

**Resumed Public Hearing for Proposed  
Prospect Pointe/Muir Park Tax Increment Financing District Minutes**

**April 19, 2021, 6:30 p.m.**

**Prospect Heights City Hall, 8 N. Elmhurst, Prospect Heights, IL**

**Call to Order** – At 6:30 PM, Mayor Helmer called to order the Resumed Public Hearing of the Proposed Prospect Pointe/Muir Park Tax Increment Financing District.

City Administrator Wade gave the ‘preliminary’ saying this resumed public hearing is being held to review the proposed redevelopment plan and project for the Prospect Pointe/Muir Park Tax Increment Finance District. The City has made available for public inspection the redevelopment plan and report that provides in reasonable detail the basis for the eligibility of the redevelopment project area since December 4, 2020.

Members of the public are asked to keep any testimony and comments relevant to the matters discussed within the public hearing. The intent not to re-litigate matters that have already been determined in public hearings and examples of matters that have already been determined in public meetings including the zoning of the proposed development and land use that was already heard by the Plan Commission/Zoning Board of Appeals and approved by Ordinance by the City Council.

**Roll Call** – City Clerk Prisiajniouk called roll. A quorum was present.

**ELECTED OFFICIALS IN ATTENDANCE** – Treasurer Tibbits, City Clerk Prisiajniouk, Mayor Helmer; Aldermen - Dolick, Cameron, Quinn, Morgan-Adams, Dash.

**Motion to Resume Public Hearing –At 6:32 PM, Alderman Dolick moved to Resume the Public Hearing; seconded by Alderman Quinn. There was unanimous approval.**

**ROLL CALL VOTE:** AYES – Dash, Quinn, Morgan-Adams, Dolick, Cameron  
NAYS - None  
ABSENT - None

Motion carried 5 - 0

- a. Review of Expectations for the Public Hearing – City Administrator Wade read the guidelines for the hearing, stating as follows:

The purpose of the expectations is to maintain order, decorum and to allow for all members of the public to have an opportunity to be heard. Attendees are to use language respectful of all participants.

Attendees should note that all video and audio meetings will be recorded.

When joining a meeting, all microphones should be on mute for members of the public. Microphones will be unmuted to allow for examination of witnesses, public testimony, and comment.

After a speaker is recognized by the Mayor or other presiding officer by name, the speaker should remain unmuted to speak. The speaker should begin their statement by stating their name for the record.

All persons offering testimony during the hearing should be sworn in and testify under oath. Each person should only testify once.

The Mayor or other presiding officer are to preserve order and decorum.

If a group of persons share a particular concern, the group will be encouraged, but not required, to appoint one or more spokespersons to speak on behalf of the group. Please try not to repeat comments or testimony that has already been made by others.

After the speaker has made his or her statement, he or she should mute their microphones.

Speakers should confine their remarks to the matter at hand and avoid personal remarks, the impugning of motives, and merely contentious statements.

### **Summary of Public Notices and Conformance to TIF Act**

Presentation by Dan Peterson – Director Peterson is sworn in by Deputy Clerk Schultheis at 6:37 PM

“I will be presenting on this portion of my testimony related to the TIF Plan Eligibility Report notifications and publications, and how they complied with the TIF Act.

On December 4, 2020, the final TIF documents that were presented and placed on file and available for public inspection for Section 1174.4-5a of the TIF Act. These documents included the Prospect Pointe/Muir Park TIF Development Area Plan and project, prepared by Johnson Research Group. The Prospect Pointe/Muir

Park TIF eligibility report prepared by Johnson Research Group. Both of those reports were prepared December 4, 2020.

On December 16, 2020, certified mail was sent by the City to the Taxing Districts and an invitation to the Joint Review Board sent by the City of Prospect Heights in conformance with Section 1174.4-6c of the TIF Act.

On December 18th, publication of the interested parties registration was published in the *Daily Herald* as per Section 1174.4-5a of the TIF Act.

On December 28, 2020, Notice of the availability of the redevelopment plan was mailed to all residents of the proposed TIF District, all residents' addresses within 750 feet of the proposed TIF boundary, and residents on the interested parties registry per Section 1174.4-5a.

On January 21, 2021, notice of the public hearing was sent by certified mail per Section 1174.4-6a.

On January 22, 2021, publication of the Public Notice Hearing number one was sent and published in the newspaper per Section 1174.4-6a of the Act. Second Notice was published on January 27, 2021 publication of the Public Hearing Notice number two Section 1174.4-6a of the TIF Act.

In summary of that event, we have met the notification requirements for the TIF Act related to this Public Hearing and the actions that have taken place to date."

#### **Opportunity for Public Cross-Examination – None**

#### **City Council Comments and Questions –**

Alderman Quinn asked when the certified letters were sent out to the residents what was the date? Director Peterson said that there were a couple of time periods because of the large numbers. The large mailing took place over four dates. He said that the City had met all the deadlines within the TIF Act.

Alderman Quinn asked for the actual dates. Certified mail to the Taxing Districts on December 16, certified mail to the residents were sent December 28, and the others were notifications and publications.

Alderman Quinn asked the dates of the publications in the *Daily Herald*. Director Peterson responded – December 18 for the Interested Parties Registry; Notice of Public Hearing was January 22, and the second notice of the public hearing was January 27, 2021.

Alderman Quinn asked how many were sent out and how many did the City receive confirmation of? Director Peterson responded that he did not have the folder with him, but noted that there were 29 properties in the TIF District that

received it, and there was roughly 500 that received it within 500 feet of the TIF Area. Most were in the Village of Wheeling.

### **Report of Proposed Prospect Pointe/Muir Park TIF District**

Presentation by Dan Peterson – “Timeline of activities that will reflect the public nature of this project and the potential for TIF application.

On November 11, 2019, the City Council first heard a presentation from Lexington related to the redevelopment of the Jolly Funhouse property at 1001 Oak Avenue. And in that they did express at the very beginning that they would be looking, as part of the agenda item number, that they had the desire to seek TIF assistance. Subsequently, November 25<sup>th</sup>, at the Council Meeting under Agenda Item 5D, additional information had been requested by the Council and also presented on the November 25<sup>th</sup> meeting related to the redevelopment plan and TIF Assistance.

December 9<sup>th</sup>, the Council met and under Agenda Item 11A, passed Resolution R-19-55 of an Inducement Pertaining to the Acquisition and Redevelopment of Land for Residential Development in Conjunction with the Establishment of a Tax Increment Financing District in the City of Prospect Heights. That vote was five to zero in favor of approving the Resolution.

On January 13, 2020, the City Council under Agenda Item 11B, approved Ordinance O-20-01, Authorizing the City of Prospect Heights to conduct a Tax Increment Financing District in the City of Prospect Heights, again at that address to conduct a tax increment finance feasibility study. It was a first reading of that Ordinance and then on January 27, 2020 under Agenda Item 11A, Ordinance 20-01 was up for second reading for the establishment to conduct a tax feasibility study. That Ordinance was adopted with a 5 – 0 vote.

Over the course of the next few months, work had been done on that and Johnson Research Group prepared the Eligibility Study, and on December 14, as part of the TIF Act, the City Council under Agenda Item 8C, passed Resolution 20-33, authorizing the establishment of an Interested Parties Registry and adopting rules for such registry for the redevelopment project area – Prospect Pointe/Muir Park in the City of Prospect Heights – approved 4 – 0.

December 14, the City Council under Agenda Item 8D, passed Resolution 20-34 beginning a Joint Review Board to review the public records and plan documents related to the proposed Prospect Pointe/Muir Park Tax Increment Financing District. That was approved with a vote of 3 – 1. Also, at the December 14, 2020 meeting, the Council under Agenda Item 8E approved resolution fixing the time

and place for a public hearing on the Prospect Point/Muir Park redevelopment plan and project point on the project of Tax Increment Financing within the City of Prospect Heights. That was approved 4 – 0.

On February 10, 2021, the City Council opened a public hearing and continued it until March 23. On March 23<sup>rd</sup>, the City again opened the public hearing for the Prospect Pointe/Muir Park TIF, opened and continued it until today's date, April 19, 2021.

So as you can see by this summary and timeline of events, this has been in the public eye since November, 2019. We have taken the administrative steps to have notification and the appropriate resolutions and ordinances passed to move forward to come to this part of the public hearing. With that I conclude my testimony.”

#### **Opportunity for Public Cross-Examination – None**

#### **City Council Comments and Questions - None**

#### **Presentation by Johnson Research Group**

Ann Maroney – President of Johnson Research Group – President Maroney was sworn in by Deputy Clerk Schultheis at 6:49 PM

Shared presentation (attached to the back of the Minutes)

“Today, I am going to talk to you a little about the project area that we are looking at today, the methodology that we have gone through to evaluate TIF eligibility, and the findings that we came up with to conduct this analysis, and then the summary of the redevelopment plan key points.

The project area includes residential portions on the north; it includes the frontage of Drake Avenue essentially from Eleanor Drive all the way just two parcels short of Elmhurst Road. And then it also includes blue with the dot (map shown) indicating the vacant building, the Jolly Fun House property.

And then on the south, green area (on the map) which is Muir Park. The area is 28.5 acres in size. It consists of 29 parcels, 28 of which are single family homes. One is a commercial former institutional building, that's the Jolly Fun House. And then the park.

The area is zoned R-1, residential and as you can see with the boundaries, sort of irregular boundaries, essentially surrounded on three sides by the City of Wheeling.

For our methodology, what we have done includes the survey and analysis that we have done. All of this was done in the pursuit of discovering the extent to

which and whether in the presence of the 13 eligibility factors that are listed in the TIF statute.

We looked at field surveys; we do surveys. We looked at all the buildings and all the sites. We look at the platting of those parcels, and the layout of streets. We looked at all previous plans, studies and data that is available for the area – comprehensive plan, zoning. In this case, we look at the City historical documents, and incorporation documents, especially because Prospect Heights has an interesting annexation – it became a city much later than its neighbors. We look at storm lines, sanitary sewer and water lines. We look at the general atlases. And in this case, because we are planners and not engineers, we have talked with engineering professionals both at GeWalt Hamilton, which is the City's engineering firm; and Hager Engineering as well. And then, lastly, we look at County Assessor records to understand what the trend in EAV is; so we looked at information from 2013 – 2019.

So, because the area includes improved areas to north which are residential, and established residential, not going anywhere. We look at this area a conservation area. And, the criteria for establishing a TIF conservation area is that it has to be 1.5 acres in size, and it clearly meets that with 28.5 acres. Fifty percent of the buildings in the area must be 35 years in age or older, and given the fact that the residential buildings were all built in the Fifties, and early Sixties; that age threshold is met by 100%. And then, lastly, of the thirteen factors that were listed, you have to have a minimum of three factors present. And those factors have to be present to a meaningful degree; and reasonably distributed throughout the whole project area. Those three factors we found present to a meaningful degree and present throughout the whole area include - lagging equalized assessed value of the project area, inadequate utilities, and lack of community planning.

We found two additional factors that are limited to Block 200 that are limited to the Jolly Fun House and Muir Park site. That includes excessive vacancies and obsolescence.

And, lastly as a whole, we have to ask and evaluate is called the 'But For' test, but for the TIF would development or redevelopment happen? And we found, especially after evaluating the site for the length of time it has been vacant, for the development of the site, intervention is needed in order to redevelop the site. It is simply not feasible without some intervention.

In reviewing the three eligibility factors that are present, inadequate utilities – investigations by Hager Engineering firm and GeWalt Hamilton Engineering firm

provided in-depth detail about the presence of sewer lines, the presence of drainage tiles and functioning, as well as topography maps. What they found were the storm sewer lines were undersized. They were broken and non-functioning clay drainage tiles. Indicators hat drainage were supposed to be in place but weren't. Those incomplete connections were intended to go all the way up to Eleanor but didn't. they were never implemented.

Primarily for south of Oak Avenue, the entire area is lacking potable water.

The other factor is lagging or declining EAV. This factor is defined in the TIF Act as being met if the project area EAV declines for three of the last five calendar years for which information is available or if that project area EAV is trending lower than the balance of the municipality or if the rate of change is less than the consumer price index for all consumers. The table (shown in the presentation) shows EAV over the five years, and you can see that it declined in two years, but you need three years of decline, but you can see compared to the consumer price index that the area meets that criteria in three of the last five years for which data is available.

The data uses the most recent finalized EAV, and that's data at the time of our report and currently still is the assessment 2019 data.

The third factor we have identified is lack of community planning. This criteria calls for planning issues that result from developing the area without a comprehensive plan or without contemporary development codes in place.

The area was platted, there is an interesting history in Prospect Heights. The area stayed unincorporated many years, governed really by a Prospect Heights Improvement Association.

The area was platted in 1956. The City wasn't incorporated until 1976, when pressures from the neighboring towns forced the community to incorporate. Subdivisions, as a result, were built without a comprehensive plan. For the City, limited system-wide infrastructure is present, or not present. The street layout is limited to this enclosure on Oak Street – kind of dead ends without proper egress/ingress. And so that lack of community planning is present throughout the area.

The Redevelopment plan is intended to promote economic growth through new, high quality residential development. It's consistent with the comprehensive plan.

The other objectives for the plan are to improve storm water retention and drainage throughout the area. It's to introduce a water supply system installment where there was none currently.

And then, lastly, a primary objective is to make improvements in Muir Park – mitigate the flooding that prohibits active play area, and to redevelop that area. The project area- what we have to do for the redevelopment plan is to identify what the current base EAV is for the area. After we have done improvements. identify what the area anticipated EAV is. The project area base EAV for the project area that is based on 2019 data comes in about \$2.3 million dollars. And then, after all projects are completed in the area, the redevelopment project area, in 2045, after 23 year life of the TIF will be \$15.3 million dollars. As part of the redevelopment area project includes the TIF budget based on the redevelopment project area EAV; and identifies four key expense categories. These are fungible, so you can move between them. But this gives you a sense of the priorities for the project. We have identified – City Administrative costs; property assembly-acquisition, site prep, demolition; public works Improvements; and interest costs for a total of \$11 million dollars. These are the high points of the redevelopment project.”

**Opportunity for Public Cross-Examination - None**

**City Council Comments and Questions** – Alderman Quinn asked, regarding the eligibility factors, the top three things that stood out were dilapidation, obsolescence, and deterioration. She said that it was private property, and wondered if a TIF is normally for private property.

Johnson Research Group President Maroney replied “Are you asking is private property included in TIF’s generally?”

Alderman Quinn responded “yes.”

President Maroney answered- “Yes, very commonly.”

Alderman Quinn responded that it was not the City’s property.

Alderman Quinn asked how it was determined what an “excessive vacancy,” was as the property was closed, private property.

President Maroney replied – “Excessive vacancy is defined in the Act (she quoted the TIF Act) – ‘The presence of buildings that are unoccupied or underutilized and that represented adverse influence on the area because of the frequency, extent and duration of the vacancies.’ Jolly Fun House has been vacant for going on four years, which is a fairly protracted period of time to be on the market and not picked up in an otherwise marketable area. One of the reasons probably for that



is the other piece of eligibility is obsolescence. It was built in the early Sixties and has obsolescence working against it.”

Alderman Quinn said that it did not meet the seven year criteria. President Maroney replied, “There is no seven year criteria.”

Alderman Quinn noted that the presentation claimed that there was a lack of community planning, but then circled back and mentioned community planning and economic growth in a private development. She stated that this was not an area that would generate retail revenue.

President Maroney replied, “Economic Development can mean different things. It does not have to be limited to commercial development. Residential properties will be paying taxes that get distributed to taxing districts.”

Alderman Quinn said that the total redevelopment cost is \$11 million, and one of the costs listed is the acquisition purchase of the land, but the land acquisition will be made by a private developer, or, she asked, was the TIF paying the acquisition?

President Maroney replied, “Acquisition is a category in the TIF Act. What the City negotiates with the developer will be negotiated. It’s a category to keep the options open for the City as a placeholder. The City can keep your options open to how you keep the terms open for your agreement.”

### **Presentation by Mike Laube**

Mike Laube of Laube Companies was sworn in by Deputy Clerk Schultheis at 7:11 PM.

Mr. Laube introduced himself as the “TIF consultant to review and negotiate the business deal with the developer.

I’ve been engaged by the City to assist in reviewing the proposal by the developer and the requisite project itself and the project economics. That process is the subject of ongoing negotiation.

Part of my review is to recommend to the Village – is there a gap and what is that financial gap, and negotiate that number to as little of using taxpayer dollars as possible and still facilitate the City’s goals.

Where we are in the process is we are in active negotiation but what I can tell you affirmatively is there is a financial gap as proposed and that the use of Tax Increment Financing is necessary. At a policy level it bolsters the findings that

Ann Maroney made and the Johnson Research Group in the redevelopment plan very aptly.

Ann set forth a different level of policy discussion here so that at the project level the 'BUT FOR' test is satisfied here. The project is under active negotiation and there will be a City Council Meeting on the redevelopment agreement when we have come to an agreement."

### **Opportunity for Public Cross-Examination - None**

**City Council Comments and Questions** – Treasurer Tibbits asked of President Maroney whether the itemized cost estimates of what it would take to build the infrastructure, as to whether they were the maximum amounts allowed or eligible under the TIF.

Ms. Maroney replied, "The answer is that these are general numbers. They are not specific to cost, so they can be moved from line item to line item, as needed." Treasurer Tibbits re-asked if that was the maximum overall cost allowable by the TIF.

President Maroney responded, "the TIF Act allows you to have a 5% adjustment and adjusts for inflation. So, you can calculate for inflation and you can go within 5% of that; but this generally represents an upper limit."

Treasurer Tibbits asked if the \$11,000,000 was 5% of the number that is allowed by the TIF.

Ms. Maroney replied, "No, I'm saying that \$11,000,000 is the upper estimate and that number can be adjusted over time for inflation.

Treasurer Tibbits asked, "As it goes along?"

Ms. Maroney replied, "Yes, but you can't substitute another number in there. You can't recalculate it."

### **Report of the Resolution and Recommendation of the Joint Review Board**

Presentation by Joe Wade – City Administrator Wade was sworn in by Deputy Clerk Schultheis at 7:17 PM.

City Administrator Wade said, "The Joint Review Board, as it is known, is charged with the responsibility of evaluating the TIF eligibility report and the redevelopment plan; and making a recommendation to the City Council regarding whether the redevelopment could occur without the implementation of a TIF.

The JRB for this Prospect Pointe/Muir Park project began meeting in January. They had a series of meetings and then, finally, on the April 13 meeting, the

Prospect Pointe/Muir Park District – the JRB in a 7 – 0 vote approved a resolution and recommendation to the City Council which provided the following (I take this verbatim):

‘The Joint Review Board does hereby submit its advisory, non-binding recommendation to the City of Prospect Heights, Illinois that the proposed Muir Park/Prospect Pointe Redevelopment Plan and project be approved and that the Muir Park/Prospect Pointe Redevelopment Plan satisfies the requirements of the Plan and fulfills the objectives of the Act.’

The Joint Review Board findings supported the conclusion of the Johnson Research Group Redevelopment Plan and Eligibility Report, and that the project is not feasible without the TIF District -The standard and state of the Illinois TIF Act. The area would not reasonably be anticipated to be developed without the implantation of the Plan and the use of TIF.

So that is, in a nutshell, the recommendation resolution of the JRB to the Prospect Heights Council.”

#### **Opportunity for Public Cross-Examination - None**

**City Council Comments and Questions** – Alderman Quinn asked what would happen if the TIF went forward and the Project failed. Would the money be available to the City for other projects?

Mr. Laube replied, “The monies within the TIF District that are generated can be used for projects within the TIF District only, over the 23-year life of the TIF. Or, projects that are outside of the TIF District but are deemed necessary and integral to the facilitation of the redevelopment plan within the TIF District. So, the money can’t be used city-wide but can certainly be used for any projects that fall within the eligibility of the TIF District over the 23-year life of the TIF. Does that give the appropriate answer and flavor to the question?”

Alderman Quinn replied, “It does.”

#### **Public Testimony and Comment**

**Acceptance of Written Testimony into the Record** – Mayor Helmer asked the Deputy Clerk if there was any Written Testimony. The Deputy Clerk had not received any written testimony. - None

**Oral Testimony** – Mayor Helmer asked if there was anyone that wanted to give an oral testimony. - None

**Opportunity for Public Cross-Examination - None**

**City Council Comments and Questions - None**

**Motion to Close of Public Hearing OR Motion to Continue to April 20, 2021 at 6:30 p.m. – Mayor Helmer asked for a motion to close the Public Hearing and the Adjourn the Meeting. At 7:26 PM, Alderman Morgan-Adams moved to close the Public Hearing and Adjourn the Meeting; seconded by Alderman Quinn. There was unanimous approval.**

**ROLL CALL VOTE:** AYES – Dash, Quinn, Morgan-Adams, Dolick, Cameron  
NAYS - None  
ABSENT - None

Motion carried 5 - 0

Approved by the City Council of Prospect Heights on this the 26<sup>th</sup> day of April, 2021.



Deputy Clerk Schultheis

