

Proposed Downtown TIF District
Public Meeting
June 23, 2014 7:00 p.m.
William J. Ganek Municipal Center
Minutes

1. Introduction

Russ Farnum, Community Development Director, indicated that pursuant to the Village Board Resolution, he was designated to conduct this meeting. He then explained that the purpose of meeting was to educate everyone on the proposed TIF district and to satisfy the other requirements of the TIF Act. Mr. Farnum introduced the Village consultants helping with the TIF District creation process Bob Rychlicki of Kane, McKenna and Associates, and Mark Gershon of Polsinelli, special counsel to the Village, also in attendance were the Village Trustees and several staff members.

2. Purpose of the Meeting

Russ Farnum presented the outline for the meeting, background of TIF, showed a map of the proposed district, and the existing and future land use maps. Mr. Farnum touched on the history of Algonquin's Downtown development and redevelopment progress. Downtown is the heart of Algonquin and the Village wants to make it viable. Issues facing the Downtown include: impact of Western Bypass, aging infrastructure, sustainable economic success, and redevelopment factors. Key objectives for Downtown include: Main Street turned back to the community, preserve historic district, redevelop key sites, streetscaping improvements, enhance the use of the Fox River and Prairie Path, and increase marketing and events. Potential projects include: environmental cleanup, infrastructure improvements and floodplain restoration.

3. Explanation, Description and Summary of TIF under Illinois Law

Bob Rychlicki explained what a TIF is and is not. TIF does not impact tax assessment of the individual property, there is not a special assessment put on the property. The increment of the taxes is spent to improve the area. The taxing districts receive their share of the taxes as defined at the beginning of the TIF. TIF is a financing plan, does not replace local planning or zoning process. TIF can only function for 23 years. TIF reporting requires an independent audit that is filed with the State and the taxing districts on an annual basis.

4. Reviewing of Next Steps and Timetable Including Joint Review Board, Public Member Selection and Public Hearing

Bob Rychlicki explained that this is a transparent process with plenty of opportunities for public input. There will be several notices sent to tax payers, residents, taxing bodies, and residents around the TIF. A Joint Review Board will be created of all the taxing districts in order for them to provide input into the TIF and implementation. The Village Board will hold a public hearing in September to gather public comments.

5. Identification of Village Sources of Information-Including Interested Parties Registry

Bob Rychlicki explained those that received notice of tonight's public meeting will also receive notice of the public hearing. Those that were not mailed a letter can sign up to be on the interested parties registry to make sure they are kept informed of meetings.

6. Questions and Comments

Questions from the audience were welcome. Below is a summary of the questions and answers.

- Are the Village Comprehensive Plan and Downtown Planning Study available for viewing? Mr. Farnum stated yes, Village plans are available on the Village website, at the Ganek Municipal Center, and at the Library.
- What does this process cost? What percentage of TIF money is spent to pay for consultants? Mr. Rychlicki answered a relatively modest amount is paid for the consultants, auditors, and reports. Approximately \$7,500 per year for the audit report and upfront costs for the Kane McKenna and legal counsel is around \$50,000. The Village staff and Board will be implementing the TIF.
- The Village Board determines the TIF, not a referendum question, public only gets to give opinion? Mr. Rychlicki responded that it is not a referendum question.
- Do other towns have TIF's around here? Mr. Rychlicki stated, yes, Elgin has several, Huntley has one, Crystal Lake has a few, Gilberts, Carpentersville, East Dundee, etc. have TIF districts.
- Can you measure the growth rate that occurs directly from the TIF? Mr. Rychlicki stated the metric used is EAV on an annual basis and you can determine which parcels have seen growth. You can chart sales tax and job creation as well.
- Are you freezing the tax base and then raising taxes? Mr. Rychlicki explained that value of property will continue to go up or down based on tax assessor's assessment; the Village will only get an amount above the base value.
- Who determines if property should be redeveloped? Mr. Rychlicki stated the market will determine if development occurs, and it will go through the regular Village process. The TIF could help development to happen.
- Will the Village Board have the option to hire a company to manage the TIF? Mr. Rychlicki responded that Village staff and the Village Board will implement the TIF.
- Mark Gershon explained the TIF will give elected officials now another tool to use to help development.
- This is another try at redeveloping Downtown, what is going to be done this time that will work? Mr. Gershon stated the TIF provides funding to implement the Downtown Study, to help with infrastructure improvements.

- Will there be full transparency of what the TIF money is used for? Mr. Gershon replied the TIF Act requires this meeting, a public hearing and other disclosures and all the current Village processes are in place.
- All the other taxing districts will not get an increase and they will want to go to referendum to get more, how does this not increase our taxes? Mr. Rychlicki responded that this is not the first TIF district in the State, so there is a track record of how this works. The TIF is to generate growth that would not occur without the TIF. The Downtown area qualifies under the TIF law.
- Where does the initial funding come from? Mr. Gershon answered the increased value of land over time.
- Property taxes are too high now, so any increase does not help even with TIF. Mr. Gershon stated that land valuation is a good thing in the long run.
- Who decides which taxing body does not get the taxes from the increment and how do they make it up? Mr. Gershon stated that one of the basis of a TIF is that BUT, FOR these dollars the development would not occur. If there is not increased value, there is no TIF increment.
- A business owner stated East Dundee has a wonderful Downtown now with the TIF. This will be a good thing for Algonquin.
- How does a business owner get to use the TIF funds? Mr. Gershon stated this can be done in a variety of ways; the Village will have to determine options. Village will have local control.
- Mr. Gershon added the Village has a Downtown Study already that will direct the growth. These are public documents and were approved through a public process.
- How did this redevelopment area get selected? Mr. Farnum walked through the map showing the boundary area and explained why this area was selected. Infrastructure improvements are a component of the TIF, as well redevelopment. Need to meet the TIF requirements to set up area.
- Why are the residential areas north of downtown not included in the TIF? Are these areas not allowed to redevelop? Mr. Farnum discussed how the areas were selected.
- The amount that goes to the two buckets is that amount set by Village? Mr. Gershon stated this is defined by the State Statues. Some of the most significant increment will come from vacant properties developing.
- Doesn't it make more sense to give tax breaks instead of bringing in the revenue and having the Village do projects? Mr. Gershon mentioned that TIF was specifically designed to provide the incentive to enable development.
- Do the other governments that lose money have to agree to this? Mr. Gershon replied that the other taxing districts still receive revenues; they are still getting their distribution. New revenues into the TIF come from tax increment above the established Base EAV. The Joint Revenue Board will provide input. The State designated the Village Board to have the power to approve the TIF.

7. **Adjournment**

The meeting was adjourned at 8:25 p.m.

Minutes submitted by:

Katherine Parkhurst, AICP Senior Planner