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JOINT BOARD OF REVIEW

Tax Increment Financing Redevelopment Project Area No. 1

November 8, 2021, 3:00 P.M.

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**ROLL CALL**

Acting City Manager Maggie Peck called the meeting to order at 3:00 PM and called the roll. Those present were Jonelle Bailey, Sycamore Park District; Kim Halsey, Sycamore Public Library; Jill Hansen, Kishwaukee College; Derek Hiland, DeKalb County; Russell Josh, Sycamore Township; Maggie Peck, City of Sycamore; and Nicole Stuckert, Sycamore School District. Also in attendance were guests Adam Stroud, PGAV; Samantha Sundquist, Sycamore Public Library; and Mark Bushnell of the general public.

**APPROVAL OF AGENDA**

**MOTION**

Derek Hiland motioned to approve the agenda, and Nicole Stuckert seconded the motion.

**VOICE VOTE**

Maggie Peck called for a voice vote to approve the motion. All members present voted aye. Motion carried 7-0.

**CONSENT AGENDA**

- A. Approval of Minutes of June 29, 2021 Regular Meeting

**MOTION**

Derek Hiland moved to approve the minutes of the June 29, 2020 Regular Meeting, and Nicole Stuckert seconded the motion.

**VOICE VOTE**

Maggie Peck called for a voice vote to approve the motion. All members present voted aye. Motion carried 7-0.

**AUDIENCE TO VISITORS – None**

**NEW BUSINESS**

- A. Review of Proposed Tax Increment Redevelopment Project Area No. 2.

Acting City Manager Maggie Peck stated the purpose of the meeting is to review the proposed TIF 2 project area. She shared an update regarding TIF 1, stating that the City is closing on one of two parcels it owns in TIF 1 within the next 30 days. The taxing bodies will benefit from this property's return to the tax roll. Peck explained that she, Adam Stroud from PGAV, and City Engineer Mark Bushnell toured the proposed TIF 2 area in July to outline the TIF 2 Redevelopment Plan.

Adam Stroud began by commending the City of Sycamore for closing TIF 1 early, and for its focused, surgical approach with TIF 2 to fix an area of town that is not generating tax revenue. He explained that the state requires specific findings for a proposed district to qualify for tax increment financing; these can include: blighted areas, deterioration of buildings and streets, excessive vacancies, and incompatible land uses such as manufacturing located directly next to residential. Stroud explained that the proposed TIF 2 area qualifies based on multiple factors as required by the Act, specifically in that: 61% buildings are over 35 years old; 58% of parcels with building and/or site improvements are deteriorated; and there is sub-par EAV growth compared to the rest of the City. Stroud outlined multiple objectives of the Redevelopment Plan and Project for the TIF 2 area, which include: maintaining transparency and accountability with residents and taxing bodies; encouraging private investment and redevelopment; and meeting with private parties and public agencies that protect the long-term financial health and wellbeing of the City. Examples of potential redevelopment project costs, Stroud explained, include those for architectural or engineering studies, demolition, or the construction of public works such as sidewalks. He clarified that the construction of an entirely new municipal public building is not an eligible redevelopment project cost under the Act. Stroud stated that the current EAV of the proposed area is approximately \$2.7MM, which is the amount upon which the taxing bodies' revenue is currently based. As the EAV increases, the surplus tax revenue will be placed in the TIF 2 fund for use toward eligible redevelopment costs in the TIF 2 district. In doing so, Stroud explained, the taxing bodies essentially forego the increased revenue in anticipation of the creation of additional

public revenue and jobs. The taxing bodies will have access to the monetary difference between Day 1 and whenever TIF 2 ceases, either at the end of its 23-year lifespan or earlier. In order to move forward with TIF 2, the Act requires a public hearing, which is currently scheduled for November 22, 2021, and the approval of three ordinances by City Council. The first ordinance is to approve the Redevelopment Plan and Project; the second ordinance is for the official designation of the redevelopment area; and the third ordinance adopts tax incremental financing based on an established base value of the designated area. Stroud stated that if the designated TIF 2 area is amended or the project changes significantly, a meeting of the Joint Review Board and a public hearing are required. To aid transparency, the TIF Annual Report will be provided as a public document outlining the money spent to date.

Nicole Stuckert asked what the budgeted amount is.

Stroud responded that the estimated total budget amount is \$6.2MM, and that this is a guess based on current costs and anticipated revenue. He explained that all line items are taken straight from the TIF Act as a basis for the estimation. The amounts budgeted can shift between line items as needed. If project costs exceed the budget by 5% after the cost of inflation, a public hearing must be held.

Stuckert asked when this information can be shared with her team, as District 427 has a Board meeting the night after the TIF 2 public hearing.

Peck invited everyone to share this information with whomever is interested, as the more people know, the better. She stated that anyone with questions is welcome to reach out to her, Adam Stroud with PGAV, or City Engineer Mark Bushnell.

Derek Hiland asked if the proposed TIF 2 area abuts any other TIF district.

Stroud answered that it does not. Stroud went on to explain that the difference between this meeting and the annual Joint Review Board meeting is that today's meeting prompts the Board to take action; specifically, the Board must vote on whether the proposed TIF 2 area qualifies per the Act. This decision, along with a report consisting of meeting minutes and any additional considerations, is what will be provided to the City Council to action.

Jonelle Bailey explained that she has not seen the TIF 2 plan yet. She asked if she should reach out to Peck directly if there are any concerns.

Peck responded that any questions, comments, or concerns can be directed to her.

Jill Hansen asked how the project costs are distributed.

Peck explained that an updated report outlining expenditures to-date will be brought before the Joint Review Board each year at its annual meeting.

#### **MOTION**

Derek Hiland moved to approve the TIF 2 Redevelopment Plan for presentation to City Council, and Russell Josh seconded the motion.

#### **VOICE VOTE**

Maggie Peck called for a voice vote to approve the motion. All members present voted aye. Motion carried 7-0.

#### **Adjournment**

#### **MOTION**

Nicole Stuckert moved to adjourn at 3:30 PM, and Jonelle Bailey seconded the motion.

#### **VOICE VOTE**

Maggie Peck called for a voice vote to approve the motion. All members present voted aye. Motion carried 7-0.

Respectfully submitted by Jessica Lingle, Executive Secretary