

DRAFT

Minutes of the Joint Review Board

May 5, 2020

3:00PM

Zoom Virtual Meeting

Representatives of Joint Review Board in Attendance

Cathy Johnson, Township High School District 214

Vickie Nissen, Community Consolidated School District 59

Carrie Fullerton, Arlington Heights Park District

Arthur Williams, Cook County

Tom Kuehne, Village of Arlington Heights

Greg Ford, Public

Bret Bonstetter, Harper College

Representatives of Joint Review Board not in Attendance

Elk Grove Township

Others Present

Bill Enright, Assistant Director Planning and Community Development Village of Arlington Heights

Charles Witherington Perkins, Director Planning and Community Development, Village of Arlington Heights

Bob Rychlicki, Kane McKenna and Associates

DJ Fiore, Kane McKenna and Associates

Jason Myers, Arlington Heights Park District

Call to Order

Bill Enright opened with the Roll Call:

Cook County: Arthur Williams

Township High School District 214: Cathy Johnson

Community Consolidated School District: Vickie Nissen

Harper College: (Mr. Bonnstetter did not respond as his microphone was on mute but he was present)

Arlington Heights Park District: Carrie Fullerton

Elf Grove Township: not present

Village of Arlington Heights: Tom Kuehne

Bill Enright indicated that 5 of 7 members are present and therefore there is a quorum present.

Appointment of Public Member

Bill Enright indicated that he contacted Greg Ford to ask if he was interested in being the public member of the Joint Review Board as he sits as the public member for two existing TIF Districts in the Village. He asked if there was a motion to appoint the public member.

Motion by Cathy Johnson, School District 214 to appoint Greg Ford as public member.

Second by Tom Kuehne, Village of Arlington Heights

Voice Vote: All were in favor, none opposed

Appointment of Chairperson

Bill Enright indicated that Mr Kuehne serves as chairperson on the other Village of Arlington Heights Joint Review Boards and that anyone can be nominated who sits on the JRB. Mr. Enright asked if there was any discussion. Seeing none a motion was made.

Motion by Cathy Johnson, School District 214 to appoint Tom Kuehne as Chairperson.

Seconded by Carrie Fullerton, Arlington Heights Park District

Voice Vote: All were in favor, none opposed

Bill Enright introduced himself as liaison to JRB not a member and he provided some background on the South AH Road Corridor Plan which was approved by the Village Board in 2018. In that Plan, the Board recommended that the Village evaluate tax increment financing to facilitate development as there are several vacant properties and buildings. There has been no recent investment in the area other than one of the hotels being renovated. There are a series of public improvements that the Village would like to implement to improve the corridor and also work with private property owners on redevelopment. The purpose of this meeting is the first step to consider a TIF District for this corridor. The Joint Review Board is advisory to the Village Board. Mr. Enright indicated that he forwarded the Resolution and Recommendation to the JRB for consideration at the end of this meeting.

Mr. Kuehne then introduced the Village consultant from Kane McKenna and Associates: Bob Rychlicki and DJ Fiore who will make a presentation.

Bob Rychlicki started the power point presentation by indicating that the taxing districts were provided notice of the meeting and provided the TIF plan. Also he informed the JRB they have up to 30 days to forward a decision to the Village. The JRB has options to either agree with the Villages findings outlined in the TIF Plan and eligibility report that the area qualifies as a TIF, or you may not agree with findings

but if so then the JRB shall provide specifics on which areas they are in disagreement with. And finally, if no decision from the JRB is rendered then the TIF moves forward as a positive decision.

Mr Rychlicki provided background on the proposed TIF area as a gateway to Arlington Heights pursuant to the South Arlington Heights Road Corridor Plan approved by the Village in 2018. This area provides challenges for redevelopment and thus TIF funding is a source of funding improvements.

He provided a map of the proposed TIF area running from I90 on the south the Seegers Road on the north. Aerial images were presented of the area which includes various land uses. The objectives of the Tif Plan are consistent with the Village Comprehensive Plan and the 2018 South Arlington Heights Road Corridor Plan which is a requirement of the TIF statute. Further the Village finds that area redevelopment won't occur but for the use of Tif financing. He explained how TIF funding works with a base year established and incremental revenues pledged to the TIF.

DJ Fiore of Kane McKenna then presented the TIF Eligibility findings. The findings are that the area qualifies as a conservation area per Statute. First the area includes over 50% of structures aged 35 or over as 10 of 17 structures are over 35 years old. In addition a minimum of 3 of 15 factors must be present. The area meets 6 factors present. First the area EAV lags or is declining for 3 of last 5 years which the area has. Second is excessive vacancies. 5 of 6 buildings south of Algonquin Road are vacant. North of Algonquin Road there is a 35% vacancy rate. Third is deterioration of structures and improvements such as surface improvements and building components. Fourth is lack of community planning meaning the area developed without a community plan in place resulting in lots and parcels of inadequate shape and size for contemporary development, poor layout of access drives with multiple driveways in a piecemeal manner. Fifth there are inadequate utilities as existing storm water management does not meet today's current standards. New development will need to adhere to greater standards adopted by the MWRD and the Village. The Village engineer provided a written statement to that effect. Sixth the area includes obsolescence which is demonstrated in the age of structures being 35 years of age and older, underutilized parcels which contribute to lag in EAV.

Mr. Rychlicki added that not every parcel has to meet all criteria, it is the area as a whole. He further went over the key elements of the TIF Plan indicating that the most recent EAV for the area is 24.5 million. The budget includes 86 million for Tif eligible costs including funds set aside for school district tuition payments as required by Statute. Also included is funding for utilities and land acquisition. The land use plan for the area includes mixed uses for a mix of residential and business uses.

B. Enright then presented some context how the Village has utilized TIF districts. The Village currently has 3 TIF districts that comprise 147 acres which equates to 1.4% of the Village's land area. If this proposed TIF is included the total land area would increase to 212 acres or 2.1% of the Village total. In addition the existing TIF incremental EAV equates to one-half of one percent of the Village total EAV, so a very small portion of the total EAV. The Village we believe uses TIF minimally although we recognize that the taxing districts boundaries go beyond the Village of Arlington Heights.

Vickie Nissen asked two questions- first how many residential units are proposed in the TIF?

B. Enright indicated there are three primary development sites with one developer proposing 175 senior housing units. The two other sites could range from a total of 600 to 900 multi family units likely phased in over time. As mentioned TIF statute requires tuition reimbursement for new students in a TIF assisted development with a cap of 40% of the residential increment pledged towards reimbursement.

The Village entered into agreements with SD 25 and 214 for the Hickory Kensington TIF that outlines the process for reimbursement which would be a good idea for this TIF as well.

Mrs. Nissen expressed concern with timing of TIF and that the school district is in process of selling their site for \$5.0 million which would increase the EAV and thus the base EAV for the TIF.

B. Enright indicated that the sale price is not the sole indicator of EAV and that the site includes vacant land. Mr. Rychlicki added that typically for sales mid year the assessor would make a partial adjustment to the EAV.

B. Enright moved along to the next portion of the agenda that being the 3 Ordinances proposed to establish the TIF. These are provided to the JRB for review as these are typical Ordinances required to approve a TIF district. The Village Board would consider these Ordinances at a future meeting to consider the TIF.

B. Enright asked if there were any questions from the Joint Review Board.

Kathy Johnson of SD 214 had no questions.

Vickie Nissen of SD 59 asked if the Village had projections on the number of students to be generated in the TIF and also is this TIF adjacent to the existing TIF on Golf Road? B. Enright stated that no projections had been made yet but that in our experiences with similar multi family development in downtown Arlington Heights there are minimal students expected. This is based on data from SD 25 that was provided to the Village. These types of residential development don't generate many students as there are more single person housing units which results on smaller average household sizes. Also this TIF will not be adjacent to TIF 4 on Golf Road.

Carrie Fullerton of the Arlington Heights Park District asked if the Open Space designation at the south end was for a future park and if impacts fees will be required? B. Enright indicated that one site at the south end is the former Elk Grove Township offices and that the Village Comprehensive Plan designated that parcel as open space which does not equate to park land. There is no future park land in the TIF area although the mixed use development will include amenities for residents living there. Impacts fees will be required per code.

Arthur Williams of Cook County had no questions.

Greg Ford asked if the Village anticipated any objections from property owners in the proposed TIF and also what impact does MWRD storm water requirement have on sites? B. Enright indicated that we had not yet received any objections from owners. The MWRD recently revised their storm water management requirements which will require new development in the area to comply with higher standards. This impacts developer costs as more land has to be devoted to storm water retention. Developers are often building underground storage which is costly. The Village is also studying existing public water and sewer mains for capacity as upgrades may be needed.

Bret Bonnstetter of Harper College had no questions.

Tom Kuehne asked for explanation of existing agreements with SD 25 and SD 214 in the Hickory Kensington TIF. B. Enright indicated that the agreements set forth the step by step process for the school districts to receive TIF funds for tuition reimbursement as required by TIF statute. The school

district would inform the Village each Fall by a date certain of any new students living in the TIF and the calculation of tuition for each student per statute. The Village then has a certain time frame to review and disburse the funds as required.

B. Enright then indicated during the public question portion of the agenda that he received two emails. One email from resident Keith Moens which B. Enright then read into the record (said email is attached to these minutes as part of the record). Another email with two questions was submitted by resident Melissa Cayer which questions were read into the record.

B. Rychlicki responded to the two questions posed indicating that impacts to the taxing districts can be funded by the TIF if needed as determined by the Village. Also the tax rate for properties inside the TIF is the same as for properties outside the TIF.

B. Enright asked any members of the public that were on this webinar to use the “waive” function if they wished to comment or ask a question. There were no members of the public who asked to be recognized.

B. Enright then indicated the next item on the agenda is for the JRB to consider the Resolution and Recommendation to approve the TIF. This document was previously provided to the JRB and was on the Village web site. All members of the JRB indicated that they had read the Resolution.

Motion by Arthur Williams of Cook County to Approve the Resolution and Recommendation.

Seconded by Greg Ford, Pubic Member

Roll Call vote was taken:

Cook County: Mr. Williams Yes

Mr. Ford: Yes

School District 59: Mrs. Nissen Abstained

School District 214: Mrs. Johnson Yes

Arlington Heights Park District: Mrs. Fullerton Yes

Village of Arlington Heights: Mr. Kuehne Yes


Harper College: Mr. Bonstetter Yes

The motion to approve passed 6 yes, Zero nays, 1 abstention.

B. Enright thanked the members of the Joint Review Board and indicated that this recommendation will be forwarded to the Village Board. The next step is the Redevelopment Commission public hearing on May 27th at 7:30pm via Zoom Webinar. Thereafter the Village Board would likely consider this petition in June.

Motion to Adjourn by Cathy Johnson seconded by Carrie Fullerton all voted to adjourn. Meeting adjourned at 3:56pm.

Recorder of Minutes: Bill Enright, Village of Arlington Heights

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To: The Joint Review Board:

Please opt-out or do not approve of the proposed South Arlington Heights Road Redevelopment Plan and Redevelopment Project *Tax Incremental Financing* (TIF) district. Extensive research has proven that in most cases TIF's have not accomplished the goal of promoting expected economic development. (1)

Given the current economic uncertainty for taxing districts due to the COVID-19 pandemic, approving a TIF at this time is not prudent. It is not essential to enter into a long term arrangement that will deprive needed tax revenue for education and other public services. This would also apply to any proposed deal by the Village that may allow early withdrawal of TIF funds. Also, public transparency must be improved regarding the TIF district expenditures, revenues, and who is in charge.

In my opinion, the proposal to create a TIF along the southern corridor of Arlington Heights Road does not meet the blighted area criteria as was originally intended in TIF legislation. Public investment at the expense of school districts and other services for private development is not justified now.


Thank you for your attention to this matter.

Sincerely,
Keith Moens


Arlington Heights, Ill 60005

References:

1. *Improving Tax Incremental Financing (TIF) for Economic Development*; by David Merriman, University of Illinois-Chicago, Lincoln Institute of Land Policy, Copyright 2018.

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Agenda Item IV. F. Questions/Public Comments

About Agenda Item IV. G.

1. Is the TIF going to cause my property tax bill to increase?
2. How can you ensure that the property covered by the TIF pays their share of the services that are billed on the property tax bill?

-Melissa Cayer 