AGENDA

TIF JOINT REVIEW BOARD MEETING
CITY OF PROSPECT HEIGHTS,
8 N. ELMHURST ROAD
PROSPECT HEIGHTS, IL
CITY HALL
JULY 16, 2012
10:00 AM

I. CALL TO ORDER

II. INTRODUCTION OF JOINT REVIEW BOARD MEMBER REPRESENTITIVES AND PUBLIC MEMBER

III. INTRODUCTION OF OTHER INTERESTED PARTIES

IV. ELECTION OF CHAIRPERSON

V. DISCUSSION AND REVIEW OF THE 2011 ANNUAL TIF REPORT SUBMITTED TO THE OFFICE OF THE ILLINOIS COMPTROLLER AND DISTRIBUTED TO ALL AFFECTED TAXING DISTRICTS PURSUANT TO 65 ILCS 5/11-74.4-5(d) AS TO THE EFFECTIVENESS AND STATUS OF THE REDEVELOPMENT PROJECT AREA.

VI. ADJOURNMENT

FY 2011
ANNUAL TAX INCREMENT FINANCE REPORT

STATE OF ILLINOIS
COMPTROLLER
JUDY BAAR TOPINKA

Name of Municipality: City of Prospect Heights, Illinois
County: Cook
Unit Code: 016/467/30

Reporting Fiscal Year: **2011**
Fiscal Year End: 04 / 30 /**2011**

TIF Administrator Contact Information

First Name: Anne
Last Name: Marrin
Address: 8 N. Elmhurst Road
Title: City Administrator
Telephone: (847) 398-6070
City: Prospect Heights Zip: 60070
E-Mail: amarrin@prospect-heights.org

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of Prospect Heights
is complete and accurate at the end of this reporting Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Anne E. Marrin
Written signature of TIF Administrator

4.20.12
Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONE FOR EACH TIF DISTICT

Name of Redevelopment Project Area	Date Designated	Date Terminated
Milwaukee Avenue/Palatine Road	1/1/1996	

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

Name of Redevelopment Project Area:	Milwaukee Avenue/Palatine
Primary Use of Redevelopment Project Area*:	Other Commercial
If "Combination/Mixed" List Component Types:	
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one): **Tax Increment Allocation Redevelopment Act __X___ Industrial Jobs Recovery Law _____**	

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] **If yes, please enclose the amendment labeled Attachment A**	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] **Please enclose the CEO Certification labeled Attachment B**		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] **Please enclose the Legal Counsel Opinion labeled Attachment C**		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] **If yes, please enclose the Activities Statement labeled Attachment D**	X	
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] **If yes, please enclose the Agreement(s) labeled Attachment E**	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] **If yes, please enclose the Additional Information labeled Attachment F**		X
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] **If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G**	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] **If yes, please enclose the Joint Review Board Report labeled Attachment H**	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] **If yes, please enclose the Official Statement labeled Attachment I**	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] **If yes, please enclose the Analysis labeled Attachment J**	X	
Cumulatively, have deposits equal or greater than $100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) **If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K**		X
Cumulatively, have deposits of incremental revenue equal to or greater than $100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] **If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L**		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] **If yes, please enclose list only of the intergovernmental agreements labeled Attachment M**	X	

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
Provide an analysis of the special tax allocation fund.

	Reporting Year	Cumulative	
Fund Balance at Beginning of Reporting Period	$ 1,829,453		

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

	Reporting Year	Cumulative	% of Total
Property Tax Increment	$ 1,099,787	$ 10,934,592	29%
State Sales Tax Increment	$ -	$ -	0%
Local Sales Tax Increment	$ -	$ -	0%
State Utility Tax Increment	$ -	$ -	0%
Local Utility Tax Increment	$ -	$ -	0%
Interest	$ 1,456	$ 305,192	1%
Land/Building Sale Proceeds	$ -	$ 2,620,575	7%
Bond Proceeds	$ -	$ 23,000,977	60%
Transfers from Municipal Sources	$ -	$ -	0%
Private Sources	$ -	$ 565,750	1%
Other (identify source: miscellaneous; if multiple other sources, attach schedule)	$ 2,752	$ 858,248	2%

	Reporting Year	Cumulative	% of Total
Total Amount Deposited in Special Tax Allocation Fund During Reporting Period	$ 1,103,995		
Cumulative Total Revenues/Cash Receipts		$ 38,285,334	100%
Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)	$ 1,331,015		
Distribution of Surplus	$ -		
Total Expenditures/Disbursements	$ 1,331,015		
NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS	$ (227,020)		
FUND BALANCE, END OF REPORTING PERIOD	$ 1,602,433		

- if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]

		Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Administration	52,390	
Legal	263,700	
Property insurance	32,916	
Accounting and auditing	16,871	
Other professional services	396	
		$ 366,273
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		$ -
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
		$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)		
		$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
		$ -
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		$ -

7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)		
		$ -
8. Financing costs. Subsection (q) (6) and (o)(8)		
Interest expense	173,892	
Principal	790,000	
Bank fees	850	
		$ 964,742
9. Approved capital costs. Subsection (q)(7) and (o)(9)		
		$ -
10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		$ -
11. Relocation costs. Subsection (q)(8) and (o)(10)		
		$ -
12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)		
		$ -
13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)		
		$ -

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		$ -

TOTAL ITEMIZED EXPENDITURES		$ 1,331,015

Section 3.2 B

List all vendors, including other municipal funds, that were paid in excess of $10,000 during the current reporting year.

______ **There were no vendors, including other municipal funds, paid in excess of $10,000 during the current reporting period.**

Name	Service	Amount
Raysa & Zimmermann LLC	Legal	$ 51,446.00
Meckler Bulger & Tilson LLP	Legal	$ 212,151.00
Miller, Cooper & Co., Ltd.	Accounting and auditing	$ 16,871.00
Intergovernmental Risk Management		
Agency	Property insurance	$ 32,916.00
U.S . Bank	Principal	$ 790,000.00
U.S . Bank	Interest Expense	$ 173,892.00
U.S . Bank	Bank Fees	$ 850.00
Total for U.S. Bank		$ 964,742.00
City General Fund	Administration	$ 52,390.00

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))
Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period
(65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))

FUND BALANCE, END OF REPORTING PERIOD		$ 1,602,433

1. Description of Debt Obligations	Amount of Original Issuance	Amount Designated
Series 2004 4.4-4.9% TIF Loan, US Bank N.A.	$ 5,225,000	$ 2,750,000
Total Amount Designated for Obligations	$ 5,225,000	$ 2,750,000

2. Description of Project Costs to be Paid		
Total Amount Designated for Project Costs		$ -

TOTAL AMOUNT DESIGNATED	$ 2,750,000
SURPLUS*/(DEFICIT)	$ (1,147,567)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts (See instructions and statutes)

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

__X___ **No property was acquired by the Municipality Within the Redevelopment Project Area**

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)
Please include a brief description of each project.

_____ **No Projects Were Undertaken by the Municipality Within the Redevelopment Project Area**

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
TOTAL:			
Private Investment Undertaken (See Instructions)	$ -	$ -	$ -
Public Investment Undertaken	$ 20,432,873	$ -	$ -
Ratio of Private/Public Investment	0		0
Project 1: Infrastructure			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 2: Arena / Event Center			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	$ 8,791,962		
Ratio of Private/Public Investment	0		0
Project 3: Commercial Area			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	$ 11,640,911		
Ratio of Private/Public Investment	0		0
Project 4:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 5:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 6:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 7:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 8:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 9:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 10:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 11:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 12:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 13:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 14:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 15:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 16:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 17:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 18:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 19:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 20:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 21:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 22:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 23:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 24:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 25:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois.

SECTION 6

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
1996	$ 17,146,983	$ 29,657,721

List all overlapping tax districts in the redevelopment project area.
If overlapping taxing district received a surplus, list the surplus.

__X___ The overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -

SECTION 7

Provide information about job creation and retention

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			$ -
			$ -
			$ -
			$ -
			$ -
			$ -
			$ -

SECTION 8

Provide a general description of the redevelopment project area using only major boundaries:

The redevelopment area is between Palatine Road, Milwaukee Avenue, Crabapple Drive, and Pinecrest Drive in the City of Prospect Heights.

Optional Documents	Enclosed	
Legal description of redevelopment project area		
Map of District		

ATTACHMENT B

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Re: Tax Increment Financing District #96-1
Milwaukee Avenue/Palatine Road Tax Increment Financing
Redevelopment Project and Plan

I, Anne Marrin, am duly appointed Chief Executive Officer of the City of Prospect Heights, Cook County, Illinois, and as such, do hereby certify that the City of Prospect Heights has substantially complied with all requirements, except for the holding of an annual joint review board meeting, which shall be conducted after the filing of this report, pertaining to the Tax Increment Redevelopment Allocation Act for the municipal fiscal year, which began on May 1, 2010 and ended on April 30, 2011.

Anne E. Marrin

Chief Executive Officer

4·30·12

Date

ATTACHMENT C

OPINION OF LEGAL COUNSEL

Re: Tax Increment Financing District #96-1
Milwaukee Avenue/Palatine Road Tax Increment Financing
Redevelopment Project and Plan

I, Michael Zimmermann, am the City Attorney for the City of Prospect Heights, Cook County, Illinois. I have reviewed information provided to me by the City's administration and staff, and I find that the City of Prospect Heights is in substantial compliance with applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act, except for the holding of a joint review board meeting, which shall occur after the filing of this report to the best of my knowledge and belief.

This opinion relates only to the time period set forth, and is based upon information available to me as of the end of the fiscal year.

City Attorney

4-9-12

Date

ATTACHMENT F: Additional Information Regarding TIF Report

Legal and Other Professional Services

The City incurred expenditures of $275,116 in defense against litigation by a former developer of the project.

Attachment K: Audited Financial Statements of the Special Tax Allocation Fund

Attached is a copy of the audited financial statements, including the Palatine/Milwaukee TIF Fund (a major fund), as of and for the year ended April 30, 2011.

Attachment L: Certified Letter Regarding Compliance with the Act

Attached is a copy of the Independent Accountants' Report concerning an examination of the City's compliance with specific provisions of the Act for the year ended April 30, 2011.

MILLER
COOPER
&Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT ACCOUNTANTS' REPORT

To the Honorable Mayor and Members of the City Council
City of Prospect Heights, Illinois

We have examined management's assertion included in its representation letter dated March 15, 2012, that the City of Prospect Heights, Illinois, complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended April 30, 2011 for the Milwaukee Avenue/Palatine Road Tax Increment Financing (TIF) District. As discussed in that representation letter, management is responsible for the City of Prospect Heights, Illinois', compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the City of Prospect Heights, Illinois', compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City of Prospect Heights, Illinois', compliance with statutory requirements.

In our opinion, management's assertion that the City of Prospect Heights, Illinois, complied with the aforementioned requirements for the year ended April 30, 2011 is fairly stated in all material respects.

We also noted the following matter:

- The Joint Review Board did not meet within 180 days after year-end, as required under subsection (e) of Section 11-74.4-5 of the Illinois Tax Increment Redevelopment Allocation Act.

MILLER, COOPER & CO., LTD.

Miller Cooper & Co., Ltd.

Certified Public Accountants

Deerfield, Illinois
March 15, 2012