



**CITY OF NAPERVILLE
WATER STREET TIF DISTRICT
JOINT REVIEW BOARD MEETING MINUTES**

December 7, 2021

10:00 am

Meeting Room B

A. CALL TO ORDER:

Rachel Mayer, Finance Director called the meeting to order at 10:06 am

B. DISTRICT INTRODUCTIONS/ROLL CALL:

Taxing District:

Present:

City of Naperville – Rachel Mayer
Naperville School District 203 - Melanie Brown
Naperville Township – Eddie Bedford
Citizen Member – Brien Nagle

Absent:

DuPage County
Naperville Park District
College of DuPage

City of Naperville Staff Present:

Raymond Munch – Budget Manager, Finance
Amy Emery – Operations Manager, T.E.D
Sherrian Kelly – Budget Analyst, Finance

C. PUBLIC FORUM:

There were no speakers for Public Forum

D. REPORTS AND RECOMMENDATIONS:

Receive the 2020 Annual Tax Increment Finance (TIF) Report for the Water Street TIF District.

Ray Munch gave a presentation of the annual report and the audited numbers for FY2020. The fund had beginning balances of \$1.005 million, with revenues of \$390,590 and expenditures of \$3,187. The amount of the expenditures is annual financial auditing fees. Transfers in accounted for \$1.089 million, with transfers out of \$2.43 million for the period. The fund had an ending balance of \$50,356.

He expounded that over the course of the 2019-2020 period, there were several transfers, as the TIF has reached a point where there are no public infrastructure payments or developer payments due, hence the city began the process of the internal audit. The auditing process began in 2019 with a portion of the bond proceeds being returned to the Bond Fund. The process continued in 2020 as there was still a sufficient fund balance associated with property tax increments and parking leases that were never transferred out.

Regarding the valuation of the fund, the frozen valuation has not changed, the TIF valuation rose about 4% and the incremental EAV and tax increment have increased as a result.

Nagle questioned whether it would be profitable to retain the fund balance and use it to generate investment income.

Mayer responded, indicating that the proceeds would have to be used for capital projects since they are bonded dollars.

Munch continued the presentation by giving an overview of the debt service summary which provides a history of the fund and sets future expectations. Life to date, debt service due was \$3.06 million. The TIF has brought in tax increment of \$2.87 million. Future projections show a \$10.26 million in debt service remaining, of which the TIF is projected to support \$9.3 million. The TIF will generate just over \$12 million over the life of the TIF to support the full \$13.3 million in debt service. The consensus is that the TIF will, however, not generate sufficient revenue to cover the entire debt service, hence the City will cover the remaining costs from other sources.

Munch then introduced Amy Emery, Operations Manager to give an overview of the TIF's occupancy levels and build-out, especially for the location at River Main, as any increment from that will be used to support the debt service.

E. NEW BUSINESS:

Emery updated the meeting participants on two new tenants to the Water Street District: Vasili's Mediterranean, which now occupies the space vacated by MidiCi Pizza, which opened in December 2020, and Ben & Jerry's, which opened in August 2021. The tenant mix in the district remains the same as most businesses are recovering from the effects of the pandemic. Hotel Indigo was hardest hit during the pandemic as revenues declined significantly, however businesses are recovering.

As it relates to River Main, Emery indicated that the developer has completed the entitlement process as it relates to the building and is finalizing interior build-out plans. Dates for construction have not yet been determined.

Of other interest is the temporary surface parking lot at the corner of Aurora and Webster Avenues, which was slated to be office spaces for low-intensity uses with a possible transition to residential uses. No applications have been received for use of that lot; therefore, it remains as a temporary surface lot.

Mayer questioned if there are any indications of what year construction will begin. Emery responded indicating that the City is prepared but the developer is remaining cautious amid the pandemic and still working to finalize details.

Mayer requested information on whether the initial EAV estimation that was part of the TIF generation was included. Munch replied that the initial projection had a full build-out into 2018, the projections have been moved to 2024.

Bedford informed the board that Warren Dixon, Township Assessor, will be vacating the office effective December 31, 2021. Matt Rasche will assume the position January 2022.

F. ADJOURNMENT:

There being no other items for discussion, the meeting was adjourned at 10:23 am.