



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

NEU
December 14, 2015
2:30 p.m.

Taxing Districts Present:

Rachel Mayer– City of Naperville
Sue Stanish – Naperville Park District
Brad Cauffman – Naperville Community Unit School District 203
Rachel Ossyra (voting member) and Warren Dixon III – Naperville Township
Brien Nagle – Public Member
Jim Ma - College of DuPage

Taxing Districts Absent:

DuPage County

City of Naperville Staff Present:

Amy Emery, Andy Hynes, Pat Lord, Kyle Moss, Bill Novack

Public Present:

Toby Hayer, Jeff Prosapio, Steve Rubin

1. Call To Order

The meeting was called to order at 2:02 p.m. by Rachel Mayer. Introductions were made and it was determined that a quorum was present.

2. Review of Annual Report

A. Review of TIF Fund Balance

Ms. Mayer requested that Amy Emery provide an overview of the annual report for the Fiscal Year beginning May 1, 2014 and ending April 30, 2015. Ms. Emery summarized expenditures for the reporting period included engineering expenses related to the design review of the parking deck and \$3.2 million for the purchase land below the parking deck and Riverwalk. It was noted by Mr. Prosapio that the Riverwalk property was donated. Ms. Emery clarified that title transfer costs were still incurred as a part of this fiscal year reporting cycle. The fund balance at the beginning of the reporting period was \$687,076. After the property tax increment, expenditure on the annual audit, engineering services and land purchase, the fund balance at the end of the reporting period was \$4,126,880 as shown in Section 3.1 of the FY15 Report.

Ms. Emery noted that while the reporting period ended only a handful of days after the construction ground-breaking, much work was done during the reporting year. Specifically, the State Legislature authorized a 12-year extension of the TIF period, of

which Naperville is only exercising a 7-year extension. The Naperville City Council approved nine ordinances to facilitate site development. Each of the ordinances approved during the fiscal year were attached to the FY15 TIF Report. These ordinances addressed development entitlement approvals, established an official redevelopment agreement, escrow and purchase of land details, a tax rebate incentive agreement, and a parking facility licensing agreement.

Mr. Nagle requested clarification about the City Council's Rebate Incentive Agreement. It was noted the rebate period begins with the opening of the Hotel and must commence no later than January 2, 2019. The rebate includes 100% of the Hotel Tax Revenues and 50% of the Sales Tax Revenues. This rebate is beyond the scope of the TIF and is an additional mechanism exercised by the City to incentivize the project.

Ms. Emery concluded her remarks by noting the City of Naperville is changing its financial fiscal year to a calendar year cycle. A copy of the ordinance approved by the Naperville City Council making this change is being forwarded to the State Comptroller this month for their records. Given this change in financial cycles, the next TIF annual report will be prepared for the period extending from May 1, 2015 through December 31, 2016. That report will contain two audits (one for the "stub year" between May 1, 2015 and December 31, 2015 and a second for Calendar Year 2016). As a result of this change, the JRB will not meet again until 2017.

Ms. Stanish requested clarification regarding the actual end of the TIF, with the extension. Ms. Mayer responded that the TIF expiration is in 2037, with 2038 being the final collection year.

B. Overview of Development Activities

A great deal of construction activity that has occurred since the close of the fiscal year, as a courtesy to the JRB to appreciate development progress, Ms. Mayer requested Andy Hynes, a Deputy City Engineer overseeing activity at the Water Street Development, provide a brief update on construction activities. Highlights included:

- All demolition work has been completed
- Alley reconstruction and widening has been completed to provide improved service for traffic accessing the deck and adjacent properties.
- Construction of the 520 space parking deck has been progressing well and will be completed this winter
- Construction has also been completed on the stormwater chamber as has much of the work on the Riverwalk deck and low flow walkway.
- Construction has started on the Loggia Office building on the north side of Water Street

3. Public Comment

None.

4. Board Discussion

Ms. Mayer extended an offer to any interested JRB member to contact her, Ms. Emery, or Mr. Hynes should they be interested in a site tour. She noted how excited the City is about how this development and appreciates the efforts of all the taxing bodies to make this project possible.

Mr. Cauffman inquired about the total investment. Mr. Bill Novack, City Engineer and Director of the Transportation, Engineering and Development Services Department, confirmed the total project investment if \$93 million, of which approximately \$18.5 million is public investment in land, parking deck, Riverwalk improvements, alley improvements, and public improvements to Water Street. Ms. Mayor confirmed that the City will be issuing more General Obligation Bonds.

Mr. Nagle asked if a pro forma has been completed for the project. Ms. Mayer confirmed that a pro forma was completed in 2013. It will be updated as development costs become more finalized. The updated pro forma will be shared with the JRB.

Mr. Nagle required information about the total anticipated debt. Ms. Mayor did not have this information. When available, the information will be forwarded to the JRB in 2016.

5. Adjournment

A motion was made by Stanish and seconded by Nagle to adjourn the meeting. Meeting was adjourned at 3:04 p.m.

*DEBT INFORMATION