



Economic Development Commission

**Special Workshop Meeting
Wednesday, May 14, 2014
Council Chambers Room**

Minutes

Commissioners Present

James Persino, Chairman
James Kucienski, Vice-Chair
James Berger
Paul Levine
William Pabst
Nadia Seniuta
Terrence Strauch

Commissioners Absent

Maureen Ehrenberg
Patrick McCoy

Staff Present

Village Attorney Steve Elrod
Timothy C. Wiberg, Village Manager
Doug Petroschius, Assistant Village Manager
Timothy M. Clarke AICP, Community Development Director
Robert Merkel, Finance Director

Others Present

Jerry Turry, Village President
Craig Klatzo, Village Trustee
Jesal Patel, Village Trustee
Paul Eisterhold, Plan Commission Chairman
Robert Rychlicki, Kane, McKenna and Associates
Jackie Boland, Lincolnwood Chamber of Commerce

1. Call to Order/ Quorum Declaration

Noting that 7 members were in attendance and a quorum present, the Workshop was called to order at 8:08 AM by Chairman Persino.

2. Economic Incentives

Chairman Persino welcomed and introduced Village Attorney

Elrod to the Commission and the floor was given to Mr. Elrod for his presentation on economic incentives.

Attorney Elrod noted that the purpose of this workshop was to educate Commissioners on tax increment financing (TIF) and that he would cover the basic concepts of TIF. He stated that TIF was really a financing mechanism to improve an area. In his presentation, he covered how a property tax increment is created and the distribution of property taxes to taxing district when property is located in a TIF District. Discussion occurred concerning State law, the maximum duration of TIF's and whether TIF's could be established for a period of less than 23 years. Attorney Elrod indicated that TIF's could be shorter than 23 years, that 23 years was the length allowed by State law and that to exceed 23 years, special legislation would be required to be adopted by the legislature for a specific TIF.

Attorney Elrod proceeded with his presentation which included discussion of eligibility and qualification factors in establishing a TIF District. He noted that at a minimum, a TIF district must be at least 1.5 acres in size and that properties within a TIF area must be contiguous. Robert Rychlicki of Kane McKenna and Associates noted that not each and every property included in a TIF District must have qualifying factors present, but that the qualification factors must be fairly distributed throughout the area established for TIF.

Attorney Elrod continued by covering the range of costs that are eligible for payment by TIF, noting that generally private activity costs, such as for construction of a non-public building are prohibited, although it was noted that the rehabilitation of an existing private structure is eligible for TIF funding. Mr. Rychlicki clarified that site preparation work is an eligible cost. Discussion continued on parking garages and how they may or may not meet the requirements for funding with TIF. Mr. Elrod noted that the constraints on the use of TIF funds are not the same as with a Business Improvement District (BID) or for Sales Tax Sharing arrangements.

During Mr. Elrod's presentation, it was noted that TIF Funds generated in one TIF district can be moved to another TIF District but only if the two TIF Districts are adjacent to each other. Discussion continued on some perceived abuses of TIF's in the City of Chicago. Mr. Elrod continued by discussing the required TIF Plan.

Mr. Elrod ended his presentation by summarizing the process under state law to create a TIF District. Discussion occurred regarding the establishment of an intergovernmental Joint Review Board (JRB) and its composition and powers, with Mr. Elrod noting that if the JRB votes to not recommend a proposed TIF, action by the Village Board to create the TIF requires a supermajority vote.

Various Commissioner questions were entertained prior to this matter concluding.

7. **Public Forum**

No member of the public indicated a desire to address the Commission.

9. **Adjournment**

The workshop was adjourned by consensus at 9:25AM

Respectfully submitted,



Timothy M. Clarke, AICP Community Development Director