



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

NEU
January 10, 2018
3:30 p.m.

Taxing Districts Present:

Rachel Mayer– City of Naperville
Sue Stanish – Naperville Park District
Mary Boyan – Naperville Community Unit School District 203
Brien Nagle – Public Member

Taxing Districts Absent:

DuPage County
Naperville Township
College of DuPage

City of Naperville Staff Present:

Franco Bottalico, Amy Emery, Erik Hallgren, Bill Novack

Public Present:

Lisa Bahovek (SD203)
Jim Cunningham (Marquette Companies)
Scott Eberly (Marquette Companies)
Steve Rubin (River Main)

1. Call To Order

The meeting was called to order at 3:31 p.m. by Rachel Mayer. Introductions were made and it was determined that a quorum was present.

2. Review of Annual Report and Development Activities

Ms. Mayer requested that Amy Emery provide an overview of the annual report for the Fiscal Year beginning May 1, 2015 and ending December 31, 2016. Ms. Emery noted the report was received by the State of Illinois Department of Commerce in October 2017 and reflects total expenditures of just over \$10 million. She explained the extended reporting period (20 months) for this report was due to the City's change in fiscal year. Going forward, reports will coincide with the calendar year cycle.

Ms. Emery then introduced Jim Cunningham with Marquette Companies. He provided an overview of the district occupancies and activities to date. During the reporting period, in November 2016, portions of Hotel Indigo and one retail space received occupancy and were operational. Throughout 2017, as additional build-outs have occurred more and more tenants and activity has been seen in the district. Several additional tenant openings are slated for this spring and summer of 2018. Currently only one vacant retail space remains without a lease contract.

Ms. Emery noted that the parking deck has also been open since the fall of 2016 and the Riverwalk improvements were mostly completed in late 2016, with punch list items finalized during this past summer before the property closing in late 2017.

Ms. Mayer then walked through the details of the report. She shared that due to the bulk of the construction activity being completed, she does not anticipate significant additional expenditures going forward. Expenditures will be limited mostly to annual audit report services.

Erik Hallgren from the City's Finance Department reviewed current valuation projections within the district. He presented a pro forma analysis. A copy of his report is attached.

Ms. Mayer concluded the presentation by highlighting the following:

- Construction costs were projected to be \$18.4 million, but actual expenditures have come in at \$18.1 million.
- Based on the pro forma analysis, at present, the City of Naperville does not expect to recoup all of its project debt over the 30 year period from the TIF.
- If the City were able to recoup its costs sooner, it would discuss with the taxing bodies the possibility of ending the TIF sooner. However, at present, based on the pro forma, the TIF is expected to remain in place for the full term.
- Through the end of the reporting period, December 31, 2016, the City of Naperville has collected \$790,000 from the TIF. Now that construction activities are largely complete, the expectation is that number will grow significantly over the next decade and beyond and will be reflected in subsequent annual reports for JRB review.

3. Public Comment

None.

4. Board Discussion

Mr. Nagle asked if consideration had been given to extending the TIF to get recoup all City costs. Ms. Mayer explained that the previous 7-year extension was agreed upon by the taxing bodies due to the 7-year delay in the project. Any extension specific to City costs has not been contemplated and may not be as well received. She also noted that the pro forma analysis will be updated for the next meeting. Any requests for extension based on the preliminary figures discussed at today's meeting would be difficult to justify.

Ms. Stanish and Ms. Boyan agreed additional extension requests by their taxing authorities would be challenging.

All agreed the district tour should be delayed until the next meeting.

5. Adjournment

A motion was made by Stanish and seconded by Boyan to adjourn the meeting. Meeting was adjourned at 4:02 p.m.

TIF Analysis - Preliminary Estimates
 January 10, 2018 IRB Meeting

	Type:	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projection	Projection	Projection	Projection	Projection
TIF Year:		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Levy Year:		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Collection Year:		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Base EAV (2007 Tax Levy Year)		2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800
Revised Frozen EAV		2,940,800	2,940,800	2,940,800	2,940,800	2,863,740	2,771,890	2,744,760	2,735,740	1,853,480	1,876,420					
Projected Frozen EAV												2,231,213	2,586,007	2,940,800	2,940,800	2,940,800
Actual EAV		4,654,780	4,924,050	5,011,960	4,744,060	3,956,290	3,700,890	3,624,440	3,599,350	2,466,980	2,599,120					
Projected EAV												4,266,080	6,022,340	7,961,397	8,148,490	8,339,979
Incremental EAV		1,713,980	1,983,250	2,071,160	1,803,260	1,092,550	929,000	879,680	863,610	613,500	722,700	2,034,867	3,436,333	5,020,597	5,207,690	5,399,179
Actual Tax Rate		7.4617	7.1708	7.2544	7.6155	7.9310	8.5178	9.1767	9.3218	9.0739	8.7300					
Projected Tax Rate												8.7300	8.7300	8.7300	8.7300	8.7300
Annual Incremental Property Taxes		127,892	142,215	150,250	137,327	86,650	79,130	80,726	80,504	55,668	63,092	177,644	299,992	438,298	454,631	471,348
Cumulative Incremental Property Taxes		127,892	270,107	420,357	557,684	644,335	723,465	804,191	884,695	940,363	1,003,455	1,181,099	1,481,090	1,919,389	2,374,020	2,845,368

	Type:	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
TIF Year:		16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Levy Year:		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Collection Year:		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Base EAV (2007 Tax Levy Year)		2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800
Revised Frozen EAV																
Projected Frozen EAV		2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800	2,940,800
Actual EAV																
Projected EAV		8,535,969	8,736,564	8,941,873	9,152,008	9,367,080	9,587,206	9,812,505	10,043,099	10,279,112	10,520,671	10,767,907	11,020,953	11,279,945	11,545,024	11,816,332
Incremental EAV		5,595,169	5,795,764	6,001,073	6,211,208	6,426,280	6,646,406	6,871,705	7,102,299	7,338,312	7,579,871	7,827,107	8,080,153	8,339,145	8,604,224	8,875,532
Actual Tax Rate																
Projected Tax Rate		8.7300	8.7300	8.7300	8.7300	8.7300	8.7300	8.7300	8.7300	8.7300	8.7300	8.7300	8.7300	8.7300	8.7300	8.7300
Annual Incremental Property Taxes		488,458	505,970	523,894	542,238	561,014	580,231	599,900	620,031	640,635	661,723	683,306	705,397	728,007	751,149	774,834
Cumulative Incremental Property Taxes		3,333,826	3,839,797	4,363,690	4,905,929	5,466,943	6,047,174	6,647,074	7,267,105	7,907,740	8,569,462	9,252,769	9,958,166	10,686,173	11,437,322	12,212,156