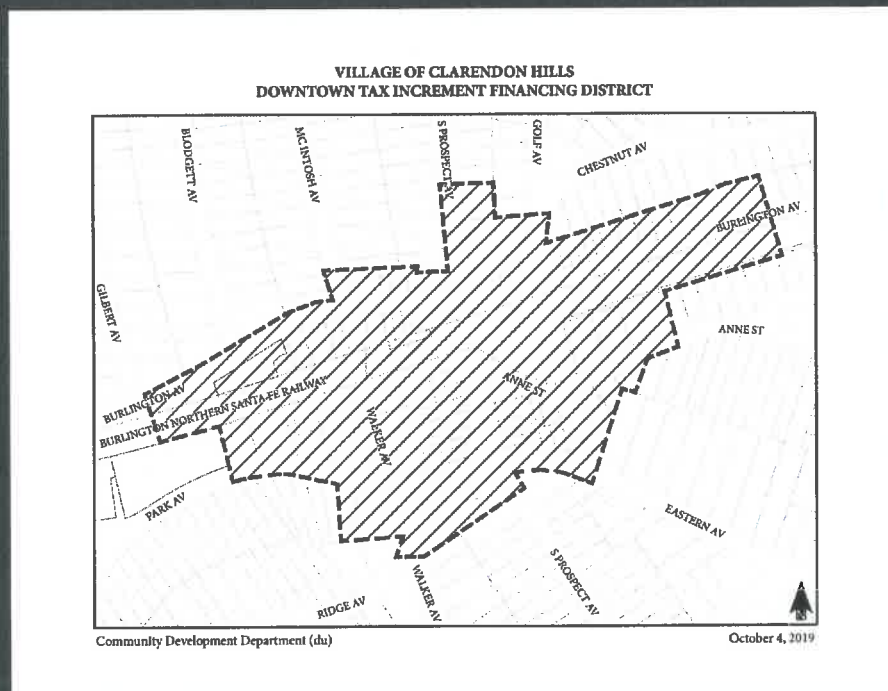
Key Findings

- ▶ Conservation Area factors are reasonably present and distributed throughout the Redevelopment Project Area (RPA).
- ▶ Costs to redevelop the area are extraordinary.
- ▶ TIF funds can be spent on projects for properties within the TIF boundaries.
- ▶ Area as a whole has not been subject to growth and development through private enterprise and it would not be reasonably anticipated to redevelop without TIF.
- ▶ Conforms to the Comprehensive Plan of the Village.
- ▶ Housing Impact Study has been prepared
- ▶ Passes the "But For" test.

Overview of Report

- ▶ Introduction and Eligibility
 - ▶ Describes the community and its issues
- ▶ Redevelopment Goals and Objectives
 - ▶ Provides overall framework for guiding decisions during implementation of the TIF Plan
- ▶ Program Certifications and Findings
- ▶ Housing Impact Study

Redevelopment Project Area Boundary



Redevelopment Project Area

- ▶ 30 acres +/-
- ▶ 89 parcels
- ▶ 117 PINs
- ▶ 60 primary buildings
- ▶ Land uses - commercial, mixed use, institutional, and railroad
- ▶ Includes Village Hall, Fire Station, the Clarendon Hills Library, Clarendon Hills METRA station

Proposed TIF Qualifications

- ▶ Conservation area
- ▶ 30 acres +/- contiguous land area and right-of-way (exceeds required 1.5 acres)
- ▶ Qualifying factors
 - ▶ Factors are reasonably present and distributed throughout the Redevelopment Project Area (RPA)
- ▶ Over 50% of the buildings are 35 years of age
 1. Obsolescence
 2. Deterioration
 3. Structures Below Minimum Code
 4. Excessive land overage
 5. Lack of community planning
 6. Declining Equalized Assessed Value (EAV)

Redevelopment Project Area: Redevelopment Goal & Key Objectives

- ▶ The overarching goal of this Redevelopment Plan and Project is to reduce or eliminate the conditions that qualify the RPA as a Conservation Area and to improve and redevelop the RPA for mixed land uses.
- ▶ Key Objectives
 - ▶ Stimulate private investment in appropriate rehabilitation of existing buildings, and new construction and redevelopment.
 - ▶ Redevelop existing sites to their highest and best use.
 - ▶ Provide the necessary public infrastructure improvement to service the RPA and create an environment that will induce private investment.
 - ▶ Maintain the RPA, in support of the goals and objectives of other overlapping plans, including but not limited to, the Village's Comprehensive Plan and the Downtown Master Plan.

TIF Eligible Expenses

Eligible: reimbursable

- ▶ Studies and surveys
- ▶ Land acquisition, site preparation
- ▶ Demolition
- ▶ Environmental remediation
- ▶ Rehabilitation and repair of buildings
- ▶ Construction of public works or improvements (street, water, sewer)
- ▶ Job training and retaining programs
- ▶ Relocation cost
- ▶ Certain financing costs

Ineligible: non-reimbursable

- ▶ Costs of new, private construction and purchase of equipment are non-eligible costs.
- ▶ New municipal public buildings, with some exceptions.
- ▶ Demolition, removal, or substantial modification of a historic resource is a non-eligible cost, with some exceptions.
- ▶ Golf courses

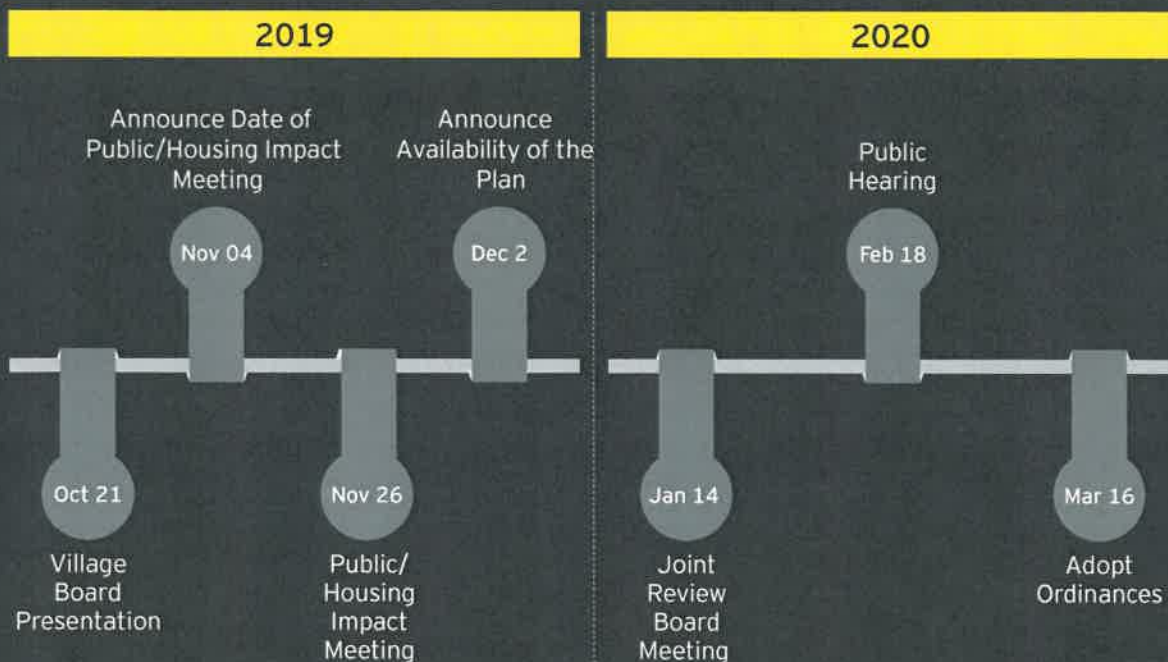
*Refer to the IL TIF Act for comprehensive list of eligible costs and terms.

Housing Impact Study

According to the TIF Act, a housing impact study is to be prepared if the RPA would result in the displacement of 10 or more inhabited residential units or contains 75 or more residential units and the municipality does not certify that no displacement of residents will occur.

- ▶ There are more than 75 inhabited residential units in the Redevelopment Project Area.
- ▶ While it is not anticipated that this Redevelopment Plan and Project will result in the displacement of residents from 10 or more inhabited residential units, the Village has not certified that no displacement will occur.

TIF Designation Process - Timeline*



* Tentative schedule dates are subject to change

Village Information on the Proposed Downtown TIF

The Village has created a webpage that includes information related to TIF and the process for establishing the Downtown TIF District.

- ▶ <https://www.clarendonhills.us/432/Downtown-TIF-District>

Questions



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