



**CITY OF DES PLAINES  
TAX INCREMENT FINANCING (TIF) DISTRICT  
ANNUAL JOINT REVIEW (JRB) BOARD MEETING MINUTES  
AUGUST 5, 2022**

**1. Welcome by City Representative**

Michael Bartholomew, City Manager, welcomed everyone to today's meeting, introduced himself, and asked everyone to do the same.

**2. Call to Order**

The meeting was called to order at 10:02 a.m.

**3. Roll Call (in attendance)**

Annette Curtis	Des Plaines Park District
Mark Bertolozzi	School District 62
George Giese	Mt. Prospect Park District
Andy Williams	Oakton Community College
Bob Grapenthien	Harper Community College
Mary Kaloo	School District 207
Mike Vargas	School District 214
Ellen A. Yearwood	Public Member

**Also in attendance:**

Michael Bartholomew	City Manager, City of Des Plaines
Dorothy Wisniewski	Assistant City Manager, City of Des Plaines
Ryan Johnson	Assistant Director, Community & Economic Development
Emily Shaw	Management Analyst, Community & Economic Development
Joanne Mendoza	Executive Assistant, City of Des Plaines
Iryna Dziuk	TIF Consultant, Kane McKenna & Associates, Inc.

**4. Election/Confirmation of Chair**

Michael Bartholomew was the Chairperson of this Joint Review Board meeting. There is no need to make a nomination.

**5. Election/Confirmation of Public Member**

Michael Bartholomew confirmed that 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 4, 2021

A motion was made by Ellen Yearwood, seconded by Mark Bertolozzi, to approve the August 4, 2021 minutes, as presented.

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 2021 State Comptroller's Report**

TIF Consultant Iryna Dziuk stated that the following reports are completed because they are required by state statute. The reports are for informational purposes only. Templates are provided by the State Comptroller's office and need to be followed to the letter lest they be rejected. A quorum is not required. All reports have been filed with the State and are on the City's website and will remain there. The reports are also available on the State's website.

**TIF District No. 3 Overview**

Ms. Dziuk provided an overview of TIF District No. 3 and indicated that it was established in 2000 and extended by 12 years mainly due to debt service requirements regarding a bond issue and when extended, allowed for a longer time to pay off bonds issued. There had been some 6bs in the TIF. The beginning balance was (\$3,292,692). The property tax increment was \$2,389,876. The ending balance was (\$2,786,017) with expenses being \$1,883,464. Most of the expenses are for debt service – \$1,878,394. The EAV base is \$3,807,465 and the new EAV is \$32,153,761 for 2020. No property was bought or sold in this TIF - just a continuation of collection of increment and paying off the debt.

VOICE VOTE:

Motioned by Ellen Yearwood; Seconded by Bob Grapenthien to accept the TIF No. 3 report:

AYES: All

NAYS: None

Motion: CARRIES

**TIF District No. 1 Overview**

Ms. Dziuk provided an overview of TIF No. 1, which is the downtown TIF and has been closed out effective 12/6/2021. The report for TIF No. 1 still needs to be filed and has a negative balance. Until the report gets filed, the balance will remain at zero. The beginning balance was (\$4,793,880). The tax increment was \$7,033,786. The interest was \$238 with an ending balance of (\$432,237) and expenses of \$2,672,381 with most expenses being for theatre renovation as well as the parking deck. The frozen EAV was \$20,262,187 and the 2020 EAV was \$96,386,606 and will be closed out as soon as the County is able to do so.

Mike Bartholomew then asked that the record reflect that Mark Bertolozzi of School District 62 joined the meeting at this time.

**VOICE VOTE:**

Motioned by Ellen Yearwood; Seconded by Bob Grapenthien to accept the TIF No. 1 report:

AYES: All

NAYS: None

Motion: CARRIES

**TIF District No. 5 Overview**

Ms. Dziuk went on to review TIF District No. 5, which is the Lee/Perry TIF and was established in 2001. The beginning balance was \$261,387 with property tax increment of \$207,841 and ending balance of \$340,824. Expenses were \$128,622 and the frozen EAV was \$794,127 and the new EAV is \$3,011,100. No property was bought or sold in this TIF; this TIF expires in 2024.

Ms. Kaloo asked if TIF No. 5 was the capital outlay for the River Road streetscape. Ms. Wisniewski confirmed that this was affirmative.

A question was asked by Mike Vargas of School District 214 regarding Section 3.2 A, No. 11 regarding the cost of reimbursing school districts for their increased costs caused by TIF-assisted housing projects. Ms. Kaloo addressed his question and determined that there is no TIF-assisted residential incentive within TIF No. 5.

**VOICE VOTE:**

Motioned by Ellen Yearwood; Seconded by Bob Grapenthien to accept the TIF No. 5 report:

AYES: All

NAYS: None

Motion: CARRIES

**TIF District No. 6 Overview**

Ms. Dziuk stated that TIF No. 6 was established in 2001. No property was bought or sold. The balance was \$15,261,470 with property tax increase of \$123,507 and ending balance of (\$16,611,402). The expenses were \$1,473,658 mainly for debt service. The base EAV was \$2,136,807 and the new EAV is \$3,522,653. This TIF expires in 2024.

A discussion ensued as to whether this TIF can close with a deficit. Mike Bartholomew stated that TIF No. 6 will close with a significant deficit. Dorothy Wisniewski went on to explain that our general fund has been subsidizing the debt service payment for this TIF. When the TIF was originally established, a development was not finalized and the City took on the responsibility of purchasing properties and issuing debt for the payoff. Since the properties had a positive EAV, the only way to gain increment was to have a development above and beyond the original value. No increment was generated as there was no development. The debt service is fully being paid for by the general fund, which is why there is such a high negative deficit balance. Once we get into the plan with TIF No. 7, hopefully a portion of this deficit will be assisted by TIF No. 7, since it is a contiguous TIF. The remainder that is not

assisted by TIF No. 7 will be written off as a loss to get it back down to zero and close out the TIF.

Mike Bartholomew explained that when the current staff inherited the set up of TIF No. 6 from previous staff, we looked at how we were establishing TIFs, how we were issuing TIF incentives and how we were issuing Cook County 6b incentives. We realized that we needed to change the way these were handled in the past. Going forward, the developer must develop and earn the increment before we give anything back. In the past, this was handled differently, in that we used to issue notes and provide interest on those notes to developers and for some reason, we would grant a 6b in a TIF district which was counterproductive.

**VOICE VOTE:**

Motioned by Mark Bertolozzi; Seconded by Bob Grapenthien to accept the TIF No. 6 report:

AYES: All

NAYS: None

Motion: CARRIES

**TIF District No. 7 Overview**

Ms. Dziuk stated that TIF No. 7 is the Higgins/Pratt TIF, established in 2014. The beginning balance was (\$2,442,495), property tax income was \$973,166, and the ending balance was \$1,482,368. Expenses were \$13,045. At the time of establishment, the base EAV was \$68,319 and the current EAV is \$6,765,070. There is a story with this in Attachment D – the City owned a great deal of property and now this property has been purchased and is being redeveloped. Mike Bartholomew then explained that TIF 7 used to be wholly part of TIF 6 and stated the following: “When we realized how things were happening, we made the change of separating the TIFs, thereby creating TIF No. 7. The City did fund and purchase a bunch of different properties and buildings and demolished all of them so since the City owned it, the EAV was zero. We took all the properties that were zero and created TIF No. 7. Some construction has occurred in TIF No. 7 with a hotel, restaurant, and gas station. There is still development yet to be finished. We negotiated with the school districts and entered into an intergovernmental agreement that stated that starting in year 11 of the TIF, we would declare a surplus for all the taxing jurisdictions of 15% and starting in year 16, we would declare 25%, in year 21, it would be 35%. We didn’t really see a way out of paying down the debt in TIF 6 other than creating TIF 7”.

**VOICE VOTE:**

Motioned by Mark Bertolozzi; Seconded by Ellen Yearwood to accept the TIF No. 7 report:

AYES: All

NAYS: None

Motion: CARRIES

## **TIF District No. 8 Overview**

Ms. Dziuk stated that our newest TIF, TIF No. 8, otherwise known as the Oakton TIF, was established in 2019. The beginning balance was \$1,185,848. Property tax increment was \$1,349,719, with an ending balance of \$2,287,784. Total expenses were \$247,801. The frozen EAV was \$71,219,481 and the new EAV is \$86,395,658. Property purchased in this TIF was 1380 E. Oakton from 5580 Northwest Highway. This is the location where the City wishes to install a new train station in the future.

Mike Bartholomew discussed the idea of the creation of this TIF and stated that this area needs redevelopment. This area is also referred to as our “second downtown”. The property is east of where the Canadian National Railroad crosses Oakton. There are 6 properties that appear vacant. In this report we purchased one of these properties, however, as of today, we just about have purchased all 6 parcels. This will serve the purpose of creating a train station and a parking lot for the train station as well. A study was conducted and submitted to Metra, who was initially very supportive of the idea, however, the pandemic stalled its progress. Metra then stated that they would want to wait until ridership returned to pre-pandemic levels before proceeding further. At this point, ridership is returning, however, the levels are not where they once were.

Ms. Kaloo stated her thankfulness for issuing Attachment D.

### **VOICE VOTE:**

Motioned by Ellen Yearwood; Seconded by Bob Grapenthien to accept the TIF No. 5 report:

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 10:32 a.m.

Respectfully submitted,

Joanne Mendoza  
Executive Assistant to the City Manager  
City of Des Plaines  
8/11/2022 4:28 PM