

**VILLAGE OF RIVER FOREST
REGULAR MEETING OF THE BOARD OF TRUSTEES MINUTES
July 9, 2018**

A regular meeting of the Village of River Forest Board of Trustees was held on Monday, July 9, 2018 at 7:00 p.m. in the Community Room of Village Hall, 400 Park Avenue, River Forest, IL.

1. CALL TO ORDER/ROLL CALL

The meeting was called to order at 7:10 p.m. Upon roll call, the following persons were:

Present: President Adduci, Trustees Cargie, Conti, Vazquez, Henek, Gibbs, and Corsini

Absent: None

Also Present: Village Clerk Kathleen Brand-White, Village Administrator Eric Palm, Assistant Village Administrator Lisa Scheiner, Management Analyst Jon Pape, Village Attorney Greg Smith, and Robert Rychlicki, Village Consultant of Kane McKenna

2. PLEDGE OF ALLEGIANCE

President Adduci led the Pledge of Allegiance.

3. CITIZENS COMMENTS

4. ELECTED OFFICIALS COMMENTS AND ANNOUNCEMENTS

- A. Recognition of Roosevelt Students McKenzie Lovell and Charlotte Meyer for their Sustainability Efforts – Proclamation

President Adduci presented proclamations to McKenzie Lovell and Charlotte Meyer and recognized them for creating and selling disposable lunch bags that they sold to classmates and then donated the proceeds to the Sustainability Commission.

Mr. Corey Kadlec, Roosevelt Middle School Teacher, was also presented with a copy of the Proclamation, and stated that the credit goes to Charlotte and McKenzie. Charlotte and McKenzie presented examples of the reusable bags.

Trustee Corsini made a motion, seconded by Trustee Conti, to approve a Proclamation Declaring July 9, 2019 Charlotte and McKenzie Reusable Bag Day in the Village of River Forest.

Roll call:

Ayes: Trustees Cargie, Conti, Henek, Vazquez, Gibbs, and Corsini

Absent: None

Nays: None

Motion Passes.

5. PUBLIC HEARING – PROPOSED NORTH AVENUE TAX INCREMENT FINANCING DISTRICT

A. Call Public Hearing to Order

President Adduci stated that the Public Hearing has been called to order at 7:19 p.m.

B. Opening Statement [Village Administrator or Village President relative to this being the public hearing relative to the proposed North Avenue Tax Increment Financing District]

Village Administrator Palm stated that the Village is proposing a TIF district for the North Avenue corridor. The TIF Act requires a public hearing before the Village Board of Trustees can consider approval. Village Administrator Palm stated that he will provide a brief presentation, and that the consultants from Kane McKenna will also make a presentation and provide information about the qualifications of the TIF district. In addition, there will be information from the Joint Review Board, and anyone who wishes to speak and address the Village Board tonight has the ability to do so before the Public Hearing is concluded.

Village Administrator Palm explained the strategic importance of the North Avenue TIF district in order to redevelop and reinforce properties in the corridor. Village Administrator Palm stressed that it's not just about redevelopment but reinforcement of existing properties.

Village Administrator Palm explained that a TIF district is a financial tool and provides another source of money for the Village to use to create opportunity. He further explained that there is a market study which details the support of the TIF district creation, as well as discussion of a TIF contained in the 2003 comprehensive plan, and that these documents are available online on the Village's website at the address www.vrf.us/NorthTIF.

Village Administrator Palm presented a map of the North Avenue corridor TIF district that has been proposed, and stated the boundaries run from Harlem to Thatcher on North Avenue and extends to the frontage, and some of the property behind the frontage, and the block in the middle that is St. Vincent Ferrer Church connecting the two main areas on North Avenue.

Village Administrator Palm provided a brief history on the Lake Street TIF district, and the commercial challenges at Lake and Harlem, including a failed department store. He explained that as a result of this, the equalized assessed value (EAV), which is used to calculate property taxes, was going down. He explained that Village leaders at that time knew that action was necessary to control property values in that area, so they created a TIF district. That TIF District allowed for phases one and two of the River Forest Town Center, the Jewel project, and the Community Center, which had once occupied the area where the Jewel was built. Village Administrator Palm continued that this provided opportunities for redevelopment and reinforcement of existing infrastructure. At the end of the Lake Street TIF, it had generated between \$62,000,000 to \$63,000,000 in additional assessed valuation, which is significant. He reported that this generated an additional \$5,000,000 in property taxes for all the taxing jurisdictions. He stated that Lake Street is a good example of the positive benefits that a TIF district can bring to the Village, as well as an example of a successful TIF project within the Village.

Village Administrator Palm further reported that the Village established a TIF district along Madison Street in 2016, and that the Village has since purchased the Lutheran Children and Family services property on Madison Street, and a single family residence located at 10 Lathrop. He stated that both were strategic purchases, that these were entirely voluntary transactions and that no one was forced to sell.

Village Administrator Palm addressed the basic question of “How do TIFs work?” and explained that the Village hires a consultant, who together with the Village develops three plans: an eligibility study, a redevelopment project and plan, and a housing impact study. He reminded everyone that those documents have been made available to the public.

Village Administrator Palm explained that once the Village establishes a TIF District (at a Village Board of Trustees meeting in the future) the next step is for the Village to inform the Cook County Clerk that the TIF District has been established. He continued that the County Clerk then freezes the EAV for all the properties within the TIF District boundaries. He said that a homeowner would not notice anything different in that property tax bills would continue to arrive and need to be paid, and that property values will continue to increase and decrease based on what the assessor believes it to be.

Village Administrator Palm further explained that the EAVs are frozen, and over time as the EAV increases, the property taxes created by the increase in the EAV, go into a special account that the Village uses for redevelopment and reinforcement projects on North Avenue. He reported that when the TIF is terminated after twenty-three years, all the taxing bodies then receive the value of all the incremental EAV that has increased over the life of the TIF. Village Administrator Palm reiterated that property owners do not see a change in their EAV and stressed that property taxes do not freeze, but they continue to increase or decrease just as they normally would. He reiterated that it is only the equalized assessed value (EAV) that is frozen and only for the purposes of the county knowing how to calculate how much money the TIF district receives. He said that because property owners do not see a change in their property tax bills, they might not even realize they are in a TIF district.

Village Administrator Palm referred to the PowerPoint presentation (which is available to view in the packet of materials for this meeting and on the Village website under the previous link provided) stating that base revenue consists of all the money that is collected from property tax from assessed valuations goes into the base revenue fund which is distributed to the schools, the Village, the Park District, the Mosquito Abatement District, etc. He explained that a smaller amount is made up of Incremental Revenue; the money that is collected that is associated with any increment in property value within the North Avenue TIF. Village Administrator Palm explained that the Village of River Forest Board of Trustees control those funds and allocate it for various projects to further the goals of the TIF district.

Village Administrator Palm provided another way to understand the TIF, explaining that when the TIF is established, the Village notifies the county and that results in the freezing of the EAV. Over time, new projects and improvements to existing projects occur within the TIF and, as they move towards completion, the property values in the TIF will continue to increase. This results in the development of a new EAV even though the EAV that was frozen when the TIF was established, remains the same. Village Administrator Palm further explained that the incremental value that is generated by these projects creates more money, and that money goes into the Incremental Revenue.

Village Administrator Palm reported that after twenty-three years, the TIF is terminated, the Village notifies the county and adopts an ordinance, and all the incremental growth is returned back to all the taxing bodies.

Village Administrator Palm stated that there is a budget within the TIF document, and although it doesn't fund all private development costs, the Village does have the ability within TIF to utilize money to reinforce existing properties. He emphasized that it does not pay for private development costs.

Village Administrator Palm reported that there is an independent audit and annual review of the TIF each year. He added that there is also an annual meeting of the Joint Review Board, which consists of all the taxing districts, to provide oversight and report back to the Village Board. Per state law the Village was required to create a TIF Housing Impact Study, which is also available to the public on the Village's website.

Village Administrator Palm stated that at this time the Village has no plans to purchase property within the proposed TIF. He that the TIF is a financing tool; a way to create more revenue to perform projects within the TIF district. He said TIF finances may be spent on projects which include, for example, the rehabilitation or renovation of existing public or private buildings, construction of public works projects such as new sewers or water mains, job training/retraining programs, relocation, financing costs, including engineering reports, property acquisition, demolition and site prep, and more.

Village Administrator Palm emphasized that a TIF does not eliminate local building or zoning regulations. He provided a brief overview of the Development Review Board's (DRB) role in reviewing proposed planned development, which includes notification of property owners within 500 feet of the property, the ability of residents to voice their concerns or favor of the project, and ultimately a vote by the DRB with the final approval being decided on by the Village Board of Trustees. Village Administrator Palm reassured everyone that even within a TIF district, the existing building and zoning regulations, as well as the normal entitlement process for development remains the same.

Village Administrator Palm said that properties continue to be assessed uniformly both within and outside of the TIF, so that when the assessor determines what your property value is, whether or not you are in the TIF district has no basis to determine an increase or decrease in the value of your home or business. He said that the same principle applies to tax rates in that nothing will change due to the TIF designation.

Village Administrator Palm reported that there had been questions at previous meetings regarding the Madison Street TIF regarding eminent domain, and that a policy was developed relating to the use of eminent domain, which is being used again in the North Avenue TIF proposal. He stated that any property that is not abutting the North Avenue corridor (the actual street) has an eminent domain protection. He advised residents not to be concerned about eminent domain given that this Village Board has not used it in the past, and he does not anticipate them using it in the future.

Village Administrator Palm reviewed the next steps which include the Public Hearing tonight and final consideration which can take place no less than 14 days and no more than 90 days after

the Public Hearing, noting that the Village Board of Trustees are scheduled to meet and consider the Ordinances that would create the TIF on August 13, 2018.

Village Administrator Palm invited Robert Rychlicki to speak regarding the qualification factors that allow the Village to create the TIF.

C. Overview of the Proposed North Avenue Tax Increment Financing District, and the Eligibility Study, Housing Impact Study and the Redevelopment Plan and Project in Relation Thereto [Kane McKenna Associates, Inc. and Village staff]

Mr. Robert Rychlicki, of Kane McKenna and Associates began by explaining that there are two components that are important to the TIF plan; the first is eligibility as there are requirements that are determined by state law; the second is the vision or redevelopment activities for the area. He stated that he believes that the Village's work over the past few years as it relates to the Comprehensive Plan update, the market study, and some of the other corridor plans truly form the foundation for the TIF plan.

Mr. Rychlicki reported that under the TIF Act, there must be a redevelopment plan that demonstrates that TIF could make a difference, that through TIF there would be an improvement, or that the TIF allows the municipality to achieve its redevelopment goals. He noted that these achievements are well demonstrated by the TIF work done on Lake Street and more recently, on Madison Street.

Mr. Rychlicki stated that the TIF Act identifies two conditions whether the property is vacant or improved, adding that in this case the Village has improved property; the other is the area as a whole could either be qualified as blighted or a conservation area. Mr. Rychlicki said that in this case, because of the overall age and condition of the buildings, the area qualifies as an improved conservation area. He explained that under the TIF act, 50% of more of the buildings have to be 35 years old or greater, and in the case of the North Avenue TIF proposal, 96% of the buildings met that criteria, noting that several of the buildings were between 70 and 80 years old according to Cook County assessor data.

Mr. Rychlicki explained that once that qualification is met, there must be three of thirteen factors present in order to qualify for the TIF. He specified that each property does not have to have all the factors in order to qualify, rather the emphasis is on redevelopment area as a whole and the distribution of the factors taken together. He noted that in the North Avenue TIF proposal, there were six of thirteen present including obsolescence, deterioration, inadequate utilities related to age (water and sewer systems would need improvement for redevelopment), excessive site coverage, deleterious layouts related to parking, loading/unloading of commercial building, etc., and the final factor was lagging or declining EAV. Mr. Rychlicki said that the area demonstrated a decline in value, lagging behind the CPI and the rest of the village over five years.

D. Joint Review Board Meeting and Final Recommendation [Eric Palm, the Village's representative on the Joint Review Board]

Village Administrator Palm stated that one of the conditions for the TIF process is that the Joint Review Board (JRB) convene and make a recommendation to the Village Board of Trustees. Village Administrator Palm explained that the JRB is composed of a representative from each of the taxing bodies (School District 90, School District 200, River Forest Park District, Village of

River Forest, Cook County, River Forest Township, and Triton College) and one public member who is a resident with the proposed TIF district. Village Administrator Palm stated that the JRB reviews the plans prepared by Kane McKenna, as well as the proposed ordinances, followed by asking questions and making a recommendation to the Village Board of Trustees. Village Administrator Palm reported that the JRB did meet and unanimously recommended approval of the North Avenue TIF District.

E. Public Comment

Village Administrator Palm invited members of the public to the podium to either ask questions or state comments about the proposed TIF district.

Mr. Rod Phillips of 1535 Forest Avenue discussed the categories of properties in the TIF document that are and are not exempt from eminent domain. Mr. Phillips said he lives in a condo building and if they have expensive repairs for the building coming up in the next few years and asked what happens if someone decides to take over that building? He said they are concerned about what they can do and why they should spend money if they will be forced to sell. Mr. Phillips asked if funds are available to help condo buildings upgrade their facades and, if so, when? He asked about the timeframe for redevelopment.

Village Administrator Palm discussed the length of the TIF and opportunities for partnerships between properties and the Village. He said the Village will not subsidize projects 100% but there are opportunities to work with Home Owners Associations. He said the Village Board will set policies and directives about how to deal with that. He reiterated that the TIF is in effect for twenty-three years, and that he cannot provide a specific date as the TIF needs time to grow in order to generate increment revenue. He stated that, at this time, there are no active development projects that could generate a lot of increment and create opportunity, but because of the long life of the TIF, there could be in the future. Village Administrator Palm reported that the Village has noticed a trend in property values in this area over time and wishes to correct that by increasing the property values.

President Adduci stated that in the life of the Lake Street TIF (which created the Town Center and built Village Hall) the Village did not utilize eminent domain, and that it is almost impossible for local government to take someone's home. She commented that eminent domain is typically utilized with properties that are near airports or interstates that the government wants to expand, and that River Forest has none of those. Village Administrator Palm stated that property owners should continue to invest in their properties and make improvements.

Tilda Agajanian of 1535 Forest, stated that in reading through the Village's documents, she wondered what the difference is between assessed value and fair market value and how fair market value is calculated. Ms. Agajanian asked how long residents would be given to relocate. Village Administrator Palm replied that the County, in working with the Township Assessor, determines assessed valuation and that the Village has no say in that. Ms. Agajanian asked how fair market value is determined. Village Administrator Palm stated that an independent third party appraisal is conducted by an appraiser who is licensed by the State and it is not uncommon for multiple appraisals to be ordered. He stated that a developer who might wish to acquire a property may offer more than fair market value. In response to a follow-up question, Village Administrator Palm stated that the market dictates development and there are protections spelled out in the housing study. Ms. Agajanian discussed elements of the TIF budget. Village

Administrator Palm stated that the Village had to make an educated guess, and that the budgeted amounts could decrease or increase. Ms. Agajanian asked if the Village would contact property owners if a project is proposed that involves private property, and Village Administrator Palm responded that if a developer is interested in a property, they will contact the home owner first.

Sherri Cozzi of 1521 Bonnie Brae, stated that her home is located in a six-unit condominium building, and that she serves on the condo board. Ms. Cozzi asked how this TIF would affect their property? President Adduci responded that this is what was discussed in the previous questions, and that if a developer wanted to purchase the condo building at 1521 Bonnie Brae, all property owners within that building have to be willing to sell, and that it is up to the individual home owner to set a price and decide whether or not to sell.

Ms. Cozzi cited the TCF bank at Chicago and Harlem and three single family homes that are being purchased to build a new senior living center. President Adduci stated that the project is an excellent example, although not in a TIF area. She said the bank wanted to sell the land because they felt it was too large for their purposes, and are simply relocating the branch a bit further south on Harlem. She further added that the developer went to the three property owners and made a deal to purchase the homes, and that the homeowners voluntarily sold their properties. Ms. Cozzi asked if the situation would have been different if the area was under a TIF, and President Adduci answered “no”. Ms. Cozzi asked if the area was under a TIF, couldn’t the developer have forced the home owners to sell their properties and President Adduci answered “absolutely not”. President Adduci explained that TIF is a financing tool meant to improve the community for the residents and businesses. Ms. Cozzi asked if TIF improvements might include sewers, landscaping, and streets, and President Adduci answered “yes” to all.

In response to a question about land acquisition, President Adduci provided an example of the Madison Street TIF, which includes the Lutheran Children and Family Services building on Madison at Ashland. President Adduci reported that the agency was preparing to leave the location as their offices were consolidating, and that the Village Board of Trustees felt it was in the best interest of the community to purchase the property (which was for sale) so that the Village can control what is developed there. President Adduci stated that selling that property was voluntary on behalf of the agency, and that the Village used Madison Street TIF money to purchase the property.

Diana SanLucas of 1521 Bonnie Brae Place, asked how many TIFs are active in River Forest and how many are proposed. Village Administrator Palm stated that the only existing active TIF District is on Madison Street, and North Avenue is the only proposed TIF. He added that the Lake Street TIF has been closed for several years. Ms. SanLucas asked how essential services in the Village would be funded. Village Administrator Palm replied that a TIF freezes the assessed valuation but does not freeze the levies. He further explained that this does not freeze the tax rates, it only freezes the first part of your tax bill, which is the assessed valuation. Village Administrator Palm stated that the taxing bodies will continue to levy property taxes as they deem necessary. He used the development at Chicago and Harlem as an example and explained that when the project is completed there is new value that is created that the Village can capture as a governing body to deposit into the tax levy. He said that as the new value creates new revenue, that revenue goes into the TIF account rather than going to those governing bodies, and the funds in that account are utilized for TIF qualifying expenses rather than utilizing other Village revenue. In response to a follow-up question from Ms. SanLucas, Mr. Rychlicki stated that, it depends on the cash rate and project, but that the expected revenue is approximately

\$1,000,000 to \$2,500,000 stabilized, each year, for twenty-three years. In response to a follow-up question from Ms. SanLucas on where she can read the disclosures for the annual reports, Village Administrator Palm stated that the disclosures would be made available online on the Village's website, as well as through the Illinois State Comptroller because by law, the Village has to submit the TIF report there.

Ms. SanLucas asked if Village Administrator Palm's presentation was going to be available online, and he said it would. President Adduci praised the visual pictures included in Village Administrator Palm's presentation, stating that it is a great resource to study because it shows how if nothing is done, the property values risk staying stagnant, whereas under the TIF, property values are expected to rise.

Trustee Corsini noted that just as the Village is required to have annual audits of financial statements, as well as annual audits of the TIFs.

Daniel Lauber, of 7215 Oak, appealed to the Village Board of Trustees for the creation of affordable housing and the use of TIF funds to preserve existing affordable housing. Mr. Lauber distributed some proposed draft policies for the North Avenue TIF including the following: At least 20% of the new dwelling units to be built shall be affordable to households of modest incomes (in addition to any units replacing existing affordable homes) for no less than 99 years. If existing dwellings affordable to households with modest incomes are to be lost, the Village will replace them 1:1 with similarly affordable dwellings before vacating and demolishing the existing homes – so current residents will have to move only once (as was done on Lake Street. All affordable dwellings shall be maintained as affordable for at least 99 years. Mr. Lauber stated that housing "affordable to households of modest incomes" refers to rentals and ownership housing that costs no more than 30% of the gross monthly household income typical of teachers, retired seniors, recent college graduates, librarians, social workers, Village employees, nurses, self-employed, etc. He asked that the Village give these policies serious consideration.

Village President Adduce thanked Mr. Lauber for the draft policies and stated that the Village is focused on what Mr. Lauber expressed including being aware of where the Village's most affordable housing is located, and will probably pursue the preservation of the homes within the policy and will discuss this further as they look to adopting the TIF.

Karin Danganan, of 1523 Ashland, stated that it was her understanding that when the Madison Street TIF was being developed, there was not eminent domain protection language in the initial drafts, but that residents worked very hard to get that language included in the TIF. Ms. Danganan reported that she met with Village Administrator Palm today and he told her that similar language would be incorporated into the North Avenue TIF, however, she was confused by a slide that was included in his presentation because it said "...has proposed a similar policy" but it doesn't give an assurance that the eminent domain language will be in the North Avenue TIF. Village Administrator Palm answered that the eminent domain language is in the draft documents on the website.

Ms. Danganan asked if development in the TIF district has to abide by current zoning regulations and laws, and President Adduci answered "yes". Ms. Danganan then asked if those zoning regulations were to be changed, what is the process for doing so? Village Administrator Palm answered that any time the zoning code (the zoning code dictates how developments take place) is amended, there will be a public hearing and that it cannot simply be approved at a Village

Board of Trustees meeting. He stated that any proposed changes must be heard via the Plan Commission, the Zoning Appeals Board, or both, and typically includes a great deal of public input as well.

Trustee Conti also noted that any development project has to go through the Development Review Board (DRB) process, and that all the people who serve on the DRB are residents of River Forest who are appointed to their positions.

Ms. Danganan asked about the process for what gets developed, and President Adduci answered that any proposed development would have to go through the Planned Development process, which includes input from residents and the Village; that no due process is lost whether a proposed development is in a TIF area or not.

Debbie Bullens, of 7915 North Avenue, asked what happens to students if eminent domain displaces residents from River Forest schools? President Adduci replied that she doesn't think there would ever be a time when that would happen, unless an individual made a decision to sell and leave their home. Ms. Bullens wondered what would happen if a developer wanted to purchase her building where half the unit owners wanted to sell and half did not. President Adduci answered that most developers would walk away rather than become entangled in an argument between condo residents. She cited the example of the residents who previously occupied a condo building where Panera now stands, and that all 48 of the residents of that building had to agree in order for that development to proceed. President Adduci further reported that those residents moved to Lake and William.

Adonis Epps, of 7813 North Avenue, asked about the requirements that must be present in order for the area to be considered for a TIF, specifically that a redevelopment plan must be posted on the Village's website, yet it was his understanding that there was no current redevelopment plan. Village Administrator Palm responded that the redevelopment plan that is on the Village's website is the plan that meets the statutory requirements in order to create a TIF district and that it is typically more generic in nature because a specific plan doesn't exist yet, but will typically evolve over time. Mr. Epps asked how much voice will the residents have in those developments? Village Administrator Palm answered that the only way a developer can propose a plan is if the property is already owned by the developer, or receives permission from the property owner. He said that there must be a resident meeting held before any of the formal process with public hearings begin, and all residents who live or have businesses within 500 feet of the proposed development must be notified of the resident meeting. Village Administrator Palm continued that next there would have to be a public hearing in front of the Development Review Board, and then the proposal would be heard by the Village Board of Trustees. He stated that a letter has to go out to affected residents for the resident meeting, the public hearing, and the Village Board of Trustees hearing, and that additionally, proactive communication takes place via the Village's website, Facebook, etc.

Marilyn Thomas, of 7911 North Avenue, commented on North Avenue properties that are not excluded from eminent domain. Ms. Thomas stated that if the assertions that the Board is making, that eminent domain will never be used and never have been used, then why not take it out completely, and if it won't be taken out completely, then there must be some possibility that it could be used.

F. Discussion by Village Board

None.

G. Closure and Adjournment of the Public Hearing

A motion was made by Trustee Cargie, and seconded by Trustee Gibbs, to close the public hearing at 8:35 p.m.

Trustee Vazquez stated that he will recuse himself from voting on the matter

Roll Call

Ayes: Trustees Cargie, Conti, Henek, Gibbs, and Corsini

Nays: None

Abstain: Trustee Vazquez

Motion Passes.

6. RECOMMENDATIONS OF BOARDS, COMMISSIONS AND COMMITTEES

None.

7. UNFINISHED BUSINESS

None.

8. NEW BUSINESS

None.

9. EXECUTIVE SESSION

None.

10. ADJOURNMENT

Trustee Cargie made a motion seconded by Trustee Gibbs, to adjourn the Village Board of Trustees Meeting at 8:36 p.m.

Roll call:

Ayes: Trustees Cargie, Conti, Henek, Gibbs, Vazquez, and Corsini

Nays: None

Motion Passes.

Kathleen Brand-White, Village Clerk