

Joint Review Board Meeting Minutes

November 5, 2019

Council Chambers

The meeting was called to order at 4:01 p.m.

Carylie Forte 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 Assessment Office
David Sam	Elgin Community College

Also in attendance:

Jim Holderfield	St. Charles resident
Nick Peppers	Storino, Ramello & Durkin
Mark Koenen	City Administrator, City of St. Charles
Christopher Minick	Director of Finance, City of St. Charles
Rita Tungare	Director of Community & Economic Dev, City of St. Charles
Colleen Lavery	Assistant Director of Finance, City of St. Charles
Carylie Forte	Finance Sr. Administrative Asst., City of St. Charles

Mayor Rogina made general comments about the meeting's agenda, suggesting the selection of the Public Member and the Chairperson, and the one-time approval of the November 6, 2018 Minutes be made at one time and be carried through to each of the seven TIFs.

Mr. Armstrong made a motion, seconded by Mr. Sam, that St. Charles resident, Jim Holderfield 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.

A motion was made by Mr. Armstrong and seconded by Ms. Camm to approve the November 6, 2018 Minutes of the Joint Review Board meeting. All in favor. Motion passed.

The elections of the Chairperson and Public Member, and the approval of the Minutes of each TIF from the Nov. 6, 2018 Joint Review Board were carried over through the remainder of the meetings.

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

Hotel Baker TIF #1

Mr. Minick explained his update/review of each TIF with the caveat that he would not go through the expiration dates of each TIF district; he and Seth Chapman are working with Kane County to make sure the proper year established for each TIF is accurate and agrees with the County's interpretation of each TIF's expiration (there had been some confusion with the date of the Hotel Baker TIF). There is a formalized process when each TIF district ends that the City goes through and then will notify each of the Districts of those closings. A Resolution then gets passed by City Council as they expire.

Mr. Minick reported that the Hotel Baker TIF, District #1, was established in January 1997. There was General Obligation Debt 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, 2019. This TIF expires with the 2019 property tax levy year, coinciding with calendar year 2020. At FYE April 30, 2019 there were property tax revenues of \$131,026, which represents the incremental revenue for FYE 2019. Additionally, there was

\$2,684 in investment income resulting in a surplus of \$133,710. There is no debt service expenditure related to the Hotel Baker TIF. It does owe the City's General Fund approximately \$441,000 as of April 30, 2019, which represents prior debt service subsidies that the City advanced the TIF. As of April 30, 2019 there is \$254,775 on hand and anticipate a surplus of \$149,700 for the upcoming FY 2020. That would provide assets of approximately \$404,484 at FYE April 30, 2020 for repayment of advances and transfers that the General Fund has paid over. We may be closing this TIF in 2020, pending the outcome of the aforementioned meeting between the City and Kane County. The Board would be notified of this prior to their own tax levy process to incorporate any tax increment coming to you as part of your levy process.

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

Ms. Craig asked if there would still be a liability owed to the City. Minick stated it would be about \$40,000. Craig asked what would happen in those situations. Minick said the City would be out the money. That is part of the risk the City assumes when issuing General Obligation debt for any TIF.

Mayor Rogina requested a motion to adjourn. Mr. Sam made a motion to adjourn, seconded by Mr. Johnson. All in favor. The meeting was adjourned at 4:10 p.m.

Raymond P. Rogina, Chairman

Submitted by,
Carylie Forte

**Joint Review Board Meeting Minutes
November 5, 2019
Council Chambers**

Moline Foundry TIF #2

The meeting was called to order at 4:11 p.m.

Carylie Forte conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Jim Holderfield	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 Assessment Office
David Sam	Elgin Community College

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 in July, 1998. There was also General Obligation debt that was issued as part of this TIF. There is no debt outstanding as of FYE April 30, 2019. This debt matured on December 1, 2017. There was property tax revenue of \$416,345 and additionally there was investment income of \$4,152 which led to a surplus of \$420,497. There were no debt service expenses attributed to this as the TIF has been paid off. This fund also owes the General Fund about \$47,465 as of April 20, 2019. It had a much larger advance that was payable to the City's General Fund and it made a \$190,000 payment on that liability resulting in a \$47,000 liability at the end of the year. We anticipate an additional \$412,000 in revenue which would result in a surplus of about \$412,000 for FYE April 30, 2020. This TIF is nearing the end of its life and we are going through making sure all the improvements that were necessary were made in this TIF and will be evaluating this over the next year as part of the process.

Mayor Rogina asked Minick to approximate the expiration date of this TIF. Minick said in approximately two to three years. Mr. Armstrong commented that if he were to name a good TIF, it would be Moline Foundry. It has achieved exactly what it set out to do when it was created as a TIF.

Mayor Rogina asked if there were any questions on this TIF. There were none.

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

Raymond P. Rogina, Chairman

Submitted by,
Carylie Forte

**Joint Review Board Meeting Minutes
November 5, 2019
Council Chambers**

Former St. Charles Mall TIF #3

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

Carylie Forte conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Jim Holderfield	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 Assessment Office
David Sam	Elgin Community College

Mayor Rogina requested a review of the effectiveness and status of St. Charles Mall TIF to date, clarifying this TIF represents the St. Charles 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 in June, 2000, and there was General Obligation debt issued at the time the TIF was created. As of April 30, 2019 we still have approximately \$795,000 in General Obligation bonds outstanding and anticipate this debt will mature on Dec. 1, 2022. This fund had an assessment challenge in FY 2017 and it was settled during that fiscal year. The result is that the City has received reduced incremental tax revenue related to that assessment challenge in this TIF and in fact as a result of that challenge, the county distributed too much money to that TIF District in prior years. We repaid that debt from the TIF District back to the individual districts. We paid a portion of that liability in FYE April 30, 2018 and as of that date, this fund still owed \$63,784 to the impacted taxing districts. That liability was repaid in its entirety during FY 2019 so each tax district should have been made whole for the prior overpayments to this TIF District. That has resulted in reduced property tax increment flowing to the TIF over the last couple of fiscal years and has resulted in a larger than normal transfer out of the City's General Fund. For FYE 2019 the increment the City received is \$34,527. Debt service expenditures were \$218,650. The City's General Fund transferred over \$181,123 to cure that deficit that was created by the reduced increment. This fund has a liability to the City's General Fund of \$1,663,881 as of April 30, 2019. For the upcoming FY we expect incremental revenues of approximately \$125,704 and debt service expenditures of \$220,775, resulting in a deficit of approximately \$95,000. We anticipate the City's General Fund will pay that money to the TIF to make it whole. As of April 30, 2020 this TIF will have roughly a \$1,759,000 liability to the City's General Fund. We are seeing increased EAV in this TIF – this is the site of Prairie Center development and there is ongoing construction activity. This is the main reason for the increase in incremental revenue to that \$125,000 that is anticipated for next year. As construction in the new development continues, we anticipate that additional increment will be generated.

No other questions or comments.

Mayor Rogina requested a motion to adjourn. Ms. Craig motioned to adjourn, seconded by Mr. Sam. All in favor. The meeting was adjourned at 4:21 p.m.

Raymond R. Rogina, Chairman

Submitted by,
Carylie Forte

**Joint Review Board Meeting Minutes
November 5, 2019
Council Chambers
First Street TIF #4**

The meeting was called to order at 4:21 p.m.

Carylie Forte conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Jim Holderfield	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 Assessment Office
David Sam	Elgin Community College

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

Mr. Minick said TIF #4 was originally established in March of 2002. There was debt issued as a result of the development that was undertaken at the establishment of the TIF. During 2013 that debt restructured due to some of the prevailing economic conditions. The development activity in this TIF had stalled as a result of the economic recession of 2008. Debt was restructured, the term was extended and we lowered our short-term debt service amounts so we could provide some better cash flow. Additionally, during calendar year 2015 this TIF was split into two separate TIFs. The developed portion of TIF 4 remained in TIF 4, but the undeveloped portion of the original TIF was split off and it turned into TIF 7 – the Central Downton TIF. The boundaries were amended in calendar year 2015. Additionally, we did a second refinancing of some of the City’s remaining TIF district debt during FY 2017. This resulted in interest savings of over \$416,000 as compared to the prior debt service schedule, however, we did not extend the term of the debt when we refinanced this debt. We simply incurred those interest cost savings as a result of the refinancing. Incremental and interest revenues were \$426,680. There are expenditures of \$1,129,650 for debt service costs. That resulted in a \$702,970 deficit in FY 2019. This deficit was covered by transfers from two funds. The City’s General Fund transferred \$345,551 and TIF 7 transferred about \$356,790 to cover the deficit that was created. This particular TIF, as of April 30, 2019, has \$24,480,000 in debt still outstanding and it has about \$3,011,605 liability to the City’s General Fund as of April 30, 2019. Forecasting the FY 2020 performance of this TIF, we do anticipate we’ll receive about \$447,000 in incremental revenue. Additionally we anticipate a \$433,000 transfer from TIF 7. We expect \$1,161,650 in debt service expenses. That would result in a \$281,650 deficit and we anticipate that would be covered by the City’s General Fund, resulting in a liability to the General Fund of \$3,293,000 as of April 30, 2020. As development activity continues, Building #2 is still under construction and we have not seen full value yet from the Sterling Bank, so these two developments should have a fairly immediate impact on the incremental revenue we should receive during FY 2020-21. There are three vacant lots that are smaller in scope than the other buildings at First Street but still should have a positive impact on our incremental revenue if those should develop in the next few years. Most of the new development activity is taking place in TIF 7, not TIF 4 because of the way we did the TIF split back in 2015.

Ms. Craig asked when you have revenues of roughly \$400,000 in property taxes for the TIF, why does the investment income differ from TIF to TIF? Are they invested in different ways? Minick responded that it mainly has to do with cash flow. The Moline TIF got to hold onto its cash for an entire year, and the Hotel Baker TIF got to hold onto its cash for an entire year. TIF 4 has expenditures that come in and go out so it doesn’t get to hold its cash for an entire year. The interest income is allocated in the Finance department on a monthly basis, based on each fund’s pro rata share of a comingled cash and investments balance.

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. Sam. All in favor. The meeting was adjourned at 4:27 p.m.

Raymond P. Rogina, Chairman

Submitted by,
Carylie Forte

**Joint Review Board Meeting Minutes
November 5, 2019
Council Chambers
St. Charles Manufacturing TIF #5**

The meeting was called to order at 4:27 p.m.

Carylie Forte conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Jim Holderfield	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 Assessment Office
David Sam	Elgin Community College

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, also known as the St. Charles Kitchen TIF, District #5, was established in May 2003. There was general obligation that was issued as part of this TIF. The debt outstanding totals \$1,455,000 as of April 30, 2019. That debt matures Dec. 1, 2023. In terms of fiscal performance, for FYE April 30, 2019, we have total revenues of \$181,538 primarily consisting of \$181,000 of property tax increment, the remaining \$560 being interest income. We had \$318,875 of debt service expenses during 2019 that resulted in a deficit of \$137,337. That deficit was made up by a transfer from the City's General Fund and as of April 30, 2019, this TIF district has a liability to the General Fund of \$1,846,782. Forecast for FY 2020 we anticipate approximately \$187,650 of revenue with debt service of about \$323,675. We anticipate the City's General Fund will make up the deficit of \$136,025. That would result in a liability to the City's General Fund of \$1,982,807 as of April 30, 2020. This TIF District does not have much opportunity for development left so the financial results won't be tremendously positive for this TIF District, moving forward. Mayor Rogina asked Minick for approximate expiration date for this TIF. Minick said approximately 2027.

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

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

Raymond P. Rogina, Chairman

Submitted by,
Carylie Forte

Council Chambers Lexington Club TIF #6

The meeting was called to order at 4:31 p.m.

Carylie Forte conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Jim Holderfield	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 Assessment Office
David Sam	Elgin Community College

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

Mr. Minick reported that the Lexington Club TIF was established during January of 2013. This TIF is structured differently from the other TIF Districts. TIF 6 does not have any debt associated with it. It was structured entirely as a pay-as-you-go TIF, meaning any liabilities or any repayments to any developers as part of the redevelopment plan are only made to the extent that TIF increment is available. However, there has been no development activity on the Lexington Club TIF. There was a redevelopment plan at a particular point in time, however there has never been any construction activity related to this TIF. For the FYE April 30, 2019, we received about \$14,425 including interest income of about \$428 which is just under \$14,000 in incremental revenue. There were no eligible costs, no redevelopment costs that have been documented with the City, so there are no expenditures related to this TIF. This TIF has collected, between incremental revenue and interest income, about \$44,306 as of April 30, 2019. We anticipate we would receive an additional \$16,600 in increment revenue for FY 2019 and have just under \$61,000 in cash as of April 30, 2020 if we do experience those numbers. Again, no development activity, and nothing pending or contemplated at this point for the Lexington Club TIF so we wouldn't have any expenditures related to that.

Mr. Armstrong asked if we would reach a point where the City determines that the TIF is not functional and should be dissolved without waiting for 23 years to pass? At some point the payback time is not going to be suitable for that. Minick responded that the City would have to evaluate that. There hasn't been a deadline put to this kind of decision. We're getting to a point that the City should take a hard look at this and determine that if there is no interest in developing that site perhaps it makes sense to disband this TIF. In the event that someone wants to bring forth a new development plan, the City would evaluate incentives, if any, we would be willing to entertain at that time. Soil and cleanup challenges were there at the start of the TIF. Mr. Chapman asked Minick to clarify if a developer were to come in, as revenues grew, would they be able to access the small amount of revenue that is currently there now? The redevelopment plan was structured so that a developer would come in and clean up the site and turn it into a green field. The City would have repaid the developer to the extent of the collection of the increment. Armstrong suggested timing is the issue and as the TIF ages, developers might not take it on now.

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

Mayor Rogina requested a motion to adjourn. Mr. Holderfield motioned to adjourn, seconded by Mr. Chapman. All in favor. The meeting was adjourned at 4:37 p.m.

Raymond P. Rogina, Chairman

Submitted by,
Carylie Forte

**Joint Review Board Meeting Minutes
November 5, 2019
Council Chambers
Central Downtown TIF #7**

The meeting was called to order at 4:37 p.m.

Carylie Forte conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Jim Holderfield	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 Assessment Office
David Sam	Elgin Community College

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. During FYE April 30, 2019 we had \$349,268 in incremental revenues and about \$431 in interest income. \$356,790 was transferred out to TIF #4 (First Street TIF) to assist in the repayment of debt related to the First Street Development. We anticipate around \$433,000 in incremental revenue for FY 2020. It will be transferred to the First Street TIF to assist in the debt service payments. This TIF also has a liability to the City's General Fund, however the amount of money that has been advanced by the General Fund is related to construction of capital improvements. It does not have anything to do with debt service subsidies or debt service payments. There was about \$1.4 million dollars that was transferred back in the 2015 to assist in expenses related to the construction of a parking garage and streetscape improvements that have occurred adjacent to the buildings that are going up right now.

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. Johnson motioned to adjourn, seconded by Ms. Camm. All in favor. The meeting was adjourned at 4:40 p.m.

Raymond P. Rogina, Chairman

Submitted by,
Carylie Forte