

**MINUTES OF A COMMITTEE OF THE WHOLE MEETING OF THE BOARD OF TRUSTEES
OF THE VILLAGE OF HARWOOD HEIGHTS
HELD ON TUESDAY, JUNE 7, 2011**

A. **CALL TO ORDER** at 7:08 pm by Mayor Arlene C. Jezierny

B. **PLEDGE OF ALLEGIANCE**

C. **ROLL CALL –**

Mayor	Arlene C. Jezierny
Clerk	Marcia L. Pollowy
Trustees	Mark Dobrzycki (Arrived at 7:25pm) Michael Gadzinski Demetrios Mougolias Therese Schuepfer Lawrence Steiner Lester Szlendak
Attorney	Rob Bush

Also present: Attorney Mark Heinle
Chief Mario Ricchio

D. **AGENDA ITEM**

TIF Decision – Kane, McKenna Agreement

- The purpose of this meeting was to review what and how a TIF works and the possible advantages to the village of creating a TIF so the board can make a decisive decision as to whether the board should pursue doing the TIF Phase I study. Mayor Jezierny once again redistributed the Kane, McKenna Agreement and the TIF explanatory memorandum from Ancel Glink with the corresponding Resolutions.
- Trustee Schuepfer referred to the agreement from Kane McKenna which indicated there are 4 Phases to the TIF process and asked if the village had to engage in all 4 Phases? Attorney Rob Bush stated that if it was found in Phase I study that the village does not qualify for a TIF, there would be no need to pursue the other Phases. There are also other programs stated in the agreement, other than going with a TIF that could be examined if the village wishes to do so.
- Attorney Rob Bush also commented that if the Phase I study indicated that a specific area was eligible for a TIF District and the village proceeds with creating the TIF area, the taxing bodies that would be affected would not lose any tax dollars; they would continue to receive what they're currently receiving now.
- Trustee Mougolias suggested that we contact the schools and the other taxing bodies prior to approving the TIF Study to see if they are "for" or "against" the TIF, or if they have any other concerns and that we're not looking at taking away any of their tax dollars. Attorney Rob Bush stated that while that's well and good, we would not be able to give the taxing bodies any definitive numbers until after the TIF eligibility study is done to determine what properties will be included in the TIF and once that is established, then we would be able to calculate what the current taxes are in that area, what they're getting, what the potential increment might be depending on the development.
- The Mayor indicated that she already reached out and spoke to some of the schools who had no problem with the village doing the Phase I study and that she would discuss this issue with the remaining taxing bodies at the next Community Leaders Workshop which would be held prior to the June 23rd board meeting.
- Attorney Rob Bush indicated that the State Statutory process regarding TIF's include a formal presentation and discussion with the taxing boards before any official TIF Ordinance is passed; the village could also have informal discussion meetings for the taxing bodies throughout the 4-6 month study process.

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- Any redevelopment project within a public entity requires some funding from the municipality to put in improvements, whether it's water, sewers, roads or other improvement expenses. Without a mechanism like a TIF which can reimburse the village for those kinds of expenses, the money would have to be paid out of the village's corporate funds. With a TIF the village can offer developers a financial incentive and revenue for the village to support the development.
- If the village pursues doing a TIF study, Attorney Rob Bush stated that if Kane, McKenna finds that the areas that are being considered as possible TIF Districts are "not eligible" for a TIF, his law firm would pay for half of the cost of the study.
- Attorney Rob Bush assured the board that if they decide to consider passing the resolutions to do the TIF study at the next board meeting, it is not a commitment by the Village Board in having a TIF implemented, it is just the first step required in the law to move the process.
- Trustee Steiner asked about the 2nd step under the Phase I study regarding other alternate funding programs. Attorney Bush stated that those alternatives will all be part of the Phase I study not just a TIF District study.
- Trustee Schuepfer commented that the previous village board embarked on a \$6 million dollar SSA to 11 property owners hoping to entice developers to come to Harwood Heights and none came and agreed that we need to explore other types of funding tools.
- Trustee Dobrzycki indicated that the village had discussed a TIF many years ago, a study was never done, but decided that it wasn't the best tool to promote development. He believes with the current economy, the recession and talk of a possible depression that at this moment a TIF is not the right tool according to all the information that he has been able to read. Stated that many people feel that TIF's in general are not a wise investment into the future.
- Trustee Mougolias stated that a TIF may be a decent idea and it may help out but there are 2 things; first, talk with the surrounding community, educate them that a TIF won't hurt them, plus maybe find a way to possibly reimburse the schools and library along the way. Agreed with Trustee Schuepfer regarding the SSA and that no developers came.
- Trustee Steiner indicated that the resolution relating to the "TIF Interested Parties Registry" would eliminate a lot of the misconception and hearsay and will keep those individuals who are interested informed during the study process. Attorney Mark Heinle stated that the resolution is part of the study process and needs to be approved at the same time when the TIF study is approved. Anyone who registers will be informed on all steps during the process and can voice their comments, concerns or questions to the village.
- The Mayor indicated again that she has already contacted and spoke with a few of the school superintendents and has a Community Leaders Workshop scheduled for next week with the other taxing leaders from the library, the Park District, the Fire District and the School Districts. Each taxing body will be given information which will include the memorandum prepared by the Village Attorney which presents a TIF Overview, Timeline and "How To" explanation.
- Trustee Dobrzycki agreed that all taxing bodies should be informed before we approve and begin the TIF study and commented that there were many meetings when the village was doing the SSA and there was still misinformation, miscommunication after the meetings and there are still problems that exist today.
- Trustee Gadzinski believes that if you ask the average person what "TIF" means or what it entails, they don't know. Believes the village needs to take this significant step with the TIF study to answer the questions and to stop the hearsay with actual facts and information to move this village forward; the study can provide the village with other options and does not commit the village to implement a TIF.
- Trustee Schuepfer presented an analogy, stating that it will cost the village about \$10,000 for the TIF study, where the SSA process cost the village significant sums of money to get to the point where it was voted on and then there was a waiting period to see if there were any objections by 51% of the property owners, which would nullified the SSA implementation, and the village would have made that commitment in terms of the money and shown nothing for it. But deals were made with property owners, 51% weren't willing to oppose it so the SSA went through and the village committed that money. This study is not even making that kind of commitment, \$7,000 to \$12,000 just to see if it's going to work and to educate the public and as Trustee Steiner pointed out regarding the resolution for the registry that this is an educational process for the board members as well as the taxing bodies and residents. Supported Trustee Gadzinski's comments that it's time to take a step forward because we've been waiting and waiting on the SSA area for people to come forward and it hasn't happened.
- The agreement from Kane, McKenna states that part of the Phase I study is to also explore other financing options other than a TIF or an SSA.

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- The Mayor stated that she along with many residents are tired of looking at empty land and vacant buildings along Lawrence Avenue; ITW has been vacant for over 10 years, Tornado for about 4-5 years as well as the open old Village Hall property. Knows that the economy is tough at this time and development projects are at a stand still with some slowly coming back, but we must continue to market the sites that we have. Indicated that the Economic Development Consultant has been actively meeting with the property owners and arranging meetings with prospective developers in hopes of redevelopment. The Economic Development Consultant has also brought a number of developers to the table for the old Village Hall site.
- Trustee Szlendak stated that if the village considers putting the idea of a TIF on the table, some of these property owners, ITW or Tornado, are going to sit on the property and raise the price of the property waiting for the best price. Would like developers to come in with a proposal on what they will need, concessions, if they are interested in purchasing a property and then the village should maybe consider a TIF.
- Discussion ensued on the pros and cons of a TIF and the potential of property owners hanging on to their properties until the market turns around. Also, discussion on adhering to the village ordinance and fining these businesses regarding boarded up windows and other maintenance offenses.
- Trustee Schuepfer proposed a consensus of the board, to direct the Mayor to prepare a packet of information regarding a TIF and present it to all interested parties including the taxing bodies prior to June 21st for placement on the June 23rd board agenda. All agreed with the exception of Trustee Szlendak.
- The Mayor took a consensus of all the Trustees at tonight's Committee of the Whole meeting prior to placing the motion for the Phase I study on the next board agenda of June 23, 2011. It was a majority consensus with the exception of Trustee Szlendak, provided that the Mayor would meet with all the schools and all the other taxing bodies.

Public Comment

Annette Volpe: Wanted to know if future boards could expand the TIF area??

Attorney Rob Bush: Indicated that once a TIF is created in order to expand the boundaries of the TIF the village would have to go through the entire process all over again, start from the beginning as if it were the creation of a new TIF District.

E. EXECUTIVE SESSION

Motion by Trustee Schuepfer, seconded by Trustee Gadzinski to enter into Closed Executive Session at 8:16pm; on a roll call vote all in favor.

Motion to enter into Executive Session: pursuant to (5 ILCS 120/2) Sec. 2. Open meetings © Exceptions. A public body may hold closed meetings to consider the following subjects: (6.) The setting of a price for sale or lease of property owned by the public body.

Motion by Trustee Dobrzycki, seconded by Trustee Steiner to Reconvene Open Session at 8:34pm; roll call, all present.

ADJOURNMENT

Motion by Trustee Dobrzycki seconded by Trustee Steiner to adjourn. On a voice vote, all present being in favor, the motion carried and the Committee of the Whole Meeting of the Board of Trustees of the Village of Harwood Heights was adjourned by Mayor Arlene C. Jezierny on Tuesday, June 7, 2011 at 8:34pm.

Respectfully submitted,


Marcia L. Polowy, Village Clerk