

Joint Review Board Meeting Minutes

November 15, 2017

Council Chambers

The meeting was called to order at 4:05 p.m.

Karla McCleary conducted Roll Call of JRB Meeting members:

Raymond P. Rogina	Mayor, City of St. Charles
Edith Craig	St. Charles Public Library
Cathy Camm	St. Charles Park District
Ron Johnson	St. Charles Township
Seth Chapman	St. Charles Community School District #303
Mark Armstrong	Kane County

Also in attendance:

Matthew O'Rourke	St. Charles Resident
John McGuirk	Hoscheit, McGuirk, McCracken & Cuscaden P.C.
Mark Koenen	City Administrator, City of St. Charles
Christopher Minick	Director of Finance, City of St. Charles
Rita Tungare	Director of Community & Economic Development
Karla McCleary	Recording Secretary, City of St. Charles

Mr. Armstrong made a motion, seconded by Mr. Chapman, that Matthew O'Rourke be elected as "Public Member" for this Joint Review Board. All in favor. Motion passed.

Mr. Armstrong made a motion, seconded by Mr. Chapman, for Raymond P. Rogina to be named Chairperson. All in favor. Motion passed.

The elections of the Chairperson and Public Member were carried over through the remainder of the meetings.

Introductions of City Staff followed.

A motion was made by Mr. Armstrong and seconded by Ms. Camm to approve the October 25, 2016 Hotel Baker TIF Meeting Minutes. All in favor. Motion passed.

Mayor Rogina requested a review of the effectiveness and status of the Hotel Baker TIF to date.

Hotel Baker TIF #1

To begin, Mr. Minick explained the overall process of the Joint Review Board Meeting to all attendees:

- Providing background about the TIF
- Financial Performance for FYE April 30, 2017
- Forecast Performance for FYE April 30, 2018
- Presentation includes prepared financial statements for the individual funds within each TIF District including a copy of the actual audited financial statements and report on the compliance with the TIF Act as issued by auditors, Sikitch, LLP.
- A special note was given regarding the status of the 2017 reports – the State of Illinois Comptroller's office was tardy in putting together the paper copies of the reports as well as developing the data interface that allows for the downloading of the reports. When State notification is received to go ahead and download the files, these documents will be filed in accordance with State law. JRB Members will be notified when they are filed and if for some reason there are changes made, they will be notified regarding that as well.
- Questions

Mr. Minick reported that the Hotel Baker TIF, District #1, was established on January 6, 1997. There was General Obligation Debt of the City that was issued to assist with financing the rehabilitation of the Baker Hotel. That debt was paid off on December 1, 2016, therefore there is no outstanding bonded debt related to this TIF as of April 30, 2017. At FYE - April 30th, 2016, there was \$410,000 in principal outstanding on this debt. The Hotel Baker TIF will expire with the 2018 tax levy which is payable during calendar year 2019. For the year ending 4/30/2017, the TIF had revenues of approximately \$236,614. The debt service expense related to the principal and interest payments were \$415,125 resulting in a deficit of \$178,500. The amount to cover the deficit was advanced from the City's General Fund and as of 4/30/2017, the City's General Fund had advanced this TIF District \$471,250. For FY 2018, with no debt service expenditures, it is anticipated that repayment of the advanced funds will begin. Revenues anticipated are approximately \$233,000. With no debt service due in FY 2018, this will allow for repayment in the amount of approximately \$233,000 leaving an approximate balance due to the City's General Fund of about \$238,000 at 4/30/2018.

Mayor Rogina asked if there were any questions or comments regarding this TIF. There were none.

Mayor Rogina requested a motion to adjourn. Mr. Armstrong motioned to adjourn, seconded by Mr. Johnson. All in favor. The meeting was adjourned at 4:15 p.m.

Raymond P. Rogina, Chairman

Respectfully submitted,
Karla McCleary

**Joint Review Board Meeting Minutes
November 15, 2017
Council Chambers**

Moline Foundry TIF #2

The meeting was called to order at 4:15 p.m.

Karla McCleary conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Matthew O'Rourke	St. Charles Resident – Public Member
Edith Craig	St. Charles Public Library
Cathy Camm	St. Charles Park District
Ron Johnson	St. Charles Township
Seth Chapman	St. Charles Community School District #303
Mark Armstrong	Kane County

A motion was made by Mr. Armstrong and seconded by Mr. Chapman to approve the October 25, 2016 Moline Foundry TIF Meeting Minutes. All in favor. Motion passed.

Mayor Rogina requested a review of the effectiveness and status of the Moline Foundry TIF to date.

Mr. Minick reported that the Moline Foundry TIF, District #2, was established on July 6, 1998. This TIF expires with the 2019 tax levy payable in calendar year 2020 with the City's FY ending 4/30/2021. As of 4/30/2017, there is approximately bonded debt outstanding in the amount of \$325,000. The final payment on this debt will be made on December 1, 2017. During FY 2017, this TIF generated a surplus of approximately \$189,000. Based on revenues of \$525,289 with debt service expense during FY 2017 of \$336,325, resulting in the surplus of approximately \$189,000. As of 4/30/2017, this fund has been paying off prior advances from the General Fund during years when the tax incremental revenue was not sufficient to make the debt service payments. As a result, this fund still owes the General Fund approximately \$427,465. The surplus that was generated during FY 2017 will be applied to repayment of that, resulting in approximately \$230,000 still owed. For FY 2018, another surplus is anticipated in approximately \$431,000 and approximately \$341,000 in debt service expense. There was a change in the classification of these buildings from manufacturing valuation to warehousing valuation for the 2016 levy that is being collected now. This is why there is a substantial reduction in revenue between 2017 and 2018. The revenue is reduced by approximately \$94,000 based on the reclassification of existing buildings.

Mayor Rogina asked if this is the first time that this has happened in relation to the TIF's. Mr. Minick said that to the best of his knowledge, yes, this was the first time that this has occurred.

Mr. Armstrong stated that the General Assembly is looking at the issue of TIF abuse statewide. The Moline TIF is the poster child when TIF's have gone right when considering the contaminants that were existing prior – there is simply no way it would ever have been developed. Allowing it to remain undeveloped would have been detrimental to the environmental conditions locally. Mayor Rogina appreciated that comment and added that the City has done an upward swing for many years moving green and will continue to do that.

Mayor Rogina requested a motion to adjourn. Mr. Armstrong motioned to adjourn, seconded by Ms. Camm. All in favor. The meeting was adjourned at 4:23 p.m.

Raymond P. Rogina, Chairman

Respectfully submitted,
Karla McCleary

**Joint Review Board Meeting Minutes
November 15, 2017
Council Chambers**

Former St. Charles Mall TIF #3

The meeting was called to order at 4:23 p.m.

Karla McCleary conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Matthew O'Rourke	St. Charles Resident – Public Member
Edith Craig	St. Charles Public Library
Cathy Camm	St. Charles Park District
Ron Johnson	St. Charles Township
Seth Chapman	St. Charles Community School District #303
Mark Armstrong	Kane County

A motion was made by Mr. Johnson and seconded by Ms. Camm to approve the October 25, 2016 St. Charles Mall TIF Meeting Minutes. All in favor. Motion passed.

Mayor Rogina requested a review of the effectiveness and status of St. Charles Mall TIF to date. He clarified that this TIF represents the old mall property located on Route 38 and Randall Road, not the former Charlestowne Mall.

Mr. Minick reported that the St. Charles Mall TIF, District #3, was established on June 19, 2000. This TIF expires with the 2023 tax levy that will be payable during calendar year 2024. As of 4/30/2017, there is debt outstanding in the amount of \$1,140,000. The debt for this TIF will mature on December 1, 2022. During 2017, this fund had and settled an assessment challenge that covered approximately 5 years of tax receipts for this TIF. The result is that there was no incremental revenue that was recognized during the fund during 2017. The TIF has a liability to Kane County of approximately \$150,000 as of 4/30/2017. This is so the overlapping tax districts and the taxpayer for the former mall property, ShoDeen, can be made whole based on property tax credits which are based on the new assessed values. There was correspondence circulated approximately a year ago, that related to the assessment challenges. Some of the payments to the overlapping districts were reduced to reflect some of the prior assessment challenges and in reality, the incremental revenue to the TIF is what should have been reduced – not the distributions to the overlapping districts. Lead by Mr. Chapman's efforts, this was brought to the county's attention and credit was given back in the amounts they had improperly been reduced during those prior years. Additionally, this TIF has general obligation debt of the City backing its performance. It has a liability to the General Fund for approximately \$1,228,435 for subsidies that the General Fund has made to cover the debt service on the bonds. The forecast for FY 2018 is revenue generation in the amount of about \$101,000. There is a debt service expense of about \$220,450 that will result in a shortfall of approximately \$120,000 for FY 2018. This will create approximately \$1,448,885 in liability to the City's General Fund at 4/30/2018. Additionally, if this is the case there will be a liability of approximately \$48,655 to Kane County remaining 4/30/2018. As construction occurs on this property, incremental revenues will increase which will reduce the liability to the City's General Fund.

Mr. Armstrong stated that one thing that will be useful with that is making sure that whenever a unit is complete and ready for occupancy, make sure that information is given to the Assessor as quickly as possible. Customarily, a property is assessed when it becomes fit for occupancy – in this instance this would mean the same as an occupancy permit - but not necessarily. Developers know this and commonly, they will get something really close and not go for an occupancy permit until they have a tenant, to delay paying taxes. This is not what the law states, so the Township Assessor needs to remain fully in the loop on the way the occupancy is going, said Mr. Armstrong. In addition, this will assist with getting tenants in there faster because they know they have an increased liability just by having the work done.

Mr. Chapman asked if there is information regarding the build-out schedule. Ms. Tungare said they will begin site work in the spring of 2018. This project is scheduled for an 8-10 year build-out with the first phase including two residential buildings that will be located on the eastern most edge of the property.

Mayor Rogina requested a motion to adjourn. Ms. Camm motioned to adjourn, seconded by Ms. Craig. All in favor. The meeting was adjourned at 4:30 p.m.

Raymond R. Rogina, Chairman

Respectfully submitted,
Karla McCleary

**Joint Review Board Meeting Minutes
November 15, 2017
Council Chambers
First Street TIF #4**

The meeting was called to order at 4:30 p.m.

Karla McCleary conducted Roll Call.

Raymond P. Rogina
Matthew O'Rourke
Edith Craig
Cathy Camm
Ron Johnson
Seth Chapman
Mark Armstrong

Mayor, City of St. Charles
St. Charles Resident – Public Member
St. Charles Public Library
St. Charles Park District
St. Charles Township
St. Charles Community School District #303
Kane County

A motion was made by Ms. Camm and seconded by Mr. Chapman to approve the October 25, 2016 First Street TIF Meeting Minutes. All in favor. Motion passed.

Mayor Rogina requested a review of the effectiveness and status of First Street TIF to date.

Mr. Minick said TIF #4 was established in March of 2002. This TIF expires during levy year 2024 payable in calendar year 2025. The original City's TIF #4 was reconstituted and separated into two TIF districts during February 2015. The TIF boundaries were reduced for TIF #4 to exclude the undeveloped portions of the original TIF which became TIF #7. Both of these TIF districts act in concert regarding the debt and incremental revenue that is generated. There is development going on in the new TIF #7 area that will increase increment as this development activity occurs. In February 2013, the debt for this TIF was restructured and the term was extended until December 1, 2038. The goal was, due to the significant delays in the First Street development during 2008 - 2010, the goal was to lower the short term debt service amounts related to the TIF to provide better cash flow to reflect the development activity in the new development time schedule that had occurred based on the delays from the economic activity and conditions. In addition, about one year ago, refinancing was completed on a certain portion of the debt related to TIF #4 resulting in a savings of approximately \$416,000 of interest costs as compared to the prior debt service schedule. The term on the particular refunding was not extended – this was done to achieve the cost savings of the better interest rate market allowed at that time. In 2017, incremental and interest revenue generated was \$485,245 with debt service expenditures of \$1,126,679. There was a \$641,434 deficit that occurred during FY 2017. That deficit was covered partially from a transfer of incremental revenue in the amount of \$102,000 from TIF #7 as well as a transfer from the City's General Fund. As of 4/30/2017, this TIF owes the City's General Fund \$2,156,616 and it also has \$24,755,000 in debt outstanding. During FY 2018, the forecast includes about \$480,000 in revenues as well as another transfer from TIF #7 in the amount of \$139,000 with debt service expenditures just under \$1,260,000 resulting in approximately a \$640,000 deficit. Realizing these figures, the amount owed to the General Fund at 4/30/2018 would be \$2,796,750.

Mayor Rogina asked if there were any questions or comments. There were none.

Mayor Rogina requested a motion to adjourn. Mr. Johnson motioned to adjourn, seconded by Mr. Armstrong. All in favor. The meeting was adjourned at 4:35 p.m.

Raymond P. Rogina, Chairman

Respectfully submitted,
Karla McCleary

**Joint Review Board Meeting Minutes
November 15, 2017
Council Chambers
St. Charles Manufacturing TIF #5**

The meeting was called to order at 4:35 p.m.

Karla McCleary conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Matthew O'Rourke	St. Charles Resident – Public Member
Cathy Camm	St. Charles Park District
Edith Craig	St. Charles Public Library
Ron Johnson	St. Charles Township
Seth Chapman	St. Charles Community School District #303
Mark Armstrong	Kane County

A motion was made by Mr. Johnson and seconded by Ms. Camm to approve the October 25, 2016 St. Charles Manufacturing TIF Meeting Minutes. All in favor. Motion passed.

Mayor Rogina requested a review of the effectiveness and status of St. Charles Manufacturing TIF to date.

Mr. Minick reported that the St. Charles Manufacturing or St. Charles Kitchen TIF, District #5, was established on May 5, 2003. This TIF expires during levy year 2026 payable in calendar year 2027. Currently, this TIF has debt outstanding in the amount of \$1,955,000 as of April 30, 2017. That debt matures on December 1, 2023. Revenues generated were \$190,439 as of FY ending April 30, 2017. There were debt service expenditures of \$320,875 resulting in a deficit of approximately \$130,436. This deficit was covered by the City's General Fund creating a liability to the General Fund in the amount of approximately \$1,582,254 as of 4/30-2017. Similar results are anticipated for FY 2018 with incremental revenues of \$191,660 and debt service of about \$318,675 leaving a deficit of approximately \$127,015. The General Fund is anticipated to make a transfer to cover this shortfall resulting in about a \$1,709,269 liability to the General Fund as of 4/30/2018.

Mayor Rogina asked if there are any questions or comments regarding this TIF.

Ms. Craig asked where this TIF is located. Ms. Tungare said it is along Route 64 and Tyler Road, behind the Chrysler Jeep Auto Dealership and going as far south as the railroad tracks.

Mayor Rogina requested a motion to adjourn. Mr. Chapman motioned to adjourn, seconded by Mr. Johnson. All in favor. The meeting was adjourned at 4:40 p.m.

Raymond P. Rogina, Chairman

Respectfully submitted,
Karla McCleary

**Joint Review Board Meeting Minutes
November 15, 2017
Council Chambers
Lexington Club TIF #6**

The meeting was called to order at 4:40 p.m.

Karla McCleary conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Matthew O'Rourke	St. Charles Resident – Public Member
Cathy Camm	St. Charles Park District
Edith Craig	St. Charles Public Library
Ron Johnson	St. Charles Township
Seth Chapman	St. Charles Community School District #303
Mark Armstrong	Kane County

A motion was made by Mr. Armstrong and seconded by Mr. Johnson to approve the October 25, 2016 Lexington Club TIF Meeting Minutes. All in favor. Motion passed.

Mayor Rogina requested a review of the effectiveness and status of Lexington Club TIF to date.

Ms. Tungare stated that this TIF is located on the north side of Dean Street between 7th and 9th Streets on the property that was formerly Applied Composites.

Mr. Minick reported that the Lexington Club TIF, established during January of 2013, expires with the 2036 tax levy year, payable during calendar year 2037. This particular TIF has no debt outstanding. The Redevelopment Agreement was established as a pay-as-you go repayment to the developer. This means that to the extent TIF revenues are generated and available, will be the extent of the developer's collection up to a maximum as stated in the Redevelopment Agreement.

During FY 2017, \$9,011 of incremental revenue was generated. There are no eligible costs that have been incurred or documented with the City. The \$9,011 along with prior year receipts is sitting in the bank and as of 4/30/2017 there is a cash balance of about \$17,684 in this TIF. Estimates include the receipt of an additional \$12,060 during FY 2018 resulting in a cash balance of about \$29,000 as of 4/30/2018. At this point, there are no expenses forthcoming or expected to be incurred. This development seems to be dormant at this particular time.

Ms. Craig verified that there is no change from last year's meeting minutes with regards to development activity. Mr. Minick reiterated that there is no activity at this time.

Mr. Johnson asked if this project originally was planned to be between at 5th and 7th Streets. Mr. Koenen said this property is not a perfect rectangle and Ms. Tungare added that there is a portion located just south of there up to the railroad tracks.

Mayor Rogina stated as a side note that there is activity at this location in the way of proposed development. There is a proposal for a brewery in one of the old industrial buildings remaining on this site.

Mayor Rogina asked if there were any questions or comments regarding this TIF.

Mayor Rogina requested a motion to adjourn. Mr. Johnson motioned to adjourn, seconded by Ms. Craig. All in favor. The meeting was adjourned at 4:45 p.m.

Raymond P. Rogina, Chairman

Respectfully submitted,
Karla McCleary

Joint Review Board Meeting Minutes
November 15, 2017
Council Chambers
Central Downtown TIF #7

The meeting was called to order at 4:45 p.m.

Karla McCleary conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Matthew O'Rourke	St. Charles Resident – Public Member
Cathy Camm	St. Charles Park District
Edith Craig	St. Charles Public Library
Ron Johnson	St. Charles Township
Seth Chapman	St. Charles Community School District #303
Mark Armstrong	Kane County

A motion was made by Mr. Chapman and seconded by Mr. Armstrong to approve the October 25, 2016 Central Downtown TIF Meeting Minutes. All in favor. Motion passed.

Mayor Rogina requested a review of the effectiveness and status of Central Downtown TIF to date.

Mr. Minick reported that the Central Downtown TIF, District #7, was established in February, 2015. This is the eastern half of the original First Street Development project and this also restarted the TIF clock based on significant delays that happened in the construction schedule related to the great recession. Incremental revenue began with the 2016 levy payable during the City's FY 2017. This TIF will expire with the 2037 levy that will be payable during calendar year 2038. Approximately \$129,710 in incremental revenue was received during FY 2017. Also, \$102,000 was transferred to assist in the debt service repayments for the First Street TIF #4. Anticipated incremental revenue for FY 2018 is \$139,000 and that will be transferred to First Street TIF #4 to assist with the debt service payments. In the interim, this is not a different treatment than what would have afforded had the original TIF continued. Those funds would have been incremental revenues utilized for the First Street TIF. This fund has been advanced \$1,482,013 from the City's General Fund related to the expenses for the parking garage and streetscape improvements for phase 3. There are some additional capital projects related to phase 3 that are the City's responsibility. There will be some additional transfers of revenue to cover those costs as the development of phase 3 of that development occurs over the next few years. Streetscaping and plaza improvements are the main expenditures that will be incurred as they relate to this TIF. These improvements will be an investment in this TIF and hopefully generate additional incremental revenue.

Mayor Rogina asked Ms. Tungare to provide an overview of the building schedule as it relates to First Street and this portion of the TIF. Ms. Tungare said there is one additional building that will be constructed north of the parking deck that is similar to the building currently located at the corner of Illinois and 1st Street. A similar footprint will be constructed just north of the parking deck. City Council recently approved plans for this and it will be for 3 floors of residential condominiums with retail on the first floor of the building and office use on the second floor. Per the Redevelopment Agreement, construction of this building is to begin in March of 2018 with completion of this building to be in late summer of 2019. This will complete phase 3 of the First Street Development project. As soon as construction begins and the shell is completed, the City will start work on public improvements such as the river walk and the plaza with completion by the end of 2019 or early 2020 at the latest.

Mr. Chapman asked if the developer covers the cost of the river walk. Ms. Tungare replied that it is the City's obligation to cover these capital improvements as they relate to the river walk and plaza, per the Redevelopment Agreement.

Mayor Rogina asked if there were any more questions or comments regarding this TIF. There were none.

Mayor Rogina requested a motion to adjourn. Mr. Armstrong motioned to adjourn, seconded by Mr. Chapman. All in favor. The meeting was adjourned at 4:53 p.m.

Raymond P. Rogina, Chairman

Respectfully submitted,

Karla McCleary