

ORDINANCE NO. 22-22

**AN ORDINANCE OF THE VILLAGE OF EAST DUNDEE, COOK AND KANE COUNTIES, ILLINOIS, AUTHORIZING A STUDY OF THE FEASIBILITY OF ESTABLISHING TAX INCREMENT ALLOCATION FINANCING TO IMPROVE DETERIORATING PHYSICAL CONDITIONS AND STIMULATE NEW ECONOMIC DEVELOPMENT WITHIN THE EAST DUNDEE TAX INCREMENT FINANCING DISTRICT**

**WHEREAS**, the Village of East Dundee ("Village") is a home rule unit of local government pursuant to Section 6 of Article VII of the Constitution of the State of Illinois, and has the authority to exercise any power and perform any function pertaining to its government and affairs; and

**WHEREAS**, the General Assembly of the State of Illinois has provided by law the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, *et seq.* ("Act") to assist in the financing of certain improvements in areas which meet specified requirements; and

**WHEREAS**, the Village desires to investigate the feasibility of establishing tax increment allocation financing under the Act in the area in the Village depicted in **Exhibit A** attached hereto and made a part hereof, and to provide for a study therefor; and

**WHEREAS**, Section 4.1 of the Act, 65 ILCS 5/11-44.4-4.1, requires the Village to approve the investigate the feasibility of establishing tax increment allocation financing under the Act by ordinance or resolution; and

**WHEREAS**, the Village President and Board of Trustees have determined that it is advisable, necessary, and in the best interests of the Village adopt this ordinance;

**NOW THEREFORE BE IT ORDAINED BY THE VILLAGE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF EAST DUNDEE, COOK AND KANE COUNTIES, ILLINOIS, AS FOLLOWS:**

**SECTION 1: Incorporation.** That each Whereas paragraph above is incorporated by reference into this Section 1 and made a part hereof as material and operative provisions of this Ordinance.

**SECTION 2: Authorization and Approval.** That Johnson Research Group, Inc. ("Consultant") is hereby authorized to prepare a study of the feasibility of establishing tax increment allocation financing under Illinois law, for the area designated in **Exhibit A** ("Proposed Redevelopment Project Area"), pursuant to the agreement attached hereto as **Exhibit B** and made part hereof ("Consultant Agreement"), and the Consultant Agreement is hereby approved, and the Village President and Clerk are authorized and directed to sign the Consultant Agreement on behalf of the Village.

**SECTION 3: Purpose.** That the purpose of establishing tax increment allocation financing in the Proposed Redevelopment Project Area is to improve deteriorating physical conditions in the area and thereby stimulate new economic development.

**SECTION 4: Housing Impact Study.** That as the achievement of the purpose set out in Section 3 above is reasonably expected to result in the displacement of the residents of ten (10) or more inhabited residential units, the feasibility study authorized by Section 2 of this Ordinance

shall include the preparation of a housing impact study as set forth in Section 11-74.4-3(n)(5) of the Act, 65 ILCS 5/11-74.4-3(n)(5).

**SECTION 5: General Description.** That a general description of tax increment allocation financing as permitted by Illinois law is attached hereto as **Exhibit C** and made a part hereof.

**SECTION 6: Additional Information.** That all persons who wish to receive more information about the Proposed Redevelopment Project Area or who wish to comment on or make suggestions regarding the redevelopment of the area to be studied should contact Erika Storlie, Village Administrator, Village of East Dundee, 120 Barrington Avenue, East Dundee, Illinois 60118, telephone number (847) 426-2822.

**SECTION 7: Mailing.** That immediately upon the adoption and approval of this Ordinance, a copy of this Ordinance shall be sent by certified mail, return receipt requested, to each taxing district that would be affected by the designation of the Proposed Redevelopment Project Area for tax increment allocation financing.

**SECTION 8: Severability.** That if any Section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such Section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

**SECTION 9: Repeal.** That all ordinances, resolutions, motions or parts thereof in conflict with this Ordinance shall be and the same are hereby repealed.

**SECTION 10: Effect.** That this Ordinance shall be in full force and effect upon its adoption, approval and publication in pamphlet form as provided by law.

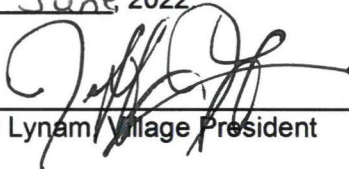
ADOPTED this 6<sup>th</sup> day of June, 2022, pursuant to a roll call vote as follows:

AYES: Mahony, Kunze, Brittin, Saviano and Sauder

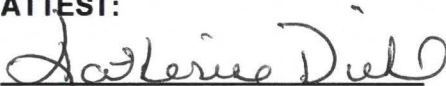
NAYES: Ø

ABSENT: Treiber

APPROVED by me this 6<sup>th</sup> day of June, 2022

  
\_\_\_\_\_  
Jeffrey Lynam, Village President

ATTEST:

  
\_\_\_\_\_  
Katherine Diehl, Village Clerk

Published in pamphlet form this 13 day of June, 2022, under the authority of the Village President and Board of Trustees.

Recorded in the Village records on June 13, 2022.

**EXHIBIT A**

**MAP OF PROPOSED REDEVELOPMENT PROJECT AREA**

(attached)

**EXHIBIT B**  
**CONSULTANT AGREEMENT**  
(attached)



## EXHIBIT C

### A GENERAL DESCRIPTION OF TAX INCREMENT ALLOCATION FINANCING AS PERMITTED BY ILLINOIS LAW

Tax Increment Allocation Financing ("TIF") was enacted into law in 1977. As an economic development tool, it enables municipalities to target financial assistance to, among other things, eliminate or prevent blighted conditions in developed areas like established older downtowns and other commercial areas.

TIF is permitted under Chapter 65 of the Illinois Compiled Statutes, 65 ILCS 5/11-74.4-1 et seq. ("Act"). The Act authorizes municipalities to receive increments generated from increased property tax revenues in an area designated for TIF. The "increment" is the amount of growth in property taxes attributable to the increase in the value of the property in the TIF area after private redevelopment has taken place and/or as a result of the value of the property otherwise increasing. The growth amount is set aside by the tax collector into a special municipal fund to pay redevelopment costs, including debt service. To identify the increment, at the adoption of TIF for an area, the equalized assessed value ("EAV") of each parcel in the area is frozen at its current amount ("Initial EAV"). During the life of TIF in the designated area, the taxing districts will receive taxes attributable to the lower of the then-current EAV or the Initial EAV. As improvements are made in the TIF area, and EAVs rise, tax revenue attributable to the increase in EAV, above the Initial EAV, goes to the municipality's special fund to pay redevelopment costs as permitted by the Act.

Once the improvements are completed and all project costs paid, or at a time specified in the original municipal ordinances establishing TIF for the area, the TIF area is dissolved and future incremental tax revenue is paid directly to the local taxing bodies.

May 6, 2022

Erica Storlie, Village Administrator  
Village of East Dundee  
120 Barrington Avenue  
East Dundee, IL 60118

Re: Tax Increment Financing ("TIF") Services Agreement

Dear Ms. Storlie:

Johnson Research Group, Inc. is pleased to submit the enclosed proposal to the Village of East Dundee for Tax Increment Financing consulting services regarding the designation of select properties in the southern portion of the Downtown as a new TIF redevelopment project area in the Village of East Dundee.

In addition to our proposal we are pleased to provide a brief overview of our firm and our professional staff and firm qualifications.

If you have any question about our submittal or require additional materials, please contact me at 312-235-0130.

Sincerely,



Ann T. Moroney  
President  
Johnson Research Group, Inc.

# Tax Increment Financing Consulting Agreement

This Tax Increment Financing Consulting Agreement (“Agreement”) between Johnson Research Group, Inc. (“JRG”) and the Village of East Dundee (the “Village”) dated May \_\_, 2022 describes JRG’s services to assist the Village with designating an area in the southern portion of the Downtown as a tax increment financing (“TIF”) redevelopment project area. The study area includes parcels of land that are currently included in an existing TIF redevelopment project area and would be removed as part of a proposed new TIF. It is our understanding that to achieve their goals the Village is contemplating the acquisition of select properties for redevelopment. Johnson Research Group, Inc. (“JRG”) will research and analyze available reports, studies, and data to document TIF eligibility and define a recommended project area boundary. As appropriate, JRG will prepare the eligibility study and redevelopment plans required for designation of a new TIF district. JRG’s “Scope of Services” is composed of three basic phases:

**Phase 1. TIF Strategy & Pre-Designation Analysis**

**Phase 1. Draft Documents**

**Phase 3. Public Participation and Legislative Action**

## I. SCOPE OF SERVICES

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### **Phase 1: TIF Strategy and Pre-Designation Analysis**

#### **Task 1.0 Project Initiation**

A conference call or meeting will be held to set the framework of the assignment. The purposes of this conference are to (i) review the overall study objectives; (ii) secure necessary data, plans, studies and resources to complete the assignment; (iii) identify the names, numbers and roles of key persons, and other individuals to be contacted during the course of completing the assignment; and (iv) review the schedule to complete the assignment in a timely manner.

#### **Task 1.1: Preliminary Eligibility Analysis**

JRG will assess the feasibility of qualifying the study area for inclusion in a TIF district. JRG will prepare a summary of preliminary qualifying factors present in the area and identify a recommended study area boundary for use in preparing a formal TIF Eligibility Study.

#### **Task 1.2: Preliminary TIF Projections**

JRG will prepare preliminary TIF increment projections for the study area and the proposed TIF district in order to obtain a firm understanding of how much increment the Project could be expected to generate within the life of the TIF and how much non-Project increment (area-wide increment) would be available.

Two Base EAV scenarios will be incorporated into the analysis to reflect the alternative ownership possibilities (private vs. public) of one or more parcels within the proposed study area.



**Task 1.3: Project Schedule**

JRG will work with the Village to develop a TIF designation and public participation schedule that is consistent with the overall schedule for implementation of the Project.

**Task 1.4 Meeting**

JRG will participate in a meeting(s) with the Village, as needed, to review the preliminary TIF eligibility and incremental revenue analyses. The primary goal will be to obtain consensus on the boundary and revisiting the schedule for moving forward.

**Phase 2: Draft Documents**

**Task 2.1: Eligibility Surveys, Data Collection & Analyses, Finalization of TIF Boundary**

JRG will conduct formal surveys and analyses to document the conditions and findings of eligibility in accordance with provisions of the TIF Act. The surveys and analyses will provide the Village with the documentation required to establish the TIF boundaries and support a finding of project eligibility.

Findings from the surveys and analyses will be recorded on maps, survey forms, tables and/or charts as required for presentation to representatives of the Village. JRG will utilize the surveys and analyses in documenting the conditions that exist within the Study Area as a redevelopment project area in accordance with the provisions of the Act. The findings derived here will be used to make a recommendation on the preliminary project boundary.

**Task 2.2: Housing Impact Assessment**

In conjunction with Task 2.1, JRG will document the number of occupied housing units in the study area for the purpose of determining the need for a Housing Impact Study (HIS) under the requirements of the TIF Act.

**Task 2.3: Preparation of Draft Documents**

***Redevelopment Project and Plan***

A preliminary Redevelopment Plan will be prepared in draft form for review and consideration by the Village. The preliminary plan will conform to the requirements set forth in the Illinois Tax Increment Allocation Redevelopment Act and include the following: (a) description of the proposed redevelopment project area; (b) statement of goals and objectives; (c) summary of conditions found to exist which warrant designation of the project as a "blighted area" or "conservation area;" (d) a description of plan and project objectives and redevelopment activities; (e) a general land-use plan; (f) redevelopment and design controls; (g) an itemized list of redevelopment projects costs; and (h) description of sources of funds to pay redevelopment costs, and the types of obligations which may be issued; (i) statement on the lack of growth and development through investment by private enterprise; (j) summary description of the financial impact of the redevelopment project; (k) preliminary assessment of the demand on taxing district services; (l) statement on program to address financial and service impacts; (m) statement on



conformity of the Redevelopment Plan for the Project Area to the Village's Comprehensive Plan; (n) description of phasing and scheduling of the Redevelopment Plan and Project; (o) statement on housing impact and related matters; (p) provision for amending the Redevelopment Plan; and (q) description of the Village's commitment to Affirmative Action.

***Village Task:*** *A legal boundary description of the Redevelopment Project Area will be secured by the Village.*

***Eligibility Report***

The draft eligibility report to be prepared by JRG will describe the methodology and criteria used to qualify the Study Area for designation and a redevelopment project area pursuant to the Act. Additionally, the eligibility report will present JRG's conclusions of the eligibility surveys and analyses conducted to support the designation.

***Housing Impact Study***

The Act requires that a HIS be completed if the plan would result in the displacement of 10 or more occupied residential units, or if the area contains 75 or more occupied residential units and the Village does not certify that no residential displacement will occur. If required, we will conduct the HIS as an additional service.

**Deliverables:** Electronic copies of the Draft Redevelopment Plan will be submitted for review by the Village. The Eligibility Report, prepared as part of this task, will be included as an exhibit to the Redevelopment Plan.

**Task 2.4: Amendment No. 1 to Downtown TIF (TIF #3)**

JRG will prepare a draft amendment to the Downtown TIF Redevelopment Project Area Plan and Project (the "Original Plan") to reflect the removal of certain parcels of land targeted for inclusion in the proposed TIF District. The document will identify the relevant sections of the Original Plan that have changed as a result of the removal of parcels. Expected to be included among the changes are text, maps, and attachments including PIN list and legal description.

Pursuant to the Illinois TIF Act, the municipality may make changes in the redevelopment plan. Changes which do not (1) add additional parcels of property to the proposed redevelopment project area, (2) substantially affect the general land uses proposed in the redevelopment plan, (3) substantially change the nature of or extend the life of the redevelopment project, or (4) increase the number of inhabited residential units to be displaced from the redevelopment project area, as measured from the time of creation of the redevelopment project area, to a total of more than 10, may be made without further hearing, provided that the municipality shall give notice of any such changes by mail to each affected taxing district and registrant on the interested parties registry, provided for under Section 11-74.4-4.2, and by publication in a newspaper of general circulation within the affected taxing district.

**Task 2.4: Document Review and Progress Meeting**

JRG will participate in meetings or conference calls with representatives at the Village to review draft documents prepared as part of Task 2.1 above and to secure agreement for the Village to initiate the public hearing process.

After authorization to proceed, reports will be finalized and submitted to the Village in electronic format for filing with the Village Clerk 10 days prior to Village Board introduction. Hard copies of the Final Redevelopment Plan can be prepared upon request by the Village as Additional Services.

**Phase 3: Public Process and Legislative Action**

**Task 3.1: Public Notice by Mail and Publication**

JRG will provide technical and administrative assistance, as needed, in the preparation of mailing lists as required by the Act. We will work with the Village and its legal counsel to prepare the relevant materials for the following mailing lists:

- Taxing Agencies and Department of Commerce and Economic Opportunity
- Taxpayers within the Proposed TIF Area
- Prior Taxpayers for Properties with Prior Year Unpaid Taxes
- Residential Addresses within 750 feet of the TIF Boundary

**Village Task:** Based upon the provision of the data identified in Task 10, it is presumed that the Village will be responsible for the preparation, distribution and publication of public notices on the proposed TIF designation via the United States Post Office and via publication in a newspaper of general circulation, as prescribed in the Act.

**Task 3.2: Public Meetings and Adoption**

JRG will assist the Village in preparing for and participating in the following meetings with the Village as part of the requirements set forth by the TIF Act and Village policy. Meetings will include:



- Public Meeting
- Joint Review Board Meeting
- Public Hearing
- Village Board Introduction and/or Adoption

**Village Task:** This scope anticipates the Village will provide the required addresses for public noticing and will be responsible for the preparation, distribution and publication of public notices on the proposed designation of the Study Area as a TIF District via the United States Post Office and via publication in a newspaper of general circulation, as prescribed in the TIF Act.

### **3.3: Meetings, Presentations and Conference Calls**

JRG will attend meetings, participate in conference calls and/or presentations, as needed with the Village staff and elected officials.

During the course of this assignment, JRG assumes there will be one or two changes to the Project's dimensions, quantities, cost estimates, etc., that will require revisions to increment estimates and/or other elements of the TIF application. If more than two sets of revisions are necessary, such time and materials will be considered Additional Services beyond the scope envisioned in this proposal.

## **II. TIMEFRAME, BASE FEE & EXPENSES, AND ADDITIONAL SERVICES**

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### **Timeframe**

JRG is available to initiate services as of June 30, 2022 in accord with the time frame set forth below (the "Time Frame") and following the execution and return of this Agreement:

<b>Consulting Tasks</b>	<b>Estimated Time</b>
Phase 1. TIF Strategy & Pre-Designation Analysis	45 to 60 days
Phase 2. Draft Documents	2 to 3 months
Phase 3. Public Participation and Legislative Action	3 to 4 months

### **Base Fee & Expenses**

JRG will invoice all services at a rate of two hundred dollars (\$200.00) per hour. This hourly fee includes senior staff time, overhead, administrative assistance, and clerical work. Excluded from this hourly fee is out-of-pocket expenses, including mileage or other travel costs, parking, tolls, reproduction, data and secondary source documents, and delivery services. Based on preliminary discussions with Village staff, JRG has provided the following estimate of hours to undertake the assignment including an expense allowance of six hundred dollars (\$600.00) for the Village's budgeting.

Consulting Tasks	Estimated Hours	Fees
Phase 1. TIF Strategy & Pre-Designation Analysis	50	\$10,000.00
Phase 2. Draft Documents	95	\$19,000.00
Phase 3. Public Participation and Legislative Action	60	\$12,000.00
Expenses Allowance (data, mileage, parking, tolls)		\$500.00
<b>Total</b>	<b>205</b>	<b>\$41,500.00</b>

**Retainer:** Not applicable.

**Additional Services.** JRG will provide Additional Services on an “as-needed” basis by written authorizations, which will become an amendment(s) to this Agreement including all of its terms and conditions. Such Additional Services, if authorized, will include but not be limited to (i) revising JRG’s submittals caused by a change in the size, budget, or configuration of the Project; (ii) litigation testimony/depositions/subpoena research of records and documents/meetings with the Village’s legal counsel; or (iii) financial analysis, presentations, or negotiations with school districts. The fee for Additional Services will be charged on an hourly basis of \$200.00 per hour. No Additional Services will be performed unless all outstanding invoices for service are paid to date for the Base Fee, Expenses, and all previously performed Additional Services, if any.

### III. METHOD OF PAYMENT

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The Village will be invoiced on a monthly basis for expenses incurred and hours worked on each Task outlined in this Agreement until JRG’s services are complete or terminated. If the Village terminates or breaches this Agreement prior to completion of any task or phase of work outlined herein or any authorized Additional Services, JRG shall be reimbursed within 30 days of such termination or breach at the rate of \$190.00 per hour for work incurred to the date of such termination or cancellation.

### IV. MISCELLANEOUS TERMS AND CONDITIONS

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The parties hereto acknowledge and agree that the following terms and conditions are included in this Agreement:

- A. Applicable Laws.** This Agreement is governed by and construed in accordance with the laws of the State of Illinois, and the parties agree to submit to the exclusive jurisdiction of, and agree that venue is only proper in, state or federal courts with jurisdiction over Kane County in any legal action, arbitration, mediation, or proceeding relating to this Agreement.
- B. Payment terms.** The full amount invoiced for the Base Fee, Expenses, and Additional Services, if any, less any prior payments, will be due within thirty (30) days of receipt of an invoice tendered via email. Payments that are not received within forty-five (45) days of the billing date are subject to collection actions and an interest surcharge of five percent (5%) compounded monthly until paid in full. JRG reserves the right to suspend all work and/or withhold both interim and the final work product and/or attend any Meetings until any unpaid portion of the



invoiced Base Fee, Expenses, and Additional Services, including interest thereon, if applicable, are received.

- C. **Objectivity.** To protect The Village and other clients, and to assure that JRG's research results will continue to be accepted as objective and impartial by the private and public sectors, it is understood that JRG's fee for the undertaking this Project is not dependent upon the specific conclusions reached or the nature of the oral or written advice provided in its reports and related documentation or presentations.
- D. **Use of Reports by Client.** Final reports and documents will be furnished in PDF format (specifically excluding any JRG electronic files or proprietary models or templates) prepared in connection with this Agreement. The Village acknowledges that it will develop and maintain its own TIF related files to avoid the impracticality and expense of JRG duplicating and forwarding copies of their files at the termination or the conclusion of JRG's Scope of Services.
- E. **Other Matters.** If any provision or portion of a provision of this Agreement is determined to be invalid or unenforceable, it shall be deemed omitted and the remaining provisions of this Agreement shall remain in full force and effect.
- F. **Force Majeure.** JRG shall not be liable for not performing any portion of its Scope of Services as a result of Acts of Nature (including fire, flood, earthquake, storm, hurricane, tornado, or other natural disaster), Village staffing difficulties, pending changes in applicable TIF or related law or processes, war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, pandemics, rebellions, revolutions, insurrections, military or usurped power or confiscation, terrorist activities, nationalization, riots, government sanctions, embargos, labor disputes, strikes, lockouts or interruption or failure of electricity, telephone, or Internet service.
- G. **No Legal, Architectural, Engineering, and Accounting Services.** The Services provided by JRG do not include legal, architectural, environmental, market studies, zoning, planning, engineering, construction consulting, Project budgets, estimating and scheduling, or accounting input (collectively, "Professional Services"), which if needed, will be provided by the Village or its consultants.
- H. **Indemnity:** JRG hereby agrees to indemnify, and hold the Village directors, officers, employees, agents, successors and assigns (the "Indemnitees") harmless from any and all claims, demands, liability, loss, damage, fines, penalties, attorney's fees and litigation expenses (collectively "Loss") arising out of injury to, including the death of, persons and/or damage to property, to the extent caused by the negligent acts or omissions of JRG, its agents, employees, subcontractors, successors and assigns. In any and all claims against the Village or any of its agents or employees, by any employee of JRG, the indemnification obligation under this paragraph shall not be limited by any limitation on the amount or type of damages, compensation or benefits payable by or for JRG under worker's compensation acts, disability benefits acts or employee benefit acts, or other applicable law. JRG assumes the entire liability for its own negligence, and as part of this Agreement, waives all defenses available to JRG as an employer which limit the amount of JRG's liability to the Village to the amount of JRG's liability in contribution or otherwise under any worker's compensation, disability benefits or employee benefit acts.
- I. **Confidentiality.** JRG will respect the confidential nature of this assignment and in so doing will use its discretion where specific identification of the project or the client organization might be involved in obtaining research data. Reports are the property of the Client and will not be made available to any other organization or individual without the consent of the Client. This

agreement, however, will not limit JRG from performing assignments of a similar nature for other clients in any area, now or in the future. In any event, all work performed under this assignment would continue to receive confidential treatment. Accordingly, the parties agree, subject only to legal actions by third parties demanding access to such confidential material, to not share or publish any material that may be injurious to the other party including but not limited to means and methods, so called "trade secrets", or similar material.

- J. **The Agreement cannot be assigned.** This Agreement may not be assigned in whole or in part to any person or entity without the express written consent of both parties hereto.

**Accepted By:**

**Village of East Dundee**

\_\_\_\_\_

Name and Title

Date

**Johnson Research Group, Inc.**

\_\_\_\_\_

Ann Moroney, President

Date



Johnson Research Group, Inc. is a Chicago based economic development and real estate advisory firm founded in 1998. Led by Ann Moroney since 2012, JRG is a woman owned and operated business with experience in community planning and economic development. JRG specializes in providing local government and private developers with research assistance and financial consulting expertise in the areas of real estate development, financial analysis and management, public finance, fiscal and economic impacts, urban planning, market analysis, capital program and project management, and compliance with federal, state and local programs. JRG is a Registered Municipal Advisor with the Municipal Securities Rulemaking Board.

JRG has extensive experience with a range of economic incentive programs including Tax Increment Financing (TIF), Special Service Areas (SSA), value capture and tax abatement programs. The firm has successfully completed a multitude of projects for both public and private sector clients located throughout the Chicago metropolitan area.

**Major Products and/Services Offered:** JRG specializes in all aspects of the TIF and SSA processes from eligibility evaluation and designation to project implementation and securing development assistance. Incorporated into this process are critical services that JRG seamlessly provides including property tax analysis and incremental revenue projections, community outreach and public speaking, database development and management, meticulous documentation and expert report writing.

JRG's development experience offers team continuity via redevelopment services beyond TIF and SSA designation and extends through project implementation:

- Financial proformas to test the feasibility of projects and determine the level of public assistance required for project financing;
- Incremental property tax revenue analysis to estimate a project's potential revenue and TIF funding capacity;
- Negotiating terms of agreement for TIF assistance;
- Financial feasibility analyses and reports in support of Bond and Note issuances;
- Fiscal and economic impact analysis;
- Program monitoring, expenditure reconciliation, payment processing and draw requests - during construction and closeout;
- Construction/redevelopment agreement monitoring and compliance; and
- Monitoring/managing the TIF reporting process, including annual reports and ten-year reports.

The JRG team is comprised of experienced professionals with wide-ranging expertise in urban revitalization strategies and implementation. Staff skillsets include project management, proforma development and analysis, forecasting and revenue projections, database architecture, and program compliance with federal, state and local incentive programs. Team members bring experience from both the private side as consultants and as public servants working directly with TIF, economic development and real estate analysis. Together, JRG is able to provide strategic, creative and fiscally sound solutions to each assignment for the benefit of the client and the community.



## PROFESSIONAL QUALIFICATIONS

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JRG personnel are senior-level consultants that bring considerable experience and creativity to assignments. Provided below is a brief summary of each staff member:

### **Ann T. Moroney, AICP, Municipal Advisor Representative**

**Areas of Expertise:** As President and sole owner of JRG, Ms. Moroney directs all staff project assignments. Ms. Moroney has 25 years of experience in community planning with special expertise in tax increment financing, economic development incentives, and project implementation. Ms. Moroney has assisted public and private clients with the strategic analysis of economic development options to overcome physical, environmental, financing and other obstacles to development. Ms. Moroney has managed the full range of residential, industrial and commercial TIF projects from TIF feasibility studies to designations and amendments to repeal and dissolution and has been instrumental in the creation of more than 30 TIF redevelopment areas with the City of Chicago and surrounding communities.

Most recently, Ms. Moroney managed the multi-pronged economic incentives strategy for the multi-phased, mixed-use Lincoln Yards development involving the amendment of two existing TIF districts, creation of a new TIF, and complex financial analysis and negotiation of TIF assistance for regionally serving public infrastructure costs. Ms. Moroney's work included the North Branch Industrial Modernization study for the City of Chicago involving in-depth planning research and financial analysis of the North Branch Industrial Corridor's redevelopment potential as a dynamic mixed-use environment as leverage for possible critical infrastructure funding. Ms. Moroney served on the team that implemented the Red and Purple Modernization Phase One Project TIF, the first transit TIF in the state of Illinois using incremental property tax revenue to modernize and improve critical infrastructure along the Red and Purple lines of the CTA rail system. Ms. Moroney conducted the financial analysis, research and development of the complex, interagency capital funding program for Chicago Public Schools (CPS) that culminated in the Modern Schools Across Chicago (MSAC) Series 2007 GO Bond Issuance and MSAC Series 2010 GO Bond Issuance, generating more than \$500 million in bond proceeds. Ms. Moroney manages the ongoing TIF strategies and support program for CPS' capital improvement program.

Ms. Moroney's broad planning and economic development experience includes 12 years of land use planning and development assignments throughout Chicago and suburbs with the firm of Trkla, Pettigrew, Allen & Payne (TPAP) and its successor firm of URS Corporation. Projects range from comprehensive community planning to business district and neighborhood planning; from site specific public benefits analyses to community wide opportunity sites analyses. Select projects included the Lemont Station Area Plan, Millennium Park Impact Analysis, Morton Grove Subarea Plan and Evergreen Park Comprehensive Plan.

Ms. Moroney is a Series-50 Qualified Municipal Advisor Representative. The firm is registered with the Securities Exchange Commission and the Municipal Securities Rulemaking Board.



## **Ralph E. Kinser, Senior Financial Analyst**

**Areas of Expertise:** Mr. Kinser has more than 20 years experience in real estate and financial analysis. Mr. Kinser provides project management and financial analysis services to real estate developers seeking financial assistance at city, state and federal levels. Key roles include pro forma analysis, identification of appropriate programs and development costs eligible for reimbursement, quantification of financial gap, completion of applications, facilitation and guidance through technical and scheduling issues, as well as acting as liaison to appropriate government agencies. Mr. Kinser has prepared TIF redevelopment plans, TIF incremental revenue estimates, and feasibility studies for communities and developers in Midwestern states for designation of TIF redevelopment areas, issuance of TIF-supported municipal bonds, and economic impact analyses of redevelopment projects. Mr. Kinser's experience also includes the preparation of estimates of property and sales tax revenues and identification of redevelopment opportunity sites for communities throughout Illinois. Notable projects included serving as lead financial analyst on bond feasibility studies for prominent City of Chicago TIFs— Near South TIF and Central Loop TIF--and for the Modern Schools Across Chicago II (MSAC II) bond issuance, as well as numerous feasibility studies for monetization of tax-exempt TIF Notes. Most recent major project (2017) involved financial modeling of TIF funding for infrastructure upgrades needed to redevelop an industrial area (Chicago's North Branch Corridor). The North Branch analysis involved the analysis of new and existing TIF districts and the revenue potential of over 17 million square feet of new residential and commercial space. Mr. Kinser was integrally involved in the implementation of the City of Chicago's first transit TIF, the Red and Purple Modernization Phase One Project TIF, adopted in 2016.

Prior to his work in planning and development, Mr. Kinser served as a property tax analyst in which he prepared commercial and residential property tax appeals in Cook County, Illinois. Mr. Kinser also worked as an actuarial associate where his responsibilities included analysis of claims and premiums to determine appropriate levels of reserves for health insurance claims and preparation of materials for compliance with state regulatory agencies.

## **David J. Miller, Public Finance Consultant**

**Areas of Expertise:** Mr. Miller has over 18 years of experience in local and state government that includes budgeting, revenue forecasting, financial modeling and reporting, tax increment financing (TIF), and program evaluation. He has extensive experience modeling revenues including property tax and TIF, as well as other tax revenues, including sales and use taxes, utility taxes, lease and transfer taxes, hotel taxes, income taxes, and motor fuel taxes. During 13 years with the City of Chicago in both the Department Planning and Development and Office of Budget and Management, Mr. Miller helped transform the City's TIF program in very significant ways: (1) creating long-range projections for more than 160 TIF districts with total annual revenues exceeding \$500 million and assets over \$1 billion; (2) identifying \$1 billion in surplus over eight years; (3) and improving program transparency and accountability by creating public facing reports and a downloadable dataset containing long-range projections for each TIF district. Mr. Miller also developed funding scenarios for a variety of projects



including commercial and residential development, municipal infrastructure, schools, transit, and parks. He was also the lead analyst for the Modern Schools Across Chicago Program, which included two TIF-backed municipal bond issues used to fund school renovations and new school construction. Mr. Miller also processed applications for TIF assistance from private developers including: pro forma financial analysis, negotiating redevelopment agreements, and moving projects through the legislative process.

Mr. Miller also spent five years in the program evaluation division of the Wisconsin Legislative Audit Bureau where he contributed to a variety of evaluations including Wisconsin's welfare-to-work program, Milwaukee's private school voucher program, as well as state administration of legalized gaming, the state's bridge inspection program, and the use of purchasing cards by state employees.

### **Robert Kunze, Consultant**

**Areas of Expertise:** Mr. Kunze has 31+ years of professional experience with the City of Chicago – 20 years in the planning, development, and implementation of transportation projects and 11 years in urban economic development, focusing on the financing of redevelopment projects. Highlights include: planning and design of the Southwest Rapid Transit (Orange) Line, oversight of infrastructure improvements for the Cityfront Center Real Estate Development, oversight of various improvements to the Chicago Skyway Toll Bridge, and a lead role in the planning, design, and funding of a downtown light rail transit project.

Mr. Kunze was responsible for the development, management and administration of the City's two billion dollar Tax Increment Financing (TIF) Program. He promoted and successfully implemented TIF funding for home owners, small businesses, job training, and affordable housing. He set various standards for TIF grants for private redevelopment projects and developed and negotiated specific financial incentive packages for many major development projects, including Chicago's Public Schools, University of Illinois at Chicago's South Campus expansion, Mercy Hospital, preservation of the historic Tree House Studio/Medinah Temple complex, and several downtown headquarter retentions and relocations, including Boeing, United Airlines, and CNA Insurance.

During his DPD tenure, Mr. Kunze assumed responsibility for several other financial incentive programs, including loans, bonds, property tax incentives, state enterprise zones, and special services areas. He oversaw the successful application for \$100 million in federal New Market Tax Credits and implementation of Chicago's program.

Mr. Kunze has conducted TIF training sessions, consulted with the City of San Francisco on TIF strategies, and works part-time for Johnson Research Group. Recent projects have included TIF feasibility and public benefits analysis for a new multi-phased residential development, a preliminary development potential analysis for historic Pilgrim Baptist Church, and the TIF financing process for Breakthrough Urban Ministries and Swedish Covenant Hospital.

**Lisa Gutierrez, Audit and Compliance Specialist**

**Areas of Expertise:** Lisa has over 15 years of experience in private sector real estate development. She has extensive experience in real estate project management, property management, accounting, budgeting, marketing and construction loan draws and management including the preparation of detailed and comprehensive Sworn Owner's Statements (SOS), compiling and organizing complete draw packages for the lender and title company and coordinating between the parties to ensure timely draw payouts. Ms. Gutierrez manages the TIF compliance and monitoring processes as well as project cost review and reconciliation for clients both public and private. Ms. Gutierrez is the project manager for ongoing strategy and management of TIF Capital Planning for Chicago Public Schools. Prior to joining JRG, Lisa worked with a real estate development firm specializing in retail shopping center development and property management and consulting.





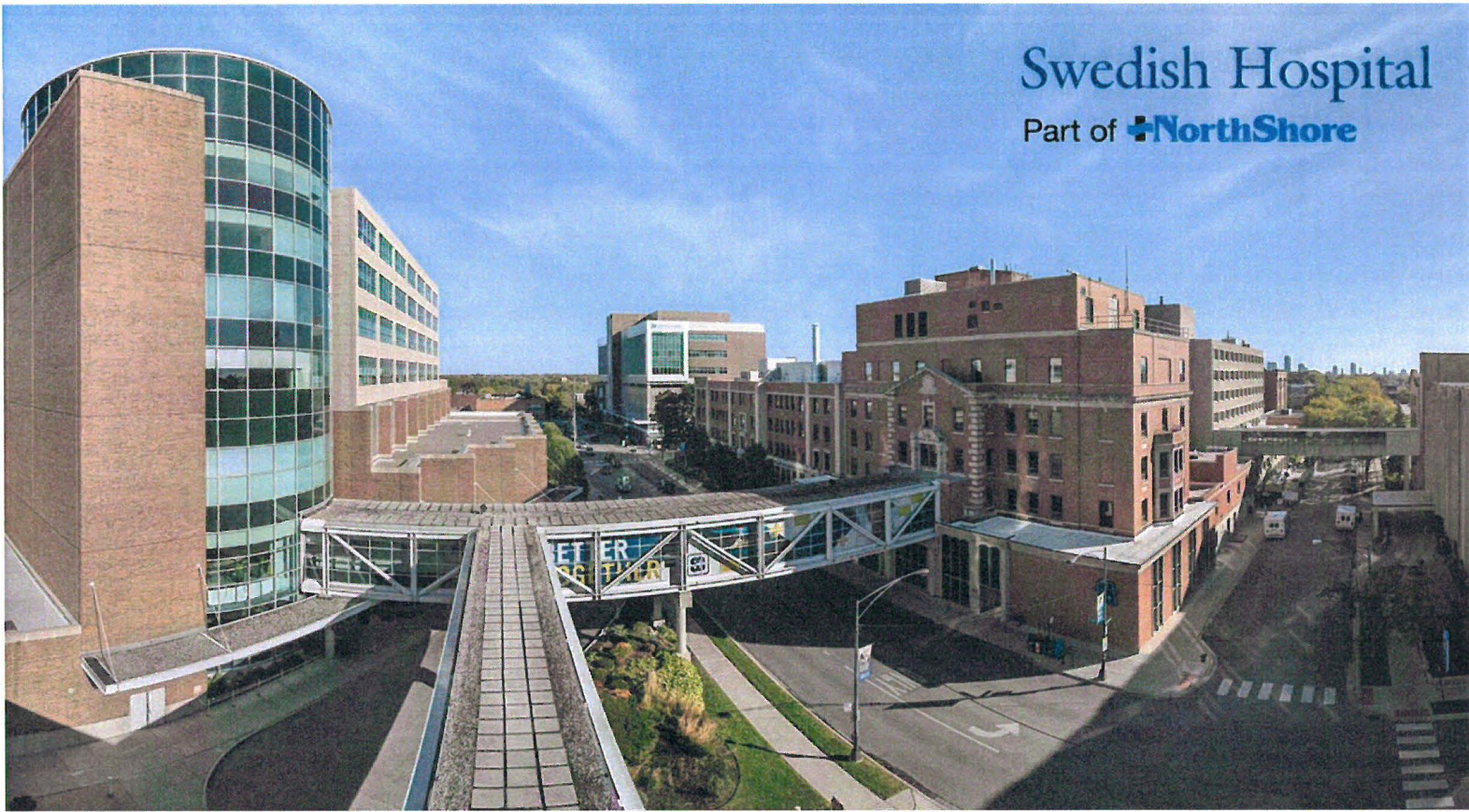
## TIF DESIGNATION, TIF AMENDMENT, ENTERPRISE ZONE CITY HYDE PARK MIXED USE DEVELOPMENT Chicago, IL

City Hyde Park is a mixed-use development in Chicago's Hyde Park neighborhood and represents the first non-university housing development in Hyde Park in decades. Developed by Antheus Capital and designed by renowned architect Jean Gang, it consists of approximately 120,000 sq. ft. of retail anchored by Whole Foods with 180 apartments. The City Hyde Park project will receive approximately \$15 million in Tax Increment Financing (TIF) and State Enterprise Zone (EZ) incentives, without which the project was not economically viable.

JRG provided various financial consulting services to the client, including the necessary studies, analysis, and applications for the TIF and EZ financial incentives. JRG identified creative solutions for utilizing TIF and EZ incentives when neither appeared viable initially. TIF strategies included extracting the City Hyde Park project site from an existing TIF and creating of a new standalone TIF, resulting in an additional \$2 million in potentially available TIF revenue and ensuring first claim on its own property tax increment. Without this first claim it would be difficult for the client to borrow against future TIF revenues. With expertise in TIF and experience on similar challenges, JRG worked seamlessly and successfully with the City and the Client.

JRG's knowledge of and hands-on experience with Chicago EZ incentives lead to the adoption and implementation of our recommendation to expand a nearby State Enterprise Zone to include the project site. For the client, the modest cost of expanding the zone resulted in significant financial benefit (up to \$3 million in relief from sales taxes on construction materials).





## SWEDISH COVENANT HOSPITAL TIF DESIGNATION/TIF APPLICATION/COMPLIANCE Chicago, IL

Johnson Research Group was engaged by Swedish Covenant Hospital to develop an incentives strategy for addressing two key hospital objectives: 1) create an integrated, culturally sensitive and women-centered health center and 2) modernize and address chronic overcrowding of the Emergency Department. JRG evaluated the eligibility of the campus and the neighboring corridors and found strategic connections to adjacent TIF districts. The TIF designation involved active community outreach, stakeholder engagement, and public meetings to educate and inform the larger community about the TIF process and the intentions of the hospital.

JRG worked hand in hand with SCH on the preparation of a TIF application and redevelopment agreement to construct the 16,800 s.f. Mayora Rosenberg Women's Health Center and fully renovate the hospital's emergency department. JRG helped SCH secure \$4.6 million in TIF toward \$18.4 million in construction and renovation projects.

During and after completion of the project, JRG continued to assist SCH in the preparation of construction cost certification submittals required by the City. Services included:

- Review and reconcile SCH and its general contractors Sworn Statements and draw packages
- Comprehensive review of subcontractors' lien waivers for completeness and accuracy
- Complete review of all invoices and supporting documents for cost certification submittal
- Compile and organize documents efficiently to expedite review by City staff





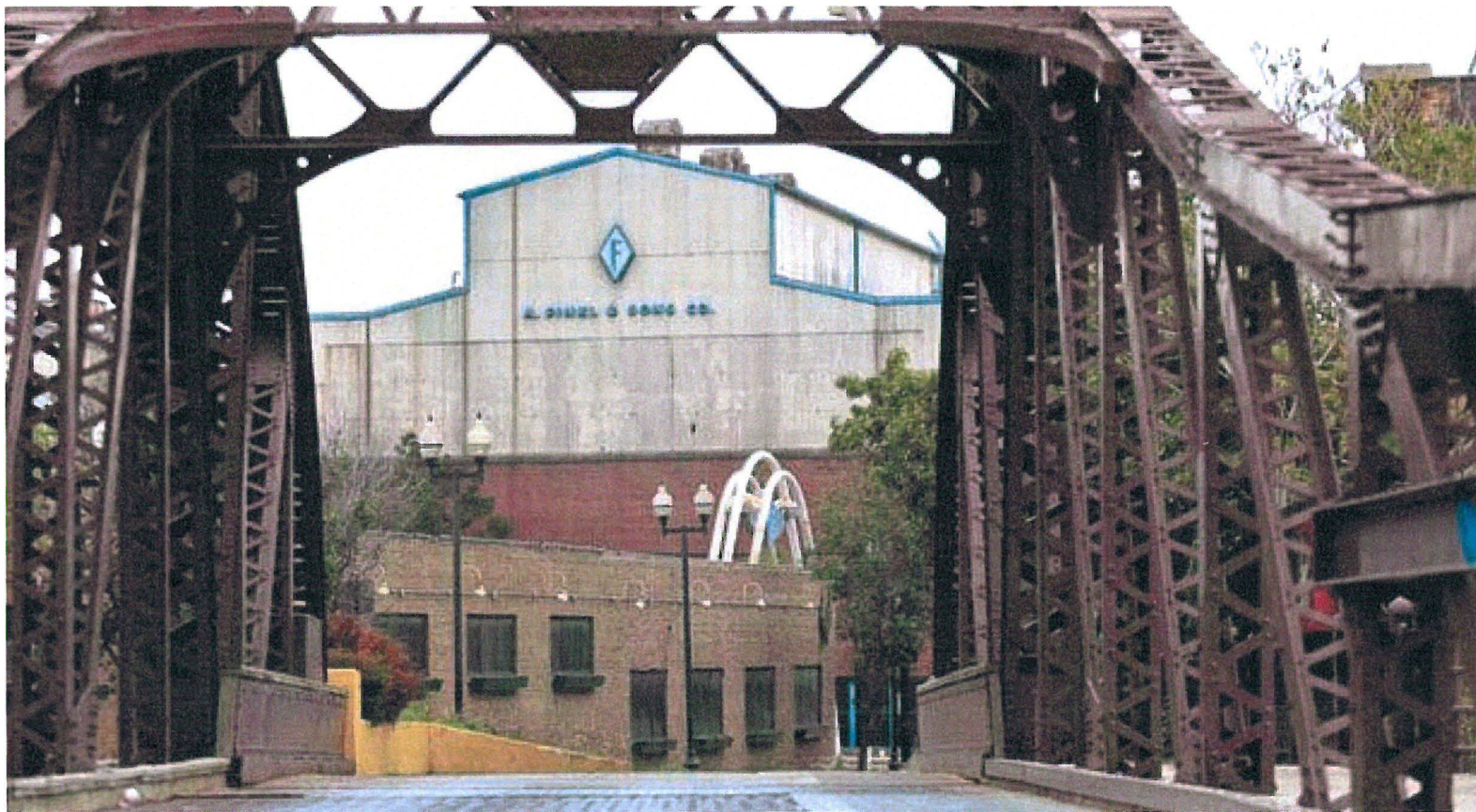
## SAWMILL STATION LIFESTYLE CENTER BOND FEASIBILITY STUDY Morton Grove, IL

The Village of Morton Grove engaged Johnson Research Group, Inc. (“JRG”) to prepare an independent financial feasibility study related to the issuance and sale of a \$14 million Tax Increment Financing (TIF) revenue bond for the development of the Sawmill Station Lifestyle Center. Developed through a joint venture of IM Properties and Kensington Development Partners, the new center will provide a modern shopping, dining and entertainment experience at the important crossroads of Dempster Street and Waukegan Road in the Village of Morton Grove.

JRG conducted the financial analysis of potential property and sales tax revenues generated by the project as well as an assessment of obligations and risks associated with the proposed development project. Research included property tax data at the parcel level, sales tax estimates, and document review of relevant establishing ordinances, agreements and existing obligations. JRG prepared a detailed memorandum for inclusion in the Limited Offering Memorandum that included methodology, development assumptions, risks and conditions, sensitivity analysis and a detailed history and projection of property tax revenue and sales tax generation. Bonds were successfully issued in October 2019.

JRG was engaged in 2020 by the developer to update sales and property tax revenue estimates for the shopping center and prepare preliminary estimates of property tax revenue for Phase 2 of the Sawmill Station development, a 250-unit apartment development. Under construction in the midst of the Covid-19 pandemic and following major changes to Cook County assessment practices, JRG’s analysis of the residential development required additional due diligence and sensitivity testing to provide reliable assumptions and sound foundation before proceeding with bond issuance.





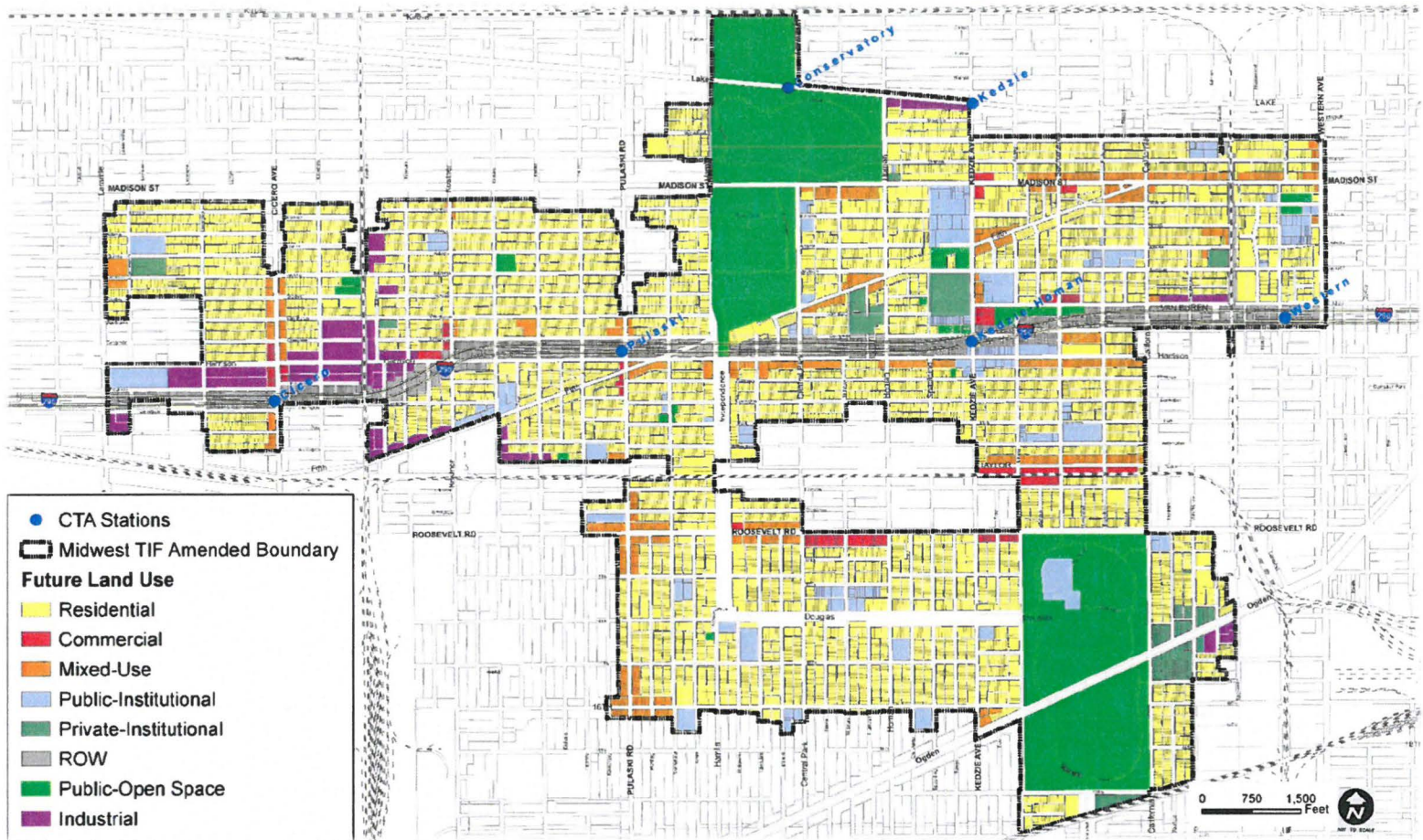
## **NORTH BRANCH INDUSTRIAL MODERNIZATION ECONOMIC IMPACT ANALYSIS CHICAGO, IL**

The team of Applied Real Estate Analysis and JRG was engaged to assist the City of Chicago with the implementation phase of the North Branch Framework Plan. The first component of the assignment was to develop a comparative analysis of Knowledge Capital assets and characteristics followed by in-depth research and economic analyses of the North Branch Industrial Corridor to support modernization of the corridor and redirect land use where heavy industry is no longer the main driver for growth. JRG conducted in-depth financial analysis of the development potential within the North Branch Industrial Corridor to prioritize and direct public and private investments.

JRG was responsible for developing a computer model for calculating incremental property tax revenue generated by a massive mixed-use development expected to evolve over a 20- to 30-year period and involve multiple TIF districts including the possible extension of two existing TIFs, the creation of two new TIF districts and variations in between.

Given the scale of development and revenue generation potential in the various TIF projection analyses, JRG evaluated the fiscal impact of TIF scenarios on the tax base of the taxing districts and the City as a whole. The potential for new TIFs in this area of Chicago depend heavily upon public-private investments in major transportation and infrastructure improvements, environmental cleanup as well as comprehensive land use planning.





## MIDWEST TIF DESIGNATION, TIF AMENDMENT Chicago, IL

JRG staff were engaged by the City of Chicago at two points during the designation of the Midwest TIF district. JRG staff members were instrumental in establishing this TIF district in 1999. The TIF was designed to incentivize a critical mass of projects for an area that had experienced significant physical and economic decline over a period of more than 30 years. The Project Area spanned two community areas, contained 5,085 buildings and encompassed nearly 2,000 acres of land.

Tasks included detailed study of project eligibility, identification of opportunity sites for development, estimation of property acquisition and land assembly cost, review of real estate assessments including tax status and ownership, and estimates of job creation and projected real estate tax increment revenues for the area. JRG worked in tandem with Department of Planning and Development staff on outreach and public participation events with the community.

In the years since adoption, the Midwest TIF has funded a number of private and public improvement projects that created new affordable housing, funded park and school improvements, and supported expansion of important non-profit health institutions. The TIF has provided more than \$2 million toward small business improvements and nearly \$6.5 million for residential improvements to homeowners.

With more work to be done, JRG was engaged by the City in 2011 to amend the Midwest TIF, expanding the boundaries and extending the life of the TIF by the statutorily allowed 12 years. JRG evaluated the eligibility of the additional area, effectively doubling in the size of the TIF and encompassing more than 11,000 tax parcels in total. Due to major legislative changes to the TIF Act since its original adoption, JRG identified critical updates needed as part of the TIF amendment that would ensure compliance and transparency for the remaining term of the district.