



Village of Itasca
Community Development Committee Meeting Minutes
Tuesday, June 4, 2019
7:00 p.m.
Itasca Municipal Complex, Board of Trustees Room

1. Call to Order

Trustee Latoria called to order the Community Development Committee Meeting at 5:32 p.m.

2. Roll Call

PRESENT: Mayor Jeff Pruyn, Trustee Jeff Aiani, Trustee Dino Gavanese, Trustee Mike Latoria (Chair), Trustee Ellen Leahy.

ABSENT: Trustee Linsner (Co-Chair), Trustee Madaras.

Others Present: Village Planning Consultant Kon Savoy, Safety Director Bob O'Connor, Community Development Director Shannon Malik Jarmusz, Village Administrator Carie Anne Ergo, Village Attorney Chuck Hervas, Village Clerk Jody Conidi.

3. Community Development Committee Meeting Minutes – May 7, 2019

The Community Development Committee Meeting Minutes for May 7, 2019 were not reviewed or approved.

4. Tax Increment Financing (TIF) Presentation

Village Planner Savoy, President of Savoy Consulting Group, provided his professional history to the Village Board.

Trustee Linsner arrived at 5:42 p.m.

Village Administrator Ergo explained the meeting was for a general tax increment financing (TIF) conversation with TIF being discussed as a concept, staff created an example of a TIF district using the areas north and south of Rohlwing and Irving Park Roads, and other economic tools are available to the Village Board.

Village Planner Savoy reported TIFs are a financing and planning implementation tool, TIF funds are limited for use only in the TIF district, TIFs are not a property tax and do not freeze property taxes, TIFs do not provide direct funding for new construction costs, TIFs have limited uses, and statutorily TIFs are limited to 23 years.

TIFs generate revenue from public investment. TIF funds are used by a municipality to attract investors to increase property values and by developers as a self-financing tool. Developers receive incentives if and when new tax increments are generated. When a TIF district is established, the taxes generated from the base equalized assessed value (EAV) continue to go to taxing districts, then after the TIF district terminates at the end of 23 years, all of the funds (base EVA plus incremental EVA) distribute to the taxing bodies.

Multiple types of TIFs can exist in one boundary. Three types are blighted, conservation area, and industrial park conservation area. Industrial park conservation area TIF district qualifications are declining jobs, age, and at least three required factors. The area of

Rohlwing and Irving Park Roads qualifies for age and meets at least four factors. The overall area would qualify as an industrial park conservation area TIF district and individual parcels as blighted TIFs.

The steps for a TIF district are (1) a consultant study, (2) Village Board approval of the TIF district, (3) Identification of development sites, (4) adoption of a TIF district resolution, and (5) final adoption of a TIF district. The Village Board would also create a development plan with a "but for TIF" clause.

TIF funds can be used for utilities, road improvements, and rehabilitation. Village expenses incurred from a TIF district are recoupable and paid back from the TIF fund.

Trustee Madaras arrived at 6:01 p.m.

Village Planner Savoy continued TIF districts are created to place an area in an economic position to be comparable to other communities. All of the Village's neighbors currently have active TIF districts.

A joint review board is established for TIF districts and most of the other taxing bodies make up the board. The joint review board has advisory review authority and its vote has some impact on the Village Board's vote; although neither board have veto powers.

Village Administrator Ergo explained other taxing bodies may oppose a TIF, but the other taxing bodies have no costs associated with commercial developments. Residential developments in a TIF district would incur costs for the school district and may require negotiations for approval. A plan at the beginning of the process can eliminate frustration when other taxing bodies do not see developments taking place. If new developments do not occur in two or three years, TIF funds disperse to the taxing bodies. Before a TIF district is established, an educational open house and lots of communication with the taxing bodies needs to take place to reduce opposition.

Village Planner Savoy stated public notice to the property owners within the TIF district and the surrounding areas, and a public hearing by the Village Board is required to establish a TIF district. The timeframe going forward would be six months.

Village Administrator Ergo added the area of the TIF example is vacant property, a TIF can be used for property assemblage, a development plan is driven and approved by the Village Board to control the types of developments, and TIF districts can last up to 23 years, but the Village Board can retire a TIF district earlier.

Village Planner Savoy added not every property needs to be eligible, or receive the funding benefit, to be part of a large TIF area.

Community Development Director Malik Jarmusz added taxing bodies will continue to receive property taxes over the years, but only receive incentive taxes after the TIF retires.

Village Administrator Ergo added the Village Board can add other properties to an existing TIF district at a later time or create an adjacent TIF district, but the adjacent TIF district needs to meet qualifications on its own merit and be a minimum of one and a half acres. During final eligibility, the Village Board needs to review all properties in the area to decide if each property would be added to the TIF district or qualify as an adjacent TIF district.

Trustee Latoria supports a TIF district and recommends the Village Board have a consensus on the vision of the area before proceeding with a TIF district.

Mayor Pruyn added Gullo International envisions a residential development along Irving Park Road similar to existing residential at Wood Dale Road and Devon Avenue in Wood Dale with commercial development along Rohlwing Road.

Village Attorney Hervas stated TIF districts use condemnation aggressively.

Trustee Madaras inquired about other economic tools because the area has operating businesses. Village Administrator Ergo stated other economic tools are business improvement districts and special service areas requiring all taxing bodies to agree on the economic tool, expenses are not recoupable, and financial burdens are on new property owners. If exploring other economic tools, it was recommended staff stop work on any TIFs until a letter of intent is sent to other taxing bodies or staff expenses cannot be recouped by the TIF fund.

The Village Board discussed if an informational meeting or a letter of intent should be sent to the other taxing bodies first. Mayor Pruyn and Trustee Gavanis supported an informational meeting for feedback and insight; Trustee Linsner supported having a vision in place before a meeting; and Trustee Latoria and Trustee Leahy supported passing a resolution of intent as soon as possible to recoup any staff expenses.

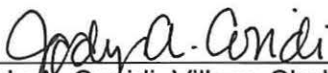
Trustee Aiani departed at 7:04 p.m.

Mayor Pruyn called for a Community Development Committee Meeting on Tuesday, June 18, 2019 at 5:45 p.m. to confirm if a TIF district was supported by the Village Board and next steps.

5. **Adjournment**

Trustee Latoria moved to adjourn the Community Development Committee Meeting at 7:07 p.m. Trustee Linsner seconded. Motion carried by unanimous voice vote.

Submitted this 4th day of June 2019:



Jody A. Conidi, Village Clerk

