

# Joint Review Board Meeting Minutes

## November 6, 2018

### 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:

Bob Abraham	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
Colleen Lavery	Assistant Director of Finance, City of St. Charles
Carylie Forte	Finance Sr. Administrative Asst., City of St. Charles

Introductions of City Staff were made at this time.

Mr. Armstrong made a motion, seconded by Mr. Sam, that St. Charles resident, Bob Abraham be elected as “Public Member” for this Joint Review Board. All in favor. Motion passed.

Mr. Armstrong made a motion, seconded by Mr. Sam, 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.

A motion was made by Mr. Armstrong and seconded by Mr. Sam to approve the November 15, 2017 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

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, 2018
- Forecast Performance for FYE April 30, 2019
- 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, Sikich, LLP. The auditors reported no instances of non-compliance with any of the statutory requirements.
- 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,

2018. This TIF expires with the 2019 property tax levy year, coinciding with calendar year 2020. At FYE April 30<sup>th</sup>, 2018, there were revenues of approximately \$151,000 and no expenses related to this TIF, ending with a surplus of \$151,065. At FYE April 30, 2018 this TIF had liabilities to the General Fund of \$471,249 to make debt service payments in the early years of its TIF. Assets on hand were \$151,000 at FYE April 30, 2018. City anticipates incremental revenue of \$158,000 for FYE April 30, 2019. If these numbers hit, there would be approximately \$310,000 available at FYE April 30, 2019 for the repayment of those advances and transfers. One year of incremental revenue remains after April 30, 2019, and if the anticipated \$160,000 in revenue is realized, this TIF would be in a break-even position, with assets available of \$470,000 to pay off the liability of an existing \$471,000. It's anticipated this would become a break-even TIF at the end of its life, December 31, 2020.

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 Ms. Camm. All in favor. The meeting was adjourned at 4:08 p.m.

Raymond P. Rogina, Chairman

Submitted by,  
Carylie Forte

**Joint Review Board Meeting Minutes  
November 6, 2018  
Council Chambers**

**Moline Foundry TIF #2**

The meeting was called to order at 4:09 p.m.

Carylie Forte conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Bob Abraham	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

A motion was made by Ms. Camm and seconded by Ms. Craig to approve the November 15, 2017 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 2020 tax levy payable in calendar year 2021. This TIF has no debt related to it as of April 30, 2018. Debt on this matured as of December 1, 2017 and payments were made in accordance with the debt service schedule. For FYE April 30, 2018 there was approximately \$431,000 in increment revenue and an additional \$1,400 in interest income received, for a total of approximately \$432,750 in revenue, and there was \$341,250 of debt service expenses, resulting in a surplus of approximately \$91,500. As of April 30, 2017, this TIF owed the General Fund \$427,000, owing to the General Fund advancing money to this TIF. During FYE April 30, 2018, \$190,000 of that liability was paid off from prior surpluses that had been generated by this TIF, so that liability to the General Fund is declining on an annual basis. As of April 30, 2018, there is approximately \$237,500 left in that liability from this TIF to the City's General Fund. For FY 2019 an additional approximately \$416,000 in revenue is anticipated, with no direct debt service expenses for this TIF, since the bonds were paid off about a year ago and the resulting surplus will be utilized to repay the transfers advanced by the City. It is anticipated that this TIF district would be inspected to ensure all improvements that were paid for are in good repair, prior to a future discussion about the disposition of this TIF, and whether it should be dissolved at some point in the near future. It will have its liabilities repaid during the current fiscal year, assuming all goes well and there are no significant reductions in the TIF revenue, and it is also assumed a discussion by City Council would take place on how to dispose of the TIF.

Mayor Rogina asked if there were any questions on this TIF. 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 4:13 p.m.

Raymond P. Rogina, Chairman

Submitted by,  
Carylie Forte

**Joint Review Board Meeting Minutes  
November 6, 2018  
Council Chambers**

**Former St. Charles Mall TIF #3**

The meeting was called to order at 4:14 p.m.

Carylie Forte conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Bob Abraham	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

A motion was made by Mr. Armstrong and seconded by Mr. Chapman to approve the November 15, 2017 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, 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 on June 19, 2000, and will expire with the 2023 Levy, payable during calendar year 2024. This TIF has General Obligation outstanding debt of \$970,000 as of April 30, 2018. That debt has a final maturity of December 1, 2022. In FY 2017 this TIF was unique in that the fund settled an assessment challenge. The settlement of the assessment challenge resulted in no incremental revenue being recognized for this fund during FY 2017. The incremental revenue that would have flowed to the City in the absence of this challenge was actually redistributed to all the individual taxing districts to repay the fact that the TIF had been overpaid by the County in prior years. Additionally, in order to pay off the prior overpayments during FY 2018, the City recognized reduced increment funding of \$69,119 that was received by this TIF. As of April 30, 2018, this TIF still owed approximately \$64,000 to the overlapping districts as a result of that assessment challenge and settlement. In FYE 2018 all those liabilities had subsequently been repaid and all future increment will now inure back to the benefit of the City. During FY 2018 debt service expenditures were \$220,450 and were paid via a transfer from the City's General Fund and this TIF has a liability to the General Fund of \$1,479,000 as of April 30, 2018. As of FYE April 30, 2019, reduced revenues of \$98,000 are anticipated as a result of the previously referenced overpayments, and a debt service expenditure of \$218,650, resulting in a deficit for this TIF of \$120,650. That deficit will be paid by a transfer from the City's General Fund and would result in a liability from this TIF to the City's General Fund of approximately \$1,600,000 at April 30, 2019.

Mr. Armstrong asked if any thought was given to extending this TIF out 35 years, given the time left on it. Minick replied that they had not entertained any conversation along those lines at the City Council level at this point. It is always an option, but has not been discussed as yet. Minick added that at this point, no other conversations have been entertained about extending this or a couple of other TIFs of similar situation.

No other questions or comments.

Mayor Rogina requested a motion to adjourn. Mr. Sam motioned to adjourn, seconded by Ms. Camm. All in favor. The meeting was adjourned at 4:19 p.m.

Raymond R. Rogina, Chairman

Submitted by,  
Carylie Forte

## Council Chambers First Street TIF #4

The meeting was called to order at 4:20 p.m.

Carylie Forte conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Bob Abraham	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

A motion was made by Ms. Camm and seconded by Mr. Johnson to approve the November 15, 2017 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 originally established in March of 2002. This TIF expires during levy year 2024 payable in calendar year 2025. The debt related to this TIF was restructured in 2013. The term was extended to December 1, 2038 and the logic behind extending the term on the debt was to lower the debt service payments in the front part of the debt service schedule to provide better cash flow, until the development activities had more time to catch up with the increment generation and debt service. This TIF was severely impacted by the economic downturn during the 2008 recession and sat idle for 3-5 years as a result of this downturn. Prior to that point, this TIF was exceeding its expectations and some of the estimates and projections that were established when the TIF was put into place, however it was severely impacted by the 2008 economic downturn, and no development occurred on it for a period of a few years. As a result, the Review Board members may recall that in 2015 they actually went through a de-TIF process where they carved off the undeveloped portion of the piece that was related to the First Street Development and created the new TIF district #7 (Central Downtown) which will be discussed in a few minutes. This was created to maximize the increment generation and extend the time period out to be able to collect incremental revenues on this particular TIF. The development of the new TIF #7 continues with current activity going on. This will continue into FY 2019 activity for TIF #7 and will be discussed in a few minutes. The remaining area of TIF #4 that was developed prior to 2015 continues to collect its increment and continues to make debt payments as they were originally intended. Additionally, during FY 2017 we completed another refinancing of the debt, which was just a portion of it, and did not extend the life of the bonds. The terms are still the same as contemplated in 2013, allowing us to lower the interest rate on the portion of the debt that was outstanding. This will result in savings of over \$416,000 over the remaining life of the bonds related to the TIF. That savings is compared to the original debt service schedule put in place in 2013. Highlights from FY 2018: Incremental and interest revenues total \$459,663; expenditures were \$1,127,000 for debt service that resulted in a \$668,000 deficit for FY 2018 related to TIF #4, however the developed area of TIF #7 was able to transfer over just under \$160,000 from its incremental revenue stream, so that resulted in a shortfall of \$508,438 that was transferred to this TIF from the City's General Fund. As of April 30, 2018 the amount of funding this TIF owes to the City's General Fund is approximately \$2,665,000 and there is approximately \$24,630,000 in debt outstanding for this TIF as of April 30, 2018. For FY 2019 it is anticipated that incremental revenues will be \$466,000 and anticipate that approximately \$350,000 will be transferred from TIF #7; there is debt service of \$1,129,000 related to the First Street development which would result in a deficit of about \$313,900 at the end of 2019, if anticipated numbers are realized. That would result in this TIF owing just under 3,000,000 to the General Fund as of April 30, 2019.

Mr. Chapman asked Mr. Minick to repeat the debt outstanding figure – Minick replied it was \$24,630,000. Ms. Camm asked how much money TIF #7 transferred over – Minick replied it was just under \$160,000 in 2018.

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

Mayor Rogina requested a motion to adjourn. Ms. Craig motioned to adjourn, seconded by Mr. Sam. All in favor. The meeting was adjourned at 4:26 p.m.

Raymond P. Rogina, Chairman

Submitted by,  
Carylie Forte

**Joint Review Board Meeting Minutes  
November 6, 2018  
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
Bob Abraham	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

A motion was made by Ms. Craig and seconded by Mr. Chapman to approve the November 15, 2017 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, also known as the 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 \$1,710,000 as of April 30, 2018. That debt matures on December 1, 2023. For FYE April 30, 2018, revenues were \$191,660. There were debt service expenses for 2018 of \$318,675 resulting in a deficit of approximately \$127,000 for the year. That deficit was financed by a transfer by the City's General Fund creating a liability to the General Fund of approximately \$1,709,000 as of April 30, 2018. For FY 2019 revenues are anticipated at \$181,000 and debt service expenditures of \$318,875, resulting in an anticipated deficit of just under \$138,000 for FY 2019. The General Fund would make up this shortfall, resulting in \$1,847,000 liability to the General Fund as of 4/30/2019.

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 Mr. Johnson. All in favor. The meeting was adjourned at 4:29 p.m.

Raymond P. Rogina, Chairman

Submitted by,  
Carylie Forte

## **Council Chambers Lexington Club TIF #6**

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

Carylie Forte conducted Roll Call.

Raymond P. Rogina	Mayor, City of St. Charles
Bob Abraham	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

A motion was made by Mr. Chapman and seconded by Mr. Armstrong to approve the November 15, 2017 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.

Mr. Minick reported that the Lexington Club TIF is a little different from the other TIFs in that there is no debt outstanding. It was established during January of 2013 and expires with the 2036 tax levy year, payable during calendar year 2037. The Lexington TIF was established as a pay-as-you go TIF in that to the extent that increment is generated on an annual basis, there is a redevelopment agreement in place that would require that repayment is made to the developer as that increment is made available annually. This TIF does not have a project that is currently underway. The developer has not lived up to the redevelopment agreement's obligations and there is no development on the site. Consequently, there are no expenditures related to this TIF and this district receives incremental revenue related to the organic growth of the property. There is no new property that is generating incremental revenue. This is one of the reasons this TIF has not reached the \$100,000 threshold necessary to require the auditors to provide a separate report on statutory compliance. During FY 2018 the City received approximately \$12,200 of total revenue, which includes interest income of \$137.00 and a little over \$12,000 in incremental revenue. There is a cash balance of slightly under \$30,000 as of 2018 and it is anticipated there will be an additional \$14,000 in incremental revenue during FY 2019, and if that is the case, there would be \$43,000 in cash as of April 30, 2019.

Mr. Armstrong mentioned he thought a figure on the Comptroller report to the State might be incorrect in that in 2013 the Base EAV shows \$49,124 and the Reporting Fiscal Year EAV shows \$1,493,128. Minick said they would go back and check that for the correct figures. Mr. Chapman asked where do things stand with the developer and what does it mean when they're not living up to the agreement obligations? Where could this potentially go? Minick deferred to Community and Economic Development Director, Rita Tungare to respond. Tungare mentioned there has been no recent communications with the developer (for at least a year). The last time the developer brought forward a plan was in 2015 when they presented to the Plan Commission. After that the process stalled. There has been no meaningful communication from them since then. Minick commented that if there were any negotiations or a readjustment of the development agreement, he would anticipate the School District might have an opportunity to revisit some of the items related to the prior agreements. Mr. Koenen added that the last communication he had with the developer was about a year ago when he suggested that if they wanted to advance anything new or different that they should reach out to the larger municipal agencies, i.e. the school district, to have a conversation. If they have not reached out to them, then they know as much as the City knows. Minick added that if no activity were to continue for an extended period, he anticipated that at some point City Council would have some kind of discussion about dissolving this TIF, which would involve a statutory procedure.

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. Sam motioned to adjourn, seconded by Ms. Camm. All in favor. The meeting was adjourned at 4:36 p.m.

Raymond P. Rogina, Chairman

Submitted by,  
Carylie Forte



**Joint Review Board Meeting Minutes  
November 6, 2018  
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
Bob Abraham	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

A motion was made by Ms. Camm and seconded by Mr. Armstrong to approve the November 15, 2017 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 as previously mentioned, the boundaries of this TIF had been carved out of the original First Street TIF #4 and included the undeveloped area of the First Street TIF at that time. Additionally, there was a slight expansion of that TIF area that was made to the east side of the river to pick up a couple of blocks on each side of the river and blocks north and south of Main Street in the City. The incremental revenue in this TIF began with the 2016 tax levy year that was payable in calendar year 2017. This TIF will expire with the 2037 levy that will be payable during calendar year 2038. During FY 2018 approximately \$139,000 in incremental revenue was received. Also in 2018, just under \$160,000 was transferred to assist in the debt service repayments for the First Street TIF. Anticipated incremental revenue for FY 2019 will significantly increase, up to \$349,268, and is related to the ongoing development activity that is occurring in this TIF district and it is anticipated that the funding will be made available for debt service payments related to the First Street development. This fund has been advanced \$1,480,000 as of April 30, 2018. This related to capital expenses that were undertaken with streetscape and parking garage improvements in relation to the newly developed buildings in this TIF.

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. Sam. All in favor. The meeting was adjourned at 4:40 p.m.

Raymond P. Rogina, Chairman

Submitted by,  
Carylie Forte