



**CITY OF DES PLAINES
TAX INCREMENT FINANCING (TIF) DISTRICT
ANNUAL JOINT REVIEW (JRB) BOARD MEETING MINUTES -- DRAFT
AUGUST 4, 2021**

1. Welcome by City Representative

Dorothy Wisniewski, Assistant City Manager, welcomed everyone to today's meeting, introduced herself, and asked everyone to do the same.

2. Call to Order

The meeting called to order at 10:00 a.m.

3. Roll Call (in attendance)

Barbara Barrera	Superintendent of Business, Des Plaines Park District
Mark Bertolozzi	Assistant Superintendent, School District 62
George Giese	Manager of Administration, Mt. Prospect Park District
Jeff Gossrow	Oakton Community College
Bob Grapenthien	Harper Community College
Ron O'Connor	School District 59
Ellen A. Yearwood	Public Member

Also Attended:

Dorothy Wisniewski	Assistant City Manager/Finance Director, City of Des Plaines
John Carlisle	Economic Development Manager, City of Des Plaines
Jonathan Stytz	Planner, City of Des Plaines
Wendy Bednarz	Executive Secretary, City of Des Plaines
Bob Rychlicki	Kane McKenna & Associates, Inc./TIF Consultant
Iryna Dzuik	Kane McKenna & Associates, Inc./TIF Consultant

Mr. Rychlicki declared a quorum present and that the City complied with all Open Meeting Act regulations.

4. Election/Confirmation of Chair

Per Mr. Rychlicki, the City representative will continue to remain the Chairperson of all TIF Joint Review Board meetings. There is no need to make a nomination.

5. Election/Confirmation of Public Member

Per Mr. Rychlicki, Ellen Yearwood will continue to remain the Public Member of all TIF Joint Review Board meetings, or until she resigns. There is no need to make a nomination.

6. Approval of Minutes: August 5, 2020

A motion was made by Ellen Yearwood, seconded by Mark Bertolozzi, to approve the August 5, 2020 minutes, as presented.

On a voice vote:

AYES: All
NAYS: None
Motion: CARRIES

7. Public Comment: There was no Public Comment.

8. Review of Activities in District &

9. Review of 2020 State Comptroller's Report

Mr. Rychlicki stated that all reports were sent to the State of Illinois and that the City of Des Plaines has posted and distributed the reports. Mr. Rychlicki also stated that the format is dictated by the State and covers a 12-month period. This report, as well as past reports, are available on the State of Illinois website.

TIF District No. 3 Overview

The City of Des Plaines' third TIF District was established in August, 2000 and is formerly known as the City's Wille Rd./Mt. Prospect Rd. TIF Redevelopment Plan and Project Area. This TIF is located just west of the terminated TIF No. 2. Part of the City's contribution to redevelopment included utilities and improvements to Wille Road.

There is an approximately 411,000 sq. ft. warehouse distribution facility (Phase 1), which is currently occupied by four logistics tenants. Adjacent to Phase 1 is an approximately 250,000 sq. ft. industrial facility that has also been completed within this area in late 2007. The two phases essentially complete redevelopment uses per the TIF plan. Due to the application for Cook County's Class 6(b) real estate tax incentive by owners and tenants, projected incremental taxes have been reduced in relation to debt service requirements. For this reason, the City sought and received State approval for a 12 year extension to the TIF term in order to more closely match incremental taxes and debt service amounts. The restructuring of TIF debt occurred in order to extend outstanding debt service schedules to conform to the extended TIF term. All affected taxing districts approved an Inter-Governmental Agreement expressing their support of the term extension prior to State legislative action in the prior reporting Fiscal Year. The City also refunded portions of the outstanding Series 2010A and 2010B General Obligation Bond issuance in a previous fiscal year.

Mr. Rychlicki went over the format of the report, including the certifications by the City Manager, Mayor and Attorney.

Section 2 was reviewed regarding redevelopment activities. For the time period ending December 31, 2020, there were no new redevelopments or amendments to the redevelopment project area.

Section 3.1, Section 3.2 and Section 6 were reviewed and summarized.

TIF 3 Wille Road

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ (3,573,065)

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 2,170,210	\$ 12,478,450	27%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 159	\$ 356,279	1%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 23,282,218	50%
Transfers from Municipal Sources		\$ 10,055,760	22%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)		\$ 571,750	1%

FY 2020

TIF NAME: TIF 3 Wille Road

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year	EAV
2000	\$ 3,807,465		\$ 29,703,385

With the 12-year extension, the City was allowed to restructure its debt, with monies initially used for infrastructure and improvement are being paid to the TIF increment, TIF 3 has completed the intended use.

Ms. Johnson, District 214 inquired if there were any remaining plans for this TIF District. Ms. Wisniewski stated that the TIF District is fully built out, now that the 6bs have come out. The plan is to get the fund balance in a zero fund balance position and then close out the TIF. The latest preliminary estimate was 2028 for a positive fund balance, as long as taxes are paid.

A motion was made by Ellen Yearwood, seconded by Barbara Barrera, to accept the TIF No. 3 report.

On a voice vote:

AYES: All
NAYS: None
Motion: CARRIES

TIF District No. 1 Overview

The City of Des Plaines' first TIF District was established in July 1985 and was originally known as the City's Ellinwood TIF Redevelopment Plan and Project Area. The creation of this original approximately 24+ acre TIF District was in response to downturns that were occurring in the mid 1980's following several recessions and a marked decline in private investment and less federal assistance available to address the City's capital needs. Several major projects that had been initiated during the 1970's growth period were still incomplete and the Plan was established to assist in attracting stronger anchors to the downtown commercial district, address access, circulation and parking issues, improve the character and amenities within the downtown. Several series of General Obligation Bonds were issued on behalf of the project, and the City proceeded to purchase several redevelopment parcels and undertake redevelopment activities. The TIF District was amended again in 1992, 1994, and 1997, including legislative approval of a 12-year extension to the term of the TIF district.

The City entered into a redevelopment agreement with Bayview/Compass Point (1425 Ellinwood Apartments LLC) in order to provide for the redevelopment of the site and transfer City owned property to the developer in order to complete assembly of the site. The City acquired the Des Plaines Theater and continues to utilize TIF funds for renovation and improvement of the facility. The City also completed Phase III of its streetscape project and undertook infrastructure improvements

In Fiscal year 2019 the City has sold 665-671 Graceland for \$880,000 to 1425 Ellinwood Apartments for further apartment development.

TIF 1 will be terminated at the end of Fiscal 2021. That number at minimum is looking at approximately \$70 million. Taxing districts will receive written notice by November 1st. There will be one final report next year wrapping up TIF 1.

Section 2 was reviewed regarding redevelopment activities. For the time period ending December 31, 2020, there were no new redevelopments or amendments to the redevelopment project area.

Section 3.1, Section 3.2 and Section 6 were reviewed and summarized.

TIF 1 Downtown

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 5,848,039

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 6,225,997	\$ 100,601,201	68%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 15,625	\$ 2,570,437	2%
Land/Building Sale Proceeds		\$ 3,147,070	2%
Bond Proceeds		\$ 39,966,245	27%
Transfers from Municipal Sources	\$ -	\$ 787,900	1%
Private Sources	\$ -	\$ 150,000	0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ -	\$ 233,204	0%

There was a series of public improvements, including the theater renovation, public parking, and economic development activities. There will be no more bond debt by the end of the year.

TIF NAME: TIF 1 Downtown

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
1985	\$ 20,262,187	\$ 90,116,748

Ms. Johnson inquired if the growth of the TIF District compares to the growth of property values overall. Mr. Rylicki stated they recently tested this theory in another town, however, the city's tax base is so diverse, versus a mainly residential area, is not a good comparison. Overall, the TIF has done well.

A motion was made by Mark Bertolozzi, seconded by Barbara Barrera, to accept the TIF No. 1 report.

On a voice vote:

AYES: All
 NAYS: None
 Motion: CARRIES

TIF District No. 5 Overview

The City of Des Plaines’ fifth TIF District (TIF District #5) was established in April, 2001, and is adjacent to the Downtown TIF District. The creation of this approximately 2.63 acre TIF District was in response to the City’s desire to respond to the problem conditions within an important commercial intersection in close proximity to TIF District #1.

Since 2003, the primary structures have been demolished and a 40,000 sf grocery store (Shop n Save) and a Fifth Third Bank facility have been constructed within the area to compliment the remainder of Metropolitan Square, located primarily in the Downtown TIF. Prior to 2007, the City had proceeded to expend over \$2.0 million to date on several redevelopment activities to accommodate the area’s planned growth and expansion. The TIF District received a one time transfer of \$854,714 from the adjacent Downtown TIF in order to fund certain redevelopment activities and to improve the fiscal position of TIF #5.

During the preceding fiscal year, there were no public and/or private investments made, or redevelopment agreements approved, as the primary project was completed in late 2005.

Mr. Rychlicki stated TIF District #5 is the City’s smallest TIF District with only one building in Metropolitan Square and will terminate 2024 with the final payment in 2025. With increment available to the tax districts in 2025.

Section 2 was reviewed regarding redevelopment activities. For the time period ending December 31, 2020, there were no new redevelopments or amendments to the redevelopment project area.

Section 3.1, Section 3.2 and Section 6 were reviewed and summarized.

TIF 5 Lee Perry

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 198,403

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 178,345	\$ 2,069,424	46%
State Sales Tax Increment	\$ -	\$ -	0%
Local Sales Tax Increment	\$ -	\$ -	0%
State Utility Tax Increment	\$ -	\$ -	0%
Local Utility Tax Increment	\$ -	\$ -	0%
Interest	\$ 3	\$ 789	0%
Land/Building Sale Proceeds	\$ -	\$ -	0%
Bond Proceeds	\$ -	\$ 1,525,000	34%
Transfers from Municipal Sources	\$ -	\$ 854,714	19%
Private Sources	\$ -	\$ -	0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ -	\$ 10,061	0%

Most expenditures were related to debt service, last year was the first there was a positive fund balance and paid off the debt.

1. EAV

TIF NAME: TIF 1 Downtown

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
1985	\$ 20,262,187	\$ 90,116,748

Mr. Bertolozzi inquired how likely this TIF would be extended. Ms. Wisniewski stated that this TIF would not be extended, there no area to continue build-out. Historically, this TIF was created to assist TIF 1; the new TIF was created to increase increment.

A motion was made by Mark Bertolozzi, seconded by Ellen Yearwood, to accept the TIF No. 5 report.

On a voice vote:

AYES: All
 NAYS: None
 Motion: CARRIES

TIF District No. 6 Overview

The City of Des Plaines' sixth TIF District was established in October, 2001. The creation of this approximately 40.5 acre TIF District was in response to the City's desire to respond to the problem conditions within an important commercial intersection within the City of Des Plaines and to revitalize the area. The Plan was established to promote the development of potentially four (4) new hotels, and separate redevelopment agreements were approved in 2007 and 2008 (each agreement included two hotel projects). A commercial strip center was completed in 2007 including Starbuck's and Potbelly's as tenants. Bonds were previously issued in 2004 on behalf of this project in order to address land acquisition needs within the area, which the City completed in 2007.

However, due to current economic conditions, and restrictions in the capital markets, the hotel projects have not been initiated, and the City undertook an amendment to TIF 6 in order to remove certain properties south of Pratt Avenue into an adjacent, newly created TIF 7. This will allow the City to evaluate new projects utilizing a lower Base EAV and additional time to amortize project costs. The City enlisted the participation of the taxing districts as part of an intergovernmental agreement as part of the TIF #7 designation.

Mr. Rychlicki reminded those in attendance that the original TIF 6 was split into two districts (TIF 6 and TIF 7). TIF 6 sits north of the Tollway, while TIF 7 is south of the Tollway.

Section 2 was reviewed regarding redevelopment activities. For the time period ending December 31, 2020, there were no new redevelopments or amendments to the redevelopment project area.

Section 3.1, Section 3.2 and Section 6 were reviewed and summarized.

TIF 6 Manneheim Higgins

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ (13,924,426)

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 125,389	\$ 1,404,192	7%
State Sales Tax Increment	\$ -	\$ -	0%
Local Sales Tax Increment	\$ -	\$ -	0%
State Utility Tax Increment	\$ -	\$ -	0%
Local Utility Tax Increment	\$ -	\$ -	0%
Interest	\$ 13	\$ 545,175	3%
Land/Building Sale Proceeds	\$ -	\$ 26,029	0%
Bond Proceeds	\$ -	\$ 16,650,249	86%
Transfers from Municipal Sources	\$ -		0%
Private Sources	\$ -		0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ -	\$ 765,729	4%

FY 2020

TIF NAME: TIF 6 Manneheim Higgins

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
2001	\$ 2,136,807	\$ 3,704,642

The work has been completed in this TIF district; the last amendment to this TIF agreement was in 2014.

The bulk of the expenditures was for debt service.

A motion was made by Ellen Yearwood, seconded by Bob Grapenthien, to accept the TIF No. 6 report.

On a voice vote:

AYES: All

NAYS: None

Motion: CARRIES

TIF District No. 7 Overview

The City of Des Plaines' seventh TIF District was established in October, 2014. The creation of this TIF District was in response to the City's desire to respond to the problem conditions within an important commercial intersection within the City of Des Plaines and to revitalize the area. A small portion of this area, improved with billboards facing I-90/the Northwest Tollway is owned by the City. Other properties are owned by third parties, all of the properties were previously included in TIF #6. However, due to distressed economic conditions, and the economic downturn, the ability to implement new projects was curtailed. The creation of TIF #7 allowed the City to continue to redevelop the area with the benefit of a 23 year term in order to amortize redevelopment costs.

The City and O'Hare Real Estate, LLC entered into a redevelopment and economic incentive agreement in 2016 for the Orchards at O'Hare Development project. The same agreement was amended and restated in 2017. The project included the sale of 9.08 acres of City property in 2017 for \$1,759,783 for the development of a 130 room hotel with one class A restaurant, a 16 pump gasoline service station, car wash, and a convenience store. City TIF assistance also includes up to \$2,000,000 for eligible costs as set forth in the agreement.

A new 6,700-square-foot commercial building is complete at 1620-1630 Higgins. The building houses a Panera restaurant, Dunkin Donuts and a gas station.

Section 2 was reviewed regarding redevelopment activities. For the time period ending December 31, 2020, there were no new redevelopments or amendments to the redevelopment project area.

Section 3.1, Section 3.2 and Section 6 were reviewed and summarized.

TIF 7 Higgins Pratt

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ (2,419,558)

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 21,498	\$ 159,632	7%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 2	\$ 95	0%
Land/Building Sale Proceeds		\$ 2,047,261	93%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

**SECTION 6
FY 2020**

TIF NAME: TIF 7 Higgins Pratt

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
2014	\$ 468,319	\$ 5,370,333

A bulk of the expenditures were for professional expenditures, including monitoring the TIF district. This TIF district is slowly beginning to generate revenues.

The Board’s review of the report concluded.

In addition, Mr. Carlisle stated that City staff is expecting an application for development in TIF 7, for unsubsidized development will improve the EAV of the TIF.

A motion was made by Ellen Yearwood, seconded by Mark Bertolozzi, to accept the TIF No. 7 report.

On a voice vote:

- AYES: All
- NAYS: None
- Motion: CARRIES

TIF District No. 8 Overview

The City of Des Plaines' TIF District No. 8 Oakton Street was established in September, 2019. The creation of this TIF District was in response to the City's desire to respond to the problematic conditions within an important commercial intersection within the City of Des Plaines and to revitalize the area.

Section 2 was reviewed regarding redevelopment activities. For the time period ending December 31, 2020, there were no new redevelopments or amendments to the redevelopment project area.

Section 3.1, Section 3.2 and Section 6 were reviewed and summarized

Provide an analysis of the special tax allocation fund.

FY 2020

TIF 8 Oakton Street

Special Tax Allocation Fund Balance at Beginning of Reporting Period

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 1,185,841	\$ 1,185,841	100%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 7	\$ 7	0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

**SECTION 6
FY 2020**

TIF NAME: TIF 8 Oakton Street

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
2019	\$ 71,219,481	\$ 85,105,678

There were no redevelopment activities due to be a new TIF and the pandemic of 2020. Mr. Rychlicki highlighted that the City feels that there are development opportunities in the area regarding a transit-orientated development.

The Board concluded its review of the report and began to discuss other activities in the TIF.

Mr. Carlisle stated that the City is hopeful that Metra will grant a new station on the North Central line, and that the development of the transit orientated TIF is attractive to Metra. Mr. Carlisle stated that Des Plaines is in a unique position in terms of spacing

between the O'Hare transfer station and the Prospect Heights station. Mr. Carlisle also stated that the location of a train station can also have a positive impact on property values.

Mr. Carlisle also highlighted the 125-unit townhome development (MI Homes) that is currently going through entitlements located at 1050 E Oakton St. The vacant lot currently pay approximately \$200K in taxes, but with the proposed redevelopment could increase to \$900K-\$1M in property tax dollars. The Planned Unit Development/Subdivision had a Public Hearing at a July Planning & Zoning Board meeting and will be on the August 16th City Council agenda (first reading). Mr. Carlisle stated that the development would mainly be three-bedroom units, and have some impact on the school and park districts. If all entitlements are given; the first building phase in Spring/Summer 2022.

Mr. Rychlicki stated that the high school and grade school can request 27% and 32%, respectively, of the increment for new school age children if the development is receiving TIF assistance.

Mr. Bertolozzi inquired about the pricing of the units, Mr. Carlisle stated that high \$200s/ low \$300's. Mr. Carlisle stated that there were 118 three-bedroom units and 7 two-bedroom units.

Mr. Rychlicki stated that he was excited to hear about the new development, especially with the loss of retailers to internet outlets.

Mr. Bertolozzi did express some concern over the number of units and the impact on the school district. Mr. Carlisle will follow up with Mr. Bertolozzi following the meeting.

Ms. Yearwood inquired about the boundaries on the TIF. Ms. Wisniewski stated that the City Budget has maps included and Mr. Rychlicki stated that Cook County has a great website with TIF maps and information.

Mr. Bertolozzi inquired about the Rosemont Station versus the O'Hare Transfer Station. Mr. Carlisle clarified they are two different stations, with the O'Hare Transfer Station near the car rental lot.

Mr. Bertolozzi asked about the status of the Metra station; Ms. Wisniewski stated that the decision is up to Metra, but a timeline has not been decided.

A motion was made by Ellen Yearwood, seconded by Jeff Gossrow, to accept the TIF No. 8 report.

On a voice vote:

AYES:	All
NAYS:	None
Motion:	CARRIES

10. **Questions from Board Members:** There were no further questions.

11. Adjournment

On voice vote, the meeting was adjourned at 10:46 a.m.

Respectfully submitted,

Wendy Bednarz
Executive Assistant, City of Des Plaines

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