

**VILLAGE OF BARTLETT**  
**COMMITTEE MINUTES**

**February 17, 2015**

President Wallace called the Committee of the Whole meeting to order at 7:53 p.m.

Present: Trustee Arends, Camerer, Carbonaro, Martin, Reinke, and Shipman

Also Present: Village Clerk Lorna Giless, Village Administrator Valerie L. Salmons, Assistant Village Administrator Paula Schumacher, Assistant to the Village Administrator Scott Skrycki, Finance Director Jeff Martynowicz, IT Coordinator Chris Hostetler, Community Development Director Jim Plonczynski, Economic Development Coordinator Tony Fradin, Building Director Brian Goralski, Public Works Director Dan Dinges, Public Works Engineer Bob Allen, Chief Kent Williams, Deputy Chief Joe Leona, Grounds Superintendent Kevin DeRoo, and Attorney Bryan Mraz

**PLANNING & ZONING COMMITTEE**

**Downtown Tax Increment Financing (TIF) District**

Chairman Camerer explained that staff is requesting direction to continue proceeding in the creation of a new TIF District, in conjunction with TIF consulting firm Kane, McKenna Associates. To date, the Village has paid Kane, McKenna \$25,540 for consulting services including meetings and data collection to determine that the Downtown Commercial District meets the State's criteria as a Conservation Area TIF. The next step in order to proceed is for the Village Board to adopt a Resolution to convene a Joint Review Board comprised of local taxing districts to review the TIF Qualification Report and Redevelopment Plan, and then to render a recommendation to the Village Board in regard to the adoption of Ordinances to create a new TIF District. He asked Community Development Director Jim Plonczynski to further review the item.

J. Plonczynski added that there is the estimated project cost of \$17,000,000 - land acquisition, site preparation, environmental remediation, utilities, rehabilitation, interest costs, planning, legal, engineering, job training, and school and library district payments if needed, for an estimated budget of \$17.5 million. The redevelopment project references those items, land assembly, site preparation, landscaping buffering, streetscaping, rehabilitation, utilities, roadway, street parking improvements, public improvements, if necessary, traffic control, public safety, interest coverage, professional services, and again, the school and library costs, if needed. Our TIF qualification, which was the Eligibility Study done by Kane, McKenna, identified the TIF as a conservation area TIF. We met six of the goals in the conservation TIF: the lag in EAV; the inadequate utilities; vacancies; community planning; deterioration; and obsolescence. The TIF is over an acre and a half; it's a conservation area and the properties in the area would substantially benefit by proposed redevelopment. The sound growth of the taxing districts, including the Village, have been impaired by factors found in the area and the area would not be subject to redevelopment without the investment of the public funds including the property tax increment which is the "but for" test. Chuck Durham from Kane,

McKenna is present to answer any questions. Staff would like direction to continue on and pass a Resolution to convene the Joint Review Board and move forward, ultimately having a Public Hearing and adopting the three Ordinances necessary to establish the TIF District.

Trustee Shipman stated he was curious about the “but for” conclusion.

C. Durham explained that we come to that conclusion based on our understanding of what has been going on for the last several years – the lack of investments, somewhat due primarily to the recession and other things. As we evaluate it, we look at that lack of investment and we ask the question, “could the area benefit, could investment be encouraged by use of tax increment financing”, and we concluded that it could.

Trustee Shipman commented that is safe to say just about any place. Everyone would love to have some tax money to redo their façade and their roofs. He asked if “but for” the tax increment financing, nobody is going to spend money.

C. Durham responded that he wouldn’t say nobody, but would say that there would probably not be as much investment as could be encouraged by the tax increment financing as an incentive to encourage move private investment downtown.

J. Plonczynski gave an example of what we face. We hear from people who are looking at some of the vacant buildings in town and are asked what the Village can do if someone wanted to come in and redevelop the property. He stated that they are not interested in it unless there is some way the Village can help. We’re hearing the practical side or the everyday side of the “but for” argument. They will not come; many of these people that we deal with will not come to the Village in the downtown area unless there is some means of providing an incentive. The TIF, from a legal standpoint, is probably the best way to create incentives for people who want to come in and redevelop. He stated that he has talked recently to people who are interested in the Gorski Plaza, people who want to do something with the old Bormann building, the Lucky Jack’s people who have acquired it through an auction are waiting in the wings because they don’t want to move forward unless there is a TIF, so that’s something that we see pretty regularly. For the reasons, that Kane, McKenna did the analysis is what we are hearing. Even the people who bought the Town Center across the street are looking for things to do to expand their development.

Trustee Shipman commented that is a solid argument.

President Wallace stated that the Town Center is looking to put in more parking. He stated that in reading through the EDC notes, a couple of things came to mind. One of the comments was it really gets complicated when you include DuPage County; when you cross county boundaries. It seems unfortunate that we couldn’t have the intersection involved at Devon and Prospect where that lot has been open for so long. But, it is pretty complicated to go across to DuPage County.

J. Plonczynski responded yes, it is complicated. One reason is you have to expand the Joint Review Board and there are different increments that you have to be aware of. Most of the TIFs that we've done in the Village have all stayed in one county or another.

C. Durham added that as Jim mentioned, one reason is the process with the Joint Review Board. When you cross counties, you greatly expand the membership of the JRB and therefore the potential for additional conversation, contents, and votes come into play. That could really lengthen out the process and in some communities, it has actually stunted the process. With respect to multi-county TIF District, it does get to be a complicated situation particularly with respect to Cook County, in terms of managing tax increment within that district and how it is generated, assessed, and spent. Those are some of the complications that come into play; they are not insurmountable and can be dealt with, but we felt, in this case, since there was a definable line to keep it all in Cook County, that would be the recommendation.

President Wallace asked that once the non-insurmountable things are jumped over, is it pretty easy from there on out. Once it's established, there aren't any other bumps along the road.

C. Durham responded that ultimately this body holds the power to put the TIF in place regardless if the taxing district from the JRB object to it. So ultimately, all of those types of barriers could be overcome by the Village Board if that's the direction they wanted to go.

President Wallace asked if expanding the TIF to DuPage County would help the empty lot that has been there for so long.

J. Plonczynski explained that there have been numerous people interested in that property and have had site plans prepared in the past. Nobody is interested in it now; the person who owned it, lost it. That's not a piece that people have asked whether it is in a TIF or not. No matter what happens on that lot, we will get a lot of objection.

B. Mraz stated that procedurally, there needs to be a Resolution and an engagement letter with Chapman & Cutler who would be bond counsel. They will be looking at some of the procedures as well, but actually they don't get paid until bonds or developer notes are issued. Typically, it would be bonds in this case; there would be some fees but that's how it is structured. They are necessary because you need a nationally recognized firm to issue an opinion that the bonds are tax-exempt, so it is required. They should be involved early in the process because if any procedure is wrong, then they won't render that opinion. The TIF Act is amended many times and one new requirement is that each board member consultants, including the Village Attorney, have to file a written statement that we don't own any property within the TIF District and if we did, in the case of an elected official, they would have to recuse themselves for deliberations with respect to the TIF. There are some procedural things that change from year to year between the last time we did a TIF and currently and are things that we need to do in the process early on.

President Wallace commented that throughout the minutes from the EDC, they were talking about a comprehensive plan for downtown before the TIF. He stated that we have a Comprehensive Plan for downtown; we've had it for a long time. We can't say that we have a plan and that's what we want it to look like when you are using outside investors. It's important, however, for people to know that there is a plan for downtown and the TIF comes along side it and hopefully encourages that plan to come to fruition. The EDC needs to understand that there is a comprehensive plan.

J. Plonczynski responded that there is a current plan that we use. As you remember, we also applied, as part of the EDC's recommendation, for an RTA grant. We received a grant for a downtown planning study. We will be doing that in the spring and they have given us money to do a downtown plan; to upgrade it. The TIF is a good vehicle to implement not only the ideas that are coming forth, but also what we have on the books.

President Wallace asked if we have any members on that plan that provide input or do they just come in as consultants.

J. Plonczynski responded that the Village will hire a consultant as part of that process that will come into the Village. They set up stakeholder meetings, they'll want a representative group made up of commissioners, trustees and business people to bounce ideas back and forth. There will also be public input in that.

President Wallace stated that he would strongly encourage that we reach out to some of these that have had a long ongoing stake in the downtown area and encourage them to be a part of that plan. Once you do that, then you've actually given them the ability for their input versus them trying to nickel and dime it. Then everybody's on the same page with what we are hoping it will look like down the road.

J. Plonczynski responded that is the intent of that grant.

There being no further comments or questions, Chairman Camerer forwarded the item to the Village Board for further consideration.

President Wallace entertained a motion to adjourn the Committee of the Whole meeting to Executive Session to discuss Property Acquisition pursuant to Section 2(c)5 of the Open Meetings Act.

Moved by Trustee Camerer  
Seconded by Trustee Martin

Motion carried.

President Wallace adjourned the Committee of the Whole meeting at 8:08 p.m.