

Approved
**VILLAGE OF LAKE ZURICH BOARD
TIF (TAX INCREMENT FINANCE)
JOINT REVIEW BOARD
December 19, 2007**

The meeting was called to order by Chair John Tolomei, Village President, at 7:06 p.m. at the Lake Zurich Village Hall, 70 E. Main Street. He indicated that the Village resident Joe Miller had resigned his position because of his intent to move out of state. He, John Tolomei, would take the place as the Village representation, and then asked for the roll call to establish a quorum.

ROLL CALL:

Joint Review Board Members: Chairperson and Village representative John Tolomei; Bonnie McLeod representative of Lake County Forest Preserve District; Michael Talbott, Board member of Lake County; Trustee John Kropf, representative of District 95 School Board; Lucy Prouty representative of Ela Township; and resident representative Greg Lohman. No one was present from the Ela Area Library, College of Lake County, or the Illinois Department of Economic Opportunity.

Also in attendance were Village Trustee Craig Taylor, Village Trustee Jim Johnson, Village Trustee Suzanne Branding, Village Trustee Steve Callahan, Village Administrator John Dixon, Village Administrator Bob Vitas, Village Attorney Mark Burkland from the Village of Lake Zurich; Board President Kathy Brown, Superintendent Dr. Brian Knutson and Mary Kalou, School District #95 and members of the press Madhu Krishnamuthy, Daily Herald and Amy Fishman, Lake Zurich Courier. In the audience were four residents of the community.

A quorum was present for the meeting.

APPROVAL OF DECEMBER 13, 2006 MINUTES:

Motion was made by Bonnie McLeod seconded by Greg Lohman to approve the minutes as presented. Voice vote, all ayes. MOTION CARRIED.

Chair Tolomei asked the members if they would have any objections to televising future meetings, since there had been a request by a resident. There did not appear to be any objections, however, they did ask to go back to their representative boards to see if there were any objections. Chair Tolomei indicated they should give Lake Zurich notice as soon as they are aware of the response from their respective boards to determine if future JRB meetings could be televised.

Review of 2007 TIF report sent by Lake Zurich to all members. Village Administrator Dixon indicated that the Village had contacted the State Controllers Office and asked for an extension of the 100 days after the end of the fiscal year for this JRB meeting to be held, which had been granted. Typically, it is at least 100 days from the end of the fiscal year before the audit is completed and in most cases the meetings are held later than 100 days. However, there is a provision to request an extension by the State, which the Village has requested each year.

Chair Tolomei then indicated that the sections of the report would be reviewed. A corrected Section 5 document was presented by Harry Sakai, Interim Finance Director, as well as a revised Section 5 2007 report. This was presented after an inquiry by Representative McLeod earlier in the day. Representative McLeod also talked about the increment, the amount of increase in the increment, and whether or not there was any other property acquisition since then shown on this report.

In response, Chair Tolomei indicated there was no other acquisition of property after the Gould property was acquired.

Representative Kropf asked about the cost of the promenade. It was restated by the Village Administrator that at the promenade opening there was a check presented to the Village by the then developers for Concord Village development in the amount of \$977,000 plus some minor funds paid by the Village for architectural and inspection fees.

Representative McLeod asked if there were any cost of land to McCaffery Interests. There was a \$2 million statement included in the cost of property of \$12,340,933 which was reduced in the 2007 report because of the transfer of \$2 million of the property where Somerset buildings are located.

Representative Prouty asked about consultant fees and in particular why the \$241,000 legal fees came about. Representative Kropf asked if the CAFR was actual costs of reporting and whether or not the Village has extended beyond the TIF cost limitations.

It was explained that the original cost estimate is ratcheted by inflation each year and in fact we are underneath the limit. The Village is looking at amending the upcoming TIF to increase that level.

Representative Talbott wanted to know if the consulting fees would be decreasing and was told there would be some monies paid to consultants to amend the TIF and that there will be some consultant costs involved with the interpretation of the Redevelopment Agreement language that the Village has with McCaffery Interests.

Representative Kropf indicated that there was tuition payment of about \$362,000 paid to the Lake Zurich School District #95 and in this upcoming year it would be approximately \$500,000. They were told that they were paid about \$455,000 that will show up in the report next year, and that the Village Board had talked about the District payments indicating that they would transfer funds on a temporary basis from enterprises accounts in the Village in order to make sure that the payment is made.

In response as to whether or not the TIF would be extended in time, Representative Talbott indicated it is a legislative act that would have to be done. Chair Tolomei indicated that it is not contemplated at this time.

Representative McLeod asked the status of the McCaffery Interest contract. Chair Tolomei indicated that both parties have declared each other in breach of the agreement and are working out how to separate. There has been no legal action filed at this time. Lake Zurich has talked with other developers with permission from McCaffery Interests.

Representative Lohman asked if whether progress would stop. The Village is talking with a large number of other people to try to get development started downtown in other areas. We felt that we had paid the portion that was due for public improvements. Chair Tolomei indicated that any future development agreements would be done differently than we have had in the past with McCaffery Interests.

Representative Kropf asked if the audit of the Village was available. It was indicated that it would be available at the end of the week.

Representative Lohman asked if there was any other development to start, for example by the old police building. Chair Tolomei stated that areas is in the original area to be developed by McCaffery Interests, but the Village is discussing areas that are not in the McCaffery TIF area with other developers.

Representative Talbett indicated that Lake County would not think it is a good idea to extend the TIF levy by any additional number of years. The County hopes that the development of the TIF works out and that expenditures would be kept down.

Chair Tolomei stated he was confident that it will be successful and twice has been off to a bad start. He believes we now have an idea what to do and that the timing of the residential downturn will also turn around.

Representative Kropf indicated that everyone is pulling for this development to occur. We are in this together and want it to be successful. Chair Tolomei indicated the market is not strong but should be turning around the end of next year.

ADJOURNMENT:

MOTION made by Representative Talbett, seconded by Representative Prouty to adjourn the meeting. Voice vote, all ayes. MOTION CARRIED.

Meeting adjourned at 7:52 p.m.

Respectfully submitted: *John Dixon, Village Administrator*

Approved: 12/17/08