

**MINUTES OF THE SPECIAL BOARD MEETING OF THE TRUSTEES,
VILLAGE OF TINLEY PARK, COOK AND WILL COUNTIES,
ILLINOIS, HELD AUGUST 4, 2020**

The special meeting of the Board of Trustees, Village of Tinley Park, Illinois, was held in the Council Chambers located in the Village Hall of Tinley Park, 16250 S. Oak Park Avenue, Tinley Park, IL on August 4, 2020. President Vandenberg called this meeting to order at 6:33 p.m.

At this time, President Vandenberg stated this meeting is being conducted pursuant to Governor Pritzker’s disaster proclamation and Public Act 101-0640, which amends requirements of the Open Meetings Act due to the COVID-19 pandemic. Pursuant to the same, the Village Board finds that it would be impractical to conduct an in-person meeting with all members present. Elected officials confirmed they were able to hear one another.

Clerk Thirion called the roll. Present and responding to roll call were the following:

- President: Jacob C. Vandenberg (Participated electronically)
- Village Clerk: Kristin A. Thirion

- Trustees: Cynthia A. Berg (Participated electronically)
- William P. Brady
- William A. Brennan (Arrived at 6:36 p.m.)
- Diane M. Galante
- Michael W. Glotz
- Michael G. Mueller

- Absent: None

- Also Present:
- Village Manager: David Niemeyer
- Asst. Village Manager: Patrick Carr
- Village Attorney: Patrick Connelly

**A PUBLIC HEARING HELD ON AUGUST 4, 2020, BEFORE THE CORPORATE
AUTHORITIES OF THE VILLAGE OF TINLEY PARK, COOK AND WILL
COUNTIES, ILLINOIS, TO CONSIDER THE PROPOSED 159TH & HARLEM TAX
INCREMENT FINANCING DISTRICT**

Motion was made by Trustee Galante, seconded by Trustee Glotz, to open the Public Hearing to consider the proposed 159th & Harlem Tax Increment Financing District (TIF).

President Vandenberg read the following opening statements relative to the Public Hearing for the 159th and Harlem TIF:

This hearing has been properly moved and seconded, a quorum has been established and is now open. Pursuant to section 65 ILCS 5/11-74.4-5 of the Tax Increment Allocation Redevelopment

Act (“TIF Act”) this hearing has been called and notice has been given pursuant to and in accordance with the statutes of the State of Illinois. The Village of Tinley Park has made and provided notice of the public hearing in the Daily Southtown on July 6, 2020 and July 23, 2020 and otherwise given in the manner provided by law. This public hearing is in regard to the Village’s proposal to establish a Tax Increment Financing district to be known as the 159th and Harlem TIF District.

At this time, Assistant Village Treasurer Andrew Brown and Maureen Barry, Director/Municipal Advisor Maureen Barry of Stern Brothers & Company provided the following testimony regarding the 159th and Harlem TIF District:

The proposed 159th and Harlem TIF District lies at the north border of the community and contains some of the community’s older commercial centers. This is a gateway to Tinley Park and can provide a first impression of the community to visitors and residents alike. Due to the age of these shopping areas, and changing retail environment, some of these centers are suffering from high vacancy rates. The vacancies make it more challenging for the other businesses in the center to thrive. With changes in the retail environment, new retailers require different amenities that may not currently be available, and these centers many need to be improved both cosmetically and physically to entice new retailers to occupy space.

The Village has also identified a number of public infrastructure improvements it would like to accomplish to enhance this commercial area, but has not been successful in identifying available resources to fund these improvements in the budget process due to other priorities and needs. Significant expenditures are expected to be required in infrastructure improvements to support redevelopment projects. Developers can be expected to require/request additional assistance via TIF to initiate or complete their proposed projects.

The Village was approached over a year ago by the owners of one of the oldest commercial centers in this area. There was mutual concern over the level of vacancy that existed and appeared to be growing. The Owners were contemplating significant renovations to the shopping center, but were requesting financial assistance from the Village to execute the planned improvements. They had requested a significant sales tax rebate/incentive toward this objective.

However, that request significantly exceeded the Village’s established policies regarding incentives. The Village determined a possible better solution may exist in creating a new TIF District which could potentially provide a greater level of assistance. The Village felt that existing conditions in the area would support the creation of a TIF. The Village mapped out a proposed TIF area and met with local government administrators that would be impacted by the proposed TIF for input and feedback on January 16, 2020. Receiving no initial objections to the proposed TIF, the Village authorized a feasibility study to be conducted in March 2020.

Assistant Treasurer Brown presented an overview of the major commercial areas in the TIF feasibility study as follows:

Tinley Park Plaza (East Side Harlem) -Brixmor

- Aging shopping center built ~1974
 - Minor cosmetic upgrades ~1992
 - South out lot building & renovations ~2006
 - North out lot building & demolition ~2016
- Main in-line center
 - 230,000 sf of retail space
 - Over 83,000 sf (36%) vacant
- Desired/Proposed renovations in two phases
 - 33,000 sf first phase
 - 60,000 sf second phase
- Owners had initially envisioned the redeveloped area as a potential restaurant and entertainment district. However, the COVID-19 pandemic and new retailer interest in the proposed new spaces have modified the original concepts.

Park Place Center – West Side of Harlem

- Shopping Center developed ~1990
- Shopping Center consists of
 - Sam's Club
 - Steak and Shake
 - Former Aldi (now vacant)
 - Former Applebee's (now vacant)
 - Former Super Kmart (now vacant)

Old Kmart/Pete's –West Side of Harlem

- Pete's Fresh Market has purchased former Kmart property
- Proposes to divide the existing building between warehouse and a new Pete's Fresh Market
 - Phase I –Warehouse ~100,000 sf
 - Phase II –Retail TBD ~70,000 sf
- Cook County Class 6B and 7B incentives have been approved
- Requesting multimillion-dollar incentive over 20 years
 - Request exceeds established Village policies

Park Center Plaza –West Side of Harlem

- Aging retail shopping center
 - Developed ~1988
- Significant long-standing vacancies in both
 - In-Line Buildings
 - Out lot Buildings
- Contains some successful businesses
- However, overall center is viewed as struggling
- Existing Sales Tax bond issue establishes commitments on sales taxes generated within the shopping center
 - Sales taxes are tied to the bond issue covenants for the foreseeable future
 - This restriction significantly hampers the Village’s ability to provide assistance through sales tax sharing arrangements.

Maureen Barry of Stern Brothers described the general location of the TIF.

159th and Harlem TIF Redevelopment Project Area (RPA) general boundaries:

- North –159th Street (except for a few parcels west of Oak Park Avenue that are north of 159th Street)
- South –the northern boundary of Siemsen Meadows
 - (165th Street, extended)
- East – Oak Park Avenue
- West – Olcott Avenue

Includes 52 parcels, approximately 39 buildings, 252 acres.

Ms. Barry explained the following

Land uses -primarily commercial (retail business), along with governmental, park/open space, religious, and vacant land uses. Includes a primary commercial area (Menard’s, Park Center Plaza and Tinley Park Plaza), Village Hall, Bicentennial Park, St. Julie Billiard Church, Trinity Lutheran Church/Cemetery, vacant land, and open water detention areas.

Why is a TIF Needed Here?

- The Redevelopment Project Area (RPA) has seen declining Equalized Assessed Value (EAV) and has obsolete and underutilized parcels.
- RPA has seen a substantial lack of private investment and has excessive vacant properties, despite its prominent location within the Village.
- Improved infrastructure in the RPA through TIF funding makes redevelopment more likely for parcels.

- Needed infrastructure improvements include storm water management, water distribution, sanitary sewer system, roadway, sidewalk, and lighting improvements.

What is Tax Increment Financing (TIF)?

- A tool to help local governments restore run-down areas or jumpstart economically sluggish parts of town.
- TIFs help local governments attract private development and new businesses.
- TIFs help local governments make the improvements that are needed, such as new roads, sewers, and water mains.
- Allows redevelopment costs to be comparable to green grass development costs, therefore “incenting” redevelopment.

What is “Tax Increment”?

- It is not a tax increase.
- Tax Increment is the difference between the amount of property tax revenue generated before a TIF district is established and the amount of property tax revenue generated after the TIF district has new development.
- TIF does not reduce property tax revenues available to other taxing bodies.
- Only incremental increase in property taxes are available for use by the TIF and within the TIF.

How do you establish a TIF District?

- Identify an area with physical and economic deficiencies.
- Prepare an Eligibility Study and Redevelopment Plan.
- Convene a Joint Review Board. (held July 14, 2020)
- Conduct a public hearing. (August 4, 2020)
- Adopt TIF Ordinances to establish the TIF.
- (approval August 18, 2020, at earliest)
- No state or federal approvals are required.
- Law allows a TIF district to exist for a maximum of 23 years. TIF districts may be terminated earlier if all financial obligations are paid-off and the Village Board votes to terminate the district.

Eligibility Study

- Review and document the criteria for eligibility
- Eligibility class definitions include: Blighted, Conservation, Combination of Blighted and Conservation, or Industrial Conservation
 - Blighted -applies to this RPA for Improved Land (land with buildings) and to Vacant Land (no primary structures).
 - Conservation -Does not apply to this RPA.
 - Industrial Conservation -Does not apply to this RPA.

RPA Qualifications

Improved Land Blighted Area qualifying factors:

- Minimum of five (5) criteria out of 13 required for Improved Land Blighted Area. In this RPA, six (6) conditions apply.
 1. Obsolescence
 2. Deterioration
 3. Excessive Vacancies
 4. Inadequate Utilities
 5. Lack of Community Planning
 6. Lagging Equalized Assessed Value

Redevelopment Plan -Goals

- Reduce or eliminate the conditions that currently qualify the RPA as a Blighted Area and redevelop the land.
- Land uses –consistent with current uses and with Village’s Future Land Use Plan (Comprehensive Plan) commercial, office/restricted industrial, government/open space uses.
- Retain and promote existing businesses, support expansion needs, and facilitate recruitment of new businesses.
- Stimulate private investment and job opportunities.
- Provide public improvements and improve design and physical appearance of structures and parcels in RPA.
- Strengthen economic well-being of entire Village.

Redevelopment Plan and Project

- Redevelopment Goals and Objectives
 - Provides overall framework for guiding decisions during implementation of the TIF Plan.
 - Program Implementation and Strategies.
 - Outlines general activities and financing techniques to achieve the redevelopment Goals and Objectives.
- Estimated Redevelopment Project Costs
 - Provides a maximum limit of expenditures in current values by statutory categories.
 - Village may use TIF funds for TIF eligible costs but is not committed to undertake or finance all of the items in the Plan.
- Redevelopment Plan is in harmony with Comprehensive Plan
- Program Certifications and Findings
- Housing Impact –less than ten occupied residential units exist

Key Findings

- Blighted Area factors (Improved Land and Vacant Land) are reasonably present and distributed throughout the RPA.
- Costs to redevelop the area are extraordinary.
- TIF funds can be spent on projects for properties within the TIF boundaries.
- Area as a whole has not been subject to growth and development through private enterprise and it would not be reasonably anticipated to redevelop without TIF.
- Conforms to the Comprehensive Plan of the Village.
- This Redevelopment Plan and Redevelopment Project will not result in the displacement of residents from ten (10) or more inhabited residential units.
- Passes the “But For” test.

President Vandenberg presented the Joint Review Board Meeting and Final Recommendation as follows:

Pursuant to Tinley Park Ordinance No. 2020-O-020, adopted on June 16, 2020 and the Notice sent to all taxing districts impacted by the proposed designation of the Redevelopment Project Area for the Tinley Park 159th and Harlem Tax Increment Financing District on June 17, 2020, the Tinley Park 159th and Harlem Tax Increment Financing District Joint Review Board (hereinafter the “Joint Review Board”) met on July 14, 2020. After appointing the Village of Tinley Park’s Authorized Representative, Jacob C. Vandenberg, as the Chairperson of the Joint Review Board, appointing Dr. Daniel Troy as the Public Member of the Joint Review Board, and hearing presentations by Brad Bettenhausen, Treasurer and Finance Director for Tinley Park, and Maureen Barry of Stern Brothers, and after reviewing the public records, the planning documents, the proposed ordinances approving the designation of the Redevelopment Project Area, the Eligibility Report, and the Redevelopment Plan and Project relative to the Tinley Park 159th and Harlem Tax Increment Financing District, the Joint Review Board, by a unanimous vote of those members present and voting [Tinley Park District (Shawn Roby) – aye; Community Consolidated School District 146 (Jeff Charleston) – aye; Public Member (Dr. Daniel Troy) – aye; and Village of Tinley Park (Jacob C. Vandenberg) – aye], voted to recommend that the President and Board of Trustees of the Village of Tinley Park move forward with the designation of the Redevelopment Project Area for the Tinley Park 159th and Harlem Tax Increment Financing District and approve the Redevelopment Plan and Project in relation thereto, as required by 65 ILCS 5/11-74.4-5(b).

President Vandenberg asked if anyone from the public requested to comment either in writing, telephonically or in-person. Deputy Clerk Godette stated there were no written comments or requests to comment via telephone received for this item. No one came forward.

President Vandenberg asked if there were any comments from members of the Board.

Trustee Berg stated the following:

“As I pointed out, Tinley Park is 45 times more TIFed than Orland Park. Tinley Park has a significantly higher amount of TIF Districts than all of our surrounding communities. That said it is with great hesitation that we should proceed on a TIF at 159th and Harlem. COVID-19 is a prime example of an unexpected turn of events that can turn a financially stable Village upside down. If the

Strategic Plan for the Village of Tinley Park is to plan another TIF its best use would be at 183rd and LaGrange Road, not the Oak Park Avenue we did for apartment buildings, nor 159th and Harlem our busiest corner in the Village. It has been estimated that 183rd and La Grange will require infrastructure including over 2 million dollars in water and sewer alone by our engineer’s estimates. 159th and Harlem has infrastructure in place and supports as much retail as we are going to ever get based on consumers using online venues. Economic trends are reliably in industrial and warehousing developments for the best returns in the current market. Therefore I am not supporting another TIF District as we discussed in our strategic plan meetings, and, in general, I am not in favor of this location.”

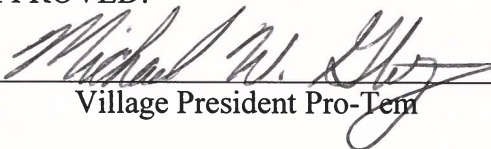
Motion was made by Trustee Galante, seconded by Trustee Brady, to adjourn the Public Hearing. Vote by roll call. Ayes: Berg, Brady, Brennan, Galante, Glotz, Mueller. Nays: None. Absent: None. President Vandenberg declared the motion carried and adjourned the Public Hearing at 7:10 p.m.

President Vandenberg asked if anyone from the public requested to comment either in writing, telephonically or in-person. Deputy Clerk Godette stated there were no written comments or requests to comment via telephone received for this item. No one came forward.

Motion was made by Trustee Mueller, seconded by Trustee Brennan, to adjourn the special Board meeting. Vote by roll call. Ayes: Berg, Brady, Brennan, Galante, Glotz, Mueller. Nays: None. Absent: None. President Vandenberg declared the motion carried and adjourned the special Board meeting at 7:12 p.m.


PLEASE NOTE: Where there is no summary of discussion on any items in the minutes, this reflects that no discussion occurred other than the introduction of the item.

APPROVED:



Village President Pro-Tem

ATTEST:



Village Clerk