

FILIPPINI LAW FIRM

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Victor P. Filippini, Jr.
312.300.6549
victor.filippini@filippinilawfirm.com

27 February 2020

Via Certified Mail

See Attached Distribution List

Re: Village of Long Grove Joint Review Board Meeting
Downtown/IL Rt. 83 Tax Increment Finance District (FY19)

Dear Joint Review Board Member:

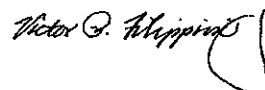
As you know, the Joint Review Board has convened on multiple occasions regarding the Redevelopment Plan and Project for the Village of Long Grove Downtown/ IL Rt. 83 Tax Increment Finance (TIF) District. This notice is to inform you that a meeting of the Joint Review Board has been scheduled for Friday, 13 March 2020 at 7:00 a.m., pursuant to the applicable provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.* The 13 March 2020 meeting will take place at the Long Grove Village Hall, 3110 Old McHenry Road, Long Grove, Illinois 60047.

Enclosed please find a copy of the following materials relating to the 13 March 2020 Joint Review Board Annual Meeting:

- Joint Review Board Annual Meeting Agenda
- Draft Minutes from 4/17/2019 Joint Review Board Annual Meeting
- Village of Long Grove FY2019 TIF Report
- Distribution List

If you have any questions or concerns, please do not hesitate to contact me at (312) 300-6549.

Sincerely,



Victor P. Filippini, Jr.

Enclosures

Cc: David Lothspeich, Village Manager

JOINT REVIEW BOARD MEETING

**DOWNTOWN/IL RT. 83 TIF
VILLAGE OF LONG GROVE
(FY 2019 Review)**

**Village Hall, Long Grove, Illinois
3110 Old McHenry Road
Long Grove IL 60047**

Meeting Notice and Agenda

March 13, 2020 - 7:00 a.m.

1. Call to Order
2. Introduction of Representatives of Taxing Districts and Public Member
3. Selection of Chairperson
4. Review Status of TIF (FY 2019 Annual Report)
5. Review Effectiveness of TIF
6. Approval of Minutes for April 17, 2019 Joint Review Board meeting for FY2016, FY2017, and FY2018
7. Public Comment
8. Other Business
9. Adjournment

**Minutes of the
JOINT REVIEW BOARD MEETING
DOWNTOWN/IL RT. 83 TIF
VILLAGE OF LONG GROVE
(FY 2016-2018 Review)**

Village Hall, Long Grove, Illinois
3110 Old McHenry Road
Long Grove IL 60047

April 17, 2019

1. Call to Order.

Village of Long Grove representative Trustee Anne Kritzmire called the meeting to order at 7:03 a.m. by leading those assembled in the pledge of allegiance.

2. Introduction of Representatives of Taxing Districts and Public Member

The following members of the Joint Review Board (“JRB”) were in attendance:

- Village of Long Grove: Trustee Anne Kritzmire
- Public Member: Rick Terrett
- Lake County College District: Ken Gotsch

Other persons in attendance were: Village President for the Village of Long Grove Bill Jacob, Village Manager for the Village of Long Grove David Lothspeich, and counsel for the Village of Long Grove Victor Filippini.

3. Selection of Chairperson. Member Terrett moved, seconded by Member Kritzmire, to appoint Member Kritzmire as Chairperson. On a voice vote, all ayes. Member Kritzmire thereafter oversaw the meeting as Chair.

4-6. Review Status of TIF (FY 2016-2018)

Chairperson Kritzmire requested Long Grove Village Counsel Filippini to review the status of the TIF District. Mr. Filippini reviewed the revenue stream from the TIF, status of TIF ongoing projects, public and private investments in TIF projects, financing of TIF projects, performance of bonds secured by TIF revenues, and the Village’s own investment in the TIF. Mr. Filippini noted the trends among FY2016, FY2017, and FY2018. He also noted that this particular session of the Joint Review Board was to address three distinct fiscal years, noting that scheduling difficulties inhibited earlier sessions for FY2016 and FY2017.

Chairperson Kritzmire reviewed the overall improvements undertaken and/or completed in connection with the TIF District, including Sunset Grove, the Archer parking lot, the creation of the new Archer lots in the Historic Downtown District, the Archer Road connection, and the establishment and extension of the Village’s water system.

In addition, Chairperson Kritzmire noted that the Village had recently created an Economic development Commission to help spur additional development within and outside the TIF District.

Mr. Filippini noted the status of the bonds supported by the TIF District. He also identified sites within the TIF District that are now primed for development, including without limitation the "South 15 acres" along Route 83, the Archer lots, a portion of the Executive House site, and the so-called Triangle area along Old McHenry Road south of the downtown.

Member Gotsch noted that the College has a job-training focus that could be coordinated with the economic development activities that may be stimulated by the TIF District.

7. **Review Effectiveness of TIF**

The members of the JRB and the public had no further comments regarding the effectiveness of the TIF District. Member Gotsch did discuss some of the College's activities and how they might be incorporated into activities within the Village of Long Grove, including non-TIF District sites such as the former CF Industries property.

8. **Approval of Minutes for November 3, 2016 Joint Review Board meeting for FY2015.** Member Gotsch moved, seconded by Member Terrett, to approve the minutes of the November 3, 2016 Joint Review Board Meeting for FY 2015. On a voice vote, all ayes.

9. **Public Comment:** Village President Jacob thanked the JRB members. There were no additional public comments.

10. **Other Business:** None.

11. **Adjournment:** At 7:15 a.m., Member Terrett moved, seconded by Member Gotsch, to adjourn the meeting. On a voice vote, the motion passed and the meeting adjourned.

**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]
FY 2019**

Name of Redevelopment Project Area (below):
Long Grove Downtown/Rte. 83 TIF District

Primary Use of Redevelopment Project Area*: Combination/Mixed

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

**Business District/
If "Combination/Mixed" List Component Types: Retail**

Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):
 Tax Increment Allocation Redevelopment Act
 Industrial Jobs Recovery Law

Please utilize the information below to properly label the Attachments.

	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
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [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 <u>submitted to</u> the municipality <u>by</u> 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 the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached and (labeled Attachment J).	X	
An 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 attachment I is yes, then Analysis MUST be attached and (labeled Attachment J).	X	
Has a cumulative of \$100,000 of TIF revenue been deposited 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, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L).		X
A list of all intergovernmental agreements in effect 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 the list only, not actual agreements (labeled Attachment M).	X	

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

FY 2019

Long Grove Downtown/Rte. 83 TIF District

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ (7,249,067)

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 358,099	\$ 2,089,777	13%
State Sales Tax Increment	\$ 162,084	\$ 1,653,242	10%
Local Sales Tax Increment	\$ 88,579	\$ 487,148	3%
State Utility Tax Increment	\$ -	\$ -	0%
Local Utility Tax Increment	\$ -	\$ -	0%
Interest	\$ 14,567	\$ 34,690	0%
Land/Building Sale Proceeds	\$ -	\$ -	0%
Bond Proceeds	\$ -	\$ 10,356,903	66%
Transfers from Municipal Sources	\$ 35,810	\$ 737,011	5%
Private Sources	\$ -	\$ -	0%
Other (Identify source Public Charges for Services; if multiple other sources, attach schedule)	\$ 77,000	\$ 409,000	3%

All Amount Deposited in Special Tax Allocation Fund \$ 736,139

Cumulative Total Revenues/Cash Receipts \$ 15,767,771 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 1,857,957

Transfers to Municipal Sources \$ -

Distribution of Surplus

Total Expenditures/Disbursements \$ 1,857,957

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ (1,121,818)

Previous Year Adjustment (Explain Below) \$ -

FUND BALANCE, END OF REPORTING PERIOD* \$ (8,370,885)

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

Previous Year Explanation:

There were typographical errors relating to Project 3 (\$1) and Section 5 (\$80) that had been carried over for several years; these have been corrected. Project 13 in Section 5 inadvertently double-counted certain amounts attributable to Project 12 in the FY18 Report; this has been corrected. A long-term calculation error relating to Project 10 in Section 5 has been identified and corrected.

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

FY 2019

TIF NAME:

Long Grove Downtown/Rte. 83 TIF District

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment project costs)

PAGE 1

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. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
Streetscapes & Design Expense (Robert Parker Coffin Road)	109,050	
		\$ 109,050
2. Annual administrative cost.		
		\$ -
3. Cost of marketing sites.		
		\$ -
4. Property assembly cost and site preparation costs.		
		\$ -
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
Streetscape	544	
Old McHenry Road Street Lights Improvement	312,764	
Robert Parker Coffin Bridge	113,178	
Water System Analysis/Improvement	9,363	
Conservation & Development (Various)	138,172	
		\$ 574,021
6. Costs of the construction of public works or improvements.		
Water System Improvements (Seasons School)	158,978	
IL 83/Downtown Water System	202,250	
Downtown Water Extension	11,128	
		\$ 370,356

SECTION 3.2 A

PAGE 3

13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
		\$ -
17. Cost of day care services.		
		\$ -
18. Other.		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 1,857,957

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

FY 2019

TIF NAME:

Long Grove Downtown/Rte. 83 TIF District

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

X

Check here if 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 - 20 ILCS 620/4.7 (7)(F)

PAGE 1

FY 2019

TIF Name:

Long Grove Downtown/Rte. 83 TIF District

Page 1 is to be included with TIF report. Pages 2 and 3 are to be included ONLY if projects are listed.Select ONE of the following by indicating an 'X':

1. <u>NO</u> projects were undertaken by the Municipality Within the Redevelopment Project Area.	
--------------------------------------------------------------------------------------------------	--

2. The Municipality <u>DID</u> undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	X
-----------------------------------------------------------------------------------------------------------------------------------	---

2a. The total number of <u>ALL</u> activities undertaken in furtherance of the objectives of the redevelopment plan:	14
----------------------------------------------------------------------------------------------------------------------	----

LIST ALL projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 34,960,000	\$ 9,535,200	\$ 44,495,200
Public Investment Undertaken	\$ 11,461,718	\$ 5,716,679	\$ 17,178,397
Ratio of Private/Public Investment	3 1/20		2 36/61

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

Project 1*: Sunset Grove Capital Improvements

Private Investment Undertaken (See Instructions)	\$ 30,000,000	\$ 500,000	\$ 30,500,000
Public Investment Undertaken	\$ 3,042,780		\$ 3,042,780
Ratio of Private/Public Investment	9 55/64		10 1/42

Project 2*: Covered Bridge Repair

Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ 523,934	\$ 661,822	\$ 1,185,756
Ratio of Private/Public Investment	0		0

Project 3*: Old McHenry Road Modern Roundabout

Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ 93,120		\$ 93,120
Ratio of Private/Public Investment	0		0

Project 4*: Streetscapes

Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ 174,076	\$ 1,140,958	\$ 1,315,034
Ratio of Private/Public Investment	0		0

Project 5*: IL Rte. 83 Public Water System

Private Investment Undertaken (See Instructions)	\$ 3,000,000	\$ -	\$ 3,000,000
Public Investment Undertaken	\$ 1,357,397	\$ -	\$ 1,357,397
Ratio of Private/Public Investment	2 4/19		2 4/19

Project 6*: Robert Parker Coffin Road Paving

Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ 231,794	\$ 1,000,000	\$ 1,231,794
Ratio of Private/Public Investment	0		0

Project 7*: Downtown Wayfinding Signs

Private Investment Undertaken (See Instructions)		\$ 50,000	\$ 50,000
Public Investment Undertaken	\$ 9,351	\$ -	\$ 9,351
Ratio of Private/Public Investment	0		5 17/49

Project 8*: Stempel Parking Lot

Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ 12,000	\$ 988,000	\$ 1,000,000
Ratio of Private/Public Investment	0		0

Project 9*: Burial of ComEd Lines

Private Investment Undertaken (See Instructions)	\$ 85,000	\$ -	\$ 85,000
Public Investment Undertaken	\$ 15,000	\$ -	\$ 15,000
Ratio of Private/Public Investment	5 2/3		5 2/3

Project 10*: Archer Parking Lot

Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ 3,330,278	\$ -	\$ 3,330,278
Ratio of Private/Public Investment	0		0

Project 11*: Archer Lot Site Development

Private Investment Undertaken (See Instructions)	\$ -	\$ 6,500,000	\$ 6,500,000
Public Investment Undertaken	\$ 501,341	\$ -	\$ 501,341
Ratio of Private/Public Investment	0		12 28/29

Project 12*: Water System Extension (Archer Road)

Private Investment Undertaken (See Instructions)	\$ 1,625,000	\$ -	\$ 1,625,000
Public Investment Undertaken	\$ 1,155,345	\$ -	\$ 1,155,345
Ratio of Private/Public Investment	1 37/91		1 37/91

Project 13*: Additional Downtown Water Extension

Private Investment Undertaken (See Instructions)	\$ 250,000	\$ 2,485,200	\$ 2,735,200
Public Investment Undertaken	\$ 701,986	\$ 1,639,215	\$ 2,341,201
Ratio of Private/Public Investment	26/73		1 1/6

Project 14*: Old McHenry Road Lighting etc.

Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ 313,316	\$ 286,684	\$ 600,000
Ratio of Private/Public Investment	0		0

Project 15*:

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 the complete TIF report

SECTION 6
FY 2019

TIF NAME: Long Grove Downtown/Rte. 83 TIF District

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
2008	\$ 9,843,643	\$ 14,175,921

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

_____ Check if 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
CEO CERTIFICATION



December 27, 2019

RE: Village of Long Grove Certificate of Compliance
Village of Long Grove Downtown/Il. Rt. 83 Tax Increment Finance District
For Fiscal Year Ending April 30, 2019

I, Bill Jacob, the duly elected chief executive officer of the Village of Long Grove, County of Lake, State of Illinois, do hereby certify that to the best of my knowledge, the Village of Long Grove has substantially complied with all requirements pertaining to the Illinois Tax Increment Allocation Redevelopment Act during the municipal fiscal year that ended on April 30, 2019, except as noted in Attachment H of the Village's annual report.

Sincerely,

Bill Jacob
President
Village of Long Grove

ATTACHMENT C
LEGAL COUNSEL CERTIFICATION

FILIPPINI

LAW FIRM

Tel 312.300.6554
Fax 312.324.0668

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Suite 220
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Victor.Filippini@filippinilawfirm.com

27 December 2019

Village President Jacob and the Board of Trustees
Village of Long Grove
3110 RFD
Long Grove, Illinois 60047

Re: The Village of Long Grove
Village of Long Grove Downtown/Il. Rt. 83 Tax Increment Finance District
Annual Report for Fiscal Year Ending April 30, 2019

Dear President Jacob and Trustees:

This letter confirms that, as the Village Attorney for the Village of Long Grove, Illinois, I have reviewed all information provided to me by the Village administration, staff and consultants regarding the Village's Annual Tax Increment Finance Report for the fiscal year ending 30 April 2019. Based on such information, and to the best of my knowledge and belief, it is my opinion that the Village of Long Grove has substantially conformed to all applicable requirements of the Illinois Tax Increment Allocation Redevelopment Act for the fiscal year ending 30 April 2019, except for the timely convening of the Joint Review Board.

Very truly yours,



Victor P. Filippini, Jr.
Village Attorney

cc: David Lothspeich, Village Manager

ATTACHMENT D

ACTIVITIES IN FURTHERANCE OF THE REDEVELOPMENT PLAN

The *Village of Long Grove Downtown/Il. Rt. 83 Redevelopment Plan and Project* (the "Redevelopment Plan") was approved in February, 2008. Goals and objectives of the Redevelopment Plan include, *inter alia*, the following:

- Encourage economic development in the Redevelopment Project Area that is consistent with the comprehensive plan of for the development of the Village as a whole.
- Encourage a high-quality appearance of buildings, rights-of-way, and open spaces and encourage high standards of design.
- Strengthen the economic well-being of the Redevelopment Project Area and the Village by increasing business activity, tax base, and job opportunities.
- Assemble land into parcels of sufficient shape and size for disposition and redevelopment in accordance with the Redevelopment Plan and contemporary development needs and standards.
- Provide needed public improvements or facilities.
- Provide new retail options for the Village.

During Fiscal Year 2019, the Village has focused on improvements associated with the installation of facilities to serve the Downtown area in coordination with improvements to Old McHenry Road being undertaken with the Lake County Division of Transportation. These included water system extensions, covered bridge improvements, street lighting, and related streetscape improvements along both Old McHenry Road and Robert Parker Coffin Road.

ATTACHMENT H

Joint Review Board Materials

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3 April 2019

Via Certified Mail

See Attached Distribution List

Re: Village of Long Grove Joint Review Board Meeting
Downtown/IL Rt. 83 Tax Increment Finance District (FY16 – FY18)

Dear Joint Review Board Member:

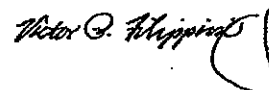
As you know, the Joint Review Board has convened on multiple occasions regarding the Redevelopment Plan and Project for the Village of Long Grove Downtown/ IL Rt. 83 Tax Increment Finance (TIF) District. This notice is to inform you that a meeting of the Joint Review Board has been scheduled for Wednesday, 17 April 2019 at 7:00 a.m., pursuant to the applicable provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.* The 17 April 2019 meeting will take place at the Long Grove Village Hall, 3110 Old McHenry Road, Long Grove, Illinois 60047.

Enclosed please find a copy of the following materials relating to the 17 April 2019 Joint Review Board Annual Meeting:

- Joint Review Board Annual Meeting Agenda
- Draft Minutes from 11/3/2016 Joint Review Board Annual Meeting
- Village of Long Grove FY2016 TIF Report
- Village of Long Grove FY2017 TIF Report
- Village of Long Grove FY2018 TIF Report
- Distribution List

If you have any questions or concerns, please do not hesitate to contact me at (312) 300-6549.

Sincerely,



Victor P. Filippini, Jr.

Enclosures

Cc: David Lothspeich, Village Manager

{00021610}

JOINT REVIEW BOARD MEETING

**DOWNTOWN/IL RT. 83 TIF
VILLAGE OF LONG GROVE
(FY 2016-FY2018 Review)**

**Village Hall, Long Grove, Illinois
3110 Old McHenry Road
Long Grove IL 60047**

Meeting Notice and Agenda

April 17, 2019 - 7:00 a.m.

1. Call to Order
2. Introduction of Representatives of Taxing Districts and Public Member
3. Selection of Chairperson
4. Review Status of TIF (FY 2016 Annual Report)
5. Review Status of TIF (FY 2017 Annual Report)
6. Review Status of TIF (FY 2018 Annual Report)
7. Review Effectiveness of TIF
8. Approval of Minutes for November 3, 2016 Joint Review Board meeting for FY2015
9. Public Comment
10. Other Business
11. Adjournment

**VILLAGE OF LONG GROVE
DOWNTOWN/IL RT. 83 TAX INCREMENT FINANCE DISTRICT
TAXING DISTRICT DISTRIBUTION LIST (APRIL 2019)**

(ALL NOTICES MAILED VIA CERTIFIED MAIL/RETURN RECEIPT REQUESTED)

<p>Lake County Attn: County Clerk 18 N. County St., Room 101 Waukegan, IL 60085</p>	<p>Village of Long Grove Attn: Village Manager 3110 Old McHenry Road Long Grove, IL 60047</p>
<p>Rich Terrett, Public Member 8098 Boulder Court Long Grove, IL 60047</p>	<p>Long Grove Fire Protection District Attn: President, Board of Trustees 1165 Old McHenry Road Long Grove, IL 60047</p>
<p>Vernon Township Attn: Township Supervisor 3050 N. Main Street Buffalo Grove, IL 60089</p>	<p>Long Grove Park District Attn: President 3849 Old McHenry Rd. Long Grove, IL 60047</p>
<p>Lake County College District Attn: President Office of the President Location A207 19351 W. Washington Street Grayslake, IL 60030-1198</p>	<p>Vernon Area Public Library District Attn: Library Director 300 Olde Half Day Road Lincolnshire, IL 60069</p>
<p>School District 125 Attn: Superintendent Administrative Offices Two Stevenson Drive Lincolnshire, IL 60069</p>	<p>School District 96 Attn: Superintendent 1050 Ivy Hall Lane Buffalo Grove, IL 60089</p>

**Minutes of the
JOINT REVIEW BOARD MEETING
DOWNTOWN/IL RT. 83 TIF
VILLAGE OF LONG GROVE
(FY 2015 Review)**

Village Hall, Long Grove, Illinois
3110 Old McHenry Road
Long Grove IL 60047

November 3, 2016

1. Call to Order.

Village of Long Grove representative Trustee Stan Borys called the meeting to order at 10:12 a.m.

2. Introduction of Representatives of Taxing Districts and Public Member

The following members of the Joint Review Board ("JRB") were in attendance:

- Village of Long Grove: Trustee Stan Borys
- Vernon Area Public Library District: Cynthia Fuerst
- Long Grove Fire Protection District: Robert Turpel (arrived 10:17 a.m.)
- Public Member: Karen Schmitt

Other members of the public were in attendance as well as Village Manager for the Village of Long Grove David Lothspeich and counsel for the Village of Long Grove Betsy Gates-Alford.

3. Selection of Chairperson. Member Schmitt moved, seconded by Member Borys, to appoint Member Borys as Chairperson. On a voice vote, all ayes. Member Borys thereafter oversaw the meeting as Chair.

4. Review Status of TIF (FY 2015)

Chairperson Borys requested Long Grove Village Counsel Gates-Alford to review the status of the TIF District. Ms. Gates-Alford reviewed the revenue stream from the TIF, status of TIF ongoing projects, public and private investments in TIF projects, financing of TIF projects, performance of bonds secured by TIF revenues, and the Village's own investment in the TIF.

5. Approval of Minutes for April 17, 2015 Joint Review Board Meeting for FY 2014. Member Schmitt moved, seconded by Member Fuerst, to approve the minutes of the April 17, 2015 Joint Review Board Meeting for FY 2014. On a voice vote, all ayes.

6. Review Effectiveness of TIF

The members of the JRB and the public discussed the status of ongoing and proposed projects and activities for the TIF District, including the installation of water lines to extend Village public water service into the downtown, development of the Harbor Chase assisted living facility, sale and potential development of the Archer Lots, and right-of-way improvements. Long Grove Village Manager Lothspeich discussed key properties within the TIF that are targeted for future commercial development and gave an overview of the Village's current financial projections for the TIF. Member Fuerst asked when the TIF was scheduled to be terminated. Mr. Lothspeich answered that the TIF would expire in 2031.

The JRB members also discussed the performance of outstanding bonds secured by TIF revenues and the impact of the Harbor Chase development and other potential commercial development on the TIF and its finances. The JRB members and the public discussed the allocation of proceeds from the Village of Long Grove's sale of the first Archer lot and the financing of the downtown water main extension project.

7. **Public Comment:** There were no additional public comments.
8. **Other Business:** None.
9. **Adjournment:** At 10:29 a.m., Member Schmitt moved, seconded by Member Fuerst, to adjourn the meeting. On a voice vote, the motion passed and the meeting adjourned.

ATTACHMENT K/L
Financial Statement

**VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT**
Long Grove, Illinois

FINANCIAL STATEMENTS

Including Independent Auditors' Report

**As of April 30, 2019 and From the
Date of Creation Through April 30, 2019**

**VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT**

TABLE OF CONTENTS
As of April 30, 2019 and From the Date of Creation Through April 30, 2019

Independent Auditors' Report	1 – 2
Balance Sheet	3
Historical Summary of Sources, Uses, and Status of Funds	4
Notes to Financial Statements	5 – 10
Supplementary Information	
Detailed Schedule of Sources, Uses, and Status of Funds	11
Detailed Schedule of Capital Expenditures	12
Independent Auditors' Report on Compliance with the State of Illinois Public Act 85-1142	13



INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Long Grove
Long Grove, Illinois

Report on the Financial Statements

We have audited the accompanying Balance Sheet and Historical Summary of Sources, Uses, and Status of Funds of the Village of Long Grove's Tax Incremental District No. 1 as of April 30, 2019 and from the date of creation through April 30, 2019; and the related notes to the financial statements.

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 Village of Long Grove'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 Village of Long Grove'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Village of Long Grove's Tax Incremental District No. 1 and the net project costs to be recovered through tax increments as of April 30, 2019 and the sources, uses, and status of funds from the date of creation through April 30, 2019, 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 transactions of the Village of Long Grove's Tax Incremental District No. 1 and do not purport to, and do not, present fairly the financial position of the Village of Long Grove, Illinois, as of April 30, 2019, and the changes in financial position, or, where applicable, 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.

Other Matters

Required Supplementary Information

Management has omitted 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village of Long Grove's Tax Incremental District No. 1's financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

We have also issued our report dated December 4, 2019 on our tests of the Village of Long Grove's compliance with the State of Illinois Public Act 85-1142. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
December 4, 2019

**VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT**

**BALANCE SHEET
As of April 30, 2019**

ASSETS	
Cash and investments	\$ 243,515
Receivables (net)	
Taxes	444,569
Accounts	7,484
Due from other funds	14,878
Restricted cash and investments	<u>448,688</u>
TOTAL ASSETS	<u>\$ 1,159,134</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities	
Accounts payable	\$ 380,699
Advances from other funds	<u>8,744,283</u>
Total Liabilities	<u>9,124,982</u>
Deferred Inflows of Resources	
Unearned revenue	383,260
Unavailable revenue	<u>21,777</u>
Total Deferred Inflows of Resources	<u>405,037</u>
Fund Balances	
Restricted for debt service	448,688
Unassigned (deficit)	<u>(8,819,573)</u>
Total Fund Balances (Deficit)	<u>(8,370,885)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,159,134</u>

See accompanying notes to financial statements.

**VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT**

**HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
From the Date of Creation Through April 30, 2019**

SOURCES OF FUNDS

Taxes	
Tax increment	\$ 2,089,777
Business district sales taxes	238,524
Non-home rule sales taxes	248,624
Sales taxes	1,653,242
Public charges for service	409,000
Investment income	34,690
Proceeds of long-term debt	4,450,000
Miscellaneous	147
Transfers in	<u>769,131</u>
Total Sources of Funds	<u>9,893,135</u>

USES OF FUNDS

General government	130,764
Conservation and development	1,722,108
Capital outlay	9,739,610
Debt Service	
Bond issuance costs	300,000
Principal on long-term debt	735,000
Interest on bonds	2,632,667
Interest on advances	2,359,861
Transfers out	<u>644,010</u>
Total Uses of Funds	<u>18,264,020</u>

FUND BALANCE (DEFICIT) - END OF YEAR **\$ (8,370,885)**

**VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of April 30, 2019 and From the Date of Creation Through April 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Long Grove's Downtown Tax Incremental District (the "district") conform to generally accepted accounting principles as applicable to governmental units.

The Village of Long Grove uses the criteria set forth by the Governmental Accounting Standards Board to determine the scope of the reporting entity of the Downtown Tax Incremental District. The accompanying financial statements reflect all the significant operations of the Village of Long Grove's Downtown Tax Incremental District.

A. DESCRIPTION OF FUND STRUCTURE

This report contains the financial information of the Village of Long Grove's Downtown Tax Incremental District. The summary statements were prepared from data recorded in the following fund:

Capital Project Fund – Downtown Tax Incremental District

Detailed descriptions of the purpose of this fund and long-term debt can be found in the Village of Long Grove's basic financial statements.

The district was created under the provisions of Illinois Statue Section 65 ILCS 5/11-74.4. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the district. The tax on the increased value is called a tax increment.

B. BASIS OF ACCOUNTING

The modified accrual basis of accounting was followed in the preparation of these statements. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Project costs, other than interest on long-term debt, are recorded when the related fund liability is incurred.

District increments are recorded as revenues in the year due. Sales taxes are recorded when they are measurable and available. Intergovernmental aids and grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the village is entitled to the aids.

Other general revenues are recognized when received in cash or when measurable and available under the criteria described above.

C. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows and outflows, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of April 30, 2019 and From the Date of Creation Through April 30, 2019

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

D. MEASUREMENT FOCUS

The measurement focus of all governmental funds is the funds flow concept. Under the funds flow concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as unavailable or unearned revenue or nonspendable fund balance. Liabilities for claims, judgments, compensated absences and pension contributions which will not be currently liquidated using expendable available financial resources are shown in the long-term debt footnote disclosure. The related expenditures are recognized when the liabilities are liquidated.

E. PROJECT PLAN BUDGET

The estimated revenues and expenditures of the district are adopted in the project plan. Those estimates are for the entire life of the district, and may not be comparable to interim results presented in this report.

F. RECEIVABLES

Property taxes for levy year 2018 attach as an enforceable lien on January 1, 2018, 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 tax levy, which attached as an enforceable lien on the property as of January 1, has been recorded as a receivable as of April 30, 2019.

Tax bills for levy years are prepared by Lake County and issued on or about March 1, and September 1, and are payable in two installments, on or about April 1, and or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2018 property tax levy is recognized as a receivable and deferred inflow in fiscal 2019, net of amounts already collected. As the taxes become available to finance current expenditures, they are recognized as revenues. At April 30, 2019, the property taxes receivable and unavailable tax revenue consisted of the estimated amount collectible from the 2018 levy.

G. LONG-TERM DEBT

Short-term debt is recorded as a fund liability. All other long-term liabilities are shown in the long-term debt footnote disclosure.

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as "Sources of Funds" in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure in the year in which the debt matures or is repaid, whichever is earlier.

**VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

As of April 30, 2019 and From the Date of Creation Through April 30, 2019

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

H. CLAIMS AND JUDGMENTS

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental funds if it has matured. Claims and judgments are disclosed in the long-term debt footnote when the related liabilities are incurred.

NOTE 2 – CASH AND TEMPORARY INVESTMENTS

The district invests its funds in accordance with the provisions of the Illinois Statutes.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The district, as a fund of the village, maintains separate cash and investment accounts at the same financial institutions utilized by the village. Federal depository and National Credit Union Administration insurance applies to the Village of Long Grove as an individual municipality, and, accordingly, the amount of insured funds is not determinable for the district.

NOTE 3 – RESTRICTED ASSETS – RESERVE FUND

The district reports restricted assets in the amount of \$448,688. This balance is to account for resources held in a bank account according to the Tax Compliance Certificate and Agreement dated September 29, 2010. These funds were part of \$4,450,000 limited obligation tax increment revenue bonds issued in 2010. The amount required to be maintained in the reserve fund is specified by the Indenture.

NOTE 4 – REVENUE DEBT

The village has pledged future tax increment and other tax revenues, net of specified operating expenses, to repay \$4,450,000 in limited obligation tax increment revenue bonds issued in September of 2010. Proceeds from the bonds provided financing for the Sunset Grove project. The bonds are payable solely from incremental taxes, business district taxes, and certain sales tax revenues from the property described as the Sunset Grove Property pursuant to the Indenture and by other pledged revenues and are payable through January 1, 2030. Annual principal and interest payments on the bonds are expected to require 32% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$5,689,000. Principal and interest paid for the current year and total gross revenues were \$439,875 and \$608,762, respectively.

**VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of April 30, 2019 and From the Date of Creation Through April 30, 2019

NOTE 4 – REVENUE DEBT (cont.)

Revenue debt payable at April 30, 2019, consists of the following:

<i>Revenue Debt</i>	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance April 30, 2019
Limited obligation tax increment revenue bonds, Series 2010	09/29/2010	01/01/2030	7.50%	\$ 4,450,000	\$ 3,715,000
Total Revenue Debt					\$ 3,715,000

Debt service requirements to maturity are as follows:

<u>Years Ended April 30</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 175,000	\$ 278,625
2021	200,000	265,500
2022	230,000	250,500
2023	255,000	233,250
2024	285,000	214,125
2025 – 2029	2,015,000	690,375
2030	555,000	41,625
Totals	<u>\$ 3,715,000</u>	<u>\$ 1,974,000</u>

**VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of April 30, 2019 and From the Date of Creation Through April 30, 2019

NOTE 5 – INTERFUND PAYABLES AND ADVANCES

The village has financed a significant amount of the costs incurred in the Downtown TIF capital projects fund since its inception through the authorization and use of funds advanced (borrowed) from the General Fund and the Open Spaces special revenue fund. The following details the amounts advanced.

General Fund advances to the Downtown TIF at April 30, 2019 are comprised of:

<u>Authorizing Ordinance</u>	<u>Date</u>	<u>Limitation</u>	<u>Source</u>	<u>Rate</u>	<u>Balance</u>
2009-O-44	12/08/2009	\$3,000,000	Principal	N/A	\$ 3,000,000
2016-O-30	12/13/2016	\$400,000	Principal	N/A	400,000
2018-O-06	02/12/2018	\$1,500,000	Principal	N/A	718,018
Ordinances noted above	As noted above	N/A	Interest	4%	796,424
Ordinances noted above	As noted above	N/A	Arrearages	2%	224,055
None	Prior to 12/08/2009	N/A	Principal	N/A	76,416
Total					<u>\$ 5,214,913</u>

Open Spaces advances to the Downtown TIF at April 30, 2019 are comprised of:

<u>Authorizing Ordinance</u>	<u>Date</u>	<u>Limitation</u>	<u>Source</u>	<u>Rate</u>	<u>Balance</u>
2009-O-43	12/08/2009	\$1,500,000	Principal	N/A	\$1,500,000
2011-O-07	01/25/2011	\$950,000	Principal	N/A	950,000
2016-O-29	12/13/2016	\$400,000	Principal	N/A	175,215
Ordinances noted above	As noted above	N/A	Interest	4%	647,205
Ordinances noted above	As noted above	N/A	Arrearages	2%	256,950
Total					<u>\$ 3,529,370</u>

The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. Principal and interest payments are specified within the ordinances but due to the negative financial position of the Downtown TIF, payments have not yet begun according to those scheduled.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

From time to time, the village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is of the opinion of management and the village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the village's financial position or results of operations.

**VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

As of April 30, 2019 and From the Date of Creation Through April 30, 2019

NOTE 6 – COMMITMENTS AND CONTINGENCIES (cont.)

On December 8, 2015, a village developer entered into a purchase and sale agreement ("PSA") for properties known as the "Archer lots." Within this agreement, a \$527,086 receivable is deferred until January 1, 2020, and provides for the potential of a waiver for all or a part of this amount based on the status of the sale, and the timing and extent of development, of the Archer lots. The village currently has an allowance setup for 100% of these costs. The extent of the discount, if any, is set forth in the PSA. This receivable and the offsetting allowance are recorded in the Downtown TIF fund. The Archer lots were sold to the developer on September 12, 2017. See Note 8.

NOTE 7 – TAX ABATEMENT

Tax abatements are a reduction in tax revenue that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The Village, in conjunction with its Downtown TIF capital project fund, has entered into a municipal sales tax rebate agreement with a developer in the form of municipal sales tax incentive payments to stimulate economic development. The rebates affect only the Village's share of the State sales taxes and are authorized through the TIF project plan as well as an agreement between the Village and Sunset Foods. The first \$1,000,000 collected in municipal sales taxes as generated by the Sunset Foods development remained with the Village and that threshold was reached during fiscal 2016-17. Subsequent to the \$1,000,000 being collected and retained by the Village, 40% of future municipal sales tax revenues from the Sunset Foods development are to be paid to Sunset Foods up to a maximum of \$1,000,000, and 60% is retained by the Village to be committed, along with the first \$1,000,000, to the payment of the TIF-backed bonds. Thus far, \$869,649 has been incurred for this rebate, including \$149,135 in the current fiscal year. Once the developer has been paid the full \$1,000,000 incentive payment, 100% of all subsequent municipal sales taxes generated by the Sunset Grove development will be retained by the Village.

In addition, the village has redevelopment sales tax incentive agreements with local businesses within the downtown tax increment financing district. The determined goal of these agreements is to stimulate private investment by offering incentives to property and business owners within the Historic Business District relating to improvements of their properties and places of business. Financial incentives in the form of partial reimbursement of verifiable capital improvement costs are subject to the terms and conditions within each agreement. As of April 30, 2019, several agreements were in place and \$2,734 has been paid, all in the current fiscal year.

NOTE 8 – SUBSEQUENT EVENT

The village is pursuing a final agreement with a developer that would result in the payment to the village of a receivable in the amount of \$527,086 recorded in the Downtown TIF fund. Anticipated payment is January 1, 2020.

SUPPLEMENTARY INFORMATION

VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT

DETAILED SCHEDULE OF SOURCES, USES, AND STATUS OF FUNDS
From the Date of Creation Through April 30, 2019

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Totals	Project Plan Estimate
SOURCES OF FUNDS														
Taxes														
Tax increment	\$ -	\$ -	\$ 21,913	\$ 65,370	\$ 60,419	\$ 175,312	\$ 208,157	\$ 259,416	\$ 310,317	\$ 339,577	\$ 321,197	\$ 358,099	\$ 2,089,777	\$ 22,007,942
Business district sales taxes	-	-	-	-	-	23,355	28,971	30,358	35,498	34,773	40,650	44,921	238,624	-
Non-home rule sales taxes	-	-	-	-	-	23,899	32,815	35,263	38,223	35,484	41,482	43,858	248,824	-
Sales taxes	-	-	-	48,636	218,881	191,237	222,261	230,555	228,926	194,353	166,609	162,084	1,863,242	-
Public charges for service	-	-	-	-	-	-	221	4,708	6,104	2,815	21,000	77,000	409,000	-
Investment income	-	-	-	116	88	18	-	-	-	-	6,275	14,567	34,880	-
Proceeds of long-term debt	-	-	-	4,450,000	-	-	-	-	-	-	-	-	4,450,000	-
Miscellaneous	-	-	-	560,152	14,770	17,531	20,816	22,942	31,032	33,958	32,120	35,810	789,131	147
Transfers in	-	-	21,813	5,124,321	293,836	431,352	513,041	553,240	646,100	951,760	619,333	736,139	9,893,135	22,007,942
Total Sources of Funds	142,055	1,385,838	1,565,046	1,703,483	886,564	94,035	647,009	303,660	228,321	1,315,011	883,622	915,265	9,739,610	29,000,000
USES OF FUNDS														
General government	-	-	87,949	42,815	-	-	-	551,921	251,117	148,281	86,618	138,172	1,722,108	6,500,000
Conservation and development	1,848	-	-	300,000	32,364	41,315	30,265	551,921	251,117	148,281	86,618	138,172	1,722,108	29,000,000
Capital outlay	-	-	-	1,703,483	886,564	94,035	647,009	303,660	228,321	1,315,011	883,622	915,265	9,739,610	-
Debt Service	-	-	-	300,000	-	-	-	-	-	-	-	-	300,000	-
Bond issuance costs	-	-	-	-	-	-	76,000	110,000	150,000	120,000	130,000	150,000	735,000	7,400,000
Principal on long-term debt	-	-	-	85,292	333,750	333,750	333,750	328,125	318,875	308,625	289,625	289,875	2,832,867	1,500,000
Interest on bonds	-	-	76,416	208,363	150,429	214,004	230,998	242,115	248,083	310,594	314,183	364,555	2,359,861	-
Interest on advances	-	-	-	-	62,067	-	549,198	-	-	-	-	-	644,010	-
Transfers out	33,777	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Uses of Funds	177,678	1,385,838	1,729,411	2,639,973	1,265,174	883,104	1,865,169	1,655,741	1,197,396	2,202,511	1,724,048	1,857,957	18,264,020	44,400,000

\$ (8,370,885)

FUND BALANCE - APRIL 30, 2019

**VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT**

**DETAILED SCHEDULE OF CAPITAL EXPENDITURES
From the Date of Creation Through April 30, 2019**

	<u>Actual</u>	<u>Project Plan Estimate</u>
CAPITAL EXPENDITURES		
Stemple Lot	\$ 12,000	\$ -
Public Water Supply Establishment	88,463	-
Archer Lot	2,146,998	-
Comed Burial Expense	15,000	-
Covered Bridge Repair	523,934	-
Modern Roundabout-Old McHenry	93,120	-
Street light & Improvements - Old McHenry	313,316	-
Streetscapes Expense	65,026	-
Streetscapes & Design Expense - Robert Parker Coffin	109,050	-
Legal Expense	148,801	-
Water Analysis and Improvements	42,464	-
Downtown Wayfinding Signage	9,351	-
IL83/Downtown Public Water System	1,357,397	-
Downtown Watermain Extension	53,605	-
Seasons School Watermain Improvements	517,454	-
Robert Parker Coffin Road Paving	231,794	-
Sunset Grove Capital Improvements	2,822,677	-
Sunset Grove Redevelopment	3,520	-
Roads	170	-
Pathways	1,760	-
Engineering	357	-
Archer Road Watermain Loop	1,155,345	-
Property Assembly Costs	-	5,000,000
Rehabilitation Costs	-	1,000,000
Construction of Public Works or Improvements	-	18,000,000
Additional Capital Expenditures	-	5,000,000
TOTAL CAPITAL EXPENDITURES	\$ 9,739,610	\$ 29,000,000



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
THE STATE OF ILLINOIS PUBLIC ACT 85-1142

To the Village Board
Village of Long Grove
Long Grove, Illinois

We have audited the accompanying Balance Sheet and Historical Summary of Sources, Uses, and Status of Funds of the Village of Long Grove, Illinois Downtown Tax Incremental District (the "district") as of and for the year ended April 30, 2019 and have issued our report thereon dated December 4, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the district failed to comply with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing", insofar as it relates to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the district's noncompliance with the above-referenced statute, insofar as it relates to accounting matters.

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

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
December 4, 2019

**VILLAGE OF LONG GROVE
DOWNTOWN/IL RT. 83 TAX INCREMENT FINANCE DISTRICT
TAXING DISTRICT DISTRIBUTION LIST (2020)**

(ALL NOTICES MAILED VIA CERTIFIED MAIL/RETURN RECEIPT REQUESTED)

Lake County* Attn: County Clerk 18 N. County St., Room 101 Waukegan, IL 60085	Village of Long Grove* Attn: Trustee Anne Kritzmire 3110 Old McHenry Road Long Grove, IL 60047
Lake County Forest Preserve District* Director of Finance 1899 West Winchester Road Libertyville, IL 60048	Long Grove Fire Protection District* Attn: President, Board of Trustees 1165 Old McHenry Road Long Grove, IL 60047
Vernon Township* Attn: Township Supervisor 3050 N. Main Street Buffalo Grove, IL 60089	Long Grove Park District* Attn: President 3849 Old McHenry Rd. Long Grove, IL 60047
Lake County College District* Attn: President Office of the President Location A207 19351 W. Washington Street Grayslake, IL 60030-1198	Vernon Area Public Library District* Attn: Library Director 300 Olde Half Day Road Lincolnshire, IL 60069
School District 125* Attn: Superintendent Administrative Offices Two Stevenson Drive Lincolnshire, IL 60069	School District 96* Attn: Superintendent 1050 Ivy Hall Lane Buffalo Grove, IL 60089
Illinois Department of Commerce and Economic Opportunity Attn: Director 500 E. Monroe Street Springfield, IL 62701	Richard Terrett, Public Member* 8098 RFD Long Grove, IL 60047

* Designates Joint Review Board Member

**VILLAGE OF LONG GROVE
DOWNTOWN/IL RT. 83 TAX INCREMENT FINANCE DISTRICT
INTERESTED PARTIES DISTRIBUTION LIST (2020)**

(ALL NOTICES MAILED VIA CERTIFIED MAIL/RETURN RECEIPT REQUESTED)

Scott Bauer 5881 RFD Long Grove, IL 60047	Haig & Monica Bedrosian 5129 RFD Long Grove, IL 60047
Chris Covington 4140 RFD Long Grove, IL 60047	Michael D. Smith 4142 RFD Long Grove, IL 60047
Don & Penny Silich 4408 RFD Long Grove, IL 60047	Nina Happ 4827 RFD Long Grove, IL 60047
Patrice Jones 4120 RFD Long Grove, IL 60047	Jeff Kazmer 1131 RFD Long Grove, IL 60047
Michele Marek 5658 RFD Long Grove, IL 60047	