

# DRAFT – NOT APPROVED

## TIF Joint Review Board Meeting Minutes February 21, 2013

### Attendees:

**Board Members:** Mary Brown- School District 65, Ald. Judy Fiske – City of Evanston, Darryl Holmes- Cook County, Bill Stafford- District 65

**Board Members Absent:** Arnold Randall- Forest Preserve of Cook County, Carolyn Dellutri- Downtown Evanston, Dr. Hardy Murphy- District 65, Bob Novak- Oakton Community College, Brian Rosinski- Ridgeville Park District, Larry Kaufman- Member at Large, Valerie Kretchmer- Member at Large, Richard Kwasneski- PACE, Patricia Vance – Evanston Township, Margaret Lee – Oakton Community College, Kathleen Therese Meany- Metropolitan Water Reclamation District, Robert Berry- North Shore Mosquito Abatement, Mayor Tisdahl – City of Evanston

**City Staff:** Steve Griffin, Johanna Nyden, Paul Zalmezak, Martin Lyons, Meagan Jones

**Others in Attendance:** Bob Rychlicki – Kane McKenna, Ald. Ann Rainey – City of Evanston, Ald. Delores Holmes – City of Evanston, Ginny Holbert- Howard to Isabella, Toni Gilpin- Howard to Isabella.

### **I. Call to Order by Ald. Judy Fiske, Chair**

Chair Judy Fiske called the meeting to order at 3:11 p.m.

### **II. Approval of Joint Review Board Meeting Minutes of December 16, 2011**

Darryl Holmes of Cook County Bureau of Economic Development motioned to approve the minutes from December 16, 2011; seconded by Mary Brown of District 65.

**The minutes from December 16, 2011 were approved unanimously, 4-0.**

### **III. Review of Annual Reports for Fiscal Year March 1, 2011- December 31, 2011**

Mr. Bob Rychlicki of Kane McKenna Associates gave a brief overview regarding how the reporting for each TIF is conducted. He clarified that these reports cover a period of ten months reflecting the transition to calendar year accounting.

## **A. Southwest TIF District #2**

Marty Lyons provided an executive summary to the Joint Review Board detailing the revenue and assessed value for each of the TIF Districts. He brought the Board's attention to pages 4, 19 and 26 of the report. He stated that the Southwest TIF District is scheduled to terminate in October 2014 then highlighted major projects that are still scheduled to be completed before that time.

Alderman Ann Rainey asked if the advantage of funding the Ward Manufacturing project could be clarified. Mr. Lyons gave a brief history of the project and the business. Mr. Griffin added that the company is Evanston based and has grown successfully over the last 20 years. He continued, stating that there were a large number of jobs that were kept in Evanston in addition to six new jobs created by assisting Ward in obtaining new equipment and expanding. Mr. Lyons explained that Ward Manufacturing is one of the business projects that is keeping the Southwest TIF stable and active.

Ms. Brown asked for clarification on when the increment from the TIF would be collected by the taxing bodies once the TIF expires. Mr. Lyons responded that since the TIF expires in 2014, taxing bodies would receive the levy in 2015. Mr. Rychlicki added that each taxing body would receive a certified notice in the November prior to the expiration of the TIF.

Mr. Lyons added that the TIF's Equalized Assessed Value has increased from \$1 million to \$8 million.

## **B. Howard Hartrey TIF District #3**

Mr. Lyons presented a brief overview of the initial reasons for establishing the TIF, emphasizing that it was previously a large manufacturing business that is now a thriving commercial development. He then called attention to the surplus distributions due to the change in the fiscal year and directed the Board's attention to pages 19, 26 and 31 of the report, outlining projects within the TIF. He stated that \$1,500,000 has been set aside for projects or land acquisition in the TIF this year.

Mr. Griffin briefly described the possible uses of funds for outlot development and stated that \$1.2 million has been set aside for Capital Improvement Projects will take on several projects before the TIF expires in 2016.

Mr. Lyons explained that there are still bonds payable within the TIF District which will need to be taken into consideration before discussions of any payouts or closures of the TIF. He went on to explain that the starting Equalized Assessed Value of the TIF District was \$7 million and has grown to nearly \$25 million.

Ald. Rainey gave a background on the development that has occurred within the TIF, stating that each of the stores at that location has been successful.

### **C. Washington National TIF #4**

Mr. Lyons introduced the TIF and explained that it was formed in 1994, amended in 1999 and is scheduled to expire in 2018. He stated that the TIF encompasses the Southwest portion of downtown Evanston. The TIF shows an \$8 million fund balance but there is \$25 million in bond payments that are still outstanding.

Mr. Griffin provided a brief overview of some of the Capital Improvement projects that are scheduled to be completed in the coming year, including waterline replacement on Davis Street and street-scape work. He stated that there has been a great amount of interest from downtown businesses in the façade program and other funding opportunities.

Mr. Lyons brought the Board's attention to pages 26 and 31 of the report and indicated that he believes that the TIF will remain stable and grow, enabling the future increment to cover the planned expenditures. Mr. Lyons explained that the initial EAV of the TIF District was \$25.7 million and has grown to the current level of \$100 million with six years left in the TIF District. Mr. Rychlicki indicated that the amendment to the TIF may have affected the EAV.

Ald. Rainey asked if Sherman Plaza was in the original TIF. Mr. Rychlicki responded that it was in the original Washington-National TIF boundaries. Mr. Lyons stated that the garage in Sherman Plaza is approximately 90% full. Mr. Holmes asked if the garage was City-owned, to which Mr. Lyons responded yes. He added that the increment accrued within the TIF District is paying for the debt service on the bond.

Mr. Stafford mentioned that if the increment had not covered this amount then the garage would have been paid for through the City's parking fund. He then described how much the Downtown area has grown since the establishment of the TIF District and emphasized that the increment has increased such that payment through the parking fund has not been necessary.

### **D. Howard Ridge TIF District #5**

Mr. Lyons gave a brief introduction of the TIF, explaining that it is set to expire in 2028.

Ald. Rainey briefly described the most recent project underway, a lease for a restaurant on 623-627 Howard Street. She detailed how the City went about acquiring three buildings on Howard Street, with the vision of revitalizing the Street. Ms. Nyden then provided a brief overview of the 629 Howard Street project, the history of the 623-627 Howard Street project and the theater group project at 727 Howard Street.

Mr. Lyons then explained that the area met all of the requirements for establishing the TIF. He then detailed that the first project to use TIF funds was the 415 apartment building and is being used as a catalyst for the revitalization of Howard Street through various project funding strategies. Mr. Lyons then referred to pages 19, 26 and 31 of the report, describing the available funds which will be used to

assist in the development of the previously mentioned Howard Street projects.

Ald. Rainey explained how the building at 629 Howard Street was previously not generating any sales tax and now Ward Eight Cocktail Lounge & Shop is generating multiple sources of revenue and has been very successful.

#### **E. West Evanston TIF District #6**

Mr. Lyons gave a brief overview of the area encompassed by the TIF, explaining that it largely follows the old Mayfair railroad right-of-way. He stated that the TIF is set to expire in October of 2029 and that the purpose of the TIF was to update infrastructure and to attract industrial businesses

Mr. Lyons stated that the railroad is not active and that has actual caused some blight in the area. He stated that one goal for that area is to create more green space along that right-of-way. Mr. Griffin described several projects underway within the TIF including \$600,000 for the Emerson Square residential development, lighting around Evanston Township High School and some land acquisitions. Mr. Stafford expressed his support of the TIF and appreciation of the City's cooperation in terms of various public works and economic development projects.

Mr. Griffin summarized the Evanston North Shore Contractors Cooperative renovation underway at 1817 Church Alderman Rainey added that the group has built an addition to the building and that there is a good partnership between the City and the Contractor's Cooperative.

Mr. Lyons explained that this is a much more diverse TIF with a greater list of challenges and goals associated with it than with the other TIF Districts. He indicated that a goal is to attract development that creates a bond deficit that will eventually create increment. He brought the Board's attention to pages 29, 31 and 34 of the report and stated that the beginning EAV for the TIF area was \$37 million and is now \$45 million.

#### **IV. Board Discussion**

Ms. Tony Gilpin, journalist with website Howard to Isabella, asked for clarification on the six jobs that Ward Manufacturing created after receiving City funds. Mr. Lyons responded that Ward Manufacturing pursued a building addition, new equipment and increased production. He then stated that the new jobs were likely in another location and moved to Evanston.

Ms. Gilpin then asked if LSL Industries would have to return the \$50,000 it received from TIF funds since they are no longer in Evanston. Mr. Griffin responded that they are not required to repay those funds. Ms. Gilpin then inquired as to whether or not jobs are tracked by TIF. Mr. Griffin responded that the City does not track jobs by TIF but there is quarterly reporting on new jobs created by new or expanding businesses City-wide.

Mr. Holmes expressed appreciation for Ald. Rainey being present and sharing more detail stories regarding how the TIFs have benefitted the community. He

continued, stating that other communities would be envious of the growth seen in Evanston's TIF Districts.

**V. Adjournment**

Mr. Holmes made a motion to adjourn; seconded by Ms. Brown. Meeting adjourned at 4:25 p.m.

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