

City of Zion
Tax Increment Financing Board of Review
Wednesday, January 17, 2007
4:00pm, Zion City Hall

MEETING MINUTES

I. Call to Order

Ms. Flammini called the meeting to order at 4:14pm.

Present: Ms. Donna Flammini; Mr. Brian Golwietzer; Mr. Al Hill; Mr. Doug Townsend; Mr. Bill Warren

Absent: Mr. John Brown; Ms. Debbie Lewis; Ms. Shantal Taylor; Ms. Juanita Winfrey.

II. Approval of meeting minutes from October 23, 2006.

Motion

It was motioned by Mr. Warren and second by Mr. Townsend to approve the meeting minutes from October 23, 2006.

Votes

Ayes: Mr. Doug Townsend; Mr. Bill Warren

Nays: None

Pass: Ms. Donna Flammini; Brian Golwitzer; Al Hill

Motion fails. Tabled until next meeting

III. Discussion regarding Market Square Project

This project has been in the planning stages for the last three years. The developer has similar projects such as this underway in Lake Zurich and Mundelien. In those locations, a TIF is being created for these projects. The City of Zion has the benefit of having a TIF in place already.

The site slated for the project, 2700 Block of Sheridan Road, was the site of the original Zion Market historically, hence the name Market Square. The developers also wanted to respect the architecture of the former Zion Hotel by incorporating its historic artistic details into the project

The concept of Market Square includes a national hotel chain, retail, condos, offices and two levels of underground parking. Clayco Corp., one of the premier building contractors in the country is also part of this project.

The original concept plan included demolishing all structures within the 2700 block of Sheridan and building from the ground up. In working with Clayco, the developers were able to reduce the initial project cost significantly by incorporating the solid concrete frame of Shiloh Mall and negating the single

mass structure for several smaller phased structures that would maximize the usage of the land, the lake view and the projects overall bottom line.

The investors of Market Square are also involved in projects in Zion such as Country Inns and Suites by Carlson, The B.A. T. Building, the Warwick Building/Lace Factory, Trumpet Industrial Park and others.

Mr. Hill asked what is requested of the TIF for this project. Staff replied that the developer is requesting funding for the Market Square project out of the revenue funds generated in TIF #1 upon the project's own parcels located in the 2700 Block Sheridan throughout the remaining eleven years of TIF #1 in an amount not to exceed \$4.7million. The project will not utilize and funds from TIF #3.

Mr. Hill asked if there is a guarantee that the TIF will not be extended. Staff replied that this project will require the TIF to end in Spring of 2017 per the developers agreement, however, extending the TIF will be the sole discretion of the Council. Mr. Hill asked that if this project does not generate \$4.7 million in revenue by 2017, who owes this project? Staff responded that the developer understands that the revenues are estimated. If at the end of the TIF the project does not generated \$4.7 million, the total tax increment generated at the end of 2017 will be the amount that is applied to the project.

Should a future council choose to extend the TIF, the Zion Market Square parcels would not qualify as blighted and will have to be removed from the TIF district and the TIF boundaries will have to be reconsidered by the taxing bodies; the decision would require mutual endorsements. Commissioner Frank Flammini stated that the current Council would not support this project if it required the TIF area to be extended or enlarged.

Mr. Hill asked if there are any legal documents stating that this project will not extend past 2017. Staff replied that there is a Letter of Intent that has been submitted to Council per attorney review that captures cites this stipulation.

Motion

It was motioned by Ms. Flammini and seconded by Mr. Hill for this project to receive back whatever taxes it generates for this project.

Vote

Aye: Ms. Donna Flammini; Brian Golwitzer; Mr. Al Hill; Mr. Doug Townsend; Mr. Bill Warren.

Nay: None

Pass: None

Motion passes.

IV. Discussion regarding K-Mart Plaza Redevelopment

A. Mr. Joe Daniels informed staff that he would like to pursue the theater project as an independently owned theater rather than partner with an experienced nationally known chain such as Lowes or Marcus Theaters. While his intentions are good, his inexperience as a theater owner caused concern. Since then, Dunes Theater is operating under new ownership and staff requests TIF Board's direction in contacting the Dunes new owner for possible relocation of the Dunes to the Kmart Plaza or renovate the current site. Ms. Flammini shared her concern of the increase in costs to go to the movies in Zion if the new owner accepts the proposal. Staff replied that it would be the intent of upgrading the location but still keep it affordable.

The Board agreed that they would prefer to see interior and cosmetic changes in the Dunes theater. Mr. Hill stated that he was not comfortable with approaching a business owner and expressing our recommendations for change to his business.

The Board directed staff to approach the new owner to find out they have envisioned for the theater and what staff can bring to the table and then have owner apply for a TIF grant.

The Board also identified the need for a planning session in the near future to identify potential projects for TIF districts as well as providing the elements to support our local businesses including parking, lighting and advertising.

V. Update regarding TIF Grant Assistance for First Class Press.

The new owner of Stephens Printing, Dan Monge, was awarded a grant from the TIF Board for signage and electrical upgrades for 2700 block of 27th Street (Formerly the Cloud 9 space). Since then, Dan has identified another space behind NuGlo Cleaners in the 2500 block of Shiloh Blvd. that is more suitable for him.

Staff seeks Board's permission to utilize the TIF funds for First Class Press towards his new location. Board agreed to allow the utilization of TIF Funds to be used for the new location in the 2500 block of Shiloh Blvd.

VI. Adjourn

Motion

It was motioned by Ms. Flammini and seconded by Mr. Townsend to adjourn the meeting at 5:53pm.

Vote

Aye: Ms. Donna Flammini; Brian Golwitzer; Mr. Al Hill; Mr. Doug Townsend; Mr. Bill Warren.

Nay: None

Pass: None

Motion passes