



Lincolnwood Economic Development Commission

Meeting
Wednesday February 25, 2015
8:00 AM

**Council Chambers Room
Lincolnwood Village Hall
6900 Lincoln Avenue**

Note: All Village Board Members are invited to attend this meeting

Meeting Agenda

- 1. Call to Order/Quorum Declaration**
- 2. Minutes Approval***
 - *January 28, 2015 Meeting*
- 3. 2013 Volume Cap***
 - Request to transfer Cap to UIRVDA*
- 4. 6755 Cicero Avenue (Kow Kow Restaurant Site)***
- 5. Reports**
 - a. *Development Updates**
 - b. *New Business Licenses**
- 6. Other Business**
- 7. Public Forum**
- 8. Adjournment**

**Commissioner Enclosures*

The next scheduled meeting of the Commission is March 18, 2015
NOTE: Due to Spring Break this is the Third Wednesday of March

DRAFT



Economic Development Commission

Wednesday, January 28, 2015

Council Chambers Room

Minutes

Commissioners Present

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

Commissioners Absent

Maureen Ehrenberg

Staff Present

Timothy C. Wiberg, Village Manager
Timothy M. Clarke AICP, Community Development Director
Robert Merkel, Finance Manager
Ryan N. Johnson, Community Development Intern

Others Present

Dr. Joseph Bailey, Superintendent of School District 74
John P. Vranas, Secretary, School District 74 School Board
Jackie Boland, Lincolnwood Chamber of Commerce

1. Call to Order/ Quorum Declaration

Noting that a quorum of 6 members was present, the meeting was called to order at 8:04AM by Chairman Persino. Commissioner Seniuta arrived.

2. Minutes Approval

Commissioner Kucienski moved to approve as presented, the proposed November 19, 2014 meeting minutes of the Commission. Commissioner Seniuta seconded the motion. Motion approved by voice vote, 6-0. Commissioners Pabst and Levine arrived to the meeting after minute approval.

3. Proposed FY 15-16 TIF Budgets

Director Clarke summarized this item, noting that changes to the proposed budgets had been made since the time meeting packets were sent out. Updated copies of the proposed TIF budgets were distributed by staff. Director Clarke then summarized the draft NEID TIF District budget for fiscal year 2015-2016. Mr. Clarke explained that the total budget for PEP/GIFT Grants in this TIF District had been reduced from \$300,000 to \$150,000. Discussion ensued.

Director Clarke continued with the proposed Touhy/Lawndale TIF Fund budget. Mr. Clarke stated that the Village envisions making the final incentive payment to Lowes later this year, and then this fund is anticipated to be closed out. Chairman Persino asked if there are still more years remaining on this TIF. Manager Wiberg stated that without action by the Village, there are 8 years remaining for this TIF. Noting that this TIF is contiguous with the NEID TIF District, Chairman Persino stated that perhaps the Bell & Howell property should be considered prior to any action closing out this TIF District.

Director Clarke continued by summarizing the proposed Lincoln/Touhy TIF budget, and noted that this TIF district is not currently generating any increment. Manager Wiberg stated that the proposed street light improvements indicated for this TIF district would be initially funded through the Transportation Fund, but this money will be paid back into the Transportation Fund when the Lincoln/Touhy TIF district is generating an increment.

Director Clarke then summarized the proposed Devon/Lincoln TIF budget. Mr. Clarke pointed out that this budget includes PEP and GIFT grants and he noted that the intent was to mirror the higher PEP grant limit currently allowed for the NEID TIF District. Chairman Persino asked if parking and median improvements would go forward on Devon Avenue. Manager Wiberg explained that the extent of Devon Avenue improvements will depend on the City of Chicago's involvement and stated that he would be meeting with the City of Chicago in the next week or so. Discussion ensued.

Hearing no other discussion, Vice-Chair Kucienski made a motion to recommend approval of the four TIF district budgets as presented. Commissioner Berger seconded the motion. Motion approved by voice vote, 8-0.

4. Reports

A. Development Updates

Director Clarke summarized the written Development Update report, and noted that the Village Board had concurred with the recommendations of the EDC regarding residential

use in the Devon Corridor. Director Clarke thanked Chairman Persino, Vice-Chair Kucienski and Commissioner Levine for speaking at related Village Board meetings concerning this matter. It was indicated that this EDC recommendation now will go before the Plan Commission on March 4, 2015. Discussion ensued regarding remaining items in the Development Updates report.

Director Clarke also noted that the Village is now proceeding with making the Development Benefit payment to School District #74 and noted that School District representatives were present in the audience.

B. New Business Licenses

Commissioners viewed the list of new business licenses issued during the months of November and December 2014.

5. Other Business

There was no other business before the Commission.

6. Public Forum

No member of the public desired to address the Commission.

7. Adjournment

The meeting was adjourned by consensus at 8:50AM.

Respectfully Submitted,

Ryan Johnson
Community Development Intern

Memorandum

To: Chair and Members
Economic Development Commission

From: Timothy M. Clarke, AICP
Community Development Director

Date: February 19, 2015

**Subject: Request to Transfer Volume Cap
Upper Illinois River Valley Development Authority
(UIRVDA)**

As a Home Rule community, the Village receives an annual allocation of “Volume Cap” from the State of Illinois. Volume Cap is a term that refers to the maximum dollar amount of Private Activity Bonds (previously referred to as Industrial Revenue Bonds) that may be issued. The State of Illinois allocates Volume Cap to home rule governments based on community population. For year 2015, this state allocation to Lincolnwood is \$1,269,700.

Beginning in 2012, the Village has annually received a request and has transferred the Village’s Volume Cap allocation to the Upper Illinois River Valley Development Authority (UIRVDA), so that they may issue Private Activity Bonds. No other request for the Village’s Volume Cap has been received during this time and no other request for the Village’s 2015 Volume Cap has been made.

Background

Private Activity Bonds are essentially a mechanism by which a government’s tax exempt status is conferred and attached to otherwise taxable bonds. The obvious benefit of tax exempt status is that it effectively lowers the cost of borrowing money for the borrower. This reduction is generally about 2-3% lower than a conventional loan. Under federal law, issuance of private activity bonds is restricted to certain industrial and multi-family projects.

The issuance of Private Activity Bonds has no effect on a local government’s finances or bonding ability and there is absolutely no financial obligation incurred by a government in the issuance of Private Activity Bonds. In essence the federal tax-exempt nature of these bonds only has an effect on the federal treasury.

As authorized by federal law, each state is annually allocated a maximum amount of Volume Cap based on the state’s population. This Volume Cap can then be used to issue Private Activity Bonds. At the beginning of each calendar year, the State of Illinois allocates a portion of its Volume Cap to home rule governments. This allocation to home rule communities lasts however only until May 1st of each year. On May 1st, any Volume

Cap which has not been committed to an eligible project by a home rule government, reverts back to the state for its use and issuance.

Under state law, home rule governments are permitted to transfer to other communities or entities (again until May 1st) their allocated Volume Cap for issuance of Private Activity Bonds. Until 2001, the supply of Volume Cap was more limited than today and it was more commonplace for financiers of eligible projects in one community to seek unencumbered Volume Cap from another community. To entice a home rule community to transfer its Volume Cap to a project in another community, often a transfer fee was offered by the beneficiaries of the transfer. One of the last acts of President Clinton however was to increase the amount of Volume Cap available and since this increase occurred in the supply of Volume Cap, few entities are now willing to pay a transfer fee.

Village Experience

Since becoming home rule, the Village has never itself issued a private activity bond to any local business. That said, within a few years of becoming home rule, staff recalls one local business had expressed interest in securing a private activity bond from the Village, but ultimately decided to seek a bank loan instead. Various bond fees and the relatively small size of the Village's bond amount were indicated then as reasons that made a bank loan more attractive.

Although the Village itself has never issued a private activity bond, the Village has transferred its Volume Cap to other entities for their issuance. Attached is a historical summary of these transfers. As indicated in this summary, until 2003, the Village was able to secure a transfer fee in transferring our Volume Cap to another entity. Between 2003 and 2011, the Village transferred its Volume Cap only twice, both without any transfer fee. These transfers were both to fund region-wide 1st time homebuyer programs. Since 2012, the Village has transferred its Volume Cap to UIRVDA who has agreed to charge a 1% transfer fee at closing if our transferred Volume Cap was actually used by UIRVDA. To date, none of the transfer of Volume Cap to UIRVDA has resulted in a transfer fee to the Village.

As previously indicated, the demand for Volume Cap has dramatically fallen since the early part of this Century and the challenging economy has also reduced the demand for Volume Cap. Interest in the transfer of the Village's Volume Cap to another entity has diminished substantially.

UIRVDA Request

The Upper Illinois River Valley Development Authority (UIRVDA) is a development agency created by the state legislature which serves the following eight Illinois counties: Bureau, Grundy, Kane, Kendall, LaSalle, Marshall, McHenry, and Putnam. In the past, this agency has been able to pool Volume Cap from the following communities including:

Arlington Heights; Berwyn; Bloomingdale; Bridgeview; Burbank; Carol Stream; Carpentersville; Countryside; Crystal Lake; Depue; East Dundee; Elmhurst;

Evergreen Park; Hoffman Estates; Maywood; Mount Prospect; Mundelein; Nilis; Northlake; Oak Park; Oswego; Peru; Prairie Grove; Rolling Meadows; Rosemont; Skokie; South Barrington; Standard; Stickney; and, Wheeling.

In past years, to obtain the transfer of Lincolnwood's Volume Cap, UIRVDA has agreed to charge a transfer fee of 1% at closing and forward this entire 1% fee amount to the Village (UIRVDA would also charge their own 0.8% fee). In the past, UIRVDA also has agreed to transfer back to the Village our Volume Cap amount, until September 2015, if for instance Lincolnwood found a project which we wanted to fund, after our transfer to UIRVDA. UIRVDA also has indicated that if additional Volume Cap was needed by the Village, they would be willing to tap into their pooled Volume Cap resources to help fund such a project.

Recommendation: Given no other requests, staff would recommend the transfer of Lincolnwood's 2015 Volume Cap to UIRVDA, subject to the same prior agreement to impose a transfer fee of 1% at closing and agreement to transfer back to the Village our Volume Cap until September 2015, if needed by the Village.

Attachments

1. Summary of Village Volume Cap Transfers
2. 2015 UIRVDA Request for Village Volume Cap

**Village of Lincolnwood
Transfer of Home Rule Volume Cap
Private Activity Bonds
Historical Summary**

YEAR	Transferred to	Fee Basis	Fees Assessed	Volume Cap
1998	Tinley Park	1% transfer fee (1/2 paid at transfer & 1/2 paid at closing plus \$800 attorney fees)	\$ 6,470	\$ 567,100
1999	Benton (Irwin Berkley)	1% transfer fee (1/2 paid at transfer & 1/2 paid at closing plus \$800 attorney fees)	\$ 6,471	\$ 567,100
2000	IHDA for Quincy Project	2% (all paid at transfer) plus \$800 attorney costs	\$12,077	\$ 563,850
2001	Danville for Mt. Prospect Project	2.5% (all paid at transfer) plus \$800 attorney costs	\$15,096	\$ 709,563
2002	Benton then redirected to IHDA (Irwin Berkley)	1% (1/2 paid at transfer and 1/2 paid at closing or within 12 months, plus \$100 attorney costs)	\$10,270	\$ 926,925
2003	NONE			
2004	NONE			
2005	NONE			
2006	IHDA (1 st Time Home Buyer Program)	NONE	NONE	\$ 968,080
2007	NONE			
2008	City of Aurora (80 Community 1 st Time Homebuyer Program)	NONE	NONE	\$1,015,325
2009	NONE			
2010	NONE			
2011	NONE			
2012	UIRVDA	1% transfer fee paid at closing	\$11,906.50	\$1,196,050
2013	UIRVDA	1% transfer fee paid at closing	\$12,013.70	\$1,201,370
2014	UIRVDA	1% transfer fee paid at closing	\$12,656	\$1,265,600



UPPER ILLINOIS RIVER VALLEY DEVELOPMENT AUTHORITY

633 LaSalle Street - Suite 401 • Ottawa • Illinois 61350 • Tel: 866-325-7525 • Web: www.uirvda.com

February 1, 2015

The Honorable Gerald C. Turry, Village President
Village of Lincolnwood
6900 N. Lincoln Ave.
Lincolnwood, IL 60712

Dear Village President Turry:

The Upper Illinois River Valley Development Authority (UIRVDA) respectfully requests consideration for the transfer of your 2015 Home Rule Volume Cap to UIRVDA for economic development and housing projects. We have mutually benefited from working with other communities that have allowed UIRVDA to successfully issue over \$251,820,000 in bonds that have created over 2,841 jobs.

UIRVDA has developed relationships with home rule communities and other regional development authorities in working together to accommodate the Volume Cap needs of their projects. Some years, we have more projects than Volume Cap and other years we have more Volume Cap than projects. At the end of the calendar year, Volume Cap can be carried forward for three years, but once carried forward, it can no longer be transferred. We have developed a mutually beneficial relationship between communities, counties and other regional development authorities to graciously share this valuable resource for the benefit of the region. We feel it is fair to help a neighbor that has helped us in the past. The rising tide raises all of the boats.

As you may be aware, home rule communities receive a direct allocation in 2015 equal to their population times \$100. The 2015 State of Illinois Allocation guidelines identify Lincolnwood's population at 12,697, so your 2015 Volume Cap Allocation is \$1,269,700. You are required to obligate this allocation by May 1st of each calendar year or it automatically goes back to the State of Illinois for reallocation to other entities in June of each calendar year. If the Village of Lincolnwood would consider passing an ordinance transferring their 2015 allocation to UIRVDA prior to May 1st, then UIRVDA would be able to keep this cap until December 31st. This action would allow the Village to maintain control of their Volume Cap past May 1st.

UIRVDA is interested in serving in this capacity in order to develop a relationship with home rule communities to be able to trade cap in up and down years. We respectfully request if you have no need for the cap by September 1st that you allow us to use it to benefit the residents of UIRVDA. If the Village is interested, I have taken the liberty of enclosing a draft ordinance for you to review as well as a draft letter to the Governor's Office. I am available to meet with any Village official you wish regarding this matter. Please call me at 866-325-7525 if you have any questions. Please send a copy of the Ordinance/Resolution and notification letter to the Governor to: UIRVDA Chicago, 1608 W. Belmont Ave, STE 203, Chicago, IL 60657.

Sincerely,

Andrew Hamilton
Executive Director

ORDINANCE
A SPECIAL ORDINANCE AUTHORIZING THE CEDING
OF PRIVATE ACTIVITY
BONDING AUTHORITY

WHEREAS, the Internal Revenue Code of 1986 provides that the amount of private activity bonds which may be issued by the Village of Lincolnwood (“Village”) as a constitutional home rule unit is equal to its population multiplied by \$ 100.00; and

WHEREAS, the Illinois Private Activity Bond Allocation Act (30 ILCS 345/1 et seq.) provides, among other things, that the corporate authorities of any home rule unit may reallocate to a state agency any portion of its unused allocation of volume cap; and

WHEREAS, the Village of Lincolnwood has available year 2015 volume cap and desires to utilize this cap in cooperation with the Upper Illinois River Valley Development Authority (UIRVDA) to support the projects that will create jobs and expand the Village’s tax base;

NOW THEREFORE, be it ordained by the Village Council of the Village of Lincolnwood, Illinois:

Section 1. Consent to Reallocate to UIRVDA. The Village hereby agrees to reallocate to the Upper Illinois River Valley Development Authority its 2015 private activity volume bonding cap in the amount of \$1,269,700. Said private activity volume bonding cap shall be used to support projects that will provide job opportunities and new investments.

Section 2. Letter of Agreement. The Village Finance Director is hereby authorized to execute a letter of agreement with UIRVDA consenting to such allocation on behalf of the Village as authorized.

Section 3. Maintaining Records. The Village Finance Director is hereby authorized to maintain such record of the allocation for the term of the bonds issued pursuant to such allocation.

Section 4. Notice. The Village President shall provide notice of such allocation to the Office of the Governor.

Section 5. Effective Date. This ordinance shall be effective from and after its passage.

Signed: Village President

Passed

Attest: Village Clerk

Approved

Date

Office of the Governor
Governor's Office of Management and Budget
603 Stratton Building
Springfield, IL 62706
Attention: Debt Management Unit

Re Issuer: Village of Lincolnwood

Total 2015 Volume Cap Allocation: \$1,269,700

Volume Cap Allocations granted, transferred, or reserved by Issuer resolution prior to May 1, 2015:

- | | |
|---|---|
| 1. Principal Amount of Issue: | 0 |
| Bond Description | N/A |
| 2. Total Allocation Granted or Reallocated: | \$1,269,700 |
| Reallocated to: | Upper Illinois River Valley Development Authority |

See attached ordinance.

Sincerely,

Memorandum

To: Chair and Members
Economic Development Commission

From: Timothy M. Clarke, AICP
Community Development Director

Date: February 19, 2015

Subject: 6755 North Cicero Avenue (Kow Kow Restaurant Site)

The Kow Kow restaurant property located at 6755 Cicero Avenue (the southeast corner of Cicero and Pratt Avenues) has been on the market for sale. This 31,822 square foot site most recently was listed for \$1,450,000. The property is not currently on the market.

The most recent broker for the property, Paul Tsakiris of First Western Properties (no longer the broker of record) indicated to staff that most interest in the property has been from developers rather than from parties wanting to reuse the existing building. It was his opinion the highest and best use of the property was residential, that the site is well known, but that many developers prefer to go elsewhere, rather than to deal with uncertainty of going before a board. While he believed retail was less desirable than residential, he also thought that a strip center with a drive through would also do well at this location.

The Moy family who owns the property also indicated to staff that all interest in the property has only come from developers and while Mr. Tsakiris specializes in restaurant sales, only two inquiries to retain the site as a restaurant were received during his time as broker for the property. The Moy family has reported to staff that they have received zero offers for retail development of the property.

The Moy family is currently under contract (sale by owner) with Gary Levitas of Northfield Group. Mr. Levitas has proposed a mixed use development for the property. This development concept as currently conceived, includes 24 two bedroom units and 3,600 square feet of commercial space. The property is currently zoned B2 General Business and no residential use is currently permitted in this Zoning District, so a change in zoning to allow for residential use would be needed for such a development to proceed.

On February 17, the Village Board considered this development concept and the prospect of a zoning change for the property. It appeared that members of the Village Board were conceptually in support of either a mixed use or all residential project at this location, but not at the height (58 feet) or density (24 residential units with 3,600 square feet of commercial) as conceived. During this discussion, it was suggested that the Economic Development Commission consider whether zoning should be changed for this property in order to allow for residential use.

This matter has been placed on the Commission’s agenda for the Commission to have this discussion. If a change in the zoning code is supported for residential use at this location, staff sees two basic options available:

- 1) For a mixed use development (commercial ground level, residential above), the current B2 zone could be kept with an overlay zone created to allow residential units above the ground level, say as a Special Use, as recently recommended by the Commission for the Devon Corridor; or
- 2) For an all residential project, change the zoning district from the existing B2 to the adjoining R4 residential zone.

Below is a table showing basic development parameters of the concept plan prepared by Northfield Group along with basic zoning requirements if the B2 zone was changed to allow for mixed use development at this location or if the zoning of the property was changed to allow for an all residential development of the property. Do know that while basic parameters of the zoning districts are shown in the table, various other regulations, such as setbacks, also would impact what could be built on the property. Under either zoning change, significant changes to the Northfield Group development proposal would be required.

Basic Development Parameters			
	Mixed Use Development B2 District	Residential Only Development R4 District	Northfield Group Proposal
Parking: Multi-Family Residential	36	48	24 2BD Units
Parking: General Retail	12	NA	3,600 SF
Total Parking	48	48	46
Building Height	38' or 3 stories (Note 1)	45'	58'
# of Units/SF of Lot Area	NA	10 Units	24 Units
Note 1: The Village Board may approve additional building height/ subject to the developer providing certain amenities.			

Attached are the concept plans prepared by Northfield Group. Gary Levitas of the Northfield Group has been invited to the Commission meeting and plans to be present.

Attachments

1. Northfield Group Concept Plans

6767 N. CICERO AVENUE

Lincolnwood, Illinois



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6767 N. Cicero Avenue
Lincolnwood, IL



PRATT

1 ST

2 ST

2 ST

3 ST

PROPOSED 4 STORY
24 DWELLING UNIT BUILDING
W/ GROUND FLOOR
COMMERCIAL SPACE

3 ST

PARKING LOT
& GARAGE ENTRY

2 ST

CICERO

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Village of Lincolnwood
Community Development Department
Development Updates
FEBRUARY 2015 Report

Bell & Howell Site

Staff met with South Bay Partners of Dallas Texas who indicated that they were close to an agreement with CenterPoint to acquire the entire Bell & Howell site. Although plans are still being developed and were not shared with staff, it appears this development would have three components: 1) Senior Housing; 2) Assisted Living and, 3) a Memory Care facility. These uses require Special Use approval from the Village.

Cermak Fresh Market/Dominick's Site

Cermak Fresh Market has reported that they have been and are currently focused of the opening of 2 new stores and have not made any decisions concerning their Lincolnwood property. They have indicated to staff that no decisions have been made, that they are still contemplating opening a grocery store but also are entertaining other development proposals. Cermak indicates that they expect to be able to advise staff on their direction in about a month.

Shoppes at Lincoln Pointe

On February 25, the Plan Commission will convene a workshop with North Capital Group to discuss changes being made to the development plans for the proposed Shoppes at Lincoln Pointe. This meeting begins at 7PM.

Consultant Selected for New Comprehensive Plan

The planning firm, Houseal Lavigne Associates, was selected to assist in preparation of a new Comprehensive Plan for the Village. The recently appointed Comprehensive Plan Committee (comprised of Jacqueline Boland, Scott Anderson, Reese Gratch, Kathy O'Brien, Scott Troiani, James Persino, Mark Collens, Jesal Patel, and Paul Eisterhold as Chairman) will begin its work on March 12. On April 9, a Community Workshop to begin obtaining public input for this new Plan will be held.

4656 Touhy Avenue

Clark Street Development has this property under contract and is currently investigating various potential plans for the property from reuse of the existing building for office to a tear-down for a new restaurant or bank use.

Zoning Reviews for Business Licenses

In January, the Community Development Department reviewed and approved zoning for North Shore Pediatric to be located at 4433 Touhy Avenue.

Building Permits Issued

The following is a summary of building permits issued in January.

January	Number of Permits	Building Value	Permit Fees
2015	27	\$1,151,620	\$15,929
2014	32	\$1,633,722	\$25,644
2013	43	376,772.00	24,194.00
2012	32	1,660,536.00	51,925.00
2011	28	502,443.00	11,010.00
2010	20	54,524.00	4,959.00
2009	22	167,799.00	8,612.00
2008	27	1,018,530.00	32,774.00
2007	41	1,638,038.00	44,334.00

January Businesses

Issuance Date	Type of Business	Name of Business	Address	Contact Person	Telepone #
1/30/2015	Pediatric Therapy	North Shore Pediatric Therapy	4433 Touhy Ave, Suite 335	Maria Hammer	224-521-1176
1/6/2015	Physicians Office	Advocate Medical Group	6540 N. Lincoln Avenue	Amy Durbin	773-383-4563