

**August 16, 2011  
Village of Sugar Grove  
10 S Municipal Drive  
Regular Board Meeting  
6:00 PM**

President Michels opened the meeting at 6:02. As there was a large crowd in attendance President Michels announced that the meeting would be formally opened and then adjourned to the Community Building on Main Street and at the hour of 6:30 pm the Board meeting would reconvene.

The pledge was led by Trustee Renk.

Trustee Geary then moved to adjourn the meeting to the SG Community House and to reconvene at 6:30 pm at the SG Community House. Motion was seconded by Trustee Renk. All member in attendance started AYE in a voice vote, meeting adjourned until 6:30 pm.

**August 16, 2011  
Village of Sugar Grove  
Regular Board Meeting – Continued  
Sugar Grove Community House  
141 Main Street  
6:30 PM**

President Michels opened the reconvened meeting at 6:30 and thanked everyone for their patience and cooperation in moving the venue of the evenings meeting. He then asked that the roll be called\

**Present:** President Michels, Trustee Paluch, Trustee Renk, Trustee Johnson, Trustee Montalto, Trustee Geary and Trustee Bohler.

Quorum Established.

**Also Present:**

Finance Director Justin VanVooren, Police Chief Brad Sauer, Attorney Steve Andersson, Engineer Dave Burroughs, Community Development Director Richard Young, Clerk Cynthia Galbreath, and Director of Public Works Anthony Speciale.

**PUBLIC HEARINGS**

**Public Hearing to Receive Comments Regarding an Annexation Agreement with Batavia Enterprises**

President Michels opened the public to receive comments regarding an annexation agreement with Batavia Enterprises at 6:32.

A member of the audience stated that her neighbors thought the meeting was tomorrow night and would be coming then, she further asked if people should attend both or if tonight's could be held over as there is some confusion. President Michels stated that this evening's hearing would go on as scheduled as they have been properly noticed and that comments would be taken in both venues regarding the annexation / zoning hearings.

Community Development Director Richard Young stated that he understood there was some confusion with the hearings as the Village Board has 4 hearings this evening and the Plan Commission has 3 hearings tomorrow evening and some households received notices on all hearings. He clarified that this evening the TIF and the annexation of property's were being heard and that tomorrow evening the Plan Commission would be holding hearings regarding the zoning on the 3 properties however the Plan Commission would not be holding a hearing on the TIF.

Lars Michalek, 264 Wheeler, stated that private homes near industrial park generally decrease in value and are plagued with noise, air, and light pollution. He further stated that the subdivision built behind him is not what they we're told it would be when it was built. It is totally different and the drawing were all disregarded but the village to9ld them they have \*the village have the right to do anything they want.

Renee Koch, 245 Caledonia stated she moved to Sugar Grove for the country atmosphere and doesn't like the plan. She also stated that she did not feel that Sugar Grove needed any more businesses as there are currently empty buildings available.

Laura of Wheeler road stated she is a long time resident and wants no move intrusions , the current park already has too much light and lots of trucks and anything else will adversely affect her.

Dan Beronian, Finley Road, asked if this and the other properties would be annexed if a TIF was not being proposed and if they are any potential developers of buyers.

President Michels stated yes the properties would eventually be annexed, one already is but has had no development, therefore the TIF. However the TIF would be discussed / heard when that public hearing was opened.

Delores Likeum, 227 Calendonian, asked where the entrances would be. President Michels stated that nothing has been designed or proposed and that it would likely be off of heartland or municipal drive extended, however a public hearing would be needed when a developer did bring a plan forth.

Carol Jolley 216 W. Park, asked if the TIF was a tax break. President Michels again stated that the TIF comments would be heard later.

Mr. Koch 245 Caledonian stated that his home has already lost money and how is the village placing more industrial in town going to help him.

President Michels stated that at this time the public hearing would be closed and at 6:53 pm then called for a roll call vote to close the hearing.

AYE:	Paluch	NAY:	None	ABSENT:	None
	Renk				
	Bohler				
	Geary				
	Johnson				
	Montalto				

Motion Carried.

**Public Hearing to Receive Comments Regarding the Establishment of the Sugar Grove Industrial Tax Increment Financing (TIF) District**

President Michels opened the public to receive comments regarding the establishment of a Sugar Grove Industrial Tax Increment Financing District at 6:55. President Michels stated that he is hoping that after the presentation(s) this evening it will clear up some misunderstandings. He further stated that tonight would not be a question and answer period with the Board. That the Board would receive comments for consideration of whether or not or what to consider within, the establishment of the TIF. Steve Andersson and Mike Hoffman would be giving a presentation prior to the public comment portion be opened for receiving comments.

Steve Andersson, stated that the firm of Mickey, Wilson, Weiler, Renzi and Andersson has been serving the Village for 20+ years. He asked the public present to please listen to the presentations this evening and to not assume that the Board is 100% behind the project. He reminded them that this Board has does listen to public input and take comments into consideration. He stated that this is evident when one thinks back to proposals such as Raging Waves and Menards when the public came before them and stated they were against these developments.

Mr. Andersson stated that the first thing that must be considered when deciding if a TIF is appropriate is can it pass the but for..... test . Would the area develop without a TIF, if it is likely that it would then a TIF would not be appropriate. One of the statements in a mailer that was sent anonymously was that the Village would be using the TIF money or giving it to developers. This is not true, the Village cannot use the money for "general" items, and the money is not given to the developers. The other misconception is that the Village would be borrowing or bonding for 128 million dollars. The Village does not intend to borrow or borrow (with liability) nor has it any intention of building improvements. The 128mil is a figure that is a what if everything in the TIF area was to be built, how much would it cost. While the Village might bond, the developer would be on the hook for the repayment and collateral to secure. The establishment of a TIF is only an economic tool and not an automatic debt fund. The TIF fund is not a tax break to developers, although the fund can be used to assist or repay developers for funding they front for improvements. The TIF fund is like a home equity loan, there if you need it but you don't have to use it. Unlike a home equity loan, the Village is not on the hook, again the developer is.

Carol Jolley, 216 A Park, stated that even though property value are down and people are not able to see a saving in anything, in fact the taxes went up so what is the Village doing about that. Mr. Andersson stated the property taxes for residents and how they can fluctuate are not germane to the TIF district discussion as it would not affect the division proportions or the percentages requested by any taxing body.

Ross Scimeca, 560 Merrill stated that it appeared that all residents were going to have to cover bankrupt developments and the drainage problem in Mallard Point. Mr. Andersson stated that is not correct as the developers are being held responsible and the Village is working to get the fund owed and that Mallard Point is a total different issue and will be done with bonds that the residents of the affected area will be helping in paying off. Mr. Scimeca further asked what if the developers abscond that are responsible for TIF/Bonds. Mr. Andersson answered that IF bonds were to be issued they would be non-recourse bond obligation bonds – not general obligation bonds and that the developer would be the only one responsible. Th bond companys, banks and developers would be left holding the bag.

Susan Clifford, 214 Calendonian, stated that she preferred the country and does not want to have industrial around her and there are already enough empty buildings.

Mary Heims, 160 Caledonain, stated that as nothings is being developed anywhere it seem premature to start a TIF. Mr. Andersson answered it is a guessing game and right now it a good time to enact as qualifications are currently met.

Chris Hollingsworth, 301 Maple, asked if the developer has all the recourse what if the developer goes bankrupt. Mr. Andersson stated that if all else fails the TIF fund will still receive the generated tax and the those funds can be used for need payments or improvements.

Lars Michalek, 264 Wheeler, stated if we spend money we don't have we will end up paying for as money will decline in value. Mr. Andersson stated that the TIF is a economic tool, the Village does not have to borrow, nor do they intend to just because a TIF is in place. A developer would need to come to the Village, present a project, the Village decides if it is one that is appropriate for the Village. The developer would then do the needed work and be paid back by the TIF.

Dan Beronia, Finley Road, ask who manages the TIF fund. Mr. Andersson answered that the Village and the Bank would.

At this time Mike Hoffman, Teska, gave a presentation. Highlights of the presentation are: The Village will not be making any decision this evening. The TIF is still in the development stage and the Board may still decide not to move forward, shorten the time, remove parcels, etc. The TIF is a tool that hopefully can assist in adding jobs and expanding the tax base in the community. The area considered has had no development in the last 20 years – even through the so called good years. The TIF works on freezing the property tax at the level it is when the TIF is enacted. The value added after the freezing then goes in to the TIF fund. An total there are 1428 acres proposed of which approximately ½ are developable lands. The other portions lie in the airport, are reserved from ROW's etc. Another portion of the TIF is the blighted land, which also happens to be a needed item n a TIF, of at least ½ acre, the blighted land here is 12.3 acres. The minimum size for a TIF is 1 ½ acres. The TIF budget is the one submitted as the maximum expenditure that a TIF could be funded for over its' life. The Village intends the TIF to be a pay as you go. In other words, the developer fronts the funds and then is paid back with TIF funds over so many years. While the TIF is slated to be a 23 year TIF it could be dissolved earlier. The Joint Review Board made up of various taxing bodies within the TIF District voted that the TIF are met the statutory requirements. Annual reports on the TIF fund are sent to the state and posted on their website. TIF funds cannot be used to build buildings; they can be used for infrastructure, advertising, façade improvements. The area will have no residential so will not become a burden upon the school district but has the potential to be a high revenue producer in the future.

Bill Greyer, 692 Carriage Hill, asked if any industrial would be landscaped or screened. Mr. Hoffman stated yes, the Village code is quite strict on that point.

Steve Franzen, 251 Carlton Mews, in towns TIF have worked and worked well, when they have a developer there first. The Village may be putting the cart before the horse and should put in restrictions as to how it is to be paid out. Mr. Hoffman stated statutes do refer to restrictions however the Village could possible do that. Mr. Franzen also asked if the time frame could be shortened. Mr. Hoffman stated yes, but it is easier to ask for a longer period and dissolve earlier than to ask for an extension. He further stated that the retailers need a larger daytime population and having industrial in the area would achieve this goal.

Harry Moorehead, 675 Carriage Hill, stated he thought the area was way to large.

Delores Likeum, 227 Caledonian asked about the previous developer that had looked at the 56/Galena area and if a TIF there would have helped bring this downtown area. Mr. Hoffman stated no, there were other reasons this developer walked away.

Sugar Grove Fire District, Chief Kunkel, stated that he had voted no as part of the JRB based on that he felt the qualifications were not met and that the potential operational need of the Fire District could not be met wit the TIF and that the future of the fire department depends on all funds that they can receive. The Sugar

Grove Fire District Board also is against the TIF. They did not feel that the TIF should be enacted at their expense, they have too many current and future needs and if the TIF is enacted the fire district would have to go to referendum to ask for more personnel costing the tax payers more money. He also stated he did not feel the JRB should have met in the afternoon as all taxing bodies could not attend. The district is having their attorney review to check the legality.

Albert Likeum, 227 Caledonian, stated that since the farmers already pay, just leave it that way, don't make them stop. President Michels stated that would continue to pay.

Trustee Montalto asked the Fire Department how many calls in a year are made in the current industrial parks. The information would be good to have for the Board to consider. Chief Kunkel stated it is dependent on the use.

Tim Sury, 1880 Fays Lane, stated that Illinois has the most TIF district of all states. The Board should come up with something else to entice development. What does Sugar Grove have that developers would want. President Michels stated that Sugar Grove has great access and that the Village has worked to bring to development at their own cost, such as municipal drive extension and running water to the school at no cost to the district.

Big Rock Fire District, Dave Madden, stated he totally agreed with all statements made by SG Fire Chief Kunkel.

Big Rock Park District, Ray Warchol, stated that the district is against the TIF it hurts all for 23 years, there are no benefits and the district needs all available funds to run programs. It appears that the only reason the Big Rock land is in is to connect to the blighted area and that in the end only SG entities will ever gain. Most of Big Rock is in a zero EAV zone. He further stated that Sugar Grove should fund its own growth; this is bad for Big Rock.

Big Rock Township, Sandy Carr, stated that she used to think TIF were good however she has changed her mind. She further stated she did receive a plan as required, and that the meetings were held at an inconvenient time, this TIF is bad for Big Rock as most areas are in a zero EAV zone in Big Rock, the assessments are low and they need all funds they can get. She further stated that only Sugar Grove entities stand to gain anything and that she was not sure if Mr. Michels stood to benefit and if this was legal. President Michels questioned how, which property, however, Ms. Carr stated she did not know, she had just been told.

Hinckley Big Rock School District, James Hannack, stated that his was a small district that needs all available funds and that a TIF would adversely affect them, he understands the needs of Sugar Grove to make improvements however the district cannot afford persona and programs now and with the current tax caps already imposed his Board cannot support this TIF.

Kaneland School District, Jeff Schuler, stated he appreciated what the Fire District offered and their concerns are the same as the school districts. Kaneland serves 9 municipalities and cannot support one over the other and while the district is not opposed to economic growth, as long as it does not have any impact on the district. The Board of Education does not support.

Sugar Grove Community House, Stan Schumacher, stated that although his entity had been included early on they were told they could not speak or vote on the TIF during the JRB vote. He stated 23 years is too long, it is not beneficial to small entrepreneurs, and that the Community House opposed.

SG Water Authority, Jerry Elliot stated they too had no vote, did not believe it is legal, the area should include any airport property as the no fly zone does not belong as nothing could ever be built there. It also would be

subject to union oversight do to prevailing wage act and he has sent a letter to the board asking to be a registered party and other questions for which he expects a response

Delores Likeum, 227 Caledonian, asked why no homes are slated for the area, it appears to be isolating the subdivision of Windsor West. President Michels stated that the area has long been shown as industrial on the Land Plan.

Sugar Grove Township, Dan Nagel, stated that the township is backing the Fire District, and also feels the rules were not followed. Their EAV's are already down 5% and the need to hang on to what they have. The Township Board does not support.

Howard Moorehead, 675 Carriage Hill, asked if the Fire District was impacted would it impact his house insurance costs. He further stated don't be anxious let the development come.

Marilyn Brusherd, 134 A Park, stated that there is too much area for industrial, the Village needs more retail and residential. She also asked what would happen if the TIF Funds were not to be used. It was answered that it would be disbursed back to the taxing bodies.

Erica, 45 W 528 Wheeler stated she doesn't want industry, doesn't want to be Naperville, wants to stay county and buildings in the area would take away the view she has.

Teresa Witt, 950 Price stated that TIF's can be beneficial, however she felt that this TIF area is too large and that because of the state of the economy 23 years it too long. Tax payers need some immediate relief.

Robert Pauls, 236 Cross, stated that nobody will be building in the next few years, and with or without a TIF the taxpayers are still the losers.

Steve Franzen, 251 Carlton Mews, asked who decides where the funds get spent. It was answered the Village Board. Mr. Franzen stated that boards come and go and while the current one appears to be fiscally responsible, you never know.

Joseph Battorson, 774 Carriage Hill, stated that he knows the Village is looking at the TIF as an economic development tool and that it is a great idea, but is at a bad time.

Jerry Murphy, Mental Health Services, stated that he understands the need for funds, however now is not the right time; all taxing bodies need every available dollar at this time.

President Michels then called for a motion to continue the hearing to September 6, 2011 at 6:00pm. Motion was made and seconded and all in attendance voted Aye in a voice vote.

**Public Hearing to Receive Comments Regarding an Annexation Agreement with Weidner**

President Michels opened the public to receive comments regarding an annexation agreement for the Wiedner Property. Hearing no comments President Michels then closed public hearing and called for a roll call vote.

AYE:	Paluch	NAY:	None	ABSENT:	None
	Renk				
	Bohler				
	Geary				

	Johnson				
	Montalto				

Motion Carried.

**Public Hearing to Receive Comments Regarding the Annexation Agreement Amendment for Hi-Point Center**

President Michels opened the public to receive comments regarding an annexation agreement for the Patterman (Hi-Point) Property. Hearing no comments President Michels then closed public hearing and called for a roll call vote

AYE:	Paluch	NAY:	None	ABSENT:	None
	Renk				
	Bohler				
	Geary				
	Johnson				
	Montalto				

Motion Carried.

**APPOINTMENTS AND PRESENTATIONS**

Trustee Geary **moved to ratify President Michels appointment of Mr. James Morton to the Sugar Grove Police Pension Board** Trustee Johnson seconded the motion. President Michels then called for a roll call vote.

AYE:	Paluch	NAY:	None	ABSENT:	None
	Renk				
	Bohler				
	Geary				
	Johnson				
	Montalto				

Motion Carried.

**PUBLIC COMMENTS ON ITEMS SCHEDULED FOR ACTION**

President Michels called for any public comments on items scheduled for action (as read by President Michels) and hearing none, closed this portion of the agenda.

**CONSENT AGENDA**

- a. Approval: Minutes of the August 02, 2011 Meeting
- b. Approval: Vouchers
- c. Resolution: Authorizing Participation in the Federal Surplus Property Program

Trustee Johnson moved **to approve the consent agenda as presented**. Trustee Paluch seconded the motion. President Michels then called for a roll call vote.

AYE:	Paluch	NAY:	None	ABSENT:	None
	Renk				

	Bohler				
	Geary				
	Johnson				
	Montalto				

Motion Carried.

**GENERAL BUSINESS**

**Resolution: Authorizing 2011 MFT Pavement Maintenance Program Contract**

Trustee Johnson moved to Adopt a Resolution Authorizing 2011 MFT Pavement Maintenance Program Contract. Trustee Geary seconded the motion. The Board discussed the variance and found everything to be in order and acceptable. Hearing no further discussion President Michels then called for a roll call vote.

AYE:	Bohler	NAY:	None	ABSENT:	None
	Renk				
	Paluch				
	Johnson				
	Geary				
	Montalto				

Motion Carried.

**Discussion of Sugar Grove Drainage District 1 (SGDD1)**

Mr. Scott Jessman, Sugar Grove Drainage District 1 Commissioner, gave an overview of the history of SGDD1. The district recently had a review of the watershed and determined that 5,100 acres use the district land and that only 3,300 are actually annexed. It has also been determined that there are repairs and upgrades that need to be completed.

President Michels asked if detention ponds, such as the large one in Prairie Glen help the district at all. It was answer some however detention ponds release slow but they still release and the water flows to SGDD1.

The district knows that repairs are needed and when the work is started it will begin in the southern portion of the district where the outflow is. The district will take small steps as it is a large financial undertaking. When areas are assessed for the work it will be benefit based appropriated assessment. The district has been talking to the airport as they are one of the larger SGDD1 users that will receive a large benefit from repairs and upgrades to the district. The district does have a hearing date set for the annexation and a judge will also be the one to set the rates per home and per acre.

**NEW BUSINESS**

None

**REPORTS**

The Board expressed how pleased they were with the grand opening of McDonalds and that although it has been a long time coming, it is worth the wait.

**PUBLIC COMMENTS**

None.

**Adjournment**

As there was no further business meeting adjourned at 10:15 pm.