

**VILLAGE OF JOHNSBURG
NOVEMBER 5, 2019 REGULAR MEETING
OF THE PRESIDENT AND BOARD OF TRUSTEES**

President Edwin Hettermann called the meeting to order at 7:00 p.m. in the Village Hall.

Attendees

Trustee Greg Klemstein
Trustee McEvoy
Trustee Josh Hagen
Trustee Tom Curry
Trustee Frost
Trustee Beth Foreman
Village Attorney Michael Smoron
Special Project Coordinator Rick Quinn
Village Engineer Tim Hartnett
Assistant Administrator Vinny LaMontagna
Police Chief Keith VonAllmen

AUDIENCE PARTICIPATION – No comments from the public

OMNIBUS AGENDA – Trustee McEvoy moved to approve Omnibus Agenda. Trustee Curry seconded the motion. All Trustees voted aye on the roll. Motion carried.

- Move to approve the minutes of the October 15, 2019 Regular Meeting of the President and Board of Trustees
- Move to approve Ordinance 19-20-20 Adopting Text Amendments to the Johnsburg Zoning Ordinance
- Move to approve Ordinance 19-20-22 Petitioning the Village of Johnsburg Planning and Zoning Commission, sitting as a Special Zoning Commission, for amendments to the Johnsburg Zoning Ordinance regulating Cannabis Business Establishments.
- Move to approve Tax Levy Resolution

Disbursements

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|----------------------------|--------------|
| • General Fund | \$372,009.83 |
| • MFT | \$ 4,461.30 |
| • Waterworks & Sewage Fund | \$ 11,771.90 |
| • Golf Course | \$ 345.95 |
| • Debt Service/SSA Fund | \$ 4,775.00 |
| • Total All Funds | \$393,363.98 |

PRESIDENT’S REPORT – President Hettermann informed the Board of an informational meeting scheduled for November 19, 2019 at 5:30 p.m. at the Village Hall regarding the Safe Routes to School project. He iterated that the Village Board will only have one meeting in December on December 10, 2019. President Hettermann reported that PACE Route 806 will not be eliminated and thanked those that supported the route and spoke at the hearing.

LAUTERBACH & AMEN – Jennifer Martins attended the meeting to review the FY 2019 Audit. She explained that the audit consists of three sections – the Introductory Section, Financial Section and Statistical Section. Ms. Martins reported that the Village received the Certificate of Achievement for Excellence in Financial Reporting for fiscal year 2018 and the Village will be submitting for the

recognition for fiscal year 2019 as well. Ms. Martins stated that the Village received a clean audit and thanked Beckey Kijak for her assistant with the audit.

PUBLIC HEARING – Village Attorney Michael Smoron opened up the public hearing regarding the proposed Bush School Redevelopment Project. He explained that the required notices were completed on October 16, 2019, and the Joint Review Board met and recommended that the proposed Bush School Redevelopment Project Area meets the criteria to qualify for designation as a conservation area and approved the Bush School Redevelopment Project Area.

Attorney Smoron swore in Fran Lefor Rood and Caren Kay from S.B. Friedman. Ms. Rood reviewed the financing basics of establishing a TIF. She explained that the base value of a property is frozen over a 23-year period and any increase in taxes are reinvested in the property within the redevelopment project area.

Ms. Rood reviewed the findings of the Joint Review Board. She explained that they recommended approval of the Redevelopment Plan and Project and the designation of the redevelopment project area as a TIF district on the basis that the redevelopment project area and redevelopment plan satisfy the plan requirements and eligibility criteria as defined in TIF Act and the objectives of the TIF Act.

Ms. Fran Lefor Rood discussed the work performed by S. B. Friedman in developing the Redevelopment Plan and Project Report. She explained that the ultimate objective is to make the site active by bringing private investment to redevelop the site resulting in increases in property values. Ms. Kay discussed factors considered in developing the plan. She explained that a minimum of three factors are required in order for the project to be considered a Conservation Area and the Bush School Redevelopment Plan and Project met five of the factors. She explained that but for the TIF, the site would not likely bring in private investment to redevelop the property and make it viable.

Ms. Rood explained the major redevelopment objectives and reviewed the Redevelopment Project and Plan. She explained that within 14 to 90 days the Board can take action on three ordinances establishing the TIF District.

Attorney Smoron reviewed the three proposed ordinances – 1) Approving the Tax Increment Financing Eligibility Study and Redevelopment Plan and Project for the Bush School Redevelopment Project Area; 2) Designating the Redevelopment Project Area; and 3) Adopting Tax Increment Financing for the Bush School Redevelopment Project Area. He then swore in members of the public wishing to speak and provide testimony.

Michael Smoron swore in Hollis Arnold of 2114 Church Street in Johnsbury. He then asked if anyone attended and wished to ask questions on behalf of governmental bodies affected by the proposed TIF district or business owners within the proposed TIF district. There was no response from any governmental bodies or business owners.

Attorney Smoron then asked if there were any property owners within the TIF district or within 750 feet of the district that desired to ask questions of the presenters. Ms. Hollis Arnold questioned if there were any documents or information available for review and if the Village will receive any taxes from the property or if all of the funds will go into the TIF. Attorney Smoron explained the Village published notice that the redevelopment plan is available for review. The presentation and the three draft ordinances are also available to her. Michael explained that the property is currently tax exempt. Since there are no taxes currently on the property, all of the incremental taxes can go into the TIF and the funds can be used for improvements within the redevelopment area. Mr. Smoron added that the TIF can extend for a period of up to 23 years. Ms. Arnold questioned what the benefit is for the Village as the development will not create any jobs and asked why the developer should receive a tax break on the backs of the Village residents. Michael explained that the benefit to the Village is that the property will

be redeveloped for a useable purpose. He added that the funds will aid in bringing the building up to code and make it livable and the board may determine that there is benefit to the building no longer being vacant and that developing the property will be a benefit to the downtown area. He added that the property taxes are not abated and explained that no taxes are currently being generated and at the time the TIF terminates, property taxes will again be paid to the taxing bodies.

Ms. Arnold questioned the impact to other taxing bodies. Attorney Smoron stated that he cannot speak for other taxing bodies but he expects it was taken into account at the Joint Review Board meeting when they made the recommendation but the sense is that but for the establishment of a TIF, the property would otherwise not be able to be developed.

Ms. Arnold questioned how the capital budget will be spent. Attorney Smoron explained that the TIF funding is not provided up front, it is received over time therefore the developer would have to front the expense and recoup their costs through the TIF funds

Ms. Rood explained that the budget is a general budget and the Village can shift funds around between line items as they see fit provided the property generates sufficient funds to support the expense. It is up to the Village to decide how to apply those funds. She added that creation of the TIF district does not require the Village to commit anything - it only provides the opportunity. Ms. Rood explained that any non-programmed TIF surplus fund are to be repaid back to the taxing districts and the Village can close out the district early if the purpose of the funds has been completed.

Ms. Arnold questioned who manages the funds. Ms. Rood stated that the Village is in control of the funds and the Joint Review Board provides oversight.

Attorney Smoron swore in Walter Steffens of 2110 Church Street. Mr. Steffens questioned if the property is sold to a non-profit entity such as the Salvation Army, how will the Village get the funds as the property would become tax-exempt. Attorney Smoron explained that to do so would be inconsistent with the agreement entered into between the developer and the Village and there would likely be zoning issues. Ms. Rood added that if the property is developed with tax credits, the developer will be obligated to be use the property in that manner for a period of at least 15 years.

Attorney Smoron swore in Kim Clauson of 2112 Church Street who questioned if it is certain that property will be used for housing. Attorney Smoron reviewed the hearings held to develop the property with housing. He explained that the developer is under contract for the property but he cannot say for certain that they will close and all will proceed, but added that there are likely some challenges with the existing structure that creates difficulty for other potential developments. Ms. Rood stated that if the property is not developed as planned, Village is obligated to return any TIF funds collected.

Ms. Arnold questioned if there would be the same type of private investment in the property without the TIF. Attorney Smoron stated that if there is evidence that there could be other private investment without the benefit of a TIF, this is the time to present that evidence. He explained that the board is not taking action on any ordinances tonight. Trustee Curry explained that based on his experience in building, he would expect the property would be developed with as much housing as possible to maximize the land to support the cost of development. Ms. Rood stated that in greenfield sights you can develop and make money but this is a very difficult property due to the existing infrastructure which is not in compliance with current codes and lacks utilities making it costly to develop. She added that the school has been vacant for three years and there does not appear to be any interest in the property, which creates a challenge.

Ms. Clauson questioned if the Village has researched and determined what will go on the property and how the funds would be used. Village Engineer Tim Hartnett explained that at the February 5, 2019 board meeting the board discussed water and sewer, sidewalk/pathway and road resurfacing

improvements that will have a regional benefit. He stated that the water improvements include an additional well and upgrades to the Shiloh Ridge water system along with the extension of water main to the property, which will be able to serve other adjacent properties. Mr. Hartnett added that the extension of sewer to the property will benefit other properties on Johnsbury Road and the developer proposes to resurface 1000 feet of Johnsbury Road from the roundabout to Fairview Avenue and extend sidewalks through the property to interconnect Church Street and Johnsbury Road.

Chuck Majercik of 3711 N. Fairview Avenue commented that many of the residents in the surrounding area could not live in the proposed complex as their income is too high.

There were no other questions of the presenters and Attorney Smoron then inquired if there was anyone in attendance on behalf of governmental bodies, businesses affected by the TIF district or residents residing in the proposed district or within 750 feet of the district that wished to make a public statement. No public statements were made.

Trustee Foreman thanked the representatives of S.B. Friedman for their efforts complimented the summary they provided. She commented that the property has issues and the Village needs to be mindful of that.

Trustee Frost moved to place the three TIF ordinances for the proposed Bush School Project Area on the Village Board Agenda for November 19, 2019 Village Board meeting. Trustee Hagen seconded the motion. All Trustees voted aye on the roll. Motion carried.

COMMITTEE REPORTS - Trustee Foreman reported on status of Holiday Magic. Trustee McEvoy reported that the public works employees have been busy wrapping up road patching and tree trimming. Trustee Hagen reported that he met again today with John Huemann and Village Administrator Peters regarding the proposed Sign Ordinance amendments to address concerns raised by JABA. He added that JABA would be meeting the next night to further discuss the matter. Trustee Frost reported that the Ordinance Committee wrapped up their review of changes to Chapter 12.

ADJOURNMENT – Trustee McEvoy moved to adjourn the meeting. Trustee Foreman seconded the motion. All Trustees voted aye on the roll. Motion carried at 8:14 p.m.

Respectfully Submitted

*Claudett Peters
Village Administrator*