

VILLAGE OF ALSIP
MINUTES OF
BOARD OF TRUSTEES
COMMITTEE MEETING
November 14, 2011

Mayor Kitching called the meeting to order at 7:30 p.m. Clerk Venhuizen called the roll with the following in attendance: Trustees Shapiro, McGreal, Daddona, Quinn, Dalzell, Ryan, Mayor Kitching and Village Attorney Paul Stephanides.

MAYOR'S REPORT: Mayor Kitching introduced Chuck Biondo, Kane McKenna, who gave a brief summary of the Cicero Avenue TIF Project as follows; The proposed project involves seven lots; lots one and two would involve about 9,000 sq. ft. of proposed fast food restaurants, lots three and four would involve 35,000 sq. ft. of proposed retail development, lots five and six would involve about 13,000 sq. ft. of sit down restaurants, and lot seven is an 118 unit hotel. Lot 8 would involve infrastructure such as a retention/detention pond. Mr. Biondo reported that following discussions with Board members, the mutual understanding was the public assistance requested of the Village is approximately 11.9 million dollars. The basic request is 5.7 million dollars of the 11.9 million dollars be provided upfront through general obligation bonds. Because of the intricacies of this project the 5.7 million dollars would be the net bond proceeds available. However, the actual issue amount would be closer to 6.4-6.5 million dollars, and would include costs associated with the issuance, capitalized interest, to cover the project for three years before it starts to generate the revenue to pay back the bonds and cover the costs of the project. The remaining 6.2 million dollars then would be in incremental revenues that would flow to the development as those revenues became available.

Essentially, this process results in the Village's position going from 100% risk by having all monies placed up front to a shared risk. The risk for the upfront money of 5.7 million dollars would remain with the Village, but the risk for the 6.2 million dollars over the life of the project would remain with the developer. If the project doesn't generate the revenues as projected, the Village takes the money it needs to repay the bonds and the taxing districts, and the moneys the developer needs from the project are foregone.

What are we looking at as the proposed funding mechanisms? Because the existing TIF would not provide sufficient revenues to cover the project, we recommend termination of the existing TIF and simultaneous establishment of a new TIF with an increase in the size of the boundaries to include the three commercial properties on the west side of Cicero from 123rd Place to 123rd Street. At the same time we recommend the Village consider a business district with coterminous boundaries and finally we would be taking use of your local and home rule sales tax as well as your hotel/motel tax. Those basically would be your funding sources, with the following allocation: the incremental property taxes; one hundred percent of those taxes generated by the project would go to the development, the local sales tax and home rule tax 25% of those dollars would go toward the development, the business districts sales tax 100% of those dollars would go toward the development and 50% of the hotel/motel tax would go toward the development.

Proposed payment to the taxing districts. One thing discussed during meetings with the various local bodies when considering termination of the existing 123rd Place & Cicero TIF, we would designate \$300,000 from the existing TIF fund balance and declare that surplus which would be shared proportionately with all the taxing bodies at the time of termination of the existing TIF. We then talked about approximately \$300,000 in year 10 or 11 that would be shared proportionately with all the taxing bodies and five years later in the 15th -16th year, the remaining \$400,000 would be shared proportionately with all the taxing bodies.

So in 15 years the taxing bodies would receive not only a bump in their incremental property taxes because of growth from adding the three parcels but they would receive a share of the one million dollars over a period of time.

Financial analysis share concept. We analyzed the project for incremental revenue to be generated, such as property taxes incremental property taxes, incremental local sales taxes, incremental home rule sales taxes, incremental business district taxes, incremental hotel/motel taxes.

66 Board of Trustees Committee meeting
67 November 14, 2011

68
69 Basically, using those sources of funds and based on the assumptions that were provided by
70 developer, the project would pay all the costs related to the bond issuance, the payment to the
71 taxing districts and there would be sufficient funds over the life of the TIF. Although it does
72 come late in the TIF, comes in year 21 and 22 year of the project the remaining 6.2 million
73 would be paid back to the development.

74
75 Scheduled date of construction and the scheduled date of occupancy are critical to the extent that
76 everything be in place by the third quarter of 2013.

77
78 Finally, consideration was given to what would happen if the project did not go according to
79 what the developer put in place and the project was not on line by the third quarter of 2013. We
80 ran additional analysis with tighter revenue streams that would still cover debt service payments,
81 taxing bodies' revenues and the developer would still be paid back by the 23rd year tax payment.
82 The way it is structured, the first draw and second draw would be Village related funds and the
83 last draw would be money that goes to the development. Assuming you move forward and
84 something else happens, the developer would be at risk for losing those dollars not the Village
85 The bottom line is based on all analysis the project would pay for itself and provide for coverage
86 of all the elements discussed.

87
88 The next steps if the Village decides to move forward are: a) Board would consider the adoption
89 of an inducement resolution that would basically ensure the developer that from the point of
90 signing the inducement resolution any eligible costs that were expended by the developer would
91 be eligible for reimbursement assuming the redevelopment agreement was worked out between
92 the village and the development team. b) Authorize McKenna office to proceed with the
93 necessary action to terminate the existing TIF while simultaneously designating a new TIF and a
94 new business district. c) Authorize your staff, village attorney and our office to negotiate the
95 redevelopment agreement. d) Adopt an ordinance to terminate the 123rd Place & Cicero TIF
96 followed immediately by ordinances to designate and set up a new TIF. Prior to that you would
97 adopt ordinances establishing public hearing resolutions, public hearings regarding proposed TIF
98 and business district. The Village would then adopt ordinances adopting the TIF and Business
99 District. And at that point assuming we were moving forward, the Village would authorize us to
100 proceed with the public bidding of the general obligation bonds.

101 Questions: Trustee Dalzell questioned the number of municipalities currently issuing general
102 obligation bonds for similar projects versus funding through tax increments, (pay as you go.) Mr.
103 Biondo responded in this economic climate it is difficult for any development to occur with all
104 the funds put up by the developer, and the Village has to decide whether or not to take the risk.
105 Trustee Dalzell pointed out that the Village will be spending 6.5 million dollars to get back a
106 portion of one million dollars.

107
108 In response to a question from Trustee Quinn, Mr. Biondo stated the general obligation bonds
109 would not go against the Village's debt obligations. He recommended public bidding on the
110 bonds that must be paid back no later than 20 years. Trustee Quinn noted that Home Depot was a
111 different type of agreement and the developer was on the hook for the stores not developed.
112 Additionally, Trustee Quinn reported he could find only one town, Village of Orland Park, that
113 has a similar development agreement under consideration by the Village. The Village of
114 Evergreen Park is working on Meier's and Menards and revenues are based on TIF for the
115 redevelopment.

116
117 Paul Dresden, Developer, reported the project cannot move forward until the new TIF area is
118 designated and the redevelopment agreement is completed. Trustee Dalzell reported that the
119 entire Board is excited about the project, but due to the economy and recent union negotiations
120 allowing for small if any salary increases, it is difficult to justify committing 6.5 million dollars
121 to this project.

122
123 Trustee Ryan asked about tenants for the new TIF property and installation of the stop light.
124 In response to a question from Trustee Ryan, the developer reported their loan is 26 million
125 dollars.

126
127 Trustee Shapiro asked about the Village's commitment on the onset of project; there was none.

128
129 Mayor Kitching reported the Inducement Resolution will be on the Board meeting agenda for
130 next week.

131 Board of Trustees Committee meeting
132 November 14, 2011

133
134 CLERK'S REPORT: Clerk Venhuizen presented: a) IDOT Motor Fuel Tax Allotment for
135 October, 2011 in the amount of \$41,171.63. b) IDOT Resolution for Improvement for the
136 Reconstruction of the Existing Pavement for Various Locations. c) IDOT Resolution for
137 Improvement for the Reconstruction of the Existing Pavement for Laramie Avenue from 117th
138 Street to 119th Street. d) October FOIA Report. e) Reminder the Village Hall will be closed on
139 Thursday, November 24, Friday, November 25, and Saturday, November 26, for the
140 Thanksgiving Holiday.

141
142 PUBLIC FORUM: Mayor Kitching called for input from the public; there was none.

143
144 FINANCE REPORT: Trustee Quinn presented: a) List of bills dated November 14, 2011, and
145 payment of bills pulled in September of 2011 for Specialty Landscaping. b) Scheduling of a
146 Finance Committee Meeting on November 30, 2011 at 7:00 p.m. at the Village Hall. Trustee
147 Quinn requested attendance by the whole Finance Committee, and requested the Village Clerk
148 provide someone to take minutes.

149
150 FIRE DEPARTMENT REPORT: Trustee Dalzell presented: a) Request to approve holiday pay
151 for the fiscal year 2011/2012 in the amount of \$36,014.72. The firemen are paid 8 hours at their
152 straight time rate on the date of the holiday, in accordance with Alsip Village Ordinance Number
153 2009-4-1 agreement with the Alsip Professional Firefighters Local #3074. According to the
154 contract this can be paid the first pay in December or the last pay period of November.
155 b) October monthly report based on the National Fire Incident Reporting System (NFIRS) data.

156
157 POLICE DEPARTMENT: Trustee Daddona presented: a) Request for approval of the Garcia
158 timesheets. b) Monthly Report. c) Letter of Recognition. d) Request for approval to hire two
159 applicants for the position of Police Officer for the next Police Academy starting on January 9,
160 2012. Both applicants have passed all the required background checks and profiles and have
161 been interviewed by all three Fire & Police Commission Board members.

162
163 PUBLIC WORKS DEPARTMENT REPORT: Trustee McGreal presented: Motion by Trustee
164 McGreal to approve the addition of approximately 711 square feet of concrete to this year's
165 Sidewalk Program at a cost of \$3,448.00 to complete concrete work on Schleder Drainage
166 Project on Mather Avenue and curbing and sidewalk at 117th & Pulaski; seconded by Trustee
167 Shapiro.

168 Roll #1: Voting "aye": Trustees Shapiro, McGreal, Daddona, Quinn, Dalzell and Ryan. Motion
169 carried.

170 Motion by Trustee McGreal to approve the addition to this year's Road Program of
171 approximately 300 square yards of pavement to repair an inferior section of roadway on
172 Springfield between 116th Street and 116th Place at a cost of \$16,500.00; seconded by Trustee
173 Shapiro.

174 Roll #2: Voting "aye": Trustees Shapiro, McGreal, Daddona, Quinn, Dalzell and Ryan. Motion
175 carried. This repair is eligible for Motor Fuel Tax funding under our current Road Program.

176
177 BUILDING DEPARTMENT REPORT: Trustee Shapiro presented: a) Request for approval to
178 hire Patrick Fisler as a Plumbing Inspector to replace William Welsh. This item was previously
179 tabled at the November 7, 2011 Board meeting. Trustee Quinn recommended advertising this
180 position for interested plumbers residing in Alsip. In response to a question from Trustee Quinn,
181 Trustee Shapiro reported that following the retirement of Mr. Welsh there was a need to use a
182 Patrick Fisler as a temporary inspector to complete inspections. Trustee Quinn pointed out that
183 any employee has to be approved by the Village Board, even temporary employees. Trustee
184 Dalzell recommended using Fisler temporarily and posting the position. Mayor Kitching
185 appointed Patrick Fisler as temporary Plumbing Inspector until such time that this Board can
186 make a decision on hiring a permanent part-time Plumbing Inspector. There was a consensus of
187 the Board to post the position as soon as possible.

188
189 HEALTH & POLLUTION: Trustee Daddona presented: a) Letter of appreciation.

190
191 SEWER & WATER: Trustee Ryan will follow up on a note from a resident on 118th & Kolin
192 complaining about insufficient patch work that was done after a potential water main break.

193
194
195

196 Board of Trustees Committee meeting
197 November 14, 2011
198
199 LICENSE REPORT: Trustee Quinn presented: a) Request for approval of a list of licenses dated
200 November 14, 2011.

201
202 PLANNING/ZONING REPORT: No report.

203 204 REPORTS OF SPECIAL COMMITTEES

205
206 VILLAGE PROPERTY: No report.

207
208 INSURANCE COMMITTEE: Trustee McGreal presented: a) Request for approval of the
209 renewal of the Workmen's Compensation policy with the Illinois Public Risk Fund, covering the
210 period from 12/15/2011 through 12/15/2012 totaling \$450,704. This represents a 4% increase
211 over last year's policy. Trustee McGreal reported on receipt of a plaque from the Illinois Public
212 Risk Fund in recognition and gratitude for 25 years of membership. b) The insurance benefit
213 information is available on line and this information will be provided with the employee's
214 paycheck, and hard copies will follow.

215
216 ORDINANCE & LEGISLATION: No report.

217 IT REPORT: No report.

218 BOAT LAUNCH: No report.

219 220 PRESENTATIONS, PETITIONS, COMMUNICATIONS

221
222 UNFINISHED BUSINESS: Trustee Quinn reported that within the next couple of weeks a 6b
223 application will be presented to the Board and asked if the Board would like a representative of
224 the company available at the meeting. Mayor Kitching reported there is an extensive amount of
225 paperwork required for all 6b applications and most if not all questions are answered at that time.

226
227 Trustee Quinn reported the Illinois Municipal League reported that the CPPRT bill is on the
228 governor's desk for signature. Mayor Kitching reported that CPPRT is Corporate Personal
229 Property Tax Diversion that takes revenues away from local governments in order to reinstate
230 salaries and benefits of regional superintendents of educations.

231
232 NEW BUSINESS: Motion by Trustee Quinn to allow the Alsip Merionette Park Library to start
233 construction of addition project before receiving an IDOT permit, pending receipt of a hold
234 harmless agreement and subject to review and approval of the Village Attorney; Trustee Shapiro
235 questioned starting construction without an IDOT permit and Trustee Quinn responded that if
236 IDOT does not issue the permit, the parking lot would be reconfigured because there would be
237 no access to Pulaski Avenue. The motion was seconded by Trustee Dalzell.

238 Roll #3: Voting "aye": Trustees Shapiro, McGreal, Daddona, Quinn, Dalzell and Ryan. Motion
239 carried.

240
241 EXECUTIVE SESSION: Motion by Trustee Quinn to move into closed session to discuss
242 deliberations concerning salary schedules for one or more classes of employees; seconded by
243 Trustee Dalzell.

244 Roll #4: Voting "aye": Trustees Shapiro, McGreal, Daddona, Quinn, Dalzell and Ryan. Motion
245 carried.

246
247 ADJOURNMENT: Motion by Trustee Ryan to adjourn; seconded by Trustee McGreal. All in
248 favor; none opposed. Motion carried.

249
250 Respectfully submitted,

251
252
253 _____
254 Deborah Venhuizen
255 Village Clerk, Alsip, Illinois