

**Minutes of the
TIF Committee Meeting
Of
November 9, 2017**

Attendees:

Mayor John Hucker – Committee Chairperson	Sandi Pastell – Recording Secretary
Trustee Mark Ottersen – Member	Jon Kindseth – Village Administrator
Trustee Linda Sittig – Member - Absent	Peggy McHugh – Finance Director
Jerry Nellessen – Community Development Director	Trustee Don Jenson
Rudy Magna – Village Attorney	

Roll call was taken and the meeting brought to order at 5.04 p.m.

Chairman Hucker opened the meeting with a motion to approve the minutes from the October 12, 2017 meeting. Trustee Ottersen made the motion, Chairman Hucker seconded, and by voice vote minutes were approved.

Chairman Hucker went over the Points of Action (POAs) from the October 12, 2017 TIF Committee Meeting, stating no change.

Chairman Hucker stated that there were no pending TIF applications; however, we have received the application from Speedway. Jon Kindseth quickly ran through his memo that was included in the Committees' packet. Jon Kindseth stated that there was a discussion in regards to some kind of incentive from the Village. Jon Kindseth stated that Speedway started with a sales tax sharing as that is what they do with many other communities. Jon Kindseth stated that the project is substantially completed and they do want some assistance. Jon Kindseth stated that Speedway ran into some unanticipated expenses which included work on Green Bay road due to IDOT requirements. Jon Kindseth stated that on page 21 of the packet it shows the IDOT roadwork and Jon Kindseth stated that he is looking for support on agreeing to an incentive, the dollar amount and what vehicle the committee would like to use.

Jon Kindseth stated that it was discussed at the last meeting a refund of \$50,000.00 for permit fees and either a TIF incentive or sales tax sharing. Jon Kindseth said that it is staffs' recommendation that we use a TIF incentive and that Speedway is looking for an incentive of \$600,000.00. Jon Kindseth stated that staff is recommending an incentive of \$500,000.00 including the \$50,000.00 of refunded permit fees. Jon Kindseth went through the financials provided by Speedway and pointed out that on page 16 and 17 it shows sales and a 10-year projection. The Village will receive between \$80,000.00 and \$100,000.00 in sales tax and that does not include income from video gaming. Jon Kindseth stated that on page 18, Peggy McHugh prepared a projection of increment and sales tax for the remaining 14 years of the TIF at 1% and minus the 10% required to pay as we have no real estate tax.

Chairman Hucker asked Rudy Magna if there is anything in the legislature that would affect the increment and was told no; however, it depends on federal tax changes. Chairman Hucker said that we are being asked for a \$600,00.00 incentive RDA and it has been demonstrated that the Village could receive \$450,000.00 in increment; however, it has to be generated in order to receive it. Chairman

Hucker stated that he wants nothing to do with a sales tax sharing as that takes out of our general fund and would rather use TIF incentive and that the timing of this application is unfortunate as this started in June and the application should have been done long before the project was completed.

Trustee Jensen asked if we have to give them anything at all and was told no, we do not. Trustee Jensen asked what Speedway would do if we didn't approve an incentive for them and was told probably nothing. Trustee Jensen said to reimburse them for the water extension but not as an incentive as it is already built. Trustee Ottersen stated that part of what Speedway paid for road improvement also helped Dollar General. Trustee Ottersen said that the only dollar amount that was thrown out there was the \$50,000.00 refund in permit fees.

Jon Kindseth stated that Speedway has received larger amounts from other communities. Jon Kindseth stated that in East Dundee, Speedway was offered 2.5 million in sales tax incentive on a ten-million-dollar project. Jon Kindseth did state that the Speedway in Gurnee did not receive any incentive; however, there were different circumstances involved. Chairman Hucker stated that those communities probably had this in place before the project was completed. Trustee Ottersen stated that he is in favor of a TIF incentive and the refunding of permit fees and to stay away from any sales tax incentive. Jon Kindseth stated that the incentive would be for the water main extension and the south bound turn lane for Dollar General. If Speedway would not have done that, no south bound traffic would have access to the Dollar General.

Chairman Hucker stated that Jon had a conversation with Tom Bayer and asked if there was an issue with doing an RDA with incentive after the project had been completed and Tom Bayer stated that there was no problem with doing that. Jon Kindseth stated that the "but for" principal does not apply to TIF it is only for the creation of the districts and sales tax sharing. Chairman Hucker did state that we will be able to pay back the general fund the \$300,000.00 plus it's owed from creating the district. Chairman Hucker stated that the timing is just wrong and this should have been done 6 months ago. Chairman Hucker said that he is not opposed to doing something, just puzzled as to why now. Chairman Hucker said the Village does not have any money into it except permit fees; however, the remainder of \$550,000.00 is up for discussion.

Jon Kindseth stated that we are only using TIF eligible expenses such as the water main extension. Trustee Ottersen suggested that we cut the amount in half to \$300,000.00 as they are asking after the fact so the amount would be the \$50,000.00 in permit fees and \$250,000.00 in incentive or word it as 25% of income generated but no more than \$300,000.00 and payable annually from the increment earned. Chairman Hucker would like to hear what staff thinks. Jon Kindseth said he is looking for the direction to pass this to Tom Bayer to draft an RDA and that the cost of the RDA would be part of the incentive as he believes it should only be between \$2,000.00 and \$5,000.00. Chairman Hucker said that staff should advise Speedway what the reimbursement will be before we start with the RDA.

Jon Kindseth stated that Speedway said they would have built the station without an incentive; however, with an offer of one, the construction started now instead of two years from now. Chairman Hucker said timing aside, we would have done some kind of incentive for Speedway. Chairman Hucker stated as a Committee, can staff engage Tom Bayer to draft the RDA with a payout cap for the remainder of the TIF with reimbursement of the permit fees. The Committee is comfortable with that. Chairman Hucker said that once the formula is figured out we will need to sit down with Speedway and explain it to them.

Chairman Hucker then asked about Retail Strategies. Jon Kindseth said that included in the Committee's packet today you will find examples of materials used, reports specific retailers that they have meet with and the outcomes of those discussions. Jon Kindseth said that Casey's General Store is looking at the Paxton Drive site and that they would look like Speedway. Jon Kindseth said that on the last page they have listed upcoming events that they will be attending. Jon Kindseth did tell the Committee that Casey's General Store has come to an agreement with the property owner on the price and that they have asked about TIF.

Chairman Hucker than moved the discussion to new business and the Sheridan Road Self-Storage. Jon Kindseth stated that the developer did go to the PB & Z meeting on November 2nd and the PB & Z did recommend approval and that this will be going to the board on December 14th. Jon Kindseth stated that there will be 7 storage units done in 3 phases and reminded the Committee that this is the first development in the Sheridan Road south TIF District.

Jon Kindseth also stated that he is in discussion with a development for the property south of Speedway for a mixed use and hopes that it will move forward.

Chairman Hucker moved to other items. Hearing none, Chairman Hucker then asked the Committee if there were any public comments. Hearing none, Chairperson Hucker asked for a motion to adjourn. Trustee Ottersen made the motion to adjourn. Chairman Hucker seconded. Upon a voice vote, motion passed. The TIF Committee meeting was adjourned at 6:25 p.m.

Next TIF Committee Meeting: To be Determined

POA (Points of Action):

None