

VILLAGE OF RICHMOND
SPECIAL BOARD MEETING
November 7, 2006

PRESIDING: President Lauri Olson

PRESENT: Trustees Dennis Bardy, Dan Deters, Bruce Hunter, Charles Schultz, Cindy Walleck, Roy Wulffen

ALSO PRESENT: Village Administrator Tim Savage, Attorney David McArdle

President Olson called the meeting to order at 6:30 p.m. in the Richmond Village Hall, 5600 Hunter Drive.

ROLL CALL: Trustees Bardy, Deters, Hunter, Schultz, Walleck and Wulffen were present.

President Olson stated that the purpose of this special meeting is discussion and familiarization with the TIF Redevelopment Plan and process. Beth Ruyle of Ehlers and Associates will be making the presentation. The meeting is also being held for a closed session discussion of Personnel and Litigation.

Trustee Hunter left the meeting at 6:32 p.m.

Beth Ruyle informed the Trustees that the Redevelopment Plan, which has been filed with the Village Clerk, is not the same as a downtown redevelopment plan. Rather, it is a document which mirrors the requirements under the TIF laws. It contains goals and objectives along with information on the district and the community. The Plan does not address specific land use. Land use and zoning will remain the same as it is currently. The Plan does address the budget and Ruyle stressed that because the plan is in effect for 20 years, all possible expenditures in the district should be included. She stated that it is an exaggerated budget and attempts to ensure meeting the needs of the district over the next 20 years. Projects will have to go through certifications and findings which include impact on other taxing districts and EEOC impacts. Another issue that needs to be addressed is the procedure for amending the TIF in the future if this is needed.

The area has been identified. The next step is to establish the program by listing in the work program all the eventual needs.

The EAV information was discussed, mainly the difference between the district EAV history and the rest of the community's EAV history. In answer to fears that other taxing bodies will be negatively affected, Ruyle pointed out that the TIF process will not be introducing new development which will generate students. Taxing bodies will be collecting the full rate from any development generating students.

No specific development is being considered a part of the process. Small changes on a small base equals a higher percentage. Small changes on a larger base does not generate as much. School financing was discussed. The State financing is based on the school district's EAV and it is to the school's advantage in this respect to stay on a lower base. Schools are also subject to the tax cap.

If a surplus (which is not guaranteed) is generated in the TIF fund it is distributed to the taxing bodies according to their tax rate. Savage stated that declaring a surplus every year based on the CPI not to exceed 4% is being considered, if the funds are available. This surplus would be the priority expense off the top if the TIF is generating money.

Eligible TIF expenses were discussed. The Village can purchase property if it is vital for the TIF district, as a legitimate TIF expense. Nothing in the document says that the Village is planning to use eminent domain. In any event, it is a decision of the Board and must be upheld by the Courts. The onus is on the Village to show need and proof. Although the Plan states that the Village will use eminent domain as a last resort if needed to fulfill the objectives of the plan, Ruyle and McArdle stated that this does not require the Village to use eminent domain.

Bardy, after studying the rates and numbers, proposed a scenario that the school could lose up to \$5,000 in one year in taxes but could gain \$20,000 for a new roof or other capital improvement as defined under the TIF laws. If the school is not in the TIF district they can still get funding if their capital expense is directly related to the TIF expense.

TIF funds can be used to re-develop a golf course but can not be used to develop a golf course. The creek and path system are in the TIF and the State defines a bike path as a transportation corridor which is an approved expense.

The TIF Joint Review Board (JRB) will meet annually and are strictly an advisory body to the Village Board. The Village will present to the JRB an annual report on how the money was spent.

Projects within the Plan can change and the process is addressed.

The Village's power for eminent domain is broadened under a TIF but still needs to go through the courts. The new state laws regarding proof of economic gain have weakened municipalities power for eminent domain for this justification. It is a bit easier to use it for public infrastructure.

EAV percentages were again reviewed with 42% growth in the past five years outside the TIF district and an 8% growth within the district.

Ruyle verified that TIF funds may be used to preserve a historic building.

An ordinance setting the public hearing date will be presented at the next regular Board meeting.

A five minute recess was called. 7:35 – 7:40 p.m. Board reconvened with Bardy, Deters, Hunter, Schultz, Walleck, Wulffen and Olson present for roll call.

Wulffen moved to go into closed session for the purpose of discussing Litigation (5 ILCS 120/2(c)(11)) and Personnel(5 ILCS 120/2(c)(1)) Seconded by Deters and passed with Bardy, Deters, Hunter, Schultz, Walleck and Wulffen voting yes. 7:40 p.m.

Bardy moved to come out of closed session. Seconded by Schultz and passed with Bardy, Deters, Hunter, Schultz and Walleck voting yes. Wulffen was absent. 8:40 p.m. Above officials and President Olson were present for roll call. Wulffen was absent. No action was taken.

Bardy moved to adjourn. Seconded by Schultz and passed by unanimous voice vote. 8:40 p.m.

Kathleen Hellmann, Village Clerk