



**RESOLUTION NO. 2014-001**

**A Resolution**

**Authorizing and Supporting the Rebate of TIF Funds to Taxing Districts from the Orchard Road Tax Increment Financing District by the Village of Montgomery, Kane and Kendall Counties, Illinois**

**WHEREAS**, the Village of Montgomery desires to expand and grow in an orderly and planned fashion and to encourage economic development in the Village; and

**WHEREAS**, the Village of Montgomery has a previously established Tax Increment Financing ("TIF") District known as the Orchard Road Tax Increment Financing District pursuant to Illinois State law; and

**WHEREAS**, the Village's intent with said TIF district is to stimulate new growth and derive funds from new growth to facilitate development; and

**WHEREAS**, the Village's intent is generally not to use the TIF District to retain Tax increment generated by existing structures that have not been modified, or changed, and assessed since enactment of the TIF district; and

**WHEREAS**, the Montgomery-Countryside Fire Protection District is uniquely situated in that its tax levy is at its maximum levy rate percentage and may go no higher without referendum approval; and

**WHEREAS**, the Montgomery-Countryside Fire Protection District will, due to its particular tax levy structure (being at a maximum tax levy rate percentage), encounter a unique hardship due to the freezing of Equalized Assessed Valuations ("EAV") due to enactment of the TIF; and

**WHEREAS**, the Montgomery-Countryside Fire Protection District has lost over the last few years real dollars from its tax levy due to being at a maximum levy percentage rate and the loss of overall EAV due to declining real estate values; and

**WHEREAS**, the Montgomery-Countryside Fire Protection District had planned and anticipated to recover some of the lost tax revenues as EAV's

begin to climb after the real estate crisis that began in 2008 ends and real estate values begin to recover lost ground; and

**WHEREAS**, while the area of the TIF comprise approximately 17% of the Montgomery-Countryside Fire Protection District, the Village acknowledges that any locking of the EAV of existing structures will slow the Montgomery-Countryside Fire Protection District's planned recovery as EAV begins to once again increase; and

**WHEREAS**, therefore the Village has no intent to use the aforementioned EAV generated from existing structures that are not being improved after enactment of the TIF and intends to rebate said amounts relating to background EAV growth to all districts; and

**WHEREAS**, Illinois law requires that, as to rebates all districts are to be treated equally, this provision, while intended to address the unique situation with the Montgomery-Countryside Fire Protection District, will apply equally to all taxing bodies; and

**WHEREAS**, this resolution is not intended to limit the ability of the Village or the Montgomery-Countryside Fire Protection District to enter into additional agreements to the extent that specifically attributable expenses relating to the Montgomery-Countryside Fire Protection District are incurred as a result of development in the TIF area and the Village and the Montgomery-Countryside Fire Protection District are not limited in anyway hereby; and

**WHEREAS**, the present Village Board may not bind any future board, it is the intent of this Village Board to strongly convey to all future boards the legislative intent of this action and to encourage all future boards to honor the original intent of this action in enacting the TIF; and,

**WHEREAS**, the Village hereby memorializes its intent to rebate such increment generated by existing structures to all taxing districts in accordance with Illinois law; and

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

1) Effective immediately and for every tax year thereafter, taxes captured under an adopted tax increment financing plan shall be calculated and allocated among taxing authorities in accordance with the following:

If the captured assessed taxable valuation tax increment derived from an increase in value of existing property that has not been improved and assessed

since January 13, 2014, such tax increment actually collected thereby shall be rebated to the taxing districts that absent the TIF would have received said amount. Said amounts shall be divided among the taxing units in relation to their proportion of the applicable tax levies. Any such rebate shall be issued in accordance with Illinois law and only after actual receipt by the Village of such funds.

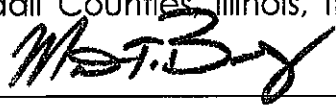
The Village staff shall prepare a report and calculation of the amounts due hereunder. The determination of the Village staff shall be final in determining the amounts due hereunder (subject only to the review of the Village Board). After preparing said report on an annual basis, the Village staff shall present said report to the Village Board for informational purposes only. Unless a Board member objects to the report within 30 days of presentation in writing, the Village staff shall issue said rebates to the various districts after expiration of said 30 day period to object. If any Board member objects to the report in writing to the Village administrator, said rebates shall not be paid until approved by a majority of the Village Board in open session.

This resolution is not to be considered an entitlement or right by any District to said rebates until the funds are approved and actually received by the District. No cause of action shall exist based on contract, estoppel, third party beneficiary or other legal theory.

2) Any captured assessed taxable valuation tax increment derived from new construction or assessments on improved existing property subsequent to January 13, 2014, shall not be rebated.

3) This resolution shall be in effect until the first board meeting in May of 2017. Unless action is taken by the duly elected Village Board (in office at that time) to repeal said resolution it shall automatically renew for additional 4 year periods until repealed or until the TIF District expires.

**PASSED AND APPROVED** by the President and Board of Trustees of the Village of Montgomery, Kane and Kendall Counties, Illinois, this 13<sup>th</sup> day of January, 2014.

  
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President of the Board of Trustees of the Village of Montgomery, Kane and Kendall Counties, Illinois

AYES:          6    
NAYS:          0

ABSENT:

0



ATTEST:

*Hidi A. Dziedyc*

Clerk, Village of Montgomery