

VILLAGE OF DOWNERS GROVE

Village Hall
801 Burlington Avenue
Downers Grove, Illinois 60515

ANNUAL JOINT REVIEW BOARD MEETING OGDEN AVENUE TIF DISTRICT

Minutes of a Public Meeting
July 21, 2008
4:00 PM

CALL TO ORDER

Mr. Mike Baker called the Annual Joint Review Board Meeting to order for the 2007 Ogden Avenue TIF at 4:10 p.m. and asked for a roll call:

ROLL CALL

PRESENT: Mr. Christopher Bowen (4:15 pm), Ms. Debbie Utecht, Dr. Tom Ryan, Mr. Mark Staehlin, Mr. Jim Popernik, and Mr. Nicholas Pappas

ABSENT: Mr. David Fieldman, Mr. John Luka, Ms. Barbara Wheat

A quorum was established.

STAFF: Mr. Mike Baker, Assistant Village Manager, Mr. Tom Dabareiner, Director Community Development; Ms. Enza Petrarca, Village Attorney, Ms. Kathy DesMarteau, Special Projects Coordinator/Recording Secretary

VISITORS: Ms. Bea Bennett, Downers Grove Watch; Mr. Dan Loftus, Downtown Management Board

Mr. Mike Baker stated that the purpose of this meeting is to provide the taxing districts with an annual update on the progress of the Ogden Avenue TIF District and to comply with state statutes. A notice of this meeting was placed in the Village Corner on Friday, July 6, 2007. A copy of the report and agenda were delivered to each of the taxing districts and Joint Review Board Members.

Mr. Mike Baker announced the next item on the agenda is an overview of the Ogden Avenue TIF District. He informed the board members he would be reporting on January through December 2007.

OGDEN AVENUE TIF PRESENTATION

Mr. Mike Baker provided the Joint Review Board with a presentation on the specific activities that occurred during fiscal year 2007. He said the Ogden TIF District was created in February 2001 and extends for 23 years expiring in February 2024. The TIF boundary runs along Ogden Avenue from Cumnor on the east to Stonewall on the west. A few years ago, the Village Council considered a strategy for the Ogden Avenue TIF after it had been in place for a few years. The three main goals of the strategy is to improve the appearance for both public and private sites, improve economic performance that would be accomplished by improving the sales tax revenue and property values, and improve vehicular and pedestrian traffic by reducing curb cuts, eliminating unnecessary cross streets and providing sidewalks.

PROJECTS

Mr. Mike Baker briefly reviewed the completed projects since the creation of the TIF District. Pending projects include the Ogden and Lee parcel and the remodeling of World Class Motorcars.

He said there were several public projects undertaken. New street signs have been installed and there is an ongoing project to install sidewalks throughout the district. The curb cut elimination program will occur over time as properties redevelop. Stormwater improvements were completed for the Ogden and Lee parcel. The Master Right-of-Way Plan was completed and is designed to coordinate Village efforts with the installation of sidewalk, landscaping, and burying existing overhead utilities in a comprehensive and efficient manner.

ECONOMIC PERFORMANCE

Mr. Mike Baker reported that the top indicator of economic performance of a Tax Increment Financing District is the real estate tax base for the Equalized Assessed Valuation (EAV). When the district was created, the EAV was just over \$29.3 million, and at the end of 2007, the EAV has grown to over \$44 million an increase of 50 percent. Comparing the current growth in EAV to the EAV over the 4 years prior to the inception of the TIF, the growth is significantly greater. He noted that in the four years prior to the creation of the TIF district these properties had only increased in value a total of 8.7 percent. This indicates a significant effect on the EAV. The Village has been able to obtain several grants to assist with the improvements and projects that have occurred along the corridor. The most significant grant is the sidewalk installation which is ongoing.

FINANCIAL PERFORMANCE

Mr. Mike Baker reported that total expenses are just under \$1 million as compared to the estimated private investments of \$16.6 million and total grant funding of \$1.3 million. Comparing strictly the private vs. public investment the leverage ratio is 16.75 to 1. From the Village's standpoint is very successful.

IMPLEMENTATION STRATEGY

Mr. Mike Baker stated that the Village has a strategy in place for continued improvements that includes the redevelopment of a minimum of two sites per year which is on track to meet that goal. The Village is using a strategy that includes pay-as-you-go financing as an incentive for improvements that meet the criteria that the Village deems important in redevelopment projects. Creation and implementation of a Comprehensive Right-of-Way Plan continues to be a focus and he alluded to the Master Right-of-Way Plan. Closing streets and curb cuts in conjunction with new developments and planned closings is another strategy. The Village recognizes that the corridor is a State right-of-way and the partnership with IDOT is essential to meeting the goals for continued improvements. The Village also recognizes the need to review and update development codes to allow for the kind of redevelopment activity that again is consistent with the goals. During fiscal year 2007 from January to December, the Lee and Ogden Redevelopment project will continue with on-going discussions that involve the Council to a certain degree. The World Class Motor Car project proceeded and is ready for construction and the Master Right-of-Way Plan was completed. By the end of 2007 the detention basin for Luxury Motors was 90 percent complete and will be completed in 2008.

FINANCIAL SUMMARY

Mr. Mike Baker next reviewed the financial summary for fiscal year 2007. He said that revenues were just under \$772,000 and expenditures were just under \$614,000 enabling the Village to increase the fund balance from \$1.2 million to \$1.4 million. For fiscal year 2008, the Village continues to make progress working with the developers, the owners at Luxury Motors, the Ogden & Lee Project, and in the partnership with the Downers Grove Economic Development Corporation. As he mentioned previously, the World Class Motor Car remodeling project is expected to begin and now that the Master Plan for Right-of-Way improvements is complete, planning for those improvements can begin.

GOALS FOR 2010

Mr. Mike Baker said there are several measurable goals to be achieved over the next several years. The Village seeks to increase the EAV along the corridor to \$52 Million, redeveloping and investing in 10 sites, completing the street sign program and sidewalk program, designing and installing gateway signs at either end of the corridor and complete the improvements outlined in the Master Right of Way Plan. He

said that this briefly summarizes the performance, achievements, and future goals of the Ogden Avenue TIF Report.

Mr. Mike Baker asked if there were any questions or comments from the Joint Review Board.

Ms. Debbie Utecht asked about the current status of the Ogden and Lee project. **Mr. Baker** replied that the Village Council withdrew the authorization they had provided to negotiate with one specific developer. He said there are no current negotiations with the developer that had initially been identified. Village staff is working with the President of the Economic Development Corporation as well as the owners of the property to explore other alternatives.

Mr. Nicholas Pappas stated that in terms of the overall goals for this TIF district, it is impressive that there are 55 projects. He asked Mr. Baker how he would evaluate the progress so far and what would it take to complete all projects in this TIF. **Mr. Baker** responded that based on the strategy initially put into place, he believes the Village has made substantial progress and is on track. He said this TIF was initially created with the intent of allowing the increment to build up and not to be in a position to take on debt early to complete projects. From that standpoint, given the fact that we are six years into this TIF and have seen substantial private reinvestment, the focus now will turn more toward the public improvements that are necessary to facilitate continued private reinvestment and achieve the goals that are outlined in the presentation.

Mr. Nicholas Pappas asked if IDOT is a good partner. **Mr. Baker** said that the Village has had success in working with IDOT.

Mr. Mike Baker asked if there were any further questions from the Joint Review Board. There being no further questions, he asked for questions and comments from the audience.

PUBLIC COMMENT

Ms. Bea Bennett asked a question about street sign numbering. **Mr. Baker** stated that the street signs along Ogden Avenue are designated with hundredth block indicators.

ADJOURNMENT

Mr. Mike Baker asked if there were any further questions. There being no further questions, he entertained a motion to adjourn.

MR. MARK STAEHLIN MOVED TO ADJOURN THE MEETING AND MS. DEBBIE UTECHT SECONDED THE MOTION. MOTION CARRIED BY VOICE VOTE 6:0.

The Ogden Avenue TIF meeting was adjourned at 4:25 p.m. Mr. Baker said the next order of business is the Downtown TIF District Meeting.

Respectfully Submitted,

Kathy DesMarteau, Recording Secretary

VILLAGE OF DOWNERS GROVE

Village Hall
801 Burlington Avenue
Downers Grove, Illinois 60515

ANNUAL JOINT REVIEW BOARD MEETING DOWNTOWN CENTRAL BUSINESS DISTRICT TIF

Minutes of a Public Meeting
July 21, 2008
4:25 PM

CALL TO ORDER

Mr. Mike Baker called the Annual Joint Review Board Meeting to order for the 2007 Downtown Central Business District TIF at 4:25 p.m. immediately following the Ogden Avenue TIF Meeting and asked for a roll call:

ROLL CALL

PRESENT: Mr. Christopher Bowen, Ms. Debbie Utecht, Dr. Tom Ryan, Mr. Mark Staehlin, Mr. Jim Popernik, and Mr. Nicholas Pappas

ABSENT: Mr. David Fieldman, Mr. John Luka, Ms. Barbara Wheat

A quorum was established.

STAFF: Mr. Mike Baker, Assistant Village Manager, Mr. Tom Dabareiner, Director Community Development; Ms. Enza Petrarca, Village Attorney, Ms. Kathy DesMarteau, Special Projects Coordinator/Recording Secretary

VISITORS: Ms. Bea Bennett, Downers Grove Watch; Mr. Dan Loftus, Downtown Management Board

Mr. Mike Baker announced that the Downtown TIF meeting would follow the same format as the Ogden TIF meeting. He said the first item on the agenda is an overview and presentation of the District from January through December 2007.

DOWNTOWN TIF PRESENTATION

Mr. Mike Baker provided the Joint Review Board with a presentation on the specific activities that occurred during fiscal year 2007. He reported that the Downtown TIF District was created in 1997 and expires in 2020. He provided pictures of what the Downtown looked like before the TIF District was implemented compared to how the Downtown looks today and discussed the major development projects over the past 10 years. He said the Village Council's strategy for the Downtown TIF District includes goals for an authentic Downtown offering retail, office, dining, entertainment and residential opportunities. The Downtown should be an aesthetically pleasing location with open spaces, streetscape design, and the architecture of the buildings. The Downtown should be a center for public events.

PROJECTS

Mr. Mike Baker reported there are three projects under construction which include Acadia on the Green of which the third building is nearing completion, Charles Place office development just north of the parking facility, and the Downers Grove Townhomes on the site of the former Downers Grove Reporter building. He said there is one pending mixed-use redevelopment project located at 5100 Forest Avenue, the former TCF Bank site. This project is currently going through the review process and should be coming forward shortly for consideration by the Plan Commission. Mr. Baker provided some figures as

to what has taken place to date that include 265 additional residential units in the downtown, 137,800 square feet of new commercial space, 33,000 square feet of remodeled commercial space and the parking deck contributed 790 public parking spaces.

ECONOMIC PERFORMANCE

Mr. Mike Baker reported next on the economic performance of the Downtown TIF District. He said the equalized assessed valuation (EAV) of the district when created in 1997 was \$16.05 million and has increased significantly now to \$45.96 million an increase of 186 percent. For comparison purposes, he stated that in the four years prior to creating the TIF District the EAV increased a total of 5.4 percent. He presented a graph showing the improvement in property values since the late 1990's which have increased dramatically and is attributable to many of the projects completed since that time. He mentioned that the reason there was so little growth in the EAV during the first 4 or 5 years is primarily due to the strategy which focused heavily on infrastructure improvement in the early stages of the TIF. Since the TIF was created, expenses have totaled \$52.7 million which has leveraged an estimated private investment of \$85.8 million. The Village has garnered about \$2.5 million in grant funding resulting in a leverage ratio of 1.63 to 1 at the end of 2007.

IMPLEMENTATION STRATEGY

Mr. Mike Baker next provided an overview of the Village's implementation strategy. He explained that the Village Council adopted an implementation strategy to facilitate additional redevelopment projects, to examine the mix of future land uses and product types in response to market conditions. The Village continually reviews and updates the Plan to guide future redevelopment in the downtown. The strategy is to use pay-as-you-go financing to maximize TIF return and minimize the risk. He mentioned that the Charles Place project is a good example of this where the Village only contributes TIF dollars to the extent that that project generates increment within the TIF with minimal risk to the Village. The redevelopment of the Civic Center has been identified as a priority of the Village Council and is a project that they continue to make progress on. He said there is one final phase of public improvements that will take place along Washington Street when it is determined to be financially appropriate. Finally, leverage resources in the TIF to support existing businesses and improve public spaces.

During fiscal year 2007, he said the Village presented a Downtown Strategy to several groups in the Downtown as well as the Village Council. The first phase of the Acadia on the Green project was completed and the second phase is 75 percent complete. The Forest Avenue Condominium development was completed. The Village Council approved a redevelopment agreement for the Main and Maple project but due to financial conditions, the developer withdrew from the project. Construction continued on Charles Place as well as began on the Downers Grove Townhomes.

FINANCIAL SUMMARY

Mr. Mike Baker reviewed the financial summary for fiscal year 2007. He said the district generated \$2.3 million in revenue, expenditures were just over \$3 million and the fund balance decreased from \$1.5 million to \$833,317. He said a primary reason for the decrease in the fund balance had a lot to do with the public improvements related to the Acadia on the Green project in the amount of \$756,000.

Current Plans for 2008 include completion of Acadia on the Green phase two and the Charles Place office condominium building. He said staff would be looking at ways to improve the aesthetics of the parking lot located at the Main and Maple site due to the inability to pursue a redevelopment agreement on that site. He said the Village also expects the Downers Grove Townhome project to be completed and to review and proceed with the Forest Avenue project.

Mr. Mike Baker briefly reviewed a list of enhancements planned for the Downtown that are budgeted for the current year. The enhancements represent a shift in focus that is geared toward improvements that will provide benefit to many of the existing businesses in the downtown, such as improving the condition and appearance of alleys, completing the pattern book, and many other enhancements that will help beautify and provide benefit for some of the existing businesses.

GOALS FOR 2010

Mr. Mike Baker reported on the measurable goals to be achieved by 2010 include: increasing in the total assessed valuation of the downtown to \$60 Million; strengthening the leverage ratio 3 to 1 to create more private investment; increasing new office space by 25,000 square feet, increasing new retail space by 25,000 square feet, and potentially, if market conditions allow, adding 100 residential units.

Mr. Mike Baker asked if there were any questions or comments from members of the Joint Review Board regarding the TIF Report or the presentation.

Mr. Christopher Bowen asked what the actual net increase of new parking spaces is in the new parking deck. **Mr. Baker** replied that he would forward the information to him.

Mr. Mike Baker asked if there were any further questions from the Joint Review Board. There being no further questions, he asked for questions and comments from the audience.

PUBLIC COMMENT

Mr. Dan Loftus asked about the status of redeveloping phase three of the Acadia on the Green project. **Ms. Petrarca** responded that according to the redevelopment agreement the closing on the property needs to occur by November 2009.

Mr. Dan Loftus asked whether the Main and Maple site still had potential for redevelopment. **Mr. Baker** stated that the Village has worked with two prospective developers each with the same outcome that they were really unable to make a viable project work. The Village determined that this site might be more appropriate and suitable for a public use to continue to provide parking and work on enhancing the appearance of this site.

Mr. Dan Loftus asked whether the Village is considering using TIF funds for the redevelopment of the Civic Center. **Mr. Baker** replied that the TIF statutes are very clear that TIF increment cannot be used for the improvement of public facilities. He said as the Village proceeds with plans for the Civic Center site, TIF increment is not envisioned as a source of funding.

Ms. Bea Bennett asked for a definition of the Civic Center. **Mr. Baker** said the Civic Center consists of municipal buildings on approximately 9 acres which includes the Village Hall, Police Station, a single family home which serves as a counsel and social services facility, a fleet maintenance garage and some storage facilities. He further commented that there is much preliminary evaluation to be completed before this project moves forward. **Ms. Bennett** asked if the Village Hall and Police Department will be relocated. **Mr. Baker** said relocation is an option that is being looked at and that there are advantages and disadvantages to each approach. The Village is closely evaluating the alternatives.

Ms. Bea Bennett asked a question about acquiring the Post Office. **Mr. Baker** explained if the Village wanted to acquire the site, it would have to be purchased. At this time, the Village does not have plans in place for acquisition of that site. He said the Village has an on-going working relationship with the Post Office to address some of the issues that have been identified at that site and around that area with the construction of the new Acadia on the Green project. **Ms. Bennett** further stated that she heard the Post Office would be just a drop off location. **Ms. Petrarca** said she believes the Post Office is looking to relocate the distribution portion of their operation out of the downtown.

Ms. Bea Bennett asked how much sales tax and real estate tax is the downtown realizing as a result from the redevelopment of Acadia on the Green and the entire TIF District. **Mr. Baker** replied that he didn't have the specific information on the Acadia project but he provided her with a copy of the TIF Report that indicates all the performance information she was looking for. **Mr. Baker** further stated that if anyone was interested in receiving a copy of the report it would be mailed or an electronic version would be provided. **Mr. Bowen** requested a copy be available in the reference department at the library.

Mr. Mark Staehlin commented that he wanted to clarify a statement made by Ms. Bennett. He said speaking from a school district perspective, any taxing body that is tax capped has not lost any dollars. He explained that the school district would get a consumer price increase (CPI) in their extension every year, so whatever amount was levied last year the school district gets a CPI this year of 2.5 percent. Tax caps guarantee the school district that same increment amount whether or not the property is protected by the TIF. He explained all the other tax payers participating in the districts levy make up for it. He said to clarify; the school district is not behind in collecting dollars. Prior to the creation of the TIF District, the EAV was growing at 5 percent over a 4 year period which indicates that the EAV was barely growing. He said the current EAV has really taken off and he supports the TIF because he feels it does help regenerate certain areas and he thinks that the surrounding areas increase in EAV while a TIF is in place. The dynamic of a TIF is that these EAV's had gone up and may not have happened if it wasn't being spurred by the TIF creation. It would have been dormant. He said after 23 years, the TIF increment will be new construction to those capped entities and you will see a relief.

Mr. Tom Dabareiner said that he had an answer to Mr. Bowen's question about net parking spaces. He said 790 spaces represent the entire parking deck and approximately 200 surface parking spaces were taken away for this development and some spaces were dedicated which provides a net gain of approximately 590 parking spaces.

ADJOURNMENT

Mr. Mike Baker asked if there were any questions or comments from the Joint Review Board or the general public. There being no further questions, he asked for a motion to adjourn.

MR. MARK STAEHLIN MOVED TO ADJOURN THE MEETING AND MS. DEBBIE UTECHT SECONDED THE MOTION. MOTION CARRIED BY VOICE VOTE OF 6:0.

The Annual Joint Review Board Meeting for the Downtown TIF was adjourned at 4:50 p.m.

Respectfully Submitted,

Kathy DesMarteau, Recording Secretary