

**VILLAGE OF LINCOLNWOOD
PRESIDENT AND BOARD OF TRUSTEES
MEETING OF THE COMMITTEE OF THE WHOLE
VILLAGE HALL COUNCIL CHAMBERS
MEETING HELD VIA GOTO MEETING AND AVAILABLE LIVE AT
WWW.LINCOLNWOODIL.ORG/LIVE-CABLE-CHANNEL/
AUGUST 17, 2021**

Call to Order

Village President Patel called the Meeting of the Committee of the Whole of the Lincolnwood Board of Trustees via GoToMeeting to order at 6:00 P.M. Tuesday, August 17, 2021, meeting held via GoToMeeting and available live at WWW.LINCOLNWOODIL.ORG/LIVE-CABLE-CHANNEL/, County of Cook, and State of Illinois.

Before calling the roll the Village President read into the record the requirements for public comments for later in the meeting.

Upon roll call by Village Clerk Beryl Herman the following were:

Present: President Patel, Trustees Herrera, Klatzco, Sargon, Saleem, Martel and Halevi.

Absent: None

A quorum was present.

Also present: Village Manager Anne Marie Gaura, The following were present Chuck Meyer, Assistant Village Manager; Jon Bogue, Assistant to the Village Manager; Denise Joseph, Finance Director; Jake Litz, Management Analyst; Nadim Badran, Public Works Director; Scott Mangum, Community Development Director; Doug Hammel, Development Manager; Brendon Mendoza, Assistant to the Public Works Director.

Approval of Minutes

The minutes of July 20, 2021 Committee of the Whole Meetings were presented for approval.

Trustee Sargon moved to approve the minutes of July 20, 2021 Committee of the Whole Meetings, seconded by Trustee Saleem.

Upon Roll Call the results were:

Ayes: Trustees Herrera, Klatzco, Sargon, Saleem, Martel and Halevi.

Nays: None

Minutes Approved

Regular Business

- 1. Tax Increment Financing (TIF) Notes Presentation by Piper Sandler and D.A. Davidson**

This item was presented by Finance Director Denise Joseph.

Director Joseph stated that as the Village prepares to issue TIF notes to assist in the financing of this Fund I is important to note that the Village is not pledging any revenues from the General Fund (which is used for the operating costs of the Village) and that there will be no commitment from the Village to repay the Notes if pledged revenues from the TIF are not sufficient. In addition, any fees incurred for the financing including, but not limited to Bond Counsel, an Underwriter, Underwriters Counsel, Financial Advisor, Developer's Counsel and Trustee will be paid by proceeds of the Note sale, with no cost to the Village's General Fund.

Finance Director Joseph noted that, as there are three new Village Board members, it was necessary to provide an overview of TIF Notes and to walk the Board through the next steps of the project in question. She introduced the Village's financial advisor John Bolzano and Peter Raphael of D.A. Davidson to walk the Board through the presentation.

Mr. Bolzano explained that TIF is a special tool used to generate funding for economic development in a specific area, allowing a municipality to reinvest new tax dollars in an area. He went on to delineate a number of authorized expenditures for a municipality to invest in.

What is TIF?

- *TIF – Tax Increment Financing
- *Special tool used to generate funding for economic development in a specific area
- *Allows a municipality to reinvest new tax dollars over a 23 year period
- **"New" revenues arise if new development takes place in the TIF district or if the value of existing properties rises, resulting in higher tax bills
- *Funds can be provided as subsidies to encourage private development or spent on public works projects
- *TIFs can be a tool for implementing a community-based revitalization plan through encouraging:
 - ^putting vacant land to productive use
 - ^creating well-paying jobs
 - ^fixing basic infrastructure
 - ^improving parks and schools
 - ^affordable housing development
 - ^and meeting other local needs

A slide was presented regarding Freezing the Tax Base and Collecting Increment.

Authorized Expenditures of TIF Funds

- *Planning expenses, such as studies and surveys, legal and consulting fees, accounting, and engineering.
- *Acquiring land and preparing it for redevelopment, including the costs of environmental cleanup and building demolition. Especially in older areas, where making a site ready for a developer reduces costs and eliminates a major barrier to redevelopment.

*Utility improvements, Public improvements//Facilities and Parking structures

*Job training and day care expenses for companies located within the TIF, or for companies that are planning to locate within the TIF. There are also proposals on the table that advocate establishing job-training centers that would serve the job training needs of all the companies within a TIF district, regardless of whether or no they have received a direct TIF subsidy.

*Renovation and rehabilitation of existing buildings.

*Financing and interest subsidies for the loans a developer takes out to pay for a project.

He went on to explain the differences between TIF Revenue Bonds and TIF Notes. A slide was exhibited regarding General Obligation Bonds vs TIF Notes. A second slide was exhibited regarding TIF Revenue Bonds vs TIF Notes.

TIF Revenue Bonds are directly issued by the Village, whereas TIF Notes are issued by the Village but later monetized by the developer in question.

Peter Raphael then took to the podium to explain TIF Notes to the Board. He explained that TIF Notes allow the Village to sell a Note to a developer based upon previously agreed upon incentives.

TIF Note Issuance Process

*Village and Developer agreed to terms of the incentive pursuant to a Redevelopment Agreement

*Developer procures a feasibility study to project if revenues are sufficient to repay the notes

*Village issues TIF Notes privately placed with the Developer

*The Developer intends to “monetize” the first TIF Note to provide upfront funds through a sale of the Note

*Sale will be to a sophisticated investor through a limited offering by D.A. Davidson & Co. (the “Underwriter”)

*Village retains control over the Project Fund and approves disbursements

Continuing Disclosure Reporting Requirements

*The Village is not required to make ongoing disclosures

*The Developer will have a hybrid agreement to provide investors with ongoing information

*Information is typically prepared by a third party on behalf of the Developer

Village Attorney Steven Elrod explained that there are 11 conditions that have to be met before the Village would be permitted to issue these Notes. He read the 11 pre-conditions, and these were exhibited:

Pre-Conditions to Note Closing

Note Closing will occur only upon the satisfaction of each and all of the following conditions:

1. Retail Developer shall have delivered the Required Zoning Submittals to the Village in accordance with Section 3 of this Agreement.
2. The Corporate Authorities shall have adopted the Zoning Approval Ordinance.
3. The Corporate Authorities shall have approved the Final Plat as revised pursuant to Section 4.C of Village Ordinance No-, adopted by the Corporate Authorities on July 20, 2021, and the 5. Final Plat shall have been recorded in the Office of the Cook County Recorder of Deeds. The Evidence of Property Acquisition Date shall have occurred
6. Retail Developer shall be in material compliance with all the terms and conditions of this Agreement, to be performed and/or observed by Retail Developer, up until the time of the Note Closing A.
7. Retail Developer shall have provided to the Village a written confirmation from Retail Developer that since November 20, 2019, there have been no changes in such party's financial condition which would adversely impact its ability to complete the development on the Retail Parcel.
8. Retail Developer shall have provided to the Village, a fully executed set of documents evidencing the issuance of construction loans necessary for construction of that portion of the Development that is located on the Retail Parcel.
9. Retail Developer shall have provided the Village with a written confirmation that Retail Developer has entered into one or more third-party guaranteed maximum or lump sum contract(s) for the completion of the Retail Development.
- 10.. Retail Developer shall have provided to the Village evidence Retail Developer has executed leases for the Retail Parcel as required by the construction loan documents submitted pursuant to Section 9.C.7 of this Agreement, which executed leases must include a lease to Amazon Fresh grocery store
11. Retail Developer shall have provided to the Village with a written confirmation that IDOT has provided to both the Village and Retail Developer written or verbal confirmation that IDOT has approved the Final Development Plan with respect to all improvements over which IDOT has jurisdiction (subject to Section 5.C.1 of this Agreement).
12. The Village shall have issued building permits for the following specific improvements:
(a) demolition of all existing structures and foundations on the Property as of the Effective Date of this Agreement; (b) footings and foundations for the Mixed-Use and Retail-Commercial Buildings to be constructed on the Property, (c) site grading; and (d) installation of all underground utilities

John Bruzzano then continued by delineating next steps to the Board. He noted that there would be an introduction to additional documents on October 14th, a few days before a Board meeting on October 19th. The conditions outlined by Village Attorney Elrod should be met before this date, or else the issue will not be included in the agenda.

Trustee Martel noted that the one obligation on the Board is the issuance of improvements. He asked what about the process for this, and whether there would be a back and forth between the board and the development companies.

The Board thanked the two speakers for their time.

2. Discussion Concerning Boards and Commissions Code Review

This item was presented by Charles Meyer, Assistant Village Manager, using PowerPoint.

Mr. Meyer listed three discussions that would occur over the course of two Committee of the Whole meetings. During the present meeting, on August 17th, the Board were due to discuss the Economic Development Commission (EDC,) the Plan Commission and the Zoning Board of Appeals (ZBA.) They would also consider changes related to the Beautification Commission, Parks and Recreation Board and the Environmental Ad-Hoc Committee.

A Power Point review of these groups was presented:

Plan Commission, ZBA and EDC

Plan Commission and ZBA structure are consistent with other communities and responsibilities. Some communities have a combined PC/ZBA which Lincolnwood did until 2010, and it is recommended that Plan Commission and ZBA continue to function as separate entities. Plan Commission and ZBA will be reviewing changes to own internal rules for public hearings and the placement of public comment.

EDC is the only Commission that has in excess of seven members along with non-resident members to facilitate participation from local businesses whose employees/representatives may not live in Lincolnwood

Staff is not recommending any changes of the Plan Commission, ZBA or EDC at this time.

General Rules

Since 2011, the Village Board has adopted rules related to the structure and procedures for meetings.

The rules were last reviewed and revised in June 2020.

Staff reviewed the most recent edition of the rules and does not have any recommended changes at this time.

Mr. Meyer began by reviewing the Plan Commission, ZBA and EDC. He stated that he had no recommended changes to these commissions. He went on to the following:

*Does the Board desire to make any changes to these commissions?

*Does the Board desire to make any changes to the General Rules?

*Are there any changes or research that the Board wants staff to investigate in advance of the next meeting?

Trustee Sargon noted that incorporating training videos would be important to help incoming Commissioners in-between formal training sessions. She also added that including an ethical clause for commissioners to sign that would insure appropriate conduct and behavior.

Village Attorney Elrod outlined protocol regarding recruitment and training for commissions, and how conflicts of interest are usually handled.

Trustee Halevi noted that she would like to see every commission start off the same in terms of expectations and organization.

Discussion Concerning Engineering Agreement

This item was presented by Nadim Badran, Public Works Director, using PowerPoint.

Mr. Badran began by delineating the background of competitive bidding processes for capital projects. In 2019 the direction from the Village Board changed, wherein waivers of bids were authorized for continuing phases of projects. He noted that over the past few years Christopher Burke Engineering have performed exceptionally well managing capital projects. CBBEL has managed four of the Village's largest projects in the last two years. Mr. Badran stated that the Village had saved a considerable amount of money by utilizing CBBEL's services.

Mr. Badran explained that utilizing the same firm for large projects expedites the process because it circumvents the traditional bidding process. The requested direction was to consider whether or not proposals should be obtained for engineering designs.

It was noted by Village Manager Gaura that CBBEL are a trusted and longstanding partner of the Village. It was her recommendation to go forward with them.

It was noted by President Patel that a concern that was raised was whether competitive bidding would allow for lower costs when compared to the status quo. He noted that bidding processes are also costly and often longwinded.

Trustee Klatzco stated that he believed that there should be checks and balances, and that a competitive process reduces the chances of complacency. He argued that the most qualified person or organization should win out as opposed to the cheapest option. He stated that he would be uncomfortable without such checks and balances.

Mayor Patel informally polled the rest of the board to see who else would be opposed to waiving competitive bidding for the next year. He suggested that since we have two engineers on the Board, any future projects will be reviewed by those two Trustees. For now we will stay with CBBEL for continuing projects. Trustee Klatzco noted that the reduced timeframe provided him with additional comfort.

Public Forum

There was none.

Adjournment

At 7.15 P.M. Trustee Martel moved to adjourn the Committee of the Whole, seconded by Trustee Sargon.

Upon Roll Call the results were:

AYES: Trustees Herrera, Klatzco, Sargon, Saleem, Martel and Halevi

NAYS: None

Meeting Adjourned

Respectfully Submitted,

A handwritten signature in cursive script that reads "Beryl Herman".

Beryl Herman
Village Clerk