



RESOLUTION NO. 2017-003

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 ("Village") desires to expand and grow in an orderly and planned fashion and to encourage economic development in the Village; and

WHEREAS, the Village has previously established a 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 to foster the redevelopment and expansion of existing entities, and derive funds from this activity to facilitate such development; and

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

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

WHEREAS, although 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 District; and

WHEREAS, the Village hereby memorializes its intent to rebate such increment generated by existing structures that are not being improved to all taxing districts in accordance with Illinois law; and

WHEREAS, this Resolution is intended to repeal and replace Resolution No.

2014-001 with regard to the calculation and distribution of rebates generated by the TIF, as set forth herein.

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

1) Review of TIF. 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 returned to the County for distribution to the taxing districts that absent the TIF would have received said amount. The amount returned to the County 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.

After receipt of the final tax distribution from the County each year, Village staff will review any building permits issued since the last review for parcels within the TIF area. Staff will use the information from the building permits, along with EAV reports and other appropriate documentation to determine if any parcels with existing structures have been redeveloped or expanded to a degree sufficient that the TIF fund shall begin retaining a portion of the increment for that parcel. Staff will present their findings to the taxing districts at the annual Joint Review Board meeting. Staff will then present their findings to the Village Board to make the final determination regarding any amounts to be retained in the TIF fund. Once the Village Board has made its determination, Village staff will send the appropriate amounts to the County for distribution to the taxing districts.

In the event that the determination is made that the TIF fund will begin retaining a portion of the increment for a parcel, the amount rebated to the taxing district shall be frozen at the level of the most recent amount rebated for said parcel. This amount shall be increased by three percent (3%) in each subsequent year.

In the event that a vacant parcel within the TIF area develops, the TIF fund shall retain all of the increment for said parcel.

The Village staff shall prepare a report and provide for the calculation of the amounts due hereunder. After preparing said report, the Village staff shall, on an annual basis present said report to the Village Board for final determination of the rebate amount. Unless a Board member objects to the report within

fourteen (14) days of presentation in writing, the Village staff shall issue said rebates to the various districts after expiration of said fourteen (14) 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) Calculation of Rebates. In accordance with Section 1 above, any captured assessed taxable valuation tax increment derived from: (1) new construction, or, (2) existing property improved subsequent to January 13, 2014 shall not be rebated.

(a) In the instance of new construction, all taxable valuation tax increment shall remain in the TIF.

(b) In the instance of existing property that is improved subsequent to January 13, 2014, the TIF will retain the portion of the increment that is increased as the result of said improvement. The taxing district shall continue to receive a rebate of the amount of taxable value "frozen" at the amount of the last assessment preceding the improvement, with said amount increasing at a rate of 3% for every year thereafter.

3) Effective Date. This resolution shall be in effect until the first board meeting in May of 2021. 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.

4) Repealer. This resolution is intended to repeal and replace Resolution 2014-001 and all calculations with regard to the rebate and distribution of funds from said TIF District shall be in accordance with the provisions set forth herein.

PASSED AND APPROVED by the President and Board of Trustees of the Village of Montgomery, Kane and Kendall Counties, Illinois, this 22nd day of May, 2017.



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

AYES: 6

NAYS: 0

ABSENT: 0

ATTEST: *Renee J. Jankovich*
Clerk, Village of Montgomery

