
**VILLAGE OF SUGAR GROVE
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: MATT ANASTASIA, FINANCE DIRECTOR
SUBJECT: RESOLUTION: AUTHORIZING AN AGREEMENT WITH MORAN ECONOMIC DEVELOPMENT FOR TAX INCREMENT FINANCING SERVICES
AGENDA: APRIL 17, 2018 REGULAR BOARD MEETING
DATE: APRIL 13, 2018

ISSUE

Shall the Board approve a resolution for an agreement for Tax Increment Financing Pre-Eligibility Service for the Village of Sugar Grove with Moran Economic Development.

DISCUSSION

The Village is working with owners of Crown property to potentially develop a TIF for the area around the IL-47 and I-88 interchange. The Village requested proposals from 5 different consultants to complete a pre-eligibility study to determine if the proposed TIF area would be eligible to create a TIF. We received 3 proposals from the request, where Kane McKenna and Associates and Jacobs Klein declined to submit a proposal. The three proposals received were from the following:

- Economic Development Resources
- Teska Associates, Inc.
- Moran Economic Development

Each proposal was slightly different in scope, but mainly all proposed on different types of deliverables. Staff reviewed each proposal and company carefully to determine the best fit for this project. It was determined that Moran Economic Development was the best suited consultant for this project, as they have extensive experience outside of just TIF, but as well as developer negotiations and all economic development tools available. Keith Moran, the owner of the company, was also once on the Illinois Tax Increment Association Board of Directors, so has extensive knowledge into TIF within Illinois. Each deliverable within the proposal is paid separately, as to if no TIF is eligible the Village is not liable for the remaining phases of the proposal.

COST

Approval will result in a maximum cost of \$35,000 for the entire project from the eligibility study to the creation of the TIF as well as the redevelopment agreement with the Developer. This developer, Crown, will be funding the project so the Village will not be responsible for any costs.

RECOMMENDATION

That the Village Board adopt Resolution No. 20180417D, approving an agreement with Moran Economic Development to provide Tax Increment Financing services for the Village of Sugar Grove.



**VILLAGE OF SUGAR GROVE
KANE COUNTY, ILLINOIS**

Resolution No. 20180417D

**A Resolution Approving an Agreement with Moran Economic Development
For Tax Increment Financing Services
Village of Sugar Grove,
Kane County, Illinois**

Adopted by the
Board of Trustees and President
of the Village of Sugar Grove
this 13th day of April, 2018.

Published in Pamphlet Form
by authority of the Board of Trustees
of the Village of Sugar Grove, Kane County,
Illinois, this 13th day of April, 2018.

RESOLUTION 20180417D
A RESOLUTION APPROVING AN AGREEMENT WITH MORAN ECONMIC
DEVELOPMENT FOR VILLAGE OF SUGAR GROVE, KANE COUNTY,
ILLINOIS

BE IT RESOLVED, by the Board of Trustees of the Village of Sugar Grove, Kane County, Illinois as follows:

WHEREAS, a contract resolution agreement with Moran Economic Development for Tax Increment Financing Services; and

WHEREAS, the Village of Sugar Grove Board has determined that it is in the best interests of the Village to enter into this agreement.

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Sugar Grove, as follows:

1. That Village President P. Sean Michels or his designee is hereby authorized to sign all agreement forms and documents.

PASSED AND APPROVED by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, on this 13th day of April, 2018.

REPEALER: All resolutions or portions thereof in conflict with this resolution are hereby repealed.

SEVERABILITY: Should any provision of this resolution be declared invalid by a court of competent jurisdiction, the remaining provisions will remain in full force and effect the same as if the invalid provision had not been a part of this resolution.

EFFECTIVE DATE: This resolution shall be in full force and effect on and after its approval and passage.

PASSED AND APPROVED by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois this 6th day of February, 2018.

P. Sean Michels
President of the Board of Trustees
of the Village of Sugar Grove, Kane County, Illinois

ATTEST: _____
Cynthia L. Galbreath
Clerk, Village of Sugar Grove

	Aye	Nay	Absent	Abstain
Trustee Heidi Lendi	___	___	___	___
Trustee Mari Johnson	___	___	___	___
Trustee Sean Herron	___	___	___	___
Trustee Ted Koch	___	___	___	___
Trustee Rick Montalto	___	___	___	___
Trustee David Paluch	___	___	___	___
Village President P. Sean Michels	___	___	___	___

**Agreement for Professional Services
Village of Sugar Grove, Illinois
Establishment of Tax Increment Financing Area**

This Agreement, entered into this _____ day of _____, 2018 by and between the Village of Sugar Grove, Illinois, hereinafter referred to as the "Village" and Moran Economic Development, hereinafter referred to as the "Consultant".

Whereas, the Village has a need for assistance in the review and analysis of an area in the Village as this review and analysis pertains to the use of tax increment financing (TIF); and,

Whereas, the Consultant is duly experienced in providing such assistance,

Now, Therefore, the Village and the Consultant, for the considerations and under the conditions hereinafter set forth, do mutually agree as follows:

Scope of Services:

The following Scope of Services applies to portions of the Village of Sugar Grove proposed for the amendment of a Tax Increment Financing Area.

DELIVERABLE 1

ELIGIBILITY/FEASIBILITY ANALYSIS

The Analysis of the Potential Areas will determine whether or not the Areas the Village is proposing for inclusion in the TIF Area will qualify for tax increment financing. Additionally, this analysis will catalog base qualifying factors (blighting factors) and help the Village determine what parcels should be included in a potential Tax Increment Financing boundary.

A. Determination of the Analysis Areas

The Village and the Consultant will work together to determine what general Areas the Village wishes to have reviewed for the purposes of determining their ability to be included in the potential TIF Area.

Determination of Eligibility

1. The Consultant will complete the field work necessary in order to make a determination as to whether or not the proposed properties are eligible for tax increment financing. In addition, the Consultant will review other County and Village plans and documents when necessary.
2. The Consultant will use the definitions and guidelines as provided in the Illinois Tax Increment Allocation Redevelopment Act (as amended) in making its determination as to the eligibility of the proposed Area.
3. The consultant will collect the most recent equalized assessed valuation (EAV) of each parcel in the proposed area from the County Assessor's office, including the names and addresses of property owners. The consultant will also obtain the historical EAV for each parcel as needed.

4. The Village will make available to the Consultant its legal counsel, engineer, Village staff, and other professionals associated with the Village's work (including mapping, municipal legislation, etc.) for the purposes of completing the Eligibility Study.
5. The consultant will utilize its own GIS staff to conduct all land use and boundary maps. This will not be outsourced.

B. Presentation to the Village Board

1. The Consultant will present its findings to the Village Board. This presentation will include an explanation as to whether or not, in the opinion of the Consultant, the proposed areas could be included within a single boundary for tax increment financing. The analysis will also present the eligibility analysis, which will document any blighting factors that may exist within the proposed Area.
2. The Village Board will then determine whether to authorize the Consultant to proceed with the Feasibility Study of the potential TIF Area. If the Board decides to proceed, then, at the discretion of the Board, it will authorize the Consultant to begin the Eligibility Study and execution of new contract.

DELIVERABLE 2

DEVELOPER NEGOTIATIONS

The Consultant will provide advice and consultation to the Village regarding the potential use of Tax Increment Financing (TIF) incentives for a project and also determine all eligible costs under the TIF Act;

1. The Consultant will provide analysis of TIF Redevelopment Projects, including revenue projections and economic impact analysis;
2. The Consultant will assist in negotiating terms of potential TIF Agreements;
3. The Consultant will provide recommendations for any potential TIF Agreements;
4. The Consultant will assist in facilitating discussions between the Village and affected taxing districts;

DELIVERABLE 3

TIF REDEVELOPMENT PLAN

TIF Process

The Consultant will prepare TIF Redevelopment Plan and Project.

A. Creation of the TIF Plan

The TIF Plan will include the following items:

1. Description of tax increment financing as referenced by the Illinois Revised Statutes;

2. Documentation necessary to demonstrate that real property to be included in the TIF Plan meets the qualifying factors to be eligible for tax increment financing;
3. Objectives of the TIF Plan;
4. Land use for the properties to be included in the TIF Plan;
5. Description of projects and activities proposed within the properties to be included in the TIF Plan, both public and private;
6. Implementation strategy;
7. Estimated costs of the projects and activities proposed;
8. Estimated TIF budget;
9. Current and projected equalized assessed values for the properties to be included in the TIF Plan;
10. Assessment of the impact of the proposed TIF Plan on applicable taxing districts;
11. Boundary Map;
12. General Land Use Plan for the Area;
13. Eligibility Table showing the applicable factors present in the Area;
14. Other items necessary to complete the TIF Plan pursuant to the Revised Statutes of the State of Illinois.

B. Presentation of the TIF Plan

The consultant will present the TIF Plan to the Village Board for its review and comment. The Consultant will integrate the Village Board's comments, if applicable, into the final TIF document.

C. TIF Process Notifications and Assistance

The Consultant will provide guidance to the Village on matters of notification and distribution in accordance with the TIF Act. This includes providing the Village with draft documents of the interested parties registry, notification to taxing districts and property owners, newspaper publications and draft ordinances:

Assistance will come in the following;

1. Interested parties registry;
2. Preparation of a Request for Proposals;
3. Distribution of the TIF Plan;

4. Sending notices to affected taxing districts and affected property owners;
5. Publication of notice in a paper of local circulation;
6. Drafting of ordinances to approve the TIF Plan, TIF Process, and TIF Area.

D. Meetings

The Consultant will conduct the following meetings:

1. Joint Review Board
Moran Economic Development will attend and conduct the meetings of the Joint Review Board.
2. Public Hearing
Moran Economic Development will attend and conduct the Public Hearing.
3. Other Meetings
Moran Economic Development will attend and conduct other meetings as necessary and as directed by the Village.

Information Provided by Village for all Deliverables

1. Preparation of Legal Description of Redevelopment Area (If Applicable)
2. As part of Deliverable 3, Moran Economic Development will provide the names and addresses of affected property owners within the project area as well as those residential addresses that lie within 750 feet of the project area boundary. We will also provide taxing district information. The Village will make the required notifications, mailings, and distributions to those parties. The consultant will provide guidance and suggested forms for use by the Village. These notifications are to take place under an agreed upon schedule for execution of the TIF Plan.

Timing

Moran Economic Development, with cooperation from the Village will coordinate an exact schedule for purposes of completing the Plan. The anticipated timeframe for completion of the Project would be four to seven months from the start of the Project.

COMPENSATION

DELIVERABLE 1:

ELIGIBILITY ANALYSIS

The total proposed fee for the above outlined Eligibility Analysis will be \$12,000, plus actual reimbursable expenses not to exceed \$1,000.

Upon signing of Agreement for Technical Services \$3,000

Upon presentation of Pre-Eligibility Study to the City Council..... \$9,000

DELIVERABLE 2

DEVELOPER NEGOTIATIONS

The Consultant shall be compensated in accordance with the following schedule of standard hourly rates under this agreement; such rates are exclusive of reimbursable expenses:

Principal \$95.00/hr

Not to exceed forty (40) total hours or a maximum of \$3,800.

DELIVERABLE 3

TIF REDEVELOPMENT PLAN AND PROJECT

The total proposed fee for the above outlined TIF Redevelopment Plan and Project will be **\$18,000**, plus actual reimbursable expenses not to exceed \$1,000.

Upon presentation of the TIF Plan to the City Council \$15,000

Upon the completion of the Public Hearing \$3,000

Reimbursable expenses shall consist of actual costs incurred by Moran Economic Development for printing, travel, photographic work, production, delivery charges, and any other similar expenses required to provide the above Scope of Services. Such expenses shall be billed to the Village at their direct and actual cost to Moran Economic Development. Paid receipts will be tendered to the Village by the Consultant with each expense payment request

Payment of current charges and reimbursable expenses shall be made to the Consultant within 30 days of the receipt of the invoice concerning these items. Unpaid invoices shall accrue interest of 1.5% per month until paid.

Termination of Agreement

If for whatever reason the Village determines that the work should be terminated, the Village will inform Consultant in writing that it wishes to terminate this agreement. The date of termination shall occur upon receipt of the written notice of termination by Consultant pursuant to Section 13 of this agreement.

The Village will pay Consultant an amount representing the work performed to the date of termination, plus any expenses Consultant incurred to that date.

1. Confidentiality; FOIA Requests. “Confidential Information” means any information which Consultant has designated as confidential in writing or ought to be considered confidential (however it is conveyed or on whatever media it is stored) including information that relates to a party’s trade secrets, commercial information, proprietary information, and, private personal information, In the event the Village, or an authorized representative thereof, receives a FOIA request for documents containing Confidential Information, Village shall notify Consultant of the request. Upon receipt of such notice by email or facsimile, Consultant shall notify Village within two business days whether, and if so why, it believes the requested documents are exempt from disclosure under the applicable FOIA law, or if any portion of the requested documents is

exempt from disclosure (and therefore should be redacted) under the Illinois Freedom of Information Act or other applicable rules, laws or regulations.

2. **Not Legal Advice.** Village understands that any information or deliverables Consultant provides to Village in connection with this agreement or the services provided hereunder is not, and should not be relied upon as, legal advice.

3. **Delay.** Consultant shall not be responsible for failure to perform or for delays in the performance of services which arise out of causes beyond the control and/or without the fault or negligence of Consultant.

4. **Relationship.** Consultant will act under this agreement as an independent contractor, and nothing contained herein will constitute either party as the employer, employee, or representative of the other party, or both parties as joint venturers or partners for any purpose.

5. **Enforceability.** The invalidity or unenforceability of any provision of this agreement does not affect the validity or enforceability of any other provisions of this agreement, which will remain in full force and effect.

6. **Amendments.** This agreement may not be amended or modified except in writing signed by the parties hereto.

7. **Governing Law.** The laws of the state of Illinois, without regard to conflicts of law principles thereof, govern all matters arising under this agreement.

8. **Notices.** All notices pursuant to this agreement must be in writing and delivered by hand, sent via telecopy or overnight delivery or by certified or registered mail to each party's address provided in this agreement.

9. **Entire Understanding.** This agreement sets forth the entire agreement and understanding between Consultant and Village with respect to the subject matter hereof.

10. **Execution.** The signature of either party hereto that is transmitted to the other party or other party's authorized representative electronically (e.g. facsimile, e-mail, etc.) will be deemed for all purposes to be an original signature. This agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed this _____ day of _____, 2018.

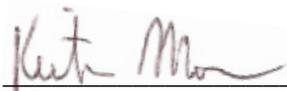
ATTEST:

Village of Sugar Grove

President

ATTEST:

Moran Economic Development



Keith Moran
President