

**Official Minutes of the Special Tri-Board Meeting of:
Village of Oak Park,
Oak Park River Forest High School Board of Ed. District 200, and
Oak Park Board of Education Elementary District 97
Brooks Middle School, Oak Park, Illinois
January 5, 2005**

President Trapani called the meeting to order at 7:00 p.m. and asked that the roll be called for Districts 200, 97, and the Village of Oak Park.

District 200

Present: Wolfman, Fernandez (7:45 p.m.), Greenwald, Ranney, Fisher, and President Lucchesi

ROLL CALL

Absent: Rigas

Also Present: Superintendent Dr. Susan Bridge, Board Secretary Gail Kalmerton

District 97

Present: Burke, Frank, Harton, Layman (7:10 p.m.), Schwartz, Walsh, and President Onayemi

Absent: None

Also Present: Superintendent John C. Fagan, Board Secretary Judith M. Reed

Village of Oak Park

Present: Trustees Carpenter, Gockel, Johnson, Kostopulos, Milstein, Pope, and President Trapani

Absent: None

Also Present: Village Manager Carl Swenson, Village Clerk Sandra Sokol

President Trapani introduced Mr. Daryl Davidson, Oak Park Village TIF Council, who presented a background overview of the Intergovernmental Agreement between Districts 97, 200, and the Village dated February, 2003. He also presented on the Tax Increment Financing Redevelopment Project and Plan or the Amended Redevelopment Plan. A PowerPoint presentation followed. Mr. George Crandall of Crandall and Arambula, urban planning and design consultants to the Village, explained the redevelopment activities as established in the draft Master Plan prepared for the Village. The activities include: overall redevelopment concept, land use plan, development and design objectives, a description of redevelopment improvements and activities, estimated redevelopment project costs, a description of sources of funds to pay estimated redevelopment project costs, a description of obligations that may be issued, and identification of the most recent EAV of properties in the Project Area and an estimate of future EAV. A list of community objectives was shown on a slide, which are being addressed to hopefully change them into non-objectives.

The Greater Downtown Master Plan Diagram shows mixed use housing, retail and parking framework, public realm of approximately 43%, and private ownership of approximately 57%. After presenting this plan at a previous public meeting, responses were fairly favorable for this land use concept, with a number of recommendations and some concerns of opening up Westgate and Marion Streets. The five areas were defined on slide capacity diagrams and what would take place within each area.

Redevelopment and rehabilitation of these areas would have public investment of \$68 Million using TIF funds, which would stimulate private investment of \$461 Million. This is an investment ratio is 7/1 at which level a community is making money (6/1 is a break even ratio). He said without using TIF funds for the public investment, private investment in the 7/1 ratio would not happen.

Ms. Lisa Lyon, URS Corporation, spoke and explained that her firm is working with Crandall and Arambula on the updating of the Project and Plan for the Downtown TIF. She reviewed the history and milestones of the TIF beginning with the adoption in 1983 through the present, as well as the primary aspects of the Redevelopment Plan as

activity. The major Downtown TIF activities include revitalizing, stabilizing, and growing retail, improving streets and their circulation, increase parking, marketing, and renovating existing core building stock.

There will be a Joint Review Meeting on January 13, 2005, a Hearing on February 7, 2005, and a potential adoption of the Master Plan in February/March 2005.

Public Comment – Ms. Katherine Jonas, 124 South East Avenue, Oak Park, stated the process is a sham. She said when Districts 200 and 97 had planned their budgets it was with the knowledge that the TIF would be ending in 2006. But, within a few weeks of announcing the TIF extension, the Village decided to pay for a parking garage for the high school for \$4 Million and give a grant to District 97 for \$4 Million. This basically bought them into the idea of a TIF extension. It was never brought to the community by any entity and therefore no one in the community has had opportunity to have input on the TIF extension. She said she has a lot of respect for Mr. Crandall and his group, but he has been co-opted. He started with a good plan but ended up with a plan that is far different because he listened to the development department of the Village of Oak Park. She said the plan for the Whitco Project is significantly less than what it is. She said there was nothing said about historic preservation in the Downtown area in the presentation this evening. She questioned how traffic would be alleviated based on the new development proposed as it is the largest concern of the surveys and she has not heard about a traffic plan. Prior to 1992 most of the TIF monies were spent on public improvements like Holley Court garage, sod improvements, streetscape on Marion Street, upgrades for buildings. She questions where the accounting has been since 1992 and today. She told the elected officials they should ask the Village where the TIF dollars have gone from the approximately \$70 Million as Downtown is rated fair – poor after 23 years. She suggested they look at Downtown LaGrange as they have had TIF monies since 1985; they have no high-rise buildings; they have preserved their historic buildings; they don't have 27 buildings slated for demolition that the Oak Park preservation commission has listed as contributory to our historic Downtown area. If the TIF is extended for another 12 years, some hard questions must be asked to determine what has been realized for the \$70 Million. Cuts are being made at both school districts. The quality of the schools is not there anymore. She urged the elected officials to make sure they have all the facts.

PUBLIC COMMENT

Mr. Marsey, Oak Park, asked “Why was the Village-wide survey to find out how people would react to this Plan, abandoned? Why do the numbers for retail, residential, and parking nearly triple from September to November?”

Ms. Barbara Mullarkey, Oak Park, is very concerned about the extension of the TIF. She does not believe enough questions have been answered to go ahead with the Master Plan. She echoes what Katherine Jonas said about the potential demolition of historic buildings. She said the community cannot allow demolition of 27 – 37 buildings in Oak Park without a public hearing or analysis. She objects to the Village being up for sale. She questioned the slide shown earlier of milestones on which two items were missing; one was when District 97 sued the Village and its conclusion, and two that the TIF is terminated unless it is extended in 2006. She asked the Village officials to take everything that citizens want in the Village and look at and discuss them. She does not believe people coming from another state can tell the community what is good for Oak Park. We need to preserve, not demolish.

Questions from District 200 and 97 Boards

Member Burke asked where the \$85 Million increment and \$141 Million are coming from. **The answer was that the \$85 Million will have been released within the next 5 – 10 years and if the TIF ends in 2019 and accounting for all of that the EAV would be \$141 Million if all of the development occurs.**

QUESTIONS FROM
BOARDS OF DISTRICT
200 AND 97

Member Walsh asked about a housing estimation of units and population of them at approximately 2,000+ which would add 36 high-school children and 103 elementary and middle school children. He asked how those estimations were reached. **Ms. Lyons said the school age model was adopted within the last five years by Ellers Consulting Firm (formerly School Consulting Associates).**

Member Layman asked about the total amount of TIF monies collected over this time as at one point she read that it was \$105 - \$110 Million but a slide shown that evening said \$69 Million for public investment and \$400+ Million in private investment. She wonders why the \$105 - \$110 Million isn't included in the public investment because that is the amount that will be accumulated in the TIF over that time. **Ms. Lyons said the Redevelopment Project Budget is approximately \$105 Million, which accounts for the incremental revenue which will be generated over the extended term of the TIF. As private development comes on line as well as coming for the intergovernmental agreement, that is identified as approximately 70% for public improvement and settlement distributions, (about \$70 Million of the \$105 Million goes to primary activities and the balance, \$35 Million, is identified in the Plan for other major categories of redevelopment activities including site plan, site preparation, demolition, acquisition, marketing.** Member Layman asked why the whole amount was not included as this is the amount that is accumulated in the TIF district, therefore, why is the ratio not of \$110 Million to \$469 Million for private development, a 4 - 1 ratio, which is not very good odds according to what was just reported that evening. **Ms. Lyons said the slide showing the \$68+ Million is specifically for parking; streetscape improvement identified in the Downtown plan and the balance is other community development activities that range from sod to parking initiatives, and other types of redevelopment activities. Broadly it is \$105 Million.** Member Layman's second question is about the balloon payment of the EAV which comes at the end of the TIF in 2018 of \$141 Million. She said when the agreement was originally worked out last year, the end payment was about \$49 Million EAV which was part of the agreement and forecasted as part of the Downtown TIF area. Now that has increased by \$100 Million. Her understanding of the agreement is that it is a carve out agreement, that as property is developed it would be put back on the tax rolls. She is wondering about the \$100 Million that has now gone above what the original agreement was. What are those parcels; are they only going to be developed in the last three years of the agreement; why are they not included in a carve out proposal so they would come on the tax rolls earlier than 2018? **Ms. Lyons responded that the \$105 Million is incremental revenue, not EAV. The carve out is not speaking to incremental revenue, which is the \$105 Million. The carve out is drafted in EAV. The projected additional EAV is based on an update of potential redevelopment program in the Downtown and identified in the Downtown Master Plan; there is more redevelopment than is potentially identified.** Member Layman said part of the agreement as she understood it is as properties are developed over a 3 - 4 year period, at the end of the development it would be carved out and come back on the tax rolls. Now the plan is going to increase the EAV over the life of the extension. She wonders why that increased EAV isn't being rolled back into the carve out agreement; this is a big change in the way she looks at the numbers; therefore what is happening to the rest of the carve outs? When is the extra \$100 Million coming in? **Mr. Greg Peters, Village Finance Director, referred to Schedule 1A of the Intergovernmental Agreement. He said over the course of the extended TIF to 2008, the Village would release \$102 Million in EAV, there would still be \$47 Million left in the increment, that is the \$47 Million that was alluded to before. The \$47 Million would be released in the end besides the base EAV which will be reduced. There would be \$47 Million in increment still released in the end as well as the \$102 Million on a cumulative basis.**

President Trapani asked Mr. Peters, much like what the Village did in the last go around where the 6 - 7 parcels were carved out, the intention is to carve out parcels where the projects are completed so it is project specific. At a certain point, the area of the TIF is diminished at each juncture or carve out point. **Mr. Peters pointed out also that the**

release. So, if a project is on or about to go on line and is closer to \$10 Million but comes in at \$9 Million, in effect the Intergovernmental Agreement requires the Village to assume it is \$10 Million. Therefore, it is not project specific but relates to extra dollars over the course of the agreement. President Onayemi stated if the Village fails to get the larger amount, the Districts are guaranteed those dollars. **Mr. Peters said that is correct for all of the taxing bodies.** President Onayemi said District 97 has a schedule of payments or deliverables based on dollars, he asked with this new Plan, if this has changed? **Mr. Peters said the new Plan is a little more aggressive and makes a higher assumption of additional dollars as the new Master Plan assumes more private investment than what the Village used a year ago in developing the Plan.** President Onayemi confirmed that the Village is trying to be more aggressive in looking at deliverables; so that, regardless of what the Village does, at a minimum the Districts receive those dollars. Member Burke restated to clarify that this guarantees a floor. He said Member Layman is speaking about a balloon that is expanded, based on a more ambitious broad plan that is anticipated by this new development and she is asking if the Districts are fixed with what is in the deal or do the Districts grow with the growth in the anticipated Plan. **Mr. Peters said it is conceivable that as projects and properties are released the Districts could receive more than anticipated. The Intergovernmental Agreement protects the Districts by the floor as they will not receive less and could receive more.** President Trapani said the intention is that a review is built into the Agreement so that the Village and Districts periodically come together to review what has occurred up to that point. Mr. Wolfman said although the Intergovernmental Agreement does not represent an endorsement of the extension, it was everyone's agreement that the benefits of having the Intergovernmental Agreement would actually supply the school districts with more dollars than if the TIF did not continue, subject to the action of the Village of Oak Park's Board making its own independent determination as to whether the TIF ought to be extended. That is why the school districts acceded to the Agreement because we found out through the carve out and the reviews that would be taken irrespective of possible projects, etc., the school districts would actually attain more financial support than they otherwise would if the TIF ended on its normal date.

Member Layman asked if there was a spreadsheet showing the current EAV numbers if the TIF ended in 2006, and with the addition of incoming parcels with the extended TIF with the carve out currently in place. She wishes to go back to the community to show that even with all the development we are better off with the extension. **President Trapani and Mr. Peters said that with the three additions, two are tax exempt, therefore there would be an additional \$15,000 in taxes currently and for District 97 it would be \$3,000 and for District 200 it would be \$2,800. The base would be established at that amount. If a development occurred on that property, the base of the EAV increment goes up but it also could be released sooner than 2018. It must be kept in mind that the Intergovernmental Agreement is in place that speaks about carve outs and ultimately releasing of properties will occur as quickly as possible. Mr. Peters said there is one more carve out between now and the current termination in 2006 which is about \$6.4 Million in EAV which would have to be released in 2005. This takes a while for properties to get back on line by the Assessor's Office.**

President Lucchesi clarified that the Boards did have an opportunity to go over these plans at their individual meetings with the Village and each had many questions on the dollars and when they would come on line. She pointed out that the school districts are receiving more dollars sooner than they would have if the TIF had just expired. This was the main selling point to both school districts. In looking at the projections it seems it will continue to benefit the districts.

Vice President Schwartz said now there would be roughly \$220 Million less \$85 Million that will be carved out. Therefore, there is significant growth in the total value and some of the value will be accessible sooner than 2019.

Member Harton wished to register a concern that with anticipation of additional housing of 140 – 150 school-age children, impact of traffic and child safety be considered. **Mr. Crandall said there is a traffic engineer who is looking at the numbers for the next Village meeting as they are also interested in the traffic impact and they will be able to give a report.**

Member Frank asked what the calculation is or the formula used for determining the increased attendance and annual cost for schools. **The TIF Act uses a reimbursement calculation for operating costs associated with additional students. It would be identified on an annual basis and provided for coordination of reimbursement.** Member Frank also asked about Agreement dates of December 31, 2018 but that also are stated as December 31, 2019. **The TIF Act provides for the collection of revenue generated in the 23rd year or 35th year but collected in the following year, therefore that is why 2019 is used as the year of collecting revenue generated in 2018.**

Trustee Johnson asked Mr. Peters to provide a synopsis of TIFs and explain why the TIF is key to the revitalization of the Downtown, as he said they do not reduce business property taxes. **Mr. Peters said that in 1983 when the TIF was created, the County Assessor froze the assessed valuations of every parcel within the TIF district which was about \$23 Million in value. Every year since the tax rate that is generated by accumulative levies of all the taxing districts are added together by the County and a tax rate is applied to the TIF district. The various taxing districts in Oak Park continue to receive the tax dollars from the levy rates that are passed on that base EAV. As growth occurs, the incremental increase of value stays with the property. The same tax rate is applied to the property, however, the difference between the base that was established in 1983 and the difference of growth does not go to all the taxing districts, it only goes to the Village to a special tax allocation fund and can only be used for TIF related purposes. The exact amount of taxes are paid by property owners whether they are in a TIF district or not. It is the same tax rate; the value is the same, the distribution of tax dollars that are generated by the rate are going to different sources.**

Mr. Crandall added that a TIF is a wonderful financing mechanism for revitalizing a downtown. In the absence of a TIF it is very difficult to advance an agenda to revitalize a downtown area as there is no income stream; there are no other sources that are predictable that allows an aggressive agenda and certainty for revitalization. This type of program can work when managed properly, and the Village's management proposal and redevelopment strategy that extends for a number of years is one. It has been very effective in revitalizing and allowing for planning for the future in Portland, OR.

Reference to a number of successful TIF areas include the theater district of downtown Chicago, downtown LaGrange, and the Rock Island riverboat location. TIF was adopted by communities in the 1970's as a response to a reduction in federal funding sources that had been providing for those approaches to renewal and revitalization, redevelopment and recognizing that those types of programs are long-term and comprehensive which take timing and coordination in leadership by public entities to manage in conjunction with development guidelines. The TIF was identified as a financing engine for that and not a grant program as some other federal funding sources are. Private investment must be stimulated through the public dollars. There are approximately 800 TIFs in Illinois of which 20 – 30 percent are in downtown areas. Both leadership and stimulated private investment are needed in the beginning through public improvement, streetscape parking, etc. The TIF Act relates to mixed use areas in downtowns. The City of Chicago identified the public/private ratio as 7/1 with 130 TIF districts including central Loop, south Loop, Lake Calumet region, etc. Reprogramming and new land uses for residential, more contemporary retail climate for parking, loading, servicing requirements are strategies for successful indicators such as those recommended for Oak Park.

Member Burke asked Mr. Crandall regarding new construction added, if there are any models that show what the ancillary effects are outside of Downtowns in areas outside of the TIF by having a vital downtown. **Mr. Crandall said what he does know is that if you have a healthy heart, your Downtown, then the extremities, or neighborhoods, are healthy. People like to be next to a vital downtown and they will seek out the area; it makes it more attractive to the neighborhoods. If people are concerned about maintaining values in the community and quality of life, the first step is to have a really healthy downtown.**

Trustee Gockel said three major developments of Downtown Oak Park did not benefit from the inclusion of TIF funds; 100 Forest Place, Archstone Apartments and Holly Court Terrace did not ask for funds. He said the Intergovernmental Agreement is two years old and long before the suggestions of Crandall & Arambula. Post the Agreement the consideration of the Downtown Plan could be more ambitious and lucrative for all taxing bodies. Future Boards will need to pay attention to the Agreement for possible amendments. He said Mr. Crandall has presented drawings and ideas proposed but a plan has not yet been submitted, possibly in a month. He does not know how a future board will react to it, adopt it or accept it and the recommendations. He reminded people the plan is not completed yet. A future board will have to vet it and go forward.

Trustee Carpenter reminded the community that 100 Forest Place and Archstone were built with subsidies and private investment were interested in these locations because of the subsidies they received for their own private investment; it was not just straight private investment. She asked Mr. Crandall to comment on statements often heard that Downtown Oak Park is very successful now and private development would occur without a TIF so therefore there is no reason to have a TIF. **Mr. Crandall said there will always be development occurring in a downtown of one kind or another. Oak Park is unique and has a wonderful history of building stock. The name is recognized nationally and the demographics are very attractive. Over time though, downtown environments are often eroded by new development that is not in the desired image or does not relate to the value system. He referred to a book by Alexander Garvin, The American City, What Works and Does Not Work. The thesis is that urban revitalization is all about strategic, public investment to stimulate private investment over the long term. Where that has happened, cities have been successful and when it has not, cities have fallen behind. Mr. Crandall said the master plan is Oak Park's plan and its strategy and in the end it won't be implemented unless it is what the community wants. They are living documents and are revised over a period of time and must reflect the community's values to be successful.**

Trustee Kostopulos asked Mr. Crandall for his thoughts on Oak Park not experiencing a desire to move into the downtown as some lesser communities may have. **Mr. Crandall said often new investment occurs in communities that do not have a TIF and there are no regulations or standards. Someone can come in and put in franchises and communities don't have trouble attracting those types of investments with the demographics of Oak Park. The challenge for Oak Park is to get in front of that curve. The framework plan being discussed allows getting in front of that curve because the community's values are being defined. When he returns in a month he will have some guidelines and standards for consideration on where the community may want to go so in the end it will be even a more desirable place for investors to come. What investors want is certainty. They are optimistic.**

Trustee Milstein asked Mr. Peters how the sales tax TIF works and how it benefits the community. **Mr. Peters said in the 1980's the state committed to all communities that established a sales tax TIF that once sales tax is generated above an approximate base of \$800,000, the state would remit the state portion of the sales tax back to the Village in the Downtown TIF. With 1999 amendments to the state law, the Village is receiving the full amount of increment if it is over the base which is about \$1.2 Million. The schools do not receive these monies; they go into the TIF fund. From**

some period of time the schools could receive some of the monies. Mr. Milstein asked if what the plan would be if there was no TIF extension. **Mr. Crandall said there would be a recommendation strategy to adopt a TIF strategy but if it is not done, the Village does not need these services.** Mr. Milstein suggested other planners with other strategies could make presentations not using the TIF. He is concerned that the Historic Preservation Commission has looked at the plan but that historic preservation does not seem to be important in the plan even though Mr. Crandall said it is. He is concerned that opening one street will ease the congestion in one area. He hopes the school boards ask the questions on where the money went of monies available. He is not convinced that Downtown Oak Park needs a TIF or that there aren't other methods to provide economic activity in Oak Park, or that other areas in Oak Park don't need attention.

Member Fernandez asked Mr. Crandall for plans and recommendations for prospective future extension of the TIF based on the serious and extreme parking restrictions of the streets within two blocks of the Downtown Redevelopment Plan. There are parking restrictions in place for streets that border within two blocks of the Downtown area that seriously inconvenience maintenance and services needed on the neighboring streets as well as visitors. **Mr. Crandall needs to get more information on the specific issue. He said every parking space in a downtown area is precious for loading, etc. In any strategy accommodating on-street parking is important; it should be user friendly. He will get more information.** She hopes that repavement of streets and alleys is considered. **President Trapani replied that the Village recently added to the capital improvement program some capacity with respect to alley improvement. There is a survey the Village undertakes each year related to the capital improvement program to identify streets and alleys most in need of repair. She will provide Member Fernandez information on that.**

Trustee Pope understand that additional information will be forthcoming. He asked if the Village could be more efficient before extending the TIF and leveraging public dollars, all that would do would be to leave a larger sum at the end to distribute proportionately to the taxing bodies. What the community is looking at right now is the overall plan. Individual elements will provide a strong economic return to the community which will flow back to all taxing bodies. Some elements are desirous from a quality of life point of view and not necessarily an economic posture. Taking a commercial parcel off the public rolls to create a public plaza contributes to the quality of life. This is more of an indirect benefit to property values. Looking at the plan in a broader context is important. **Mr. Crandall responded that some of the numbers did change from September to October as the plan was refined and evolved based on listening to the community and opportunities presented. He has presented a menu of things for capital investment over time. Historic preservation is very important and he met with the Commission about their concerns as they are extremely important and it is important that everyone is comfortable in the end and that no one is left out of the process.** Trustee Pope asked if the Plan would be looking at specific types of tenants to make up the Downtown. **Mr. Crandall said there won't be a specific list of tenants but possible a general statement of kinds of tenants including the local businesses, some specialty business, and possibly some national businesses with careful scrutiny.** Trustee Pope wished to state that if the TIF expires, the TIF sales tax would go back to the state.

President Onayemi understand that the Joint Review Board meets January 13, 2005 and the District 97 Board will meet on January 12, 2005 at which time there will be an action item.

President Lucchesi responded that District 200 has an action item on their agenda to appoint a representative to the Joint Review Board meeting. The motion is to approve Cheryl Witham as the representative of Oak Park River Forest High School to the Joint Review Board. All present District 200 Board members voted Aye. The motion was approved.

Member Layman asked why the TIF monies are for public improvements and the funds are not looked at in the same way as the public works building that is being contemplated for \$30 Million. She asked why the \$65 Million does not become part of the capital improvement budget for the Village. **Trustee Johnson said the \$30 Million as reported by local media is a misstatement. The range in the early stages for the public works building is \$16 Million at the low end and \$21 Million at the high end. They are no where near the actual costs but he wanted to state that the reported number is not accurate.** Member Layman asked why wouldn't the Village take that amount on as capital improvement as a public investment.

Member Wolfman commented on Trustee Pope's comments on the quality of life projects. School districts understand that they are part of the Village's plans but they are not school districts direct concern. School boards are concerned about having monies available to education the children. While recognizing that, the protecting sought in the Intergovernmental Agreement is to have it based on levels as well as projects we hope are successful to generate the income needed that would otherwise be lost due to the extension. From the school boards' standpoint it is not an endorsement of whether the TIF in extended or not, but protection for us that the dollars we need to finance education properly for children in this community are going to be there. That is our primary focus. Beautifying the community is the Villages. Educating the children is the school districts. **President Trapani commented that the Intergovernmental Agreement was in recognition of the fact that more and more municipalities have to become self sufficient. The state doesn't fund education in the manner they should, the federal government continues to cut funding which hurts our schools' ability to have a budget that is sufficient over the long time. The Village's intention was to be able to look at the circumstance today and project what they might be able to do laying a foundation. The Village makes investments because it is not the districts' jobs. They hope that in partnership we will be able to continue quality education. That is what this partnership says so much about this community.**

Trustee Gockel said they have an exchange of views between Ali El Saffar and Daryl Davidson regarding some of the expenditures from the TIF fund. They have not had opportunity to read these views but maybe should do this as a next step. He does not think this impacts the question as to whether the TIF district should be extended. He hopes all can study this memorandum.

President Lucchesi and President Onayemi expressed appreciation for the support and cooperation of the Village Board. President Onayemi hopes that these types of meetings continue in an effective manner with follow up concerns to monitor what is happening with the plans. He knows other communities are looking at Oak Park as a standard bearer for what is best.

There being no further business to conduct, Presidents Trapani, Lucchesi, and Onayemi declared the meeting adjourned at 9:20 p.m.

ADJOURNMENT

Board President

Board Secretary