

# NOTICE

A Quorum of Board of Education Members  
of  
Diamond Lake School District 76

may be in attendance at the  
Regular Meeting  
At  
Virtual Meeting  
26156 N Acorn Lane  
Mundelein, Illinois 60060

on  
Tuesday, March 2, 2021 at 7:00 PM

- I. Call to Order / Roll Call
- II. Pledge of Allegiance
- III. Public Comments (Agenda Items Only)
- IV. Presentations
- A. In-Person Learning Update 3
- V. Business Agenda
- A. Administrative: Review Omnibus Vote Agenda 8
- B. Administrative: Approve 2021-2022 School Calendar **Action** 9
- C. Personnel: Approve Personnel Items **Action** 11
  - 1. New Hire(s);  
Xaviera Lonewolf-CoZart; WOIS; 4th grade Long Term Sub;  
Effective 2.25.2021
  - 2. Resignation:  
Jennifer Jovanov; WOMS; 6th Grade Science Teacher; Effective  
end of 2020-2021 SY

3. Informational - Position Change:  
Rhonda Curley; WOMS; 7th Grade Math Teacher; Effective  
SY21-22

VI. Board Discussion	
A. TIF Update	12
B. New Board Orientation Meeting: Potential Dates - May 26 or May 27	
C. WOMS 21-22 Schedule Update: Presentation 4.6.2021 BOE Meeting	
D. In-Person Board of Education Meeting	
VII. Freedom of Information Requests (0)	
VIII. Notices and Communications	
A. Approved BOE Meeting Calendar 2020-2021	34
B. February Diamond Edge	
C. Village of Mundelein Property Acquisition Notice	35
D. Statement of Economic Interest Filings	
IX. Public Comments and Petitions (Non-Agenda Items)	
X. Others	
XI. Adjournment	



**Diamond Lake School District 76**  
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# Hybrid In Person Learning Update

March 2, 2021

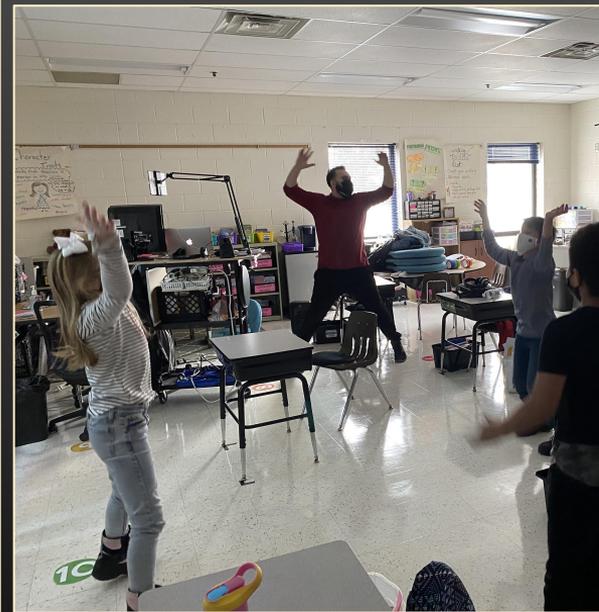
Actualización de Aprendizaje Híbrido en Persona

2 de marzo 2021<sup>3</sup>





DIAMOND LAKE SCHOOL



WEST OAK INTERMEDIATE SCHOOL



WEST OAK MIDDLE SCHOOL



# Summary and Next Steps/ Resumen y Siguientes Pasos

- Successful and Positive-Maintain and Progress
  - ~94% of staff plan to get both vaccinations
  - **3.8.21:** Send Updated Declarations of Intent (DOI) to Families
  - **3.15.21:** Review Data
  - **3.16.21:** DLT present 2nd Semester Teaching and Learning Plans Options to BOE: Action based on DOI data, LCDPH and CDC Guidance
    - 1) Remain Hybrid with current A/B Schedule
    - 2) Increase Days of Week-possible full week
  - **4.12.21-6.4.21:** Implement remainder of 2nd Semester Teaching and Learning Plans (this allows 14 days for families/staff who may need to quarantine after potential Spring Break travel)
- Exitoso y Positivo-Mantener y Progresar
  - ~94% del personal planea recibir las dos vacunas
  - **8 de marzo:** Enviar Declaraciones de Intención Actualizadas (DOI) a las Familias
  - **15 de marzo:** Revisar los Datos
  - **16 de marzo:** DLT presenta Planes de Enseñanza y Aprendizaje del Segundo Semestre para la Junta Educativa: Acción basada en datos DOI, orientación LCDPH y CDC
    - 1) Permanecer Híbrido con el Horario A/ B actual
    - 2) Aumentar los días de la semana- semana completa posible
  - **12 de abril-4 de junio:** Implementar el resto de los Planes de Enseñanza y Aprendizaje del Segundo Semestre (esto permite 14 días para familias/personal quien necesite estar en cuarentena después de posible viaje de Vacaciones de Primavera)



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BOARD OF EDUCATION  
COMMITTEE OF THE WHOLE MEETING  
Tuesday, March 2, 2021

The resolution is being submitted for approval at the Business Meeting on March 16, 2021.

**AGENDA ITEM V-A**

**Administrative: Review Omnibus Vote Agenda**

Items under the Omnibus Vote Agenda are considered routine and/or non controversial and will be approved by one motion. If any one Board member, staff, administrator, or citizen wishes to have a separate vote on any item or items, that item or items will be pulled from the Omnibus Vote Agenda and voted on separately.

**BE IT RESOLVED**, that the Diamond Lake 76 Board of Education accepts and approves the Omnibus Vote Agenda, Items A thru E as listed:

A. Approval of Minutes

Business Meeting Minutes	2/16//2021
Committee of the Whole Meeting Minutes	3/2/2021

B. Approve Destruction of Audio Recordings of Executive Session Minutes:

7/23/2019

C. Acceptance of Treasurer’s Report 2/2021

D. Approval of Payrolls 2/15/2021, 2/28/2021\*

E. Approval of Current Bills:

Education Fund:	\$
West Oak Activity	\$
Operations/Maintenance Fund:	\$
Debt Service Fund:	\$
Transportation Fund	\$
<u>Capital Outlay:</u>	<u>\$</u>
TOTAL	\$

\*Pre-approval of Payrolls not to exceed \$400,000.00 each.



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BOARD OF EDUCATION  
COMMITTEE OF THE WHOLE MEETING  
Tuesday, March 2, 2021

**The resolution is being submitted for approval at the Committee of the Whole Meeting on March 2, 2021.**

**AGENDA ITEM V-B**

**Administrative: Approve 2021/2022 School Calendar Action**

**BE IT RESOLVED**, the Diamond Lake School District 76 Board of Education accepts and approves the presented 2021/2022 school calendar as presented by the District Leadership Team.

**Diamond Lake School District 76**  
2021-2022 School Calendar

Last Update 2.4.2021

Aug-21						Sep-21						Oct-21						
M	T	W	Th	F		M	T	W	Th	F		M	T	W	Th	F		
2	3	4	5	6	0				1	2	3	3					1	1
9	10	11	12	13	0	6	7	8	9	10	3	4	5	6	7	8	5	
16	17	18	19	20	3	13	14	15	16	17	4	11	12	13	14	15	4	
23	24	25	26	27	5	20	21	22	23	24	5	18	19	20	21	22	5	
30	31				2	27	28	29	30		4	25	26	27	28	29	5	
					10						19						20	
											29						49	

Nov-21						Dec-21						Jan-22						
M	T	W	Th	F		M	T	W	Th	F		M	T	W	Th	F		
1	2	3	4	5	5				1	2	3	3	3	4	5	6	7	5
8	9	10	11	12	5	6	7	8	9	10	5	10	11	12	13	14	5	
15	16	17	18	19	5	13	14	15	16	17	5	17	18	19	20	21	4	
22	23	24	25	26	1	20	21	22	23	24	0	24	25	26	27	28	5	
29	30				2	27	28	29	30	31	0	31					1	
					18						13						20	
					67						80						100	

Feb-22						Mar-22						Apr-22					
M	T	W	Th	F		M	T	W	Th	F		M	T	W	Th	F	
	1	2	3	4	4		1	2	3	4	4					1	1
7	8	9	10	11	5	7	8	9	10	11	4	4	5	6	7	8	5
14	15	16	17	18	5	14	15	16	17	18	5	11	12	13	14	15	4
21	22	23	24	25	5	21	22	23	24	25	0	18	19	20	21	22	4
28					1	28	29	30	31		4	25	26	27	28	29	5
					20						17						19
					120						137						156

May-22						Jun-22						Jul-22					
M	T	W	Th	F		M	T	W	Th	F		M	T	W	Th	F	
					0			1	2	3	0					1	1
2	3	4	5	6	5	6	7	8	9	10	0	4	5	6	7	8	5
9	10	11	12	13	5	13	14	15	16	17	5	11	12	13	14	15	5
16	17	18	19	20	5	20	21	22	23	24	5	18	19	20	21	22	5
23	24	25	26	27	5	27	28	29	30		5	25	26	27	28	29	5
30	31				20						0						0
					176						176						176

**Color Key:**

First and Last Student Day
Holiday
Late Start
Early Dismissal
Vacation

Parent Teacher Conf
Teacher Institutes
Emergency Days
Non Attendance Day

**Tri: Grading Periods:**

I	August 18- November 5
II	November 8 - February 11
III	February 14- May 27

**Report Cards:**

**Report Cards Distributed**

November 12  
February 18  
May 27

**Diamond Lake School District 76**  
2021-2022 School Calendar

MONTH / DATE	DAY	DESCRIPTION	NOTES
August	16 Monday	Teacher Institute Day	No School
August	17 Tuesday	Teacher Institute Day	No School
August	18 Wednesday	First Day for Students K-8	
August	30 Monday	First Day for Students in PK/EC	
September	6 Monday	Labor Day	No School
September	7 Tuesday	Rosh Hashanah	No School
September	13 Monday	Late Start for Students 90 Min	
September	16 Thursday	Yom Kippur	No School
October	4 Monday	Late Start for Students 90 Min	
October	11 Monday	Columbus Day	No School
October	29 Friday	Early Dismissal/Teacher Institute	
November	1 Monday	Late Start for Students 90 Min	
November	5 Friday	End of Trimester I	
November	12 Friday	Report Cards Distributed	
November	22 Monday	Early Dismissal for Students/Parent Teacher Conferences PM	
November	23 Tuesday	Teacher Institute Day	No School
November	24 Wednesday	Non Attendance Day	No School
November	25 Thursday	Thanksgiving Holiday	No School
November	26 Friday	Non Attendance Day	No School
December	6 Monday	Late Start for Students 90 Min	
December	20-31 Mon-Fri	Winter Break	No School
January	3 Monday	Classes Resume/Late Start for Students 90 Min	
January	17 Monday	Martin Luther King Jr. Day	No School
February	7 Monday	Late Start for Students 90 Min	
February	11 Friday	Early Dismissal/Teacher Institute	
February	11 Friday	End of Trimester II	
February	18 Friday	Report Cards Distributed	
February	21 Monday	Presidents Day	No School
March	7 Monday	Late Start for Students 90 Min	
March	10 Thursday	Early Dismissal for Students/Parent Teacher Conferences	
March	11 Friday	Teacher Institute Day	No School
March	21-25 Mon-Fri	Spring Break	No School
April	4 Monday	Late Start for Students 90 Min	
April	15 Friday	Non Attendance Day - Good Friday	No School
April	18 Monday	Non Attendance Day - Easter Monday	No School
May	2 Monday	Late Start for Students 90 Min	
May	27 Friday	Last Day Student Attendance (if no emergency days used)	
May	30 Monday	Memorial Day	No School
May	31 Tuesday	Last Day for Students if Emergency Days are used	
June	1-6 Wed-Mon.	Last Day for Students if Emergency Days are used	

**In case of No School due to Emergency Days:**  
Emergency Days: 5/31, 6/1, 6/2, 6/3, 6/6



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BOARD OF EDUCATION  
 COMMITTEE OF THE WHOLE MEETING  
 Tuesday, March 2, 2021

**AGENDA ITEM V-C**

**Personnel: Approve Resolution for Personnel Items: Action**

The resolution is being submitted for approval at the Committee of the Whole Meeting on Tuesday, March 2, 2021.

**BE IT RESOLVED**, the Diamond Lake 76 Board of Education accepts and approves the Personnel Items as depicted on the Agenda:

**1. New Hire(s):**

Employee	School	Position	Effective Date
Lonewolf-CoZart, Xaviera	WOIS	4th grade Long Term Sub	2.25.2021

**2. Resignation(s):**

Employee	School	Position	Effective Date
Jovanov, Jennifer	WOMS	6th Grade Science Teacher	End of 2020-2021 SY

**Informational - Position Change:**

Employee	School	Position	Effective Date
Curley, Rhonda	WOMS	7th Grade Math Teacher	21-22 SY

# **Protecting Your District From TIF Districts: TIF Districts and Intergovernmental Agreements**

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**PROTECTING YOUR DISTRICT FROM TIF DISTRICTS:  
TIF Districts and Intergovernmental Agreements**

**By  
Dean W. Krone  
Hodges, Loizzi, Eisenhammer, Rodick & Kohn  
Arlington Heights, Illinois**

Tax increment financing (“TIF”) is an important tool that Illinois municipalities can use to promote the redevelopment of areas that are blighted or are in danger of becoming blighted. Because TIF financing redirects property taxes from school districts and other local taxing bodies, it can, but does not always, have a financial impact on those taxing bodies. Whether a particular TIF district will have an impact on a school district will depend on the facts and circumstances of that TIF district and on the tax environment of the school district. If a school district has concerns about a proposed TIF district, it may be able to enter into an intergovernmental agreement with the city or village that will address those concerns.

This article will explore the process by which a school district can evaluate a proposed TIF district and, if appropriate, attempt to negotiate an intergovernmental agreement to address any concerns that it may have. First, the article will review TIF “fundamentals.” Second, the article will describe the experiences of school districts in negotiating intergovernmental agreements with two cities and one village regarding proposed TIF districts. Finally, the article will identify and discuss general principles that may apply in similar situations.

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## **I. TIF Fundamentals**

### **A. How Does Tax Increment Financing Work?**

Cities and villages in Illinois are authorized to establish TIF districts by the Tax Increment Allocation Redevelopment Act (the “TIF Act”), which was first enacted in 1977.<sup>1</sup> The best way to explain tax increment financing is with an example. Suppose that a factory has been vacant for several years and that the buildings have deteriorated as a result. Suppose further that there is significant environmental contamination on the property that will increase the cost of any redevelopment. Under these circumstances, it may be reasonable to assume that no private developer will risk the investment it will require to redevelop the site without some public assistance. Let us assume that all of the requirements to establish a TIF district are satisfied. Finally, let us assume that the EAV of the property is \$1 million and the annual property taxes are \$50,000.

A developer approaches the city and proposes to buy the property, demolish the factory, clean up the contamination, and build a new shopping center on the property. The developer and the city agree that the cost of this project will be approximately \$6 million. The city estimates that the EAV of the property will triple and the property taxes will also triple. The developer proposes to pay the entire cost of \$6 million, but asks the city to reimburse him for \$1.5 million to cover the extraordinary costs of the environmental cleanup. The city concludes that this is a wonderful opportunity to convert a blighted property into a productive shopping center and further concludes that it can provide the requested assistance by establishing a TIF district and using TIF revenue to reimburse the developer.

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<sup>1</sup> 65 ILCS 5/11-74.4-1, et seq.

The city and developer enter into a redevelopment agreement setting forth the developer's obligations to redevelop the property and the city's obligation to reimburse the developer for \$1.5 million from TIF revenue as it becomes available. The city establishes a TIF district for the property. The "base value" of the EAV or "base EAV" is determined to be \$1 million. The developer buys the property, demolishes the factory, cleans up the contamination, and builds the new shopping center. As a result of the redevelopment, the EAV of the property triples to \$3 million and the annual property taxes triple from \$50,000 to \$150,000.

Approximately \$50,000 in annual property taxes continues to be paid on the base EAV of the property. These "old" taxes are distributed to the school districts and other taxing bodies based on their tax rates. The property owner is also taxed, at the same rate, on the increase in EAV, or "incremental EAV." These "incremental taxes" that are paid on the incremental EAV are not distributed to the taxing bodies. Instead, they are paid into a TIF fund held and controlled by the city. The TIF Act specifies the costs that are eligible to be paid with TIF revenues. In our example, approximately \$100,000 in incremental taxes are paid to the city each year and placed in the TIF fund. The city then uses these funds to reimburse the developer for the \$1.5 million spent on environmental cleanup, as required by the redevelopment agreement. A TIF district is usually established for a period of 23 years, which would allow the city sufficient revenue to reimburse the developer for the full amount.

Thus, the city is able to use future property taxes that are generated by the redevelopment of the property, and the increase in EAV that results, to pay for some of the costs of the redevelopment. In many cases, this public assistance is sufficient to

stimulate private developers to invest private money for redevelopment where they would not otherwise invest.

B. When Can TIF Be Used?

TIF districts can only be established when certain requirements in the TIF Act are met. These requirements get fairly complicated. However, at the risk of oversimplifying them, they generally require 1) that the area in question is in bad shape and 2) that it is not likely to improve without public assistance. The complications arise from the difficulty in making the requirements sufficiently precise to evaluate and implement while at the same time attempting to generalize rules that can be applied to an infinite variety of parcels and combination of parcels. Keep in mind that, unlike our example of one factory on one parcel, TIF districts are established that have hundreds of parcels with many different uses, buildings, and conditions.

It is also important to understand that a “TIF district” consists of both 1) a “redevelopment project area” (“RPA”) and 2) a “redevelopment plan.” Only when both the project area and the plan satisfy the requirements in the TIF Act can TIF financing be used. The final step in establishing a TIF district is passage of three ordinances which 1) approve the redevelopment project area; 2) approve the redevelopment plan and project; and 3) approve tax increment allocation financing. Some of the requirements for a TIF district speak in terms of the conditions of the redevelopment project area. Other requirements speak in terms of the contents of the redevelopment plan.

1. Requirements of the Redevelopment Project Area

The redevelopment project area must be at least one and one-half acres in size and must be contiguous. The RPA must also qualify as 1) a “blighted area,” 2) a

“conservation area,” or 3) an “industrial park conservation area.” We will examine the standards for a blighted area. A conservation area “is not yet a blighted area but because of a combination of 3 or more of the [factors used to determine blighted conditions] . . . such an area may become a blighted area.”<sup>2</sup> The use of “industrial park conservation areas” is so infrequent as to be beyond the scope of this article.<sup>3</sup> Blighted areas can be improved with buildings and other improvements or can be vacant or can be a combination of such areas. The factors used to determine whether improved areas qualify as blighted are different than the factors used to determine whether vacant areas qualify as blighted.

In order for an improved area to qualify as a blighted area, 5 or more of the 13 factors listed below must be present, “with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present . . . and reasonably distributed throughout the improved part of the redevelopment project area.”

The 13 factors are as follows:

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Presence of structures below minimum code standards
5. Illegal use of individual structures
6. Excessive vacancies
7. Lack of ventilation, light, or sanitary facilities
8. Inadequate utilities
9. Excessive land coverage and overcrowding of structures and community facilities
10. Deleterious land use or layout
11. Environmental clean-up
12. Lack of community planning
13. Lagging EAV

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<sup>2</sup> 65 ILCS 5/11-74.4-3(b).

<sup>3</sup> See 65 ILCS 5/11-74.4-3(c) and (d).

Each of these factors is defined in the TIF Act. For purposes of illustration, consider the definition of “deterioration”:

Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depression, loose paving material, and weeds protruding through paved surfaces.

Satisfying this condition requires observing and documenting the types of defects identified, or similar defects. Given the variety of defects that can be considered in connection with this one factor, and given that there are 13 factors to consider, one begins to get some sense of the complexity involved. And if vacant areas are present, that requires consideration of a different set of factors.

A conservation area must be an improved area (not vacant) in which 50% or more of the structures have an age of 35 years or more. In addition, at least 3 of the factors listed above must be present. If these conditions are satisfied, the area qualifies as a “conservation area” because “such an area may become a blighted area.”<sup>4</sup>

## 2. The “But For Test”

In addition to qualifying as a blighted area or a conservation area, the second major requirement is stated in the TIF Act as follows:

No redevelopment plan shall be adopted unless a municipality complies with all of the following requirements:

- (1) The municipality finds that the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the redevelopment plan.<sup>5</sup>

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<sup>4</sup> 65 ILCS 5/11-74.4-3(b).

<sup>5</sup> 65 ILCS 5/11-74.4-3(n).

This requirement is frequently referred to as the “but for test,” and is rephrased as follows: But for creation of a TIF district and use of tax increment financing, the area would not be redeveloped.

The But For Test is simply stated, compared with the multiple factors and lengthy definitions involved in determining whether an area is blighted or not. But applying it is not always easy, because it requires the municipality to predict the future, and telling the future is not an easy thing to do.

Sometimes it may not be so hard. In our example, we have a single factory that has been vacant and unused for many years. And we have environmental contamination that would be expensive to remediate. So it may be easy to conclude that no redevelopment will take place on that property without TIF assistance.

But often a proposed TIF district includes multiple parcels. And often some of those parcels, if not most, are occupied and being used. And sometimes some of those parcels have been the subject of recent redevelopment. If one parcel out of one hundred has been redeveloped, what does that say about the rest? Does it predict more redevelopment? Or is it an anomaly based on isolated and unusual circumstances? What if two parcels have been redeveloped? Or perhaps the properties within the proposed TIF district haven't been redeveloped, but the property across the street has been redeveloped. What then?

As you can see, this issue can also get complicated. And, as we will soon see, the answer to this question may be the most important factor from a school district's point of view.

C. How Is a TIF District Established?

The TIF Act requires that many steps be taken to establish a TIF district. But only a few of those steps are critical from the point of view of a school district or other taxing body. These include the following:

1. Conduct Feasibility Study.

After a TIF district is proposed, a city or village will commonly hire a firm to conduct a feasibility study and issue a feasibility report analyzing whether the proposed RPA qualifies for TIF status.<sup>6</sup>

2. Prepare Redevelopment Plan.

If the feasibility report concludes that the proposed RPA qualifies, the next step is to prepare a redevelopment plan. This plan is the comprehensive program of the municipality for redevelopment of the RPA. It must include, among other things, an itemized list of estimated redevelopment project costs, evidence that the RPA has not been subject to growth and development, and an assessment of any financial impact on any taxing district affected by the plan.<sup>7</sup>

3. Convene Joint Review Board.

After the city or village has a redevelopment plan and has given notice of a public hearing, it must convene the Joint Review Board (JRB). The members of the JRB include one representative from each of the local taxing bodies and a “public member” who is selected by the other members of the JRB. The JRB is the mechanism by which the Legislature has given the other taxing bodies a formal opportunity to review the proposed RPA and plan and to evaluate whether they satisfy the statutory requirements

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<sup>6</sup> See 65 ILCS 5/11-74.4-4.1.

<sup>7</sup> 65 ILCS 5/11-74.4-3(n)

for a TIF district. After the city or village convenes the JRB, the JRB has 30 days in which to issue an opinion as to whether the statutory requirements are met. If a majority of the JRB votes no, then the city or village has an obligation to meet with the JRB, to discuss the concerns of the JRB, and, perhaps, to make changes to address those concerns. If, however, the JRB maintains its position, the city council or village board can still establish the TIF district, but must do so by a three-fifths majority vote.<sup>8</sup>

4. Hold Public Hearing.

Before passing the ordinances required to establish a TIF district, the city or village is required to hold a public hearing. Taxing bodies have an opportunity at that public hearing to share their views with the city council or village board orally and in writing.<sup>9</sup>

5. Pass Final Ordinances.

Not sooner than 14 days and not later than 90 days after the close of the public hearing, the city council or village board must introduce and may pass the three ordinances required to establish a TIF district: 1) approving the RPA; 2) approving the redevelopment plan and project; and 3) approving the use of tax increment allocation financing.

D. Should a School District Care If a TIF District Is Established?

It is frequently said that school districts and other taxing bodies are not harmed by TIF districts because they continue to receive the same taxes they were receiving when the TIF district was established – the taxes that are paid on the base EAV. It is further said that because a TIF district is only authorized under circumstances when there would

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<sup>8</sup> 65 ILCS 5/11-74.4-5(b).

<sup>9</sup> 65 ILCS 5/11-74.4-5(a).

be no redevelopment but for the creation of the TIF district, taxing bodies have no opportunity cost. If no TIF district were created, the argument goes, no redevelopment would occur, the EAV within the RPA would not increase, and property taxes would not increase. So there would be nothing to lose. But the establishment of a TIF district can have an impact on school districts and other taxing bodies in at least four different ways, depending on the characteristics of the proposed TIF district and also depending on the particular circumstances of the taxing bodies' property tax environment.

1. Where There Would Be Some Redevelopment Without a TIF District in a Tax-Capped County

As previously discussed, in order to adopt a redevelopment plan and establish a TIF district, a city or village must find as follows:

The municipality finds that the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the redevelopment plan. (Emphasis added.)

Although a city or village must find that the RPA has not been subject to growth and development, the TIF Act qualifies this requirement by referring to the RPA "on the whole." The implication is that even if development has occurred in a relatively small part of the RPA, the required finding can still be made. So if a proposed RPA has 100 parcels, and 10 parcels have been subject to development through investment by private enterprise, is the requirement satisfied? How about 5 parcels? Or 15 parcels? The TIF Act does not provide guidance on this point and the courts have not provided much guidance yet either.

Following this line of reasoning, one can argue that even if some relatively small private development can be expected to take place in the RPA without TIF assistance, the

city or village can still make the finding that the proposed RPA would not reasonably be anticipated to be developed without the adoption of the redevelopment plan “on the whole.” If a city has proposed a large TIF district, and if there has been a pattern of some private redevelopment, it may be possible to conclude that the pattern will continue. The extent of such redevelopment may or may not be sufficient to defeat the But For Test. But even assuming that it is not sufficient to defeat the But For Test, creation of a TIF district under such circumstances will have an impact on school districts and other taxing bodies.

Let us first examine the impact in a tax-capped county.<sup>10</sup> In a tax-capped environment, the increase from one year to the next in a school district’s property tax extension is limited to the cost of living or 5%, whichever is less. However, there is an exception to the tax cap for new construction, also referred to as “new growth.” When the EAV for a parcel increases because of new construction, the increase in EAV is added to the total EAV of the district and the new taxes generated by that “new growth” are added to the total taxes extended by the county for that district over and above the tax-capped amount.

If a TIF district is created, such new taxes go into the TIF fund. If the new construction would have occurred even without the TIF district, then the school districts and other taxing bodies have lost property taxes that they would have received if the TIF district had not been established. These are actual dollars lost.

2. Where There Would Be Some Redevelopment Without a TIF District in a Non-Tax-Capped County

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<sup>10</sup> By tax-capped county, I mean a county in which the Property Tax Extension Limitation Law, 35 ILCS 200/18-185, et seq., (PTELL) is in force.

Let us assume the same set of facts as in the previous example, except that we are now in a non-tax-capped county. A school district is not limited by the tax cap. It is, however, limited by the maximum statutory rates for each of its funds. The rates are calculated by dividing the amount levied by the district by the total available EAV in the district. The higher the total EAV, the lower the rate. To the extent that the TIF district “captures” new EAV that would otherwise have been available to the school district, it lowers the total EAV available to the school district and thereby raises the district’s tax rate. If the school district is bumping up against the maximum statutory rates, this could prevent the school district from collecting all of the taxes it would otherwise collect.

3. A TIF District Will Probably Lower Available EAV, Raise the School District’s Tax Rate, and Shift Some Taxes to Other Taxpayers

Now let’s assume there would be no redevelopment without a TIF district. But let us also assume that the total EAV within the proposed TIF district has historically increased, through appreciation, by an average of 5% annually. What impact will that have on a school district’s property taxes? Assuming that the district tax levy is not bumping up against its statutory maximum rates or exceeding the tax cap, the school district will receive the amount it levies. However, it will not have the increase in EAV within the TIF district available to generate those taxes. Instead, the county will calculate a somewhat higher rate based on a somewhat lower total EAV and will use that rate to spread the district’s taxes across the available EAV within the district. That means that all of the other taxpayers will pay a little bit more to make up for the taxes that would otherwise have been paid by taxpayers within the TIF district on the historical increase in EAV. This is sometimes referred to as a tax “shift.”

#### 4. A Residential TIF District Could Increase Enrollment

Finally, if the plan for a proposed TIF district includes new residential facilities, there is the possibility that children will move into the residential units and enroll in the public schools. The TIF Act specifically provides for payment of TIF funds to the school districts when new students move into housing units that received TIF assistance.<sup>11</sup> However, the TIF Act specifies maximum percentages that can be paid to the schools for such purposes. So a school district should analyze the potential impact when residential units are planned for the TIF district.

## **II. Negotiating Intergovernmental Agreements for Three TIF Districts**

### A. Park Ridge 2003

In 2002, the City of Park Ridge authorized an eligibility study for 5.8 acres located in the central business district of the City and across the street from the commuter railroad station. The City had previously purchased this land from a car dealer named Bredemann who had moved his dealerships to another location. The eligibility report provided to the City concluded that the “Bredemann Properties” qualified as a “blighted area.” The report further concluded that the Bredemann Properties were “not likely to be developed without public action.”

In 2003, the City of Park Ridge expanded its proposed TIF district to include the entire central business district, including the Bredemann Properties – an area of approximately 111 acres. The City received a redevelopment plan, including an eligibility report, in April 2003 concluding that this larger area qualified as a combination of blighted vacant area and improved conservation area. The Bredemann Properties were identified as a “target area” for redevelopment and were in fact the first area to undergo

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<sup>11</sup> See 65 ILCS 5/11-74.4-3(q)(7.5).

redevelopment. The report concluded, among other things, that “without the adoption of this Redevelopment Plan and TIF, the Project Area is not reasonably expected to be redeveloped by private enterprise.”

However, during this same time period, the City of Park Ridge was reporting to the public, as reported in the local newspapers, that there was enormous interest in the private sector in redeveloping the Bredemann Properties. At one point, the City reported that over 60 developers had contacted the City to express interest in redeveloping that land. In other words, the Bredemann Properties were a hot commodity, contrary to the conclusions in the eligibility reports.

Maine Township High School District 207, Park Ridge – Niles Consolidated Community School District 64, and the Park Ridge Park District all expressed concern over the proposed TIF district, based on the reports by the City of the intense interest in the private sector to redevelop the Bredemann Properties. These reports were strong evidence that the But For Test was not met and the Bredemann Properties would be redeveloped even without a TIF district. That meant that the school and park districts would lose the large amounts of new property taxes that would result from this new construction and which would fall outside of the tax cap. This concern was magnified by the City’s projections that redevelopment activities on the Bredemann Properties and two other target areas could result in incremental taxes of as much as \$75 million. District 207, District 64, and the Park District would ordinarily receive approximately 25%, 35%, and 5% of that amount, respectively.

Between May and August of 2003, the three taxing bodies negotiated separately with the City of Park Ridge in an attempt to develop intergovernmental agreements that

would protect the districts from the adverse effects of the TIF district, while at the same time allowing the City to move forward with its plans. In the end, they were successful and the result was three intergovernmental agreements. These three agreements were substantially similar. Each agreement provided that the City would reimburse the district for 60% of the incremental taxes it would have received from new construction but for creation of the TIF district. The agreements also provided for payments to be made to the school districts for new students who move into new residential units within the TIF district, as well as new students who move into homes that have been sold by people moving into the TIF district.

B. Fox Lake 2004 and 2007

In 2004, the Village of Fox Lake contacted Fox Lake School District 114 and Grant High School District 124 and explained that the Village was interested in establishing a TIF District for a single 40-acre parcel. The Subject Property, which had never been developed, was located on the shore of Fox Lake. A developer had approached the Village with a plan to build a water park and hotel, but asked for public participation through a TIF district. The Village and the school districts had very good relations and the Village President was a past president of the board of education of District 114.

The school districts were interested in cooperating with the Village but were concerned about the length of the TIF district, the amount of money to be spent through the TIF district, and the possibility of large numbers of students moving onto the Subject Property at some time and enrolling in the districts. The parties met several times and negotiated an intergovernmental agreement to address those concerns. The agreement

1) limited the amount of tax money to be spent to \$5,000,000; 2) requires that anything not needed to service debt in a particular year be distributed as surplus to the taxing bodies; 3) requires the TIF be terminated after the allowed debt is retired; 4) prohibits any expansion of the TIF district except with approval of the Joint Review Board; and 5) prohibited TIF financing for anything except commercial development.

The original developer was unable to implement his plan for a water park and hotel. In 2007 the Village again approached the school districts and explained that a new developer was interested in developing the Subject Property. However, the new developer did not want to build a water park. Instead, the developer wanted to build a hotel, banquet facility, and condominiums. Because the 2004 agreement prohibited residential uses (or at least TIF assistance for residential uses), the Village wanted to amend the agreement. The districts were concerned about an influx of new students. The parties were able to negotiate an amendment that allows multifamily housing, but only for seniors. The amendment also provides that all municipal sales tax revenue from the project is pledged to debt service payments on the TIF bonds, thereby potentially shortening the life of the TIF district and/or producing more surplus revenue to be shared with all taxing bodies.

C. Des Plaines 2006

In early 2006 the City of Des Plaines announced that it was planning to create a 95-acre TIF district that included many existing businesses. The proposed TIF district included a number of properties where there had been new construction in recent years. This history suggested that there would be additional construction in future years even without public incentives. As discussed above, property taxes generated by new

construction are outside the tax cap and would ordinarily constitute additional revenue for the school and park districts. However, if a TIF district were created, the school and park districts would lose that additional revenue. This was the concern that District 207, Community Consolidated School District 62, and the Des Plaines Park District presented to the City of Des Plaines.

During discussions that lasted approximately six months, the school districts, park district, and city discussed ways that the districts could be protected from any adverse impact of the TIF district. In the spirit of intergovernmental cooperation, the parties agreed on a combination of measures to address the problem. First, the City agreed to reduce the size of the TIF district from 95 to approximately 70 acres and, in the process, removed many of the properties with new construction. Second, the City agreed to declare as surplus and pay certain percentages of incremental property taxes to all taxing bodies in years 11 through 23 of the TIF district. Third, the City agreed to share a percentage of new sales tax revenue generated in the TIF district with the three districts. Finally, the City agreed to declare \$3 million in incremental taxes in a separate TIF district as surplus and distribute those funds to all taxing bodies. The school and park districts were satisfied that these measures would offset most, if not all, of the revenues that would otherwise be lost from creation of the TIF district. A single intergovernmental agreement was approved and executed and the TIF district was established in October, 2006.

### **III. Further Thoughts / Lessons Learned**

#### **A. Not All TIF Districts Are Alike**

Each proposed TIF district must be analyzed to determine whether it is likely to have any impact on school districts. Many will not. Only in situations where redevelopment is likely to occur even without a TIF district and where the tax cap is in place will school districts be likely to actually lose revenue.

#### **B. It Is Hard to Predict the Future – But Necessary**

Analyzing and applying the But For Test is hard, because predicting the future is hard. But making an informed judgment is important because that test, more than any other factor, will determine whether a proposed TIF district will adversely affect a school district financially.

#### **C. Reasonable People May Disagree**

TIF districts are complicated things. And the standards for TIF districts are complicated and hard to implement. And trying to predict the future is not easy. So there may not be any clear cut answers to some of the issues that must be addressed. Under these circumstances, reasonable people may disagree about some of these issues, and disagreeing does not make the other person unreasonable.

#### **D. It May Be Helpful to Have Your Own Expert**

Eligibility studies are usually conducted by people who have training in a relevant field, although some firms who do this kind of work come from a planning background, while others come from a financial background, so the training and expertise may vary from person to person. And reasonable people may disagree about these issues. So it

may be worthwhile to hire an experienced individual to conduct an eligibility study on behalf of the school district in order to get an independent opinion.

E. It May Be Helpful to Work With Other Taxing Bodies

The school districts and park district in Des Plaines agreed early in the process to cooperate with each other and to share the expenses of hiring special counsel and a TIF consultant. They also felt that having a common position during negotiations gave them greater bargaining power. On the other hand, the districts in Park Ridge worked independently for the most part and were successful. And they didn't need to compromise with the other districts in order to achieve a common position. So you will have to weigh these factors and make a decision how to proceed.

F. Start As Soon As You Can

TIF districts are complicated things. And doing the analysis to determine whether you should be concerned about a proposed TIF district may take a lot of time and energy. So start as soon as you learn about the TIF. Don't wait until the Joint Review Board is convened. If you do, you will have a very short time in which to get up to speed.

G. A School District's Interests Are Not Always Identical to Those of the Joint Review Board

The Joint Review Board has the limited statutory responsibility of reviewing the proposed TIF district and making a determination as to whether it complies with the statutory requirements. This responsibility is not identical to nor even necessarily consistent with the school board's responsibility to protect the district's revenues. The proposed TIF district may satisfy all statutory requirements and yet result in some loss to the school district because there would be some relatively small redevelopment even without a TIF district. Conversely, a proposed TIF district may pose no threat to school

district revenues because there is no likelihood of redevelopment without a TIF, but may fail to qualify as a blighted area because only 4 factors are present. Caution should be exercised in fulfilling these dual responsibilities.

H. It Doesn't Have to Be All or Nothing

In addressing your concerns regarding a proposed TIF district, you don't have to stop the TIF. The experiences in Park Ridge and Des Plaines demonstrate that a school district and a city can reach an agreement somewhere "in the middle." Accommodations can be made to address a school district's concerns while allowing the TIF district to proceed. While a school district has standing to challenge the establishment of a TIF district, there are many reasons why it may not want to do so. Litigation is expensive, time-consuming, and emotionally draining. The city's ordinances are presumed to be valid, and it is the party challenging those ordinances who has the burden of proof. There are many reasons why an intergovernmental agreement may be preferable to a lawsuit.

I. It Is Easy to Compromise About Money

This may sound strange, since so many disputes are about money. But because dollars are fungible, and because any sum of money can be divided in many different ways, it is easy to compromise by doing just that – taking the available or projected amount of money and dividing it in order to accommodate everyone's interests. That is what was done in Park Ridge and Des Plaines.

J. There Are Many Tools Available To Reach an Agreement

The promise to pay certain amounts of money was central in reaching agreements in Park Ridge and Des Plaines. However, there are other tools available to reach a compromise regarding TIF districts. For example, municipalities have agreed to limit the

length of the TIF district to some number of years less than 23, and have agreed to limit the types of uses within the TIF district (eliminating the concern regarding residential uses, for example). Alternatively, a municipality might agree to limit the amount of money to be paid for eligible costs. There is no limit to the type of accommodation that can be made.

K. Redevelopment Is Important Too

When we are elected to an office, or employed for a particular purpose, it is natural sometimes to pursue the goals and responsibilities entrusted to us to the exclusion of all others. But local leaders of all stripes need to have some perspective on what they are doing, how it might affect the rest of the community, and whether and how multiple goals can be achieved. This means that school board members and administrators should consider the importance and value of redeveloping blighted areas and preventing areas at risk from becoming blighted, while municipal leaders recognize the value of strong schools to the entire community

**IV. Summary**

Using tax increment financing is a complicated process. Although in theory TIF districts harm no one and everyone benefits, under some circumstances a TIF district can have an adverse financial impact on school districts and other taxing bodies. School officials need to evaluate each proposed TIF district carefully. If it appears that an adverse impact is likely, efforts should be made to resolve the problem by negotiating an intergovernmental agreement that addresses the problem while allowing the city or village to accomplish its goals.

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2020/21 Board of Education Meetings <small>Approved: 5/19/2020</small>		
Committee	Business	Special Meetings/Public Hearings
*	7/21/2020	
8/04/2020 Summer School Update	8/25/2020	
9/01/2020	9/15/2020	9/15/2020 Budget Hearing
10/06/2020	10/20/2020	
Federal Election Day Holiday - meeting cancelled 10.6.2020	11/17/2020	
*	12/15/2020	12/15/2020 Levy Hearing
*	1/19/2021	
2/02/2021	2/16/2021	
3/02/2021	3/16/2021	
4/06/2021	4/20/2021	
5/04/2021	5/18/2021	
6/08/2021	6/22/2021	

\*One meeting is scheduled for the months of July, December & January.

All Board Meetings will begin at 7:00 PM  
 at West Oak Campus, 500 Acorn Lane, Mundelein, IL 60060

February 10, 2021

Dr. Lori Suddick, Ed.D, President  
College of Lake County  
19351 W. Washington St.  
Grayslake, IL 60030

Dr. Kevin Myers, Superintendent  
Mundelein High School District #120  
1350 W. Hawley Street  
Mundelein, IL 60060

Dr. Bhavna Sharma-Lewis, Superintendent  
Diamond Lake School District #76  
500 Acorn Lane  
Mundelein, IL 60060

Dear President and Superintendents:

This letter is intended to advise you that the Village of Mundelein has acquired the property located at 444 E. Courtland Street (PIN 11-30-109-014, 015 and 017). This property was purchased by the Village as part of a redevelopment agreement with the Springbank development group and will become a regional stormwater detention facility and park site. A location map of the property is attached.

The Village has filed an application for property tax exemption with the Lake County Board of Review. Because the assessed value of the property is greater than \$100,000 and will reduce the assessed valuation by more than \$100,000, the Village is required to notify the community college and school districts that a tax-exempt application has been filed.

I should also note that Springbank has acquired the former Public Works facility at 440 E. Crystal Street as part of this redevelopment agreement. Therefore, that property will lose its property tax exemption and will be returned to the tax rolls.

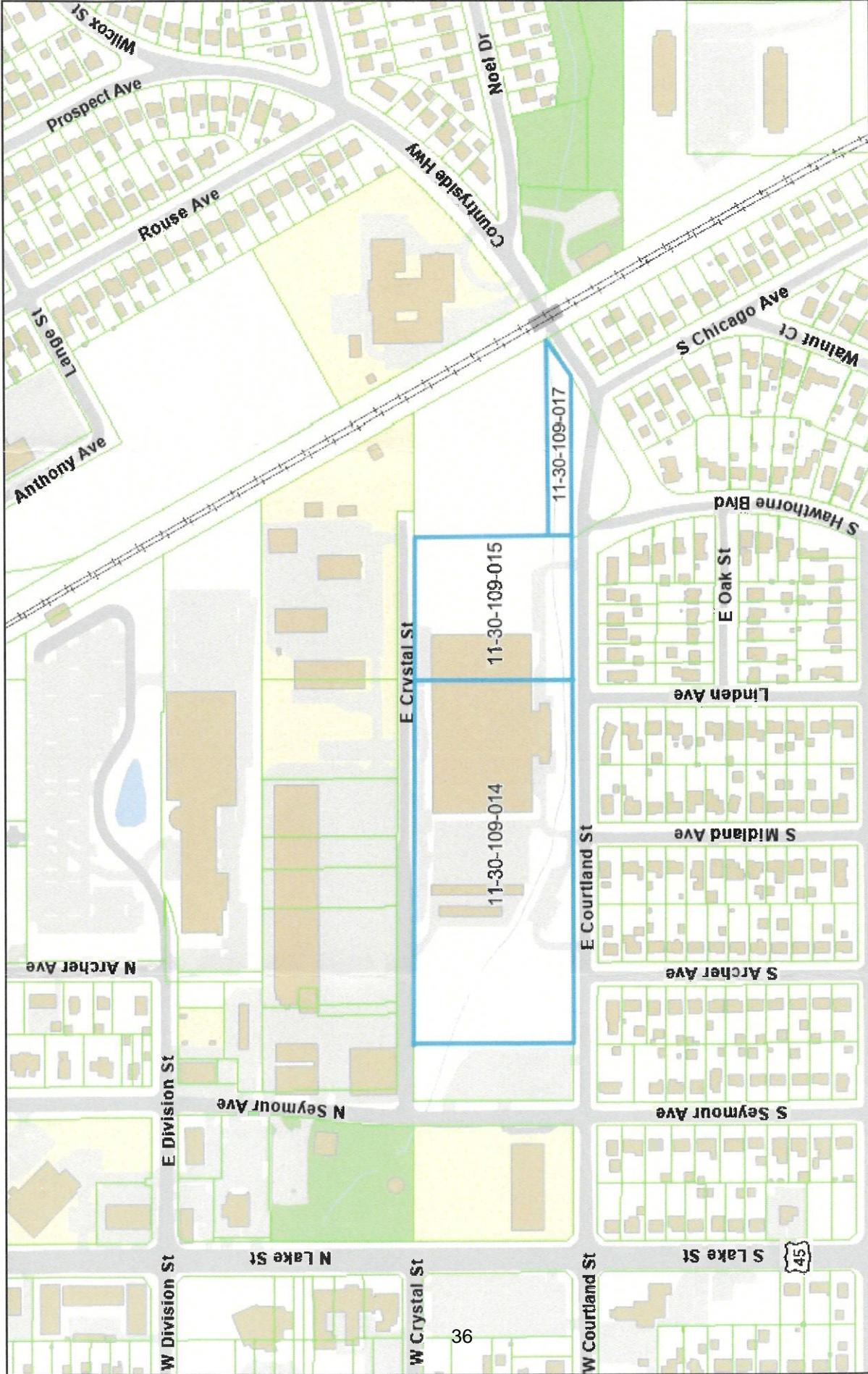
Sincerely,



Peter Vadopalas  
Assistant Village Administrator

PV/ts  
Attach.

# GIS Consortium | 444 E. Courtland Street



Notes



Disclaimer: The GIS Consortium and NCGI Inc. are not liable for any use, misuse, modification or disclosure of any map provided under applicable law. This map is for general information purposes only. Although the information is believed to be generally accurate, errors may exist and the user should independently confirm for accuracy. The map does not constitute a regulatory determination and is not a base for engineering design. A Registered Land Surveyor should be consulted to determine precise location boundaries on the ground.

