Agenda

TIF JOINT REVIEW BOARD MEETING
CITY OF PROSPECT HEIGHTS
8 NORTH ELMHURST ROAD
PROSPECT HEIGHTS, IL 60070
CITY HALL
OCTOBER 22, 2015
2:00 P.M.

1. Call to Order

2. Introduction of Joint Review Board Member Representatives an Public Member

3. Introduction of other interested parties

4. Election of Chairperson

5. Approval of Minutes from the December 5, 2013 Meeting.

6. Discussion and review of the 2014 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.

7. Discussion and review of the 2015 Annual TIF report which shall be submitted to the Office of the Illinois Comptroller by October 27, 2015 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.

8. Adjournment

Draft

FY 2015
ANNUAL TAX INCREMENT FINANCE REPORT

STATE OF ILLINOIS COMPTROLLER
LESLIE GEISSLER MUNGER

Name of Municipality:	City of Prospect Heights	Reporting Fiscal Year:	2015
County:	Cook	Fiscal Year End:	4/30/2015
Unit Code:	016/467/30		

TIF Administrator Contact Information

First Name:	Stephanie	Last Name:	Hannon
Address:	8 North Elmhurst Road	Title:	Finance Director
Telephone:	847-398-6070	City:	Prospect Heights Zip: 60070
Mobile	847-770-0711	E-mail-required	
Mobile Provider	Verizon	Best way to contact	X Email ___ Phone ___ Mobile ___ Mail

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of

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.]

Written signature of TIF Administrator ____________________ 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.]
FY 2015

Name of Redevelopment Project Area:	Milwaukee/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 from any source 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 taxes 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.

FY 2015
TIF NAME:

Fund Balance at Beginning of Reporting Period: $ 1,918,795

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	$ 437,087		0%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	$ 203		0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source DECO Grant; if multiple other sources, attach schedule)	$ 100,000		0%

*must be completed where current or prior year(s) have reported funds

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period: $ 537,290

Cumulative Total Revenues/Cash Receipts: $ - | 0%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2): $ 2,142,068

Distribution of Surplus:

Total Expenditures/Disbursements: $ 2,142,068

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS: $ (1,604,778)

FUND BALANCE, END OF REPORTING PERIOD*: $ 314,017

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

SURPLUS*/(DEFICIT)(Carried forward from Section 3.3): $ 314,017

FY 2016

TIF NAME: **Milwaukee/Palatine**

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)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Professional Services	24,306	
Audit	3,679	
Legal Services	2,628	
Administration	84,500	
Engineering	4,989	
		$ 120,101
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		$ -
3.Property assembly: property acquisition, building demolition, site preparation and environmental site improvement costs. Subsections (q)(2), (o)(2) and (o)(3)		
		$ -
4.Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings. Subsection (q)(3) and (o)(4)		
Players Pub and Grill	199,609	
		$ 199,609
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
Public Works addition and improvements	1,337,021	
		$ 1,337,021
6.Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		$ -

SECTION 3.2 A		
PAGE 2		
7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)		
		$ -
8.Financing costs related to obligations issued by the municipality. Subsection (q) (6) and (o)(8)		
Interest Expense	84,486	
Principal	400,000	
Bank Fees	850	
		$ 485,336
9. Approved taxing district's 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 as defined in Subsections 11-74.43(m) and 11-74.6-10(k). 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)		
		$ -

SECTION 3.2 A		
PAGE 3		
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		$ 2,142,068

Section 3.2 B

FY 2015

TIF NAME: **Milwaukee/Palatine**

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
Players Pub & Grill	Addition to building Contractor	$ 199,608.99
	reimbursement	
Metropolitan Industries	Repair of Lift Station	$ 19,706.00
Included in FY2014 and paid in FY2015		
US Bank	Principal	$ 400,000.00
US Bank	Interest Expense	$ 84,486.00
US Bank	Bank Fee	$ 850.00
		$ 485,336.00
City of Prospect Heights	Administration	$ 84,500.00

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

FY 2015

TIF NAME: Milwaukee/Palatine

FUND BALANCE, END OF REPORTING PERIOD $ 314,017

1. Description of Debt Obligations	Amount of Original Issuance	Amount Designated

Total Amount Designated for Obligations $ - $ -

2. Description of Project Costs to be Paid		

Total Amount Designated for Project Costs $ -

TOTAL AMOUNT DESIGNATED $ -

SURPLUS*/(DEFICIT) $ 314,017

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

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

FY 2015

TIF NAME: Milwaukee/Palatine

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

______ **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)
PAGE 1

FY 2015

TIF NAME: **Milwaukee/Palatine**

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED ONLY IF PROJECTS ARE LISTED ON THESE PAGES

Check here if **NO** projects were undertaken by the Municipality Within the Redevelopment Project Area:	
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.	

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	$ -	$ -	$ -
Public Investment Undertaken	$ 20,832,482	$ 100,000	$ 1,400,000
Ratio of Private/Public Investment	0		0

Project 1: *IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE Arena/Event Center			
Private Investment Undertaken (See Instructions)			$ -
Public Investment Undertaken	$ 8,791,962		
Ratio of Private/Public Investment	0		0

Project 2:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	$ 12,040,520	$ 100,000	$ 1,400,000
Ratio of Private/Public Investment	0		0

Project 3:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
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. *even though optional MUST be included as part of complete TIF report

SECTION 6

FY 2015

TIF NAME: Milwaukee/Palatine

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	$ 14,770,722	$ 15,993,228

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

_____ 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:

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

FY 2014
ANNUAL TAX INCREMENT FINANCE REPORT

STATE OF ILLINOIS
COMPTROLLER
JUDY BAAR TOPINKA

Name of Municipality:	City of Prospect Heights	Reporting Fiscal Year:	2014
County:	Cook	Fiscal Year End:	4/30/2014
Unit Code:	016/467/30		

TIF Administrator Contact Information

First Name:	Stephanie	Last Name:	Hannon
Address:	8 North Elmhurst Road	Title:	Finance Director
Telephone:	847-398-6070	City:	Prospect Heights Zip: 60070
Mobile	847-770-0711	E-mail	shannon@prospect-heights.org
Mobile Provider	T-Mobile	Best way to contact	X Email ___ Phone ___ Mobile ___ Mail

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of

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.]

Stephanie S Hannon — 12/15/14
Written signature of TIF Administator — 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.]
FY 2014

Name of Redevelopment Project Area:	Milwaukee/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.

FY 2014
TIF NAME: Milwaukee/Palatine

Fund Balance at Beginning of Reporting Period: $ 1,901,135

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	$ 630,511	$ 13,308,048	98%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	$ 291	$ 307,526	2%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source ____________; if multiple other sources, attach schedule)			0%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period	$ 630,802		
Cumulative Total Revenues/Cash Receipts		$ 13,615,574	100%
Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)	$ 613,142		
Distribution of Surplus			
Total Expenditures/Disbursements	$ 613,142		
NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS	$ 17,660		
FUND BALANCE, END OF REPORTING PERIOD*	$ 1,918,795		

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

SURPLUS*/(DEFICIT)(Carried forward from Section 3.3): $ (68,380)

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

FY 2014
TIF NAME: Milwaukee/Palatine

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)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Professional Services	31,430	
Audit	3,472	
Legal Services	819	
Administration	131,906	
		$ 167,627
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 of existing public or private 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		
		$ -

SECTION 3.2 A PAGE 2		
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	99,665	
Principal	345,000	
Bank Fees	850	
		$ 445,515
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)		
		$ -

SECTION 3.2 A		
PAGE 3		
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		$ 613,142

Section 3.2 B

FY 2014

TIF NAME:

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
Metropolitan Industries Inc.	Lift Station Repair	$ 19,706.00
US Bank	Principal	$ 345,000.00
US Bank	Interest Expense	$ 99,665.00
US Bank	Bank Fees	$ 850.00
Total US Bank		$ 445,515.00
City General Fund	Administration	$ 131,906.00

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

FY 2014

TIF NAME: Milwaukee/Palatine

FUND BALANCE, END OF REPORTING PERIOD $ 1,918,795

1. Description of Debt Obligations	Amount of Original Issuance	Amount Designated
Series 204 4.4 to 4.9% TIF Loan, US Bank	$ 5,225,000	$ 1,987,175

Total Amount Designated for Obligations	$ 5,225,000	$ 1,987,175

2. Description of Project Costs to be Paid		

Total Amount Designated for Project Costs $ -

TOTAL AMOUNT DESIGNATED $ 1,987,175

SURPLUS*/(DEFICIT) $ (68,380)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

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

FY 2014

TIF NAME: Milwaukee Avenue/ Palatine Road TIF

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)
PAGE 1

FY 2014

TIF NAME: Milwaukee Avenue/ Palatine Road TIF

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED ONLY IF PROJECTS ARE LISTED ON THESE PAGES

Check here if NO projects were undertaken by the Municipality Within the Redevelopment Project Area:	______
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.	______

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	$ -	$ -	$ -
Public Investment Undertaken	$ 20,632,873	$ 600,000	$ 1,400,000
Ratio of Private/Public Investment	0		0

Project 1: *IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE Arena/Event Center			
Private Investment Undertaken (See Instructions)			$ -
Public Investment Undertaken	$ 8,791,962		
Ratio of Private/Public Investment	0		0

Project 2: Commercial Area			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	$ 11,840,911	$ 600,000	$ 1,400,000
Ratio of Private/Public Investment	0		0

Project 3:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
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. *even though optional MUST be included as part of complete TIF report

SECTION 6

FY 2014

TIF NAME: Milwaukee Avenue/ Palatine Road TIF

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

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

_____ 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:

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

ATTACHMENT B

CERTFICATION OF CHIEF EXECUTIVE OFFICER

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

I, William Balling, 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 complied with all requirement pertaining to the Tax Increment Redevelopment Allocation Act for the municipal fiscal year, which began on May 1, 2013 and ended on April 30, 2014.

William R. Balling

Chief Executive Officer

Dec 15, 2014

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 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 separate reporting for the Palatine Road Tax Increment Finance District, designated January 20, 1998, which is administered jointly with the Milwaukee Avenue/Palatine Road Tax Increment Finance District.

This opinion relates only to the time period set forth in the report, and is based upon information provided to me by the city's finance director as of the end of the fiscal year.

City Attorney

12-15-14

Date

ATTACHMENT D

ACTIVITIES STATEMENT

The City entered into an agreement with Players Pub and Grill LLC. The Players Pub and Grill completed substantial rehabilition, repair and reconstruction to the building on the PPG parcel which conform to the TIF Plan.

Agreement attached as Attachment E

ATTACHMENT E

AGREEMENTS

Attached is the agreement between the City of Prospect Heights and Players Pub and Grill, LLC.

Attachment E

REIMBURSEMENT AGREEMENT FOR THE PLAYERS PUB AND GRILL, 1250 N. RIVER ROAD COMPRISING A PART OF THE PALATINE ROAD/MILWAUKEE AVENUE T.I.F. DISTRICT OF THE CITY OF PROSPECT HEIGHTS, COOK COUNTY, ILLINOIS

THIS AGREEMENT ("Agreement") is between the City of Prospect Heights, Cook County, Illinois, a municipal corporation (hereinafter referred to as the "City") and Players Pub & Grill, L.L.C., an Illinois limited liability company (hereinafter referred to as the "Developer") and is dated this 10th day of May, 2013.

WITNESSETH:

IN CONSIDERATION of the Preliminary Statements, the mutual covenants herein contained and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties hereto agree as follows:

I. PRELIMINARY STATEMENTS

Among the matters of mutual inducement which have resulted in this Agreement are the following:

A. The State of Illinois has adopted tax increment financing pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as from time to time amended (hereinafter referred to as "Act").

B. Pursuant to the Act, on April 15, 1996, the corporate authorities of the City adopted an "Ordinance Adopting and Approving a Tax Increment Redevelopment Project and Plan for the City of Prospect Heights, Illinois," (Ordinance No. O-96-10), which sets forth a plan (hereinafter referred to as the "TIF Plan") for the redevelopment and revitalization of the property known as the Milwaukee Avenue/Palatine Road Tax Increment Finance District, being located within the corporate boundaries of the City, which property is currently zoned commercial in part and residential in part (hereinafter referred to as the "Redevelopment Project Area").

C. Pursuant to the Act, on April 15, 1996, the corporate authorities of the City adopted an "An Ordinance Designating A Tax Increment Redevelopment Project Area in the City of Prospect Heights, Illinois," (Ordinance No. O-96-11), by which an area within the City was designated as a redevelopment project area (hereinafter referred to as the "Redevelopment Project Area").

D. Pursuant to the Act, on April 15, 1996, the corporate authorities of the City adopted an "Ordinance Adopting Tax Increment Allocation Financing in the City of Prospect Heights, Illinois," (Ordinance No. O-96-12), by which tax increment financing was adopted pursuant to the Act for the TIF Plan for the Redevelopment Project Area.

E. The Developer is the lessee of certain real property located within the Redevelopment Project Area, said property being legally described on EXHIBIT 1 attached hereto and made part hereof (hereinafter referred to as the "PPG Parcel").

F. The City is desirous of having the PPG Parcel rehabilitated, developed and redeveloped in accordance with the TIF Plan, and particularly the Project (defined below) as a part thereof, in order to serve the needs of the City, arrest physical decay and decline in the Redevelopment Project Area, increase employment opportunities, stimulate commercial growth and stabilize the tax base of the City and, in furtherance thereof, the City is willing to undertake certain incentives, under the terms and conditions hereinafter set forth, to assist such development.

G. The Developer has completed substantial rehabilitation, repair and reconstruction to the building on the PPG Parcel (the "Renovations") which Renovations are in conformance with the TIF Plan. The Developer further desires to construct an addition to the improvements (including demolition, site work, detention, paving, resurfacing of parking lots, and utilities) on the PPG Parcel (the "Addition") which Addition shall be a retail dining and entertainment establishment more particularly described on Exhibit 2. As used in the Agreement, Project means the Renovations and the Addition.

H. In constructing the Renovations, the Developer has incurred substantial costs, which are Eligible Project Costs as defined under the Act and the TIF Plan. The Developer has submitted documentation demonstrating actual expenditures which are Eligible Project Costs in excess of $200,000 with respect to the Renovations for which the City has agreed to reimburse the Developer in the amount of $200,000 within thirty (30) days of the execution of this Agreement.

I. The Developer agrees to apply the $200,000 reimbursement to the construction of the Addition, for which the Developer expects to incur additional ~~Eligible~~ Project Costs in excess of $650,000. The Developer intends to apply to the City for reimbursement of the Eligible Project Costs incurred in the construction of the Addition. The City agrees that it will reimburse Eligible Project Costs for the Addition in the total amount of $300,000 paid in the course of not more than two (2) fiscal years commencing with the fiscal year in which the Addition receives a certificate of occupancy from the City in accord with the City's building codes.

J. The Act allows a municipality to reimburse a developer for Eligible Project Costs in accord with an agreement using tax increment financing under the Act.

K. In order to induce the Developer to continue its improvement of the PPG Parcel in accord with the TIF Plan by constructing the Addition, the City and the Developer agree that the Developer shall be reimbursed for a portion of its Eligible Project Costs incurred in the Renovations in the amount of $200.000 and its Eligible Project Costs incurred in the construction of the Addition in an amount of $300,000 upon completion of the Addition, submission of documentation from the Developer evidencing the same, and in two installments as set forth below.

II. UNDERTAKINGS ON THE PART OF DEVELOPER

A. Developer agrees that it shall maintain its records related to the Project for the term of this Agreement and shall make said books and records available to the City upon reasonable notice from the City so that the City may verify compliance with this Agreement and the Act.

B. Developer shall deliver to the City a construction schedule for the Addition, including the projected date of actual occupancy and date of opening for the Addition, subject only to delays caused by acts of God or "force majeure," the latter term being defined as causes which are outside the control of the parties and cannot be avoided by exercise of due care.

C. The City and Developer shall each use reasonable efforts to timely satisfy the above conditions, but if such conditions are not so satisfied or waived by the City and Developer, then the City or Developer may terminate this Agreement by giving written notice thereof to the other party. In the event of such termination, this Agreement shall be deemed null and void and of no force or effect and the City and Developer shall not have any obligations or liability with respect thereto.

D. Within ninety (90) days of Developer's acquisition of all permits required for the development of the Addition, Developer shall commence construction of the Addition and shall cause construction of the same to be completed in substantial compliance with Exhibit 2 as soon as possible, but in no event later than twelve (12) months after such commencement, subject only to delays caused by labor disruption, material shortage(s) or delays, acts of God, or force majeure.

III. UNDERTAKINGS ON THE PART OF THE CITY

Except as noted below, upon complete satisfaction of all conditions itemized in Section II above, the City shall undertake the following:

A. The City acknowledges that the Developer has delivered sufficient documentation evidencing its expenditure of funds in excess of $200,000 for the Renovations which are Eligible Project Costs.

B. Within thirty (30) days after the execution of this Agreement, the City shall reimburse Developer for Eligible Project Costs incurred in the Renovations in the amount of $200,000.

C. The City will assist Developer in securing and obtaining, in an expeditious manner, all governmental approvals, consents, permits, licenses and authorizations reasonably necessary or required for the Addtion. Developer, however, shall remain primarily responsible for securing all of its necessary approvals, consents, permits, licenses and authorizations.

D. The City shall issue, where appropriate, and will reasonably assist Developer to obtain, such building permits, driveway permits, curb cut permits, licenses and other permits as Developer may require to cause the construction of the Addition, provided the Project complies with the applicable ordinances of the City and other governmental bodies having jurisdiction. Developer, however, shall be primarily responsible for obtaining said permits and approvals.

E. The City agrees to appropriate the amount of $150,000 for the fiscal year ending April 30, 2014 ("FY 2014") and the amount of $150,000 for fiscal year ending April 30, 2015 ("FY 2015") to reimburse the Developer for $300,000 of Eligible Project Costs incurred in the construction of the Addition. In the event the Addition is not completed during FY 2014, the City agrees to appropriate the amount of $150,000 in FY 2015 and $150,000 in the fiscal year ending April 30, 2016.

F. Upon Developer's receipt of a certificate of occupancy for the Addition, it may submit a request for reimbursement which shall be accompanied by such documentation evidencing Developer's expenditure of not less than $300,000 on Eligible Project Costs for the Addition. Upon the City Administrator's review of said request and accompanying documentation and her satisfaction that the Developer has incurred eligible Project Costs, she shall submit the request to the City Council for its approval at its next regular city council meeting. Within 30 days of approval of the request by the City Council, the City shall pay $150,000 to the Developer. The second installment of $150,000 shall be paid within 1 year of the 1st installment.

G. The Parties understand, acknowledge and agree that all appropriations and payments called for under this Agreement shall be for the Milwaukee Avenue/Palatine Road Tax Increment Finance District Special Tax Allocation Fund ("TIF FUND") as the TIF Fund is maintained in accord with the Act on the books of the City. The Parties agree that any payment obligations of the City are contingent upon moneys being available in the TIF Fund. The Parties further agree that the City shall have no obligation under any circumstances to use any funds other than those available in the TIF Fund to satisfy any obligations under this Agreement.

IV. <u>REPRESENTATIONS AND WARRANTIES OF DEVELOPER</u>

A. Developer hereby represents and warrants that it is an Illinois limited liability company in good standing with proper authority to enter into and execute this Agreement.

B. Developer hereby represents and warrants that the Addition shall be constructed and fully completed in a good and workmanlike manner in accordance with the approved final redevelopment plans and all plans and specifications pertaining thereto including any amendments, as approved by the City.

C. Developer hereby represents and warrants that at all times it shall comply with all applicable local zoning ordinances and regulations, building codes, fire codes and all other applicable City ordinances, resolutions and regulations in existence as of the date of approval of the Project.

D. Developer hereby represents and warrants that it shall comply with all applicable law, rules and regulations of the State of Illinois and the United States and all agencies thereof, having jurisdiction over it or the Project. The Developer agrees to comply with the Illinois Prevailing Wage Act with respect to the construction of the Addition to the extent such Act is applicable.

E. Developer hereby represents and warrants that it shall comply with all terms, provisions and conditions and shall not default or knowingly permit a default under any document or agreement relating to the Project or the financing of the Project to which it is a party, including but not limited to this Agreement, and all agreements and documentation in connection with any loan to it in relation to the Project.

F. Developer hereby covenants and agrees that, except as provided above, it will not directly or indirectly, sell, transfer, assign, sublease, or otherwise dispose of the Project (including the beneficial interest or power of direction over any land trust holding legal title thereto) without the prior written consent of the City, which consent will not be unreasonably withheld. The City will not withhold such consent if the proposed use by the purchaser, transferee or assignee would not lower the anticipated assessed valuation of the PPG Parcel.

G. Developer hereby covenants and agrees that the Project shall be occupied solely by entertainment, restaurant or retail commercial uses. If Developer has leased a majority of the portion of the property required to be retail commercial and has been unable to lease the remainder or a portion thereof for a period of at least six months, the Developer may request that the City waive the requirement that the remaining tenant be retail commercial use. The City agrees to not unreasonably deny such a waiver request.

V. REPRESENTATIONS AND WARRANTIES OF THE CITY

The City hereby represents and warrants to Developer that, subject to its compliance with the Act, it has the power and authority to execute, deliver and perform the terms and obligations of this Agreement.

VI. ADDITIONAL COVENANTS, UNDERTAKINGS AND AGREEMENTS OF THE PARTIES

A. This Agreement incorporates all agreements and understandings of the parties hereto as of the date of its execution, concerning the Project. Each party acknowledges that no representations or warranties have been made which have not been set forth herein.

B. Time is of the essence in the performance of this Agreement.

C. For the purposes of any of the provisions of this Agreement, neither the City, Developer nor any of their respective successors and assigns, as the case may be, shall be considered in breach of, or default in, its obligations under this Agreement in the event of any delay caused by acts of God, acts of public enemy, acts of Federal or State government, fires, floods, epidemics, quarantine or restriction, strike, shortage of materials, embargoes, and delays due to weather conditions or delays of construction contractors and subcontractors due to such causes; nor shall the City or Developer be considered in breach of or default in its obligations under this Agreement in the event of any delay resulting from the conduct of any judicial, administrative or legislative proceedings, or caused by litigation or proceedings challenging the authority or right of the City to act under the TIF Plan, any of the ordinances referenced herein, or perform under this Agreement.

D. Developer recognizes and agrees that the City has sole discretion with regard to all approvals and permits relating to the Project, including but not limited to approval of the final development plan, excavation permits, grading permits, building permits and occupancy permits, and failure on the part of the City to grant or issue any required permit shall not be deemed as the cause of a default by Developer under this Agreement or give rise to any claim against or liability to the City pursuant to this Agreement. The City agrees, however, that such approvals and permits shall not be unreasonably withheld.

E. The Project shall be completed substantially in accordance with all applicable ordinances, rules and regulations of the City in existence as of the date of such approval.

F. All notices and requests if any, required pursuant to this Agreement shall be sent by certified mail return receipt requested, or by personal service, addressed as follows:

If to Developer:	Michael J. Fiandaca 6756 North Harlem Avenue Chicago, IL 60631
With copy to:	Vincent Cainkar 6215 West 79th Street, Suite 2A Burbank, IL 60459
If to the City:	City of Prospect Heights Attn: City Administrator 8 N. Elmhurst Rd. Prospect Heights, IL 60070

With copy to:

Michael F. Zimmermann
Tressler LLP
233 S. Wacker Drive
Suite 2200
Chicago, IL 60606

G. This Agreement shall be construed and enforced in accordance with the laws of the State of Illinois.

H. Developer shall not assign this agreement to any person or entity without the prior written consent of the City, which consent shall not be unreasonably withheld, provided, however, at the time of such assignment, there is no default under this Agreement by Developer.

I. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

J. No liability, right or claim at law or in equity shall attach to or shall be incurred by the City's officers, agents and/or employees in regard to this Agreement, with all and any such rights or claims of Developer against the City's officers, agents and/or employees being hereby expressly waived and released as a condition of and as consideration for the execution of this Agreement by the City.

K. Developer hereby covenants and agrees to promptly pay or cause to be paid, as the same becomes due, any and all taxes and governmental charges of any kind that may at any time be lawfully assessed against the Developer Parcel or the Project.

L. This Agreement shall be binding upon the parties hereto and their respective grantees, heirs, successors, administrators. Permitted assigns or other successors in interest. All of the terms and provisions of this Agreement shall survive the closing of the transactions contemplated herein.

M. The parties shall record a certified (by the City Clerk) copy of this Agreement in the office of the Recorder of Deeds of Cook County, Illinois, and upon recordation thereof, the covenants and conditions of the parties hereto shall be binding upon their successors in title and shall be deemed covenants which shall run with the land until the termination of this Agreement. The costs herein shall be borne by the Developer.

VII. DEFAULTS AND REMEDIES

In the event of any non-monetary default and/or breach of this Agreement or any terms or conditions by either party hereto or bound by this Agreement, such party shall upon written notice proceed promptly to cure or remedy such default or breach within said sixty (60) days after receipt of such notice; provided, however, that in the event such default is incapable of being cured within said sixty (60) day period and the defaulting party commences to cure within said sixty (60) day period and proceeds to cure with due diligence, such party shall not be deemed to be in default under this Agreement; and provided further that if Developer has violated any City Code provisions that impact public health, safety and welfare, the Developer shall immediately commence curing said violation and shall complete said cure in a prompt manner, not to exceed the time for correction required by the applicable City Code, and the City may proceed with such remedies as set forth in the applicable Codes. In case such action is not taken or not diligently pursued, or the default or breach shall not be cured or remedied within the above time, or in the event of a monetary default (time being of the essence with respect to the payment of any sums required hereunder), the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including but not limited to, proceedings to compel specific performance by the party in default or breach of its obligations. The rights of the parties to this Agreement, whether provided by law or this Agreement, shall be cumulative and the exercise by either party of any one or more of such remedies shall not preclude the exercise by it of any one or more of such remedies in relation to the same default or breach by the other party. No waiver made by either party with respect to any specific default by the other party under this Agreement shall be construed as a waiver of rights with respect to any other default by the defaulting party under this Agreement or with respect to the particular default, except to the extent specifically waived in writing. Notwithstanding anything contained herein to the contrary, all monetary damages resulting from a breach of this Agreement shall be limited to the non-defaulting party's actual out-of-pocket costs and expenses resulting from such breach along with all costs and expenses, including reasonable attorneys' fees, incurred by the non-defaulting party in enforcing this Agreement. In the event of any litigation between the parties hereto resulting from a breach of this Agreement, the prevailing party in such litigation, as determined by final judgment, shall be entitled to an award of its attorneys' fees and costs incurred in such litigation.

VIII. AGREEMENT TERM

The term of this Agreement shall commence as of the date of its execution after approval by the Corporate Authorities of the City and expire upon the payment by the City of all approved Eligible Project Costs.

CITY OF PROSPECT HEIGHTS,
a municipal corporation

By: ______________________
Nicholas J. Helmer, Mayor

ATTEST:

______________________, Deputy
Stacey Adamson, City Clerk

PLAYERS PUB & GRILL, L.L.C.

By: ______________________
Jeremy Nau, Its Manager

By: ______________________
John Fiandaca, Its Manager

STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that the above-named Jeremy Nau and John Fiandaca, personally known to me to be the Managers of PLAYERS PUB & GRILL, L.L.C., and also known to me to be the same persons whose names are subscribed to the foregoing instrument as such Managers, appeared before me this day in person and acknowledged that as such Managers they signed and delivered the said instrument, pursuant to authority given by said Company, as their free and voluntary act, and as the free and voluntary act and deed of said Company, for the uses and purposes therein set forth.

GIVEN under my hand and Notary Seal, this 10th day of May, 2013.

Notary Public

My Commission Expires: April 14, 2017

OFFICIAL SEAL
HAROLD KNUTSON
Notary Public - State of Illinois
My Commission Expires Apr 14, 2017

<u>EXHIBIT 1</u>
(Legal Description for PPG Parcel)

A tract of land in Section 24, Township 42 North, Range 11, East of the Third Principal Meridian and Section 19, Township 42 North, Range 12, East of the Third Principal Meridian, bounded by a line described as follows: commencing at that point of intersection of the West line of River Road and the North line of the South 53 acres of the Northeast ¼ of Section 24, Township 42 North, Range 11 East of the Third Principal Meridian, extended East (said part being 22.9 feet East of the East line of said Section 24); thence West along the North line of said South 53 acres extended East, 722 feet; thence South on a line parallel to the East line of said Section 24, 299.5 feet; thence East on a line parallel to the North line of said 53 acres to the West line of River Road; thence Northerly along the West line of River Road to the place of beginning, in Cook County, Illinois.

PIN: 03-24-202-060-0000
03-24-202-059-0000

<u>EXHIBIT 2</u>

(Description of the Addition)

Per plans for Project Number 2012-1250 prepared by Studio D Architecture LLC, Christopher M. Dasse, Architects, 2010 W. Fulton St., Suite f 258, Chicago, Illinois 60612. And Civil Engineering Plans By Cm Lavoie + Associates.

ATTACHMENT H

JOINT REVIEW BOARD REPORT

Attached is a copy of the Joint Review Board Minutes from the December 5, 2013 meeting.

Milwaukee Avenue/Palatine Road Tax Increment Finance District and Palatine Road Tax Increment Finance District
Joint Review Board Meeting
Thursday, December 5, 2013 at 10:00 A.M.

MINUTES

I. CALL TO ORDER.

City Administrator Anne Marrin called the meeting to order at 10:00 A.M. The members announced their names and the organizations they represent.

Members Present: Sherry Koerner, H.S. Dist 214
Alexander Todd, Prospect Heights Public Library District
Bret Bonnstetter, Harper College
Susan Beal, Indian Trails Public Library Dist.
Anne Marrin, City Administrator, City of Prospect Heights

Also Present: Stephanie Hannon, Finance Director, City of Prospect Heights
Robert Sabo, Assistant to the City Administrator, City of Prospect Heights
City Attorney Michael Zimmermann, Tressler LLP

II. APPOINTMENT OF CHAIRMAN

Mr. Zimmermann asked for a motion to select a chairman. Mr. Bonnstetter moved, seconded by Ms. Koerner to appoint Anne Marrin as the chairman of the JRB. Upon a voice vote all members present voted "aye" and the motion carried.

Ms. Marrin took the chair.

III. APPOINTMENT OF PUBLIC MEMBER

Ms. Marrin asked if there was a resident from within the TIF area present. There were none present. Ms. Marrin asked if there were any members of the public present who desired to join the board as the public member. There were none who wished to join the board.

IV. APPROVAL OF MINUTES.

On the motion for Mr. Todd and Ms. Koerner, the minutes of the July 16, 2012 meeting were approved by a vote of 5-0.

V. PUBLIC COMMENT.

Ms. Marrin asked if any members of the public would like to address the Board. There were no comments from the public.

Ms. Marrin and Mr. Sabo noted for the record that the notices required under the Act were mailed to all interested parties and taxing bodies. The notice was also published in the Prospect Heights Journal and Topics as required. Mr. Zimmermann noted the receipt of the certificate of publication and Mr. Sabo confirmed mailing the notices.

VI. DISCUSSION AND REVIEW OF 2012 ANNUAL TIF REPORT.

Ms. Marrin directed the Board's attention to the 2012 and 2013 Annual TIF Reports, which were previously distributed to all affected taxing districts pursuant to Section 11-74.4-5 of the Act.

Ms. Hannon discussed and summarized the annual report for 2012 and reported on the status of the TIF districts. Mr. Todd asked what the boundaries were. There were no additional questions or comments from the members or public.

Ms. Hannon discussed and summarized the annual report for 2013 and reported on the status of the TIF districts. There were no questions or comments from the members or public.

There was no further discussion.

VII. ADJOURNMENT

Mr. Bonnstetter moved, seconded by Ms. Koerner, to adjourn the meeting. Upon a voice vote the members unanimously approved the motion. The meeting was adjourned at 10:14 A.M.

Robert Sabo,
Assistant to the City Administrator

ATTACHMENT K

Audited Financial Statement

Attached is a copy of the Independent Accountants' Audited Financial Statements for the special tax allocation fund labeled Attachment K.

CITY OF PROSPECT HEIGHTS, ILLINOIS
PALATINE/MILWAUKEE
TAX INCREMENT FINANCING FUND

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT AND
COMPLIANCE REPORT

AS OF AND FOR THE YEAR ENDED APRIL 30, 2014

CITY OF PROSPECT HEIGHTS
PALATINE/MILWAUKEE TAX INCREMENT FINANCING FUND
TABLE OF CONTENTS
AS OF AND FOR THE YEAR APRIL 30, 2014

PAGE

FINANCIAL STATEMENTS

BAKER TILLY

Baker Tilly Virchow Krause, LLP
1301 W 22nd St, Ste 400
Oak Brook, IL 60523-3389
tel 630 990 3131
fax 630 990 0039
bakertilly.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the City of Prospect Heights Palatine/Milwaukee Tax Increment Financing District Fund, as of and for the year ended April 30, 2014, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City of Prospect Heights Palatine/Milwaukee Tax Increment Financing District Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City of Prospect Heights Palatine/Milwaukee Tax Increment Financing District Fund's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Prospect Heights Palatine/Milwaukee Tax Increment Financing District Fund as of April 30, 2014, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the City of Prospect Heights Palatine/Milwaukee Tax Increment Financing Fund and do not purport to, and do not present fairly the financial position of the City of Prospect Heights, as of April 30, 2014, and the changes in its financial position and, where applicable, its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the City of Prospect Heights Palatine/Milwaukee Tax Increment Financing District Fund adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* effective May 1, 2013. Our opinion is not modified with respect to this matter.

Other Matter

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Report on Other Legal and Regulatory Requirements

We have also issued a report dated December 9, 2014, on our consideration of the City of Prospect Heights Palatine/Milwaukee Tax Increment Financing Fund's compliance with laws, regulations, contracts and grants.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
December 9, 2014

BAKER TILLY

Baker Tilly Virchow Krause, LLP
1301 W 22nd St, Ste 400
Oak Brook, IL 60523-3389
tel 630 990 3131
fax 630 990 0039
bakertilly.com

INDEPENDENT AUDITORS' COMPLIANCE REPORT

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

We have audited the financial statements of the Palatine/Milwaukee Tax Increment Financing Fund, as of and for the year ended April 30, 2014, and have issued our report thereon dated December 9, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance with laws, regulations, and contracts applicable to the City of Prospect Heights is the responsibility of the City of Prospect Heights' management. As part of obtaining reasonable assurance about whether the aforementioned financial statements are free of material misstatements, we performed tests of the City of Prospect Heights' compliance with provisions in Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing", noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance.

This report is intended solely for the information and use of the City Council, management, the State of Illinois, and others within the City and is not intended to be, and should not be, used by anyone other than the specified parties.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
December 9, 2014

CITY OF PROSPECT HEIGHTS
PALATINE/MILWAUKEE TAX INCREMENT FINANCING FUND
BALANCE SHEET
AS OF ARPIL 30, 2014

Assets		
Cash and investments	$	1,901,846
Receivables (net)		
Property taxes		178,375
Accrued interest		13
Prepaid Items		108
Total assets	$	2,080,342
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities		
Accounts payable	$	2,587
Due to other funds		650
Total liabilities		3,237
Deferred Inflows of Resources		
Property taxes levied for future periods	$	158,310
Total deferred inflows of resources		158,310
Fund Balance		
Nonspendable for prepaid items		108
Restricted for debt service		1,918,687
Total fund balance		1,918,795
Total liabilities, deferred inflows of resources and fund balance	$	2,080,342

See Notes to Financial Statements

CITY OF PROSPECT HEIGHTS
PALATINE/MILWAUKEE TAX INCREMENT FINANCING FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED APRIL 30, 2014

Revenues:	
Property taxes	$ 630,511
Investment income	291
Total revenues	630,802
Expenditures:	
General Government	
Professional services	35,721
Service charges and fees	850
Total General Government	36,571
Debt Service	
Principal	345,000
Interest	99,665
Total Debt Service	444,665
Total expenditures	481,236
Excess of revenues over expenditures	149,566
Other Financing Sources (Uses):	
Transfers out	(131,906)
Total Other Financing Sources (Uses)	(131,906)
Net change in fund balance	17,660
Fund balance, beginning of year	1,901,135
Fund balance, end of year	$ 1,918,795

See Notes to Financial Statemetns

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Palatine/Milwaukee Tax Increment Financing District Fund (the Fund) of the City of Prospect Heights, Illinois (the city), have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the city's accounting policies are described below.

In March 2012, the GASB issued statement No. 65 - *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This standard was implemented effective May 1, 2013.

Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With the measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period. For this purpose, the city considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. The city recognizes property taxes when they become both measurable and available and for the period intended to finance. Expenditures are recorded when the related fund liability is incurred. The revenues susceptible to accrual are property taxes and investment income.

Reporting Entity

The Palatine/Milwaukee Tax Increment Financing District Fund is a fund of the City of Prospect Heights, Illinois. These accompanying financial statements are limited to presenting only the individual fund and do not include any other funds of the city.

The reporting entity consists of the Palatine/Milwaukee Tax Increment Financing District and its component units. Component units are legally separate organizations for which the Palatine/Milwaukee Tax Increment Financing District is financially accountable or other organizations for which the nature and significance of their relationship with the Palatine/Milwaukee Tax Increment Financing District are such that their exclusion would cause the reporting entity's financial statements to be misleading. The city has not identified any organizations that meet this criteria.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Fund Balance

Equity is classified as fund balance in the financial statements and displayed in five components:

Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the city. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the city that originally created the commitment.

Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The city has adopted a financial policy authorizing the city administrator or finance director to assign funds for specific purposes. Any funds set aside as assigned fund balance must be reported to the city council at their next regular meeting. The governing board has the authority to remove or change the assignment of the funds with a simple majority vote. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.

Unassigned - Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

NOTE 2 – CASH AND INVESTMENTS

Permitted Deposits and Investments

Illinois Statutes authorize the city to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

At April 30, 2014, the total cash and investments of the Fund were $1,901,846. The cash and investments were comprised of a money market account ($522,521) and investments in Illinois Funds ($1,379,325).

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investments could be sold.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The city's investment policy seeks to ensure preservation of capital in the city's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. To the extent possible, the city will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the city will not directly invest in securities maturing more than three (3) years from the date of purchase. However, the city may collateralize its repurchase agreements using longer dated investments not to exceed thirty (30) years to maturity. Reserve funds may be invested in securities of three (3) years maturity or less, if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds. The city's policy requires the investment portfolio to be sufficiently liquid to enable the city to meet all operating requirements as they come due. At April 30, 2014 the city's investment in the money market was due on demand.

Custodial Credit Risk – Deposits

With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The city's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution to the extent of 110% of the value of the deposit. Collateral will always be held by an independent third party with whom the city has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the city and retained. At year end, the Fund did not have any deposits that were exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. State Statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The city's investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds. The money market was not rated and Illinois Funds are rated AAAa.

NOTE 3 – RECEIVABLES - TAXES

Property taxes for levy year 2014 attaches as an enforceable lien on January 1, 2014, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). The 2014 tax levy has not been recorded as a receivable as of April 30, 2014, as the tax has not yet been levied by the city, and therefore, the levy is not measurable at April 30, 2014.

Tax bills for levy year 2013 are prepared by the county and issued on or about February 1, 2014 and July 1, 2014, and are payable in two installments, on or about March 1, 2014 and August 1, 2014 or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2013 property tax levy is recognized as a receivable and deferred inflow of resources in fiscal 2014, net of amounts already collected and of an allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues.

NOTE 4 – LONG-TERM DEBT

Tax Increment Financing Bonds

Tax increment financing bonds are payable from incremental taxes derived from a separately created tax increment financing district.

Tax Increment Financing Bonds at April 30, 2014, consists of the following:

Tax Increment Financing Notes	*Date of Issue*	*Final Maturity*	*Interest Rates*	*Original Indebtedness*	*Balance April 30, 2014*
Palatine/Milwaukee TIF Notes	6/1/2004	12/1/2017	3.5% - 4.9%	$ 5,225,000	$ 1,765,000

Annual debt service requirements to maturity are as follows:

	Principal	*Interest*
2015	$ 400,000	$ 84,485
2016	420,000	66,885
2017	445,000	46,305
2018	500,000	24,500
Total	$ 1,765,000	$ 222,175

NOTE 5 – REIMBURSEMENT AGREEMENT

Under an agreement approved by the City Council on April 8, 2013, the city has committed to the reimbursement of developer costs for certain property located within the city's Palatine/Milwaukee Tax Increment Financing Area in the amount of $500,000. As of April 30, 2014, $200,000 of the eligible costs have been repaid with the remaining amounts to be paid in the course of not more than two fiscal years, commencing with the fiscal year in which the addition to the property receives a certificate of occupancy from the city in accord with the city's building codes. As of April 30, 2014, no additional developments were made. The developer has until April 30, 2015 to complete renovations of the property.

ATTACHMENT L

Certified Letter Regarding Compliance with the Act

Attached is a copy of the Independent Accountants' report concerning examination of the City's compliance with specific provisions of the Act for the year ended April 30, 2014

BAKER TILLY

Baker Tilly Virchow Krause, LLP
1301 W 22nd St, Ste 400
Oak Brook, IL 60523-3389
tel 630 990 3131
fax 630 990 0039
bakertilly.com

INDEPENDENT AUDITORS' COMPLIANCE REPORT

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

We have audited the financial statements of the Palatine/Milwaukee Tax Increment Financing Fund, as of and for the year ended April 30, 2014, and have issued our report thereon dated December 9, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance with laws, regulations, and contracts applicable to the City of Prospect Heights is the responsibility of the City of Prospect Heights' management. As part of obtaining reasonable assurance about whether the aforementioned financial statements are free of material misstatements, we performed tests of the City of Prospect Heights' compliance with provisions in Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing", noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance.

This report is intended solely for the information and use of the City Council, management, the State of Illinois, and others within the City and is not intended to be, and should not be, used by anyone other than the specified parties.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
December 9, 2014

Prospect Heights

December 13, 2014

Office of the Illinois State Comptroller
Attention Bill Nambo
Judy Baar Topinkas Office
Local Government Divison
100 W. Randolph St., Suite 15-500
Chicago, IL 60601

Dear Mr. Nambo,

Please be advised that the City of Prospect Heights has appointed Stephanie L. Hannon, Finance Director for the City of Prospect Heights as the new TIF Administrator. Stephanie Hannon may be reached at 847-698-6070 x 201 or e-mail at Shannon@prospect-heights.org.

If you have any questions, please contact me at 847-398-6070.

Sincerely,

Nicholas J. Helmer
Mayor