



MEMO

TO: Board of Trustees, Finance Committee

FROM: David De Angelis

DATE: September 17, 2021

RE: Agenda Items

Item 2: Review and discussion on possible amendment to TIF2: As you know we have started the land acquisition process for the One Hour Martinizing process and have done the relocation orders for the remainder of the properties that need to either have easements and we do have the appraisal for the railroad property as well. As we have discussed previously there are limited options for us to get additional funding for this project through grants, however there is opportunity with the ARPA funding and also targeted funding in the proposed transportation bill currently in Congress. Even with those monies available, and any contributions from property owners, we will still need additional funding for the project. Our best estimate at this time with land acquisitions put this project somewhere between \$4M and \$4.5M. Village staff is proposing to utilize the existing TIF by requesting the three year extension we are allowed by state law due to the large dollar amount removed from the vocational districts. In requesting this extension we would also have to amend the TIF plan to include the extra expense of this project. Staff has presented this option to the Joint Review Board and they have been very receptive to the idea.

The other funding mechanism would be utilizing the storm water utility after the original project debt is paid off starting in 2026. We are currently projecting this amount at \$200K for eight years with the project being paid off in 2034, the last year of the TIF. This presumes we would borrow money in 2022 with construction starting in 2023 and completing in 2024, which would be before our expenditure window closes on the TIF in 2026.

Of course the numbers can be adjusted based on what, if any, additional funding may become available. What staff is requesting is to move forward with the extension and amendment request for the TIF district so we can continue our planning and land acquisitions for project completion hopefully in 2024.

Item 3. Review and discussion on possible transportation utility: The Committee of the Whole reviewed this item at their last meeting with the request to look at the possibility of increasing the dollar amount to escalate the paving moving forward and the possible inclusion of additional streets. Through that process Finance

Director Hughes identified another potential funding source for the utility. In your packet are two memos describing her proposal. The Ehlers report also identifies this as a valid option for funding our transportation needs going forward. I believe that this option achieves all of our goals that we laid out in the beginning for what we were looking for going forward for a stable funding mechanism for our transportation needs as well as giving us added benefits of increased transportation aids. It is staff's recommendation that we proceed with funding as presented by the finance director and continue to evaluate our roads schedule going forward to make any adjustment to the list of streets and pathways moving forward after we complete this year's road rating next month. This will allow us to proceed with both the Gebhardt Road reconstruction and pathway as demonstrated in the capital budget for next year.

Item 4. Update on Mandel TIF request timing and possible scheduling of future joint Committee of the Whole/Finance meeting. At the time of this memo Ehler's is working to finalize their report for the Village. We expect the report to be done sometime next week with staff forwarding the report to the Finance Committee and the Board of Trustees at that time. Once we have the report we will be looking for meeting dates to have another joint session for discussion.

Ehler's will be at the meeting on Monday to answer any questions about these items and if you have any questions prior to the meeting please do not hesitate to contact me.