

ATTACHMENT D

TAX INCREMENT FINANCING JOINT REVIEW BOARD MEETING MINUTES

DATE: February 7, 2005

TIME: 7:30 p.m.

PLACE: Urbana City Building
Executive Conference Rooms – 2nd Floor
400 S. Vine Street
Urbana, IL 61801

MEMBERS PRESENT: Carol Baker, Joanne Chester, Tom Costello, Vickie Mayes,
Michael Walker

STAFF PRESENT: Mayor Tod Satterthwaite; Bruce Walden, CAO; Elizabeth Tyler,
Director of Community Development Services; John Regetz,
Economic Development Manager; Ryan Brault, Redevelopment
Specialist; Teri Andel, Secretary

1. CALL TO ORDER

Mayor Satterthwaite called the meeting to order at 3:07 p.m.

2. INTRODUCTION OF JRB MEMBERS

City Staff and the Joint Review Members took turns introducing themselves to each other.

3. DISCUSSION OF PLAN ADOPTION PROCESS

Ryan Brault, Redevelopment Specialist, reviewed the schedule of required actions for the amendment to the Tax Increment Finance (TIF) #2 Plan.

4. OVERVIEW OF TIF #2 PLAN AMENDMENT

Mr. Brault began his overview by explaining that the purpose of the proposed plan amendment was to extend the TIF term an additional 12 years. The TIF #2 Plan is for larger downtown TIF district, which was established in 1986 and is currently set to expire in 2009. The City needed to extend the expiration date so that they could add and budget for new projects that fit the goals identified in the Downtown Strategic Plan. Without this amendment, there would be a number of projects that would not be able to be accomplished in the time frame of the current term.

He went on to talk about the existing deficiencies in the TIF #2 District, which was outlined in Figure 3 and in Table 1 of the proposed plan amendment. He talked about the Existing Land Use Map, shown in Figure 4 and the Future Land Use Designation, shown in Figure 5-1. Figure 5-2 identifies areas for potential uses and suggests dividing TIF #2 District into different zones, such as the "Near North" Housing District, Leal Park, and Auto-Oriented. He noted part of the 5 Points area was in the process of being redeveloped.

He stated that Schnucks was part of the TIF #2 District as well. It had been one of the biggest successes of the TIF #2 Plan by cleaning up a blighted area, providing a lot of revenue to the City of Urbana and the TIF fund, and providing future revenue for the taxing districts and the TIF fund. Mr. Walden added that there were five development agreements contingent upon the extension of the TIF #2 Plan. There are agreements for 5 Points East, 5 Points West, Stratford, Gill and for Lincoln Square.

Mr. Brault continued his presentation by briefly mentioning the Capital Improvement Plan and some of the projects within the TIF #2 area. Table 3 listed all of the estimates of the total costs for improvements and assistance. He pointed out that according to Table 3, there were a few continuing streetscape projects and roadway improvements.

Ms. Baker inquired what the \$1,000,000 parking improvement project was. Mr. Brault explained that the \$1,000,000 estimate was for overall acquiring and building additional parking in Downtown Urbana as needed. Ms. Chester asked if there had been any thought about adding to the existing parking deck. Mr. Brault pointed out that the parking deck fell into the TIF #1 District. Mayor Satterthwaite added that this idea had already been incorporated into the TIF #1 Plan, but it depended on the funds coming in to support it. There currently is not a demand for an expansion now.

Ms. Chester inquired about the Lessaris Mobile Home Park on Crystal Lake Drive. Elizabeth Tyler, Director of Community Development Services, stated that it was not currently in the redevelopment site, but hopefully, someday it would be. Mr. Costello questioned how many trailers were located there. Ms. Chester answered by saying there were about nine trailers crammed into the small area. Mr. Brault mentioned that they were working with the business owners in the area to see what they could work out. It was in their long-term plan to own everything from the corner of University Cunningham Avenues up to Crystal Lake Drive.

Mr. Brault went on to discuss page 22 of the plan. This page listed all of the potential projects and the expected projected budgets for private development assistance. He described where each project was located.

Ms. Chester asked if Champaign County or Champaign County employees owned the parking lot near Dyno-Tune and behind the oil change business. Mr. Brault answered by saying that Mr. Timpone owned most of the entire block except for one house and Dyno-Tune. Champaign County might lease it.

On Figure 7, Ms. Tyler believed that Figure 7 should be revised to show where #13, Historic Building Rehab's, are located on the map. The Boneyard pathway and the school district building

should be added as well. The main thing was that the projects were mentioned in the budget, because that was the most important place to identify them. Page 16 listed the generic types of improvements that would be allowed to be funded.

Mr. Brault continued by talking about Table 4 on page 23, which was the Redevelopment Project Budget. Mr. Costello inquired if they would still be able to change some of the items listed if so desired. Ms. Tyler stated that the idea was to make the budget as broad as possible. If there were a change that was not part of what was generally described or shown on the map, then there would have to be an amendment. Since it takes several months to go through the amendment process, it would behoove them to be as comprehensive as possible. She noted that the budget could flex up to a certain amount. Mayor Satterthwaite pointed out that these amounts were not the building costs, but rather the amount that the TIF would help in development assistance, such as in TIF rebates.

Mr. Brault proceeded to talk about the current Equalized Assessed Valuation (EAV) and about the projection of future EAV's in the Redevelopment Project Area. Ms. Chester inquired if the 5 percent annual growth included the increase of the project costs. Mr. Brault stated that the 5 percent annual growth would be in addition to the increase of the projected costs. The 5 percent included inflation of real estate property values. Several board members felt that the percentage was too high. The maximum percentage should be around 3 percent.

Ms. Tyler stated that they wanted to have projects identified that meet the budget and the increment no matter what the assumption was. She asked if the Board felt that the budget should be closer to the \$20,000,000 or the \$43,000,000. She added that they wanted to budget optimistically in case redevelopment goes well. Mr. Brault said that it would better to over estimate the expected amount that would be able to contribute from TIF funds and also from value projections, so that they would be able to increase the budgets accordingly.

Mr. Costello inquired if this was a situation where they could ratchet down, but not up. Mr. Brault said that was correct. Ms. Tyler stated that they should make sure that they budget for what they believe the increment would be. Mr. Costello said that they did not want to get to the point where the City has expectations that an X amount of projects would take place and then realize that the money was never there to begin with. He tended to lean towards allowing 3 to 3-1/2 percent range rather than 5 percent. He stated that he did not have a problem budgeting higher, as long as, they do not plan to spend more money than they receive. Ms. Chester declared that we do not know what the future holds, however, we do know the past. Although we have had periods of rapid inflation, it had still never gone above 3 percent.

Ms. Tyler mentioned that staff could add a column that reflects the historic inflation minus the residential. This way they would know the low-end and the high-end.

Mayor Satterthwaite mentioned that if they estimate low and the TIF makes more than the estimated amount, then they would need to go back for a TIF amendment. The only benefit of estimating really high would be that they would never have to go back for an amendment if they happened to out perform the projections. He suggested reducing the Tax Increment column on Table 5, reduce the five percent annual growth due to inflation and match up the expenditures better with the Tax Increment column. The target that they would want to have for the cumulative total would be

around \$10,000,000 less than what they currently listed. Therefore, it would be in the low \$30,000,000 range. The Joint Review Board agreed.

Mr. Brault talked about the Lincoln Square deal. He noted that everything up to what Lincoln Square's original base was would be distributed back among the taxing districts. Lincoln Square was at 400,000 EAV and was originally at \$1.7 million EAV. City staff and the board members talked about the redevelopment of Lincoln Square Mall. Mayor Satterthwaite pointed out that Lincoln Square Village had started construction to get it ready for Health Alliance to move in by May of 2005. Mr. Brault noted that they should start getting money back in 2007.

Mayor Satterthwaite asked if the requested changes could be made without any of the Board members writing it down. Mr. Brault stated that he could make the suggested changes as long as everyone was in agreement.

5. DETERMINATION OF ELIGIBILITY

Mr. Costello moved that the deficiencies cited in Table 1 on page 6 of the Downtown Tax Increment Finance District No. 2 Plan Amendment be brought into the record with a recommendation of being deficient. Ms. Chester seconded the motion. The Joint Review Board agreed unanimously, so the motion passed.

6. QUESTIONS AND COMMENTS

There were none.

7. ADJOURNMENT

The meeting was adjourned at 4:02 p.m.

Respectfully submitted,

Ryan Brault, Redevelopment Specialist
Tax Increment Financing Joint Review Board Meeting