

## Tax Increment Financing Committee – July 31, 2019

A Tax Increment Financing (TIF) Committee meeting of the City of Aledo met in Open Session in the Council Chambers of the City Hall building on July 31, 2019. ALD. SARABASA called the Committee meeting to order at 6:30 P.M. The roll was called, whereupon the following committee members answered present:

Aldermen MICHAEL CHAUSSE, BARRY COOPER, CHRIS KOPP, and LINDA SARABASA. Mayor CHRIS HAGLOCH.

Also present ILA BERTRAND, Alderman, DENNIS DIXON, Alderman, JIM HOLMES, Alderman, CHRISTOPHER SULLIVAN, Interim Administrator / Chief of Police, JUSTIN BLASER, Director of Public Works & Utilities, TODD THOMPSON, MICHAEL THOMPSON, ERIK READER, 353 Court, LLC, and JAROD DALE, City Clerk.

The following was discussed:

**Approval of Committee Minutes:** Motion was made by ALD. CHAUSSE and seconded by ALD. KOPP to approve the minutes of the TIF Committee held on 06/10/19. A Unanimous voice vote followed in agreement.

**Old Business:** CITY CLERK Dale reported a proposal was retrieved from Stern Brothers regarding consulting services for Developer TIF application review, per the City's TIF policy. Jacob & Klein was also contacted by City Staff with their scope of services larger than the City was looking for in comparison to prior services completed by Ehler's & Associates. Maureen Barry, Municipal Advisor previously worked at Ehler's & Associates until December, 2018. Ehler's closed their Chicago office requiring the City to search for a new company to consider. Ms. Barry recently began services with Stern Brothers and reached out to the City to inquire if the City of Aledo would be interested in having those same services completed by Stern.

MAYOR Hagloch reported the TIF policy currently calls for projects over \$25,000 to be reviewed by a consultant. MAYOR inquired if the policy should be adjusted to \$50,000 for review by a consultant with the new programs being presented by 353 Court, LLC.

Stern Brothers proposal includes Economic Development services, TIF Financial Feasibility Study, Review of Taxing District Impact, TIF Reports, Tax Revenue Projections, Developer Pro Forma Analysis, Developer Negotiation and Agreement Implementation, and Debt Issuance. Hourly billing rates were noted as: Municipal Advisors - \$235.00/hr; Analyst - \$190.00/hr; and Technical/Clerical - \$100.00/hr.

353 Court, LLC also recommended Kathleen Field Orr as a potential TIF attorney the City could consider for projects.

Todd Thompson, 353 Court, LLC reported the City has been lead to believe all TIF projects are prevailing wage required. Thompson provided an example that the City Hall project would be prevailing wage required but private projects funded thru TIF are not required to be completed with prevailing wage. 353 Court, LLC encouraged the City hire a qualified TIF attorney to review requests.

MAYOR reported the TIF policy will also be reviewed and if any changes are to be made the policy will be brought back before the TIF Committee.

***New Business:***

*Discussion on the Downtown Aledo Revitalization Program and Funding:* Erik Reader, 353 Court, LLC reported the Downtown Guide and Business Improvement Program to be reviewed by the TIF Committee.

**Downtown Building Stabilization, Upper Story Living Loan & Storefront Improvement Program** is loan program that provides a forgivable loan (0% interest rate-otherwise known as a grant), but requires private financing to complete the project. The loan amount is a 50/50 participation split. The loan program is available for viable commercial use on first & upper-story floors, upper-story residential living and storefront improvements to the building façade. TIF funding cannot be more than 50% of the cost of the total project. The Building Stabilization, Upper Story Living & Storefront Improvement Program is forgivable funding at a minimum of \$2,000 and/or 50% of total project costs. A mortgage and note will be required. Project funding from TIF up to a maximum of \$50,000.

**Downtown Aledo Business Improvement Grant** is a one-time grant opportunity up to \$10,000. New or existing businesses must be located in the historic downtown Aledo, Illinois business district. Some examples include accounting and legal assistance, branding, development of a market plan, website upgrades, inventory additions, and storefront enhancements.

**Grow Aledo Program** is a short-term loan with a low-interest rate that is offered to self-employed individuals, new startups or small business with only a few employees. Borrow amounts from \$1,000 up to \$10,000 for working capital, purchasing inventory, buying equipment, machinery and hiring needs. Repayment terms vary based on amount, the needs to borrow and use of funds. Typical periods range from 12 mo. to 36 mo.

The Downtown Street & Sidewalk projects were discussed as part of the funding source discussion. City Staff reported Phase(s) Five (5) & Seven (7) remain to be completed. MAYOR Hagloch noted he would prefer the City not complete a phase in F/Y 2020 and those dollars to go towards the funding of the program next year. It was suggested to

also consider finding outside funding as a source to complete the downtown street projects, e.g. ITEP Grant funding.

MAYOR reported there is currently \$200,000 budgeted in F/Y 2019 regarding repairs to the Button Building. Discussions were held as to how best to repair the roof to the building. 353 Court, LLC noted the roof would be a good project to complete since the City owns the property. Demolition costs were noted as high with rough estimates to demo at \$70/sq.ft. leading to around \$600,000 to tear down. 353 Court emphasized the building is repairable and should not have the perception of city owned property in the downtown area with shingles falling off the roof. The City needs to make sure it keeps out water, wind, and bugs. Currently, the City's actions do not show these types of efforts that we are looking for from others.

The following recommendations were made by the TIF Committee:

City Staff to retrieve two (2) estimates for roof repair at the Button Building and Todd Thompson to assist DPW Blaser in locating an engineer to assist in what repairs need to be made.

353 Court, LLC requested an opinion on prevailing wage requirements and a TIF Attorney be hired.

The TIF policy to be changed to streamline the application process with the program applications being vetted by 353 Court and then moved immediately forward to the City Council for approval.

Motion was made by ALD. CHAUSSE and seconded by ALD. KOPP to approve the programs as presented with the limitation for program funding as available in 2019 and to be budgeted properly in F/Y 2020 and to be sent to the City Council for final approval. A Roll call vote was recorded as follows:

YES: Chausse, Cooper, Kopp, and Sarabasa. NO: None. Motion carried. 4 yeas, 0 nays.

**ADJOURNMENT:** There being no further business, motion was made by ALDERMAN COOPER and seconded by ALDERMAN COOPER that the meeting be adjourned. Unanimous voice vote followed in agreement. Meeting was adjourned at 7:24 P.M.

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Jarod Dale, City Clerk