



Special Committee of the Whole Meeting – April 15, 2019 Staff Responses to Council Questions

Before each Committee of the Whole or City Council meeting, questions that have been posed by the City Council relating to [the agenda](#) for that evening will be posted to the City's website. Below are the responses to this week's questions.

2. Items of Business

a. Consider Resolution 2019-40 Approving a Tax Increment Financing (TIF) Redevelopment Agreement Between the City of Geneva and the Shodeen Family Foundation for a Planning Charrette and Entitlement Project and Authorizing the City Administrator to Execute a Contract with Hitchcock Design Group to Facilitate Said Planning Charrette and Entitlement Project.

Q: I would like to know where the amount (50%) derived from. Why is it that the owner would not do this on their own?

A: The 50% cost sharing was arrived at in the spirit of partnership. An owner is not likely to invest in a charrette process on their own, as it is an expense that is not required to submit development applications for consideration.

Q: Does the owner need to show a financial need to qualify for TIF funding? Just because an area is designated TIF, does an owner automatically get taxpayer money?

A: An owner does not need to show a financial need to qualify for TIF funding. The area has been qualified and established as a TIF district. Eligible expenses to implement the approved TIF redevelopment plan and project and support development in the area may be authorized without an owner demonstrating a financial need. Owners within a TIF district do not automatically receive assistance, as each request is vetted by professional staff and then presented to the City Council for consideration.

Q: What is the fund balance of TIF 3 and how will we pay it if the balance is less than the amount being discussed?

A: TIF 3 currently has a negative balance, which is not unusual for a new TIF. Funds for this project will be borrowed from TIF 2 (as allowed by statute), which presently has funds being held to pay for future roadway project local share expenses. These funds can be lent to TIF 3 in the short term and will be repaid after new development occurs in TIF 3.

Q: On page 4, does this mean the Shodeen Family Foundation will be asking for additional TIF money beyond the charrette community planning?

A: It is possible that additional assistance may be requested. Requests for additional economic incentives would be vetted by the consultant and City staff and presented to the City Council for consideration.

Q: On page 8, in the body of the redevelopment agreement, it is stated in paragraph A, that the contract with Hitchcock is not to exceed \$273,400. Accordingly, shouldn't resolution 2019-40 be a not to exceed resolution?

A: The Resolution authorizes the City Administrator to execute a contract in the specific amount of \$136,700 (half of \$273,400). Typically not to exceed language is used when the specific amount is not known.

Q: Page 8, paragraph C, who will be negotiating the required economic incentives from the City?

A: Requests for additional economic incentives would be vetted by the consultant and City staff and presented to the City Council for consideration.

Q: Page 9, paragraph D, are there no protections to the City available? This provision seems to be guaranteeing that we will approve incentives, with no cap or limit on dollar amounts. In addition, the owner will remain in the initial starting position, with no expenses. Does this paragraph create the potential for the City to incur a \$273,400 expense, and still be at square 1 with respect to redeveloping this site?

A: The preceding paragraph (Page 8, paragraph C) states additional economic incentive negotiations will be completed before the entitlement process begins. The amount, if any, would be determined by the City Council prior to final approvals. Page 9, paragraph D does not obligate the City to unknown economic incentives. This paragraph is stating that the City will reimburse the owner if the City fails to entitle the property as determined through the charrette process and economic incentive negotiations. Protections are provided to the City in paragraph E on page 9. This paragraph requires the owner to begin construction within 18 months after the approval of the project. If not, the owner reimburses the City for its share. Paragraphs D and E work together to ensure that both parties are invested in the process and willing to carry out the preferred plan as determined through the charrette process.

Q: Is there additional property south of the property included in this agreement that will be a separate development?

A: Properties to the south of this property are designated to remain as single-family residential use in the City's adopted Downtown Station-Area Master Plan. There are no development plans for these properties that the City is aware of at this time.

Q: Page 23, the completion of the project, and a presentation to the City Council are TBD. What is an estimate of the date?

A: An estimate would be that the presentation to City Council would occur in late October to early November.

Q: How much of the City's share of the charrette costs would come from the TIF fund? About \$66,000?

A: The City's share of the contract is \$136,700, which will come from the TIF fund.

Q: Would the Shodeen Family Foundation be able to apply to have their half of the charrette costs covered by the TIF fund later?

A: A future request could be made, however, the redevelopment agreement has defined cost-sharing obligations and conditions for both parties for the charrette and entitlement costs. Should this agreement be approved, any future request for TIF assistance (including a request for additional coverage of charrette costs) would require an amendment to the redevelopment agreement or a new redevelopment agreement.

b. Consider Resolution No. 2019-41 Authorizing Execution of Change Order #2 with J. Congdon Sewer Service for 2018-19 Water Main Rehabilitation Project Increasing the Total Contract Amount to \$821,274.76 and Allow the City Administrator to Approve Up to \$20,000 in Change Orders for a Total Not-to-Exceed \$841,274,76.

Q: Did we pay \$51,324 to save one tree?

A: This change order was a result of a combination tree preservation of six to eight large pine trees on the northeast corner of the Union Pacific Railroad/Western Avenue crossing as well as an unavoidable ComEd overhead line conflict. The overhead lines forced the boring pit to be located on the south side of the train tracks but would have been within the drip zone or underneath a large tree in Dryden Park that would have killed the tree. The Geneva Park District requested the boring pit be moved further south out from underneath the tree, which was done.

Q: Why do we need to go deeper? Why isn't parallel an option?

A: The water main and duct package cross perpendicularly. To comply with minimum depth requirements, the water main is being installed deeper.

Q: Is building over a water main typical or typically avoided? I imagine it's impossible at times? Do we know how many instances of this apply in the City of Geneva? (Rough percentage...just looking for an understanding of general practices)

A: Building over any utility is typically avoided. In certain instances, structures are built over utilities such as decks, pools, sheds or fences but these are considered temporary structures that can be relocated in an emergency if needed. Unfortunately, it is in circumstances such as this in which we find the permanent structures have been built over utilities that necessitate the abandonment and relocation of the utility to avoid these post-construction conflicts.

Q: How is the plan lost? Are other plans lost as well? Do we know how thorough our records are? Have there been any procedural updates since 1995 to ensure plans are accessible as needed?

A: A lot has changed since 1995. One can only surmise how a plan is lost and whether or not there are others. Current practice requires digital copies of all permit applications with the submittal, which are then stored permanently.

Q: Page 35 Water change orders. Where does Chalmers Street intersect Western Avenue? Should this be Cheever Avenue?

A: Yes, the executive summary should refer to Cheever Avenue and not Chalmers Street. We apologize for the confusion.

Q: Page 36 Do current codes and ordinances preclude approval of buildings over water mains? Should the Eaglebrook maintenance building have been approved in 1995?

A: Building over any utility is typically avoided. From what staff can ascertain, the maintenance building was permitted. Unfortunately, the circumstances around that permit are unknown.