

Approved
**VILLAGE OF LAKE ZURICH BOARD
TIF (TAX INCREMENT FINANCE)
JOINT REVIEW BOARD
DECEMBER 13, 2005**

The meeting was called to order by Chairperson Joe Miller at 7:00 p.m. at the Lake Zurich Village Hall, 70 E. Main Street.

ROLL CALL:

Joint Review Board Members: Chairperson Joe Miller, Michael Talbett, representative of Lake County Board and Lake County Forest Preserve District, Gary Robillard, President and representative of District 95 School Board; Lucy Prouty, Supervisor and representative of Ela Township, and George Kalinka, representative of the Ela Area Library, and resident representative Greg Lohman. No one was present from the College of Lake County or the Illinois Department of Economic Opportunity.

Also in attendance were President Tolomei, Trustee Callahan, Village Administrator John Dixon, Finance Director Jeff Martynowicz, Village Attorney Mark Burkland, and Village Planner Vijay Gadde from the Village of Lake Zurich; Jon Hitcho, District 95; members of the press Madhu Krishnamuthy, Daily Herald; and Mike Neumann, Lake Zurich Courier. In the audience were Don Prouty, John Schweda, Tom Poynton, Loretta Peterson, Dale Perrin, Warren Klug, and Jim Tarbet.

APPROVAL OF DECEMBER 2, 2004 MINUTES:

The minutes were reviewed with no questions or comments.

MOTION made by Michael Talbett, seconded by George Kalinka to approve the December 2, 2004 minutes. Upon voice vote, all ayes. Lucy Prouty, Ela Township, and Gary Robillard, District 95, abstained. Motion Carried.

REVIEW OF TIF REPORT, STATUS, AND PROJECT:

Chair Miller asked Village Administrator John Dixon to review the annual tax increment finance report filed with the Illinois Comptroller's Office, which also had been mailed to all members. Mr. Dixon reviewed each page in the Board packet and gave a brief overview of each item. The Chair also asked that a current status report be given.

Mr. Dixon said the report covered the fiscal year from May 1, 2004 through April 30, 2005. He reviewed the revenue with payments and work elements that have been done. The property tax increments show an increase in this fiscal year. The TIF property taxes have solely been relied upon, and no sales tax or utility taxes have been used. There was some interest income because the bond may not be spent immediately. There were no building or land sales, but there were bond proceeds and rental income. The expenditures show consultant costs and property demolition including investigation of asbestos. The costs will go up significantly next fiscal year because of environmental clean up related to the gas stations. The promenade and streetscape

figures are only partial due to the timeframe. Items recapped included the costs related to the financing of the bonds, list of vendors, G.O. TIF Alternate Revenue Bonds, and gross price of properties purchased. The overlapping taxing districts did not receive a surplus, and one is not expected until 16-17 years in the future. The attachments were briefly reviewed and included a balance sheet of governmental funds dated April 2005 and an audit report dated September 6, 2005.

Chair Miller clarified that the question asking if any obligations were issued by the municipality was answered in the negative, but a clarification had been listed stating that a line of credit is not considered obligations.

Mr. Robillard asked if the cumulative property tax increment reflected the amount of tax collected. Mr. Dixon said approximately \$50,000 was collected in the first year and \$80,000 this year totaling \$110,000. He said the figure reflected the amount of money above the set rate, which was over \$11 million and anything above that is the increment. Mr. Robillard asked about the reduction in the TIF equalized assessed value of \$11.6 million versus \$12.2 million. Mr. Dixon said some property was taken off the tax roles, so there was a slight reduction. The base EAV for 2002 was \$12,606,191, and the reporting fiscal year was \$11,977,719. He said there was a reduction in the gross EAV because some property was taken off the tax rolls. It will increase significantly when the Concord Development will be included. Mr. Dixon indicated that the Village pays taxes for property that is rented by the Village and not used for municipal purposes. Property purchased by the Village and demolished is taken off the tax roll when demolished.

Mr. Burkland added that in addition to the increase from the Concord Development, the Village will be selling property to the developer, and it will be added to the tax rolls as soon as it is sold. The property is only off of the tax roles for the actual time the Village owns the property. Concord is the only redevelopment growth, but other properties have already increased in value and will continue to increase.

Mr. Dixon said property values have also increased due to the removal of dilapidated structures and private property improvements. The Village staff has met with the tax assessors to assess the upcoming Concord development, and a minimum of 27 million dollars is anticipated. The cost of the first bond will be covered, and the second bond will be covered through capitalization interest for a three-year period of time. By that time, Concord will be fully on-line and additional development will have taken place in the TIF District.

MOTION made by John Tolomei, seconded by Michael Talbett, to accept the report that has been filed with the Office of the Illinois Comptroller's Office.
Voice vote, all in favor. MOTION CARRIED.

BOARD COMMENTS:

Mr. Dixon answered questions related to the current status of the TIF District. Chair Miller asked if there were any amendments to the plan since April. Mr. Dixon responded that no alterations to the original boundaries had been made since it was established three years ago, and he did not anticipate any modifications.

Chair Miller asked for a summary of activities as listed in Attachment D ending in April 2005. Mr. Dixon said McCaffery Interests will be developing Phases 1 and 2, the Gateway building and the townhome development, with the townhome proposal being presented to the Board of Trustees in February or March 2006 and construction to begin between March and the end of April 2006. He described the area of property that the Village now owns and how it will be developed.

A recap of the status of finances dated November 30, 2005 was distributed and reviewed by Mr. Dixon. There was a 10 million dollar bond issuance last year, and there is a 10 million dollar line of credit with Cambridge Bank, which had been extended. He summarized the revenue and expenditures.

Mr. Robillard asked if the school district could receive impact fees on the townhome development. Mr. Dixon responded that it was made clear to all potential contractors that impact fees must be paid to the school and library districts for any residential construction. The Village will ask the developer to provide letters from the both districts stating that the fees have paid and were satisfactory prior to issuing building permits.

Ms. Prouty had questions about the regulation of the building height that Mr. Dixon answered.

ADJOURNMENT:

MOTION was made by Gary Robillard, seconded by Michael Talbett, to adjourn the meeting. Voice vote, all ayes. MOTION CARRIED.

Meeting adjourned at 7:34 p.m.

Respectfully submitted: *Janet McKay, Recording Secretary*

Approved: 12-13-06