

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

Name of Redevelopment Project Area:	TIF #3 (Village Center)
Primary Use of Redevelopment Project Area*:	Retail/CBD/Industrial
If "Combination/Mixed" List Component Types:	NA
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/>	Industrial Jobs Recovery Law <input type="checkbox"/>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H		X
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits equal to or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect in FY 2012, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M	X	

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

Provide an analysis of the special tax allocation fund.

Fund Balance at Beginning of Reporting Period

\$ 2,651,025

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$967,250	\$ 5,306,643	92%
State Sales Tax Increment			0%
Local Sales Tax Increment		\$ -	0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 6,054	\$ 195,603	3%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 158,338	3%
Transfers from Municipal Sources		\$ -	0%
Private Sources		\$ 85,000	1%
Other (identify source _____; if multiple other sources, attach schedule)		\$ 10,934	0%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period

\$ 973,304

Cumulative Total Revenues/Cash Receipts

\$ 5,756,518 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)

\$ 3,147,759

Distribution of Surplus

Total Expenditures/Disbursements

\$ 3,147,759

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS

\$ (2,174,455)

FUND BALANCE, END OF REPORTING PERIOD*

\$ 476,570

*If there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
 (By category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Community development - Personal services	34,734	
		\$ 34,734
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
Community development - Contractual services	313,025	
		\$ 313,025
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
Hanover Square property acquisition	2,800,000	
		\$ 2,800,000
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)		
		\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
		\$ -
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))
Breakdown of the Balance in the Special Tax Allocation Fund at the End of the Reporting Period

FUND BALANCE, END OF REPORTING PERIOD \$ 476,570

	Amount of Original Issuance	Amount Designated
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1. Description of Debt Obligations

NuCare Services Reimbursement (PAYG Note)	\$ 1,900,000	\$ 1,200,000
Animal Clinic Reimbursement (PAYG Note)	\$ 400,000	\$ 260,413
Suburban Tire Reimbursement/ELCO	\$ 94,500	\$ 26,325
BT Realty Reimbursement	\$ 25,000	\$ -
Interfund Loan (to Municipal Bldg Fund/Capital Improvements)	\$ (900,000)	\$ -

Total Amount Designated for Obligations \$ 1,519,500 \$ 1,486,738

2. Description of Project Costs to be Paid

Planning, Legal, Admin, Marketing - FY13 and Beyond		\$ 255,000
Property Assembly - FY13 and Beyond		\$ 2,500,000
Building Rehab - FY13 and Beyond		\$ -
Pub Works, Utility & Pkg Improvements - FY13 and Beyond		\$ 6,154,000
Developer Interest Subsidies - FY13 and Beyond		\$ 2,000,000

Total Amount Designated for Project Costs \$ 10,909,000

TOTAL AMOUNT DESIGNATED \$ 12,395,738

SURPLUS*/(DEFICIT) \$ (11,919,168)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts (See instructions and statutes)

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

___ **No property was acquired by the municipality within the Redevelopment Project Area**

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	6602-6772 N. Barrington Rd.
Approximate size or description of property:	Hanover Square Shopping Center
Purchase price:	\$2,800,000
Seller of property:	Pacini Group LLC

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

If **NO** projects were undertaken by the municipality within the Redevelopment Project Area, indicate so in the space provided: _____

If Projects **WERE** undertaken by the municipality within the Redevelopment Project Area enter the **TOTAL** number of projects and list them in detail below. 10

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED IF PROJECTS ARE LISTED ON THESE PAGES

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 37,761,184	\$ 27,493,557	\$ 65,254,741
Public Investment Undertaken	\$ 3,424,001	\$ 3,560,413	\$ 6,984,414
Ratio of Private/Public Investment	11.0		9.3

Project 1:			
<i>Hanover Square Shopping Center (Village Center)</i>			
Private Investment Undertaken (See Instructions)	\$ 618,170	\$ 7,000,000	\$ 7,618,170
Public Investment Undertaken	\$ 2,800,000	\$ 1,500,000	\$ 4,300,000
Ratio of Private/Public Investment	0.2		1.8

Project 2:			
<i>Suburban Tie, 2064 Lake St. (Village Center)</i>			
Private Investment Undertaken (See Instructions)	\$ 1,496,700		\$ 1,496,700
Public Investment Undertaken	\$ 94,500		\$ 94,500
Ratio of Private/Public Investment	15.8		15.8

Project 3:			
<i>E. Kinast Distributors, 6350 Church Rd. (Business Park)</i>			
Private Investment Undertaken (See Instructions)	\$ 4,203,637		\$ 4,203,637
Public Investment Undertaken	\$ 12,026		\$ 12,026
Ratio of Private/Public Investment	349.5		349.5

Project 4:			
<i>Church St. Station - Townhomes</i>			
Private Investment Undertaken (See Instructions)	\$ 11,897,527	\$ 19,642,473	\$ 31,540,000
Public Investment Undertaken	\$ 50,000	\$ -	\$ 50,000
Ratio of Private/Public Investment	238.0		630.8

Project 5:			
<i>Church St. Station - Commercial</i>			
Private Investment Undertaken (See Instructions)	\$ 2,148,916	\$ 851,084	\$ 3,000,000
Public Investment Undertaken	\$ -		\$ -
Ratio of Private/Public Investment	-		-

Project 6:			
<i>HP Animal Care Center, 1920 Ontarioville Rd.</i>			
Private Investment Undertaken (See Instructions)	\$ 2,386,234		\$ 2,386,234
Public Investment Undertaken	\$ 139,587	\$ 260,413	\$ 400,000
Ratio of Private/Public Investment	17.1		6.0

Project 7:*The Claremont, 2000 W. Lake St. (150 Bed Skilled Nursing Home)*

Private Investment Undertaken (See Instructions)	\$ 15,000,000		\$ 15,000,000
Public Investment Undertaken	\$ -	\$ 1,800,000	\$ 1,800,000
Ratio of Private/Public Investment	-		8.3

Project 8:*Devon Avenue Water Main Extension*

Private Investment Undertaken (See Instructions)	\$ 10,000		\$ 10,000
Public Investment Undertaken	\$ 66,830		\$ 66,830
Ratio of Private/Public Investment	0.1		0.1

Project 9:*Vacant House Removal - 2144 Lake St.*

Private Investment Undertaken (See Instructions)	\$ -		\$ -
Public Investment Undertaken	\$ 7,900		\$ 7,900
Ratio of Private/Public Investment	-		-

Project 10:*Lakewood Restaurant, 2020 W. Lake St. (BT Realty, LLC)*

Private Investment Undertaken (See Instructions)	\$ -		\$ -
Public Investment Undertaken	\$ 253,158		\$ 253,158
Ratio of Private/Public Investment	-		-



**Village of Hanover Park
Administration**

Municipal Building
2121 Lake Street
Hanover Park, IL 60133-4398

630-823-5600
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www.hpil.org

PRESIDENT
RODNEY S. CRAIG

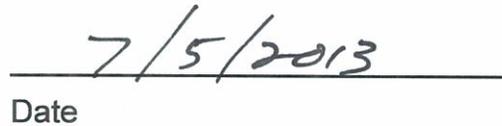
VILLAGE CLERK
EIRA CORRAL

TRUSTEES
WILLIAM CANNON
JAMES KEMPER
JENNI KONSTANZER
JON KUNKEL
RICK ROBERTS
EDWARD J. ZIMEL, JR.

VILLAGE MANAGER
JULIANA A. MALLER

I, Rodney S. Craig, the elected Chief Executive Officer of the Village of Hanover Park, County of Cook and County of DuPage, State of Illinois, do hereby certify that to the best of my knowledge, the Village complied with the requirements pertaining to the Illinois Tax Increment Redevelopment Allocation Act during the fiscal year beginning May 1, 2011 and ending April 30, 2012.


Village President


Date

LAW OFFICES OF
BERNARD Z. PAUL
231 SOUTH FOURTH STREET
DEKALB, ILLINOIS 60115-3732

BERNARD Z. PAUL
bernardzpaul@gmail.com

TELEPHONE
(815)756-1312
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OPINION OF LEGAL COUNSEL

Re: Village of Hanover Park, Illinois (the "**Village**") Village Center Redevelopment Project Area - TIF #3 (the "**TIF #3**") / Annual Tax Increment Finance Report for the Fiscal Year ended April 30, 2012

In connection with the "Annual Tax Increment Finance Report" under 65 ILCS 5/11-74.4-5(d) (the "**Act**") for the fiscal year ending April 30, 2012 for the Village Center Redevelopment Project Area - TIF #3 (the "**Annual Report**"), I am acting as the Village Attorney for the Village of Hanover Park, and, based upon review of the Annual Report, in reliance on representations made by officers and employees of the Village in such Annual Report, and in reliance on the Village's manager and tax increment finance planners as to all proceedings preliminary to, in connection with and related to the adoption of tax increment finance, the approval of the redevelopment plan and redevelopment project and the designation of the Village Center Redevelopment Project Area - TIF #3, as such adoption, approval and designation have been supplemented and amended, but without making any independent investigation or inquiry in connection with any of the foregoing, as of April 30, 2012, nothing had come to my attention during said period to lead me to conclude other than that the Village as of such date was in compliance with the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*).

In connection herewith, I am assuming the accuracy, completeness and sufficiency of all documents, statements and representations by and on behalf of the Village and its officers and agents provided to me related to such TIF and in the Annual Report, and I express no opinion as to (i) the sufficiency or completeness of the Annual Report (or any Village Center Redevelopment Project Area - TIF #3 audit), (ii) the receipt and application of incremental taxes, or (iii) the authorization, execution and binding effect of any development or redevelopment or other similar agreement or payment of redevelopment project costs related to such TIF. This constitutes the "**opinion of legal counsel**" under the Act, and may not be cited or used in connection with anything other than submission with the Annual Report.

Dated as of: August 7, 2013

Very truly yours,


Bernard Z. Paul

Activities Summary

TIF #3- Village Center Redevelopment Plan

Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken [65 ILCS 5/11-74.4-5 (d) (A and B) and 5/11-74.6-22 (d) (A and B)]

The Village of Hanover Park, Illinois Village Center Tax Increment Redevelopment Project and Plan (“TIF #3”) was approved on May 24, 2001 and filed with Cook and DuPage Counties on October 17, 2002. A portion of TIF #3 was included in the Village’s former TIF #1, which was terminated in December 2001. The Cook County portion of TIF #3 is known as the Village Center and the DuPage County portion of TIF #3 is known as the Business Park Area.

During the fiscal year beginning May 1, 2011 and ending April 30, 2012 (FY 2012), various activities and projects were undertaken in furtherance of the objectives of TIF #3, including the following:

- 1) The Village continued to implement its Redevelopment Agreement with the Hanover Park Animal Care Center (ARF Inc.) to reimburse for TIF-eligible expenses associated with the construction a new animal care facility. A total of \$34,761 was reimbursed in FY 2012.
- 2) The Village completed the terms of its Redevelopment Agreement for the Church Street Station townhome development. M/I Homes, who took over the development from Neumann Homes, was reimbursed \$42,600 for a final waiver of a lien associated with the agreement. M/I Homes continued construction of townhome units during this time.
- 3) The Village purchased a 113,000 square foot shopping center in TIF #3 called Hanover Square for \$2,800,000. During FY 2012, staff, property managers, and the leasing agent worked to begin to make necessary improvements to the center and market it for new leases. Among improvements was the demolition of a small accessory structure, at 6784 Barrington Road, for \$9,083.
- 4) The Village also entered into a Redevelopment Agreement to reimburse the owners of 6600 Barrington Road, a separately owned outlot of Hanover Square, a total of \$4,000 for demolition of a deteriorated gas station.
- 5) The Village advertised redevelopment opportunities in the three TIF districts through various means, including advertising on WBBM Radio and France Publications real estate magazines. In FY 2012, \$122,569 of TIF #3 funds was utilized for advertising.

- 6) The Village marketed the TIF districts overall and specific redevelopment opportunities through various means as well, working with several consultants and holding several developer outreach events. In FY 2013, \$20,252 of TIF #3 funds were utilized for marketing. Public improvements to the TIF area included perennial landscape upgrades to the Metra Rail commuter parking lot, located within the district. A total of \$29,128 was utilized for landscape improvements.

Past activities in TIF #3 include:

- 1) In FY 2008 specific privately-initiated improvements within TIF District (including addresses along Barrington Road, Elm Avenue and Lake Street) totaled \$15 million as represented by Village building permit records. This total amount was far in excess (over \$10 million more) of improvements made in the prior year, indicating continued increases in terms of new commercial construction, upgrading and remodeling of existing structures within the TIF District by individual property owners. Private funds were expended for such items as new construction of driveway/sidewalks/patios, signage, roofing, demolition, sprinkler systems, water heating, remodeling of existing commercial structures and interior build-out and the NuCare facility construction of over \$14.6 million.
- 2) In prior years, the Village had approved several development projects for this TIF District, including Church Street Station, a mixed use project consisting of approximately 126 townhomes and up to 40,000 square feet of commercial space. During FY 2008, the owner of the project declared bankruptcy with 50% of the units constructed. No activity occurred on the project during FY 2010. As mentioned, MI Homes took over the townhome project after the bankruptcy in FY 2010 and resumed construction of townhomes in FY 2011.
- 3) In prior years, the consolidation of three (3) lots into one (1) lot for an 84,000 square foot warehouse distribution facility (E. Kinast Distributors) was completed in 2007. In FY 2008, the demolition and reconstruction of a \$4.2 million, 9,000 square foot animal care clinic/facility was completed for 1920 Ontarioville Road. The Village also agreed to construct the aforementioned water main loop on behalf of two (2) newly remodeled business facilities located at 27W315 Devon Avenue in FY 2008. There still may be some need to expand the sewer system in this area, according to Village officials.
- 4) In FY 2007 the Village approved a \$17 million, 150-bed skilled nursing care facility to be developed by the NuCare Services Corp on a 2.84 acre site located at 1900-2018 Lake Street. In FY 2009, NuCare assigned all of its interest in the project to Church Street Station Properties, LLC to complete the project. The Village agreed to reimburse the developer up to \$1.8 million (\$1.1 million reimbursement for eligible costs and a \$700,000 note for its portion of the purchase price for the redevelopment property) and extend the closing date for the property to June 30, 2009.
- 5) The Village entered into an agreement with Suburban Tire, which agreed to demolish a 4,860 square foot existing obsolete facility to create an 8,400 square foot facility. As part of the agreement, the Village agreed to reimburse Suburban Tire approximately \$100,000 for costs associated with the demolition, environmental remediation and certain public

improvements related to the Lake Street widening project. The Village expended over \$78,000 on this project, and Suburban Tire expended over \$300,000.

- 6) The Village approved a redevelopment agreement with BT Realty, LLC to redevelop property located at 2020 Lake Street. As part of the agreement, the Village agreed to reimburse \$25,000 for costs associated with the demolition of an obsolete building.
- 7) In FY 2009, the Village expended approximately \$180,000 in connection with a new alley purchase and a redevelopment project located at Lake and Elm Streets. In prior years, public improvements completed on part of the Village included demolition of an old fire station, asbestos testing and landscaping work, as well as professional services (consulting, legal and engineering) in order to effectuate certain redevelopment agreements within TIF #3.
- 8) During FY 2010 and FY 2011 the Village continued to promote new development opportunities to developers, owners and investors. The Village prepared a parcel along Barrington Road for potential redevelopment by demolishing an obsolete building and grading the site. The Village designed and installed safety hand rail improvements at the Metra Station. The Village approved an amendment to the Church Street Station Skilled Nursing and Care Center to accommodate changes in patient safety mandates by the federal government, which resulted in increased costs since the project commencement in 2007.
- 9) During FY 2011, the Village began exploring the possibility of acquiring Hanover Square Shopping Center for purposes of renovating it, expanding the grocery store, and adding long-term tenants to the shopping center.

Village of Hanover Park

Municipal Building
2121 West Lake Street
Hanover Park, Illinois
60133-4398
630-372-4200
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Rodney S. Craig
Village President

Eira L. Corral
Village Clerk

Ronald A. Moser
Village Manager



**JOINT REVIEW BOARD
MEETING**

**Municipal Building: 2121 W. Lake Street
Hanover Park, IL 60133**

**Thursday, October 19, 2011
10:00 a.m.**

Minutes

- I. CALL TO ORDER/WELCOME – by Hanover Park Village President
 - a. Village President Rodney Craig called the meeting to order at 10:10 am.

- II. IDENTIFICATION OF MEMBERS PRESENT
 - a. Rebekah Suhajda, Hanover Township
 - b. Heather Scholl, Elgin Community College Dist. # 509
 - c. Patricia Hogan, Poplar Creek Public Library District
 - d. Jeff King, Unit School District # 46
 - e. Larry Wheeler, Hanover Park Park District
 - f. Eira Corral, Village Clerk, Village of Hanover Park
 - g. Rod Craig, Village President, Village of Hanover Park
 - h. Ronald Moser, Village Manager, Village of Hanover Park

- III. REPRESENTATIONS FOR THE RECORD AND REVIEW OF THE DUTIES OF THE BOARD

Patrick Grill, Community Development Director for the Village of Hanover Park, It was noted that the meeting assembles all taxing bodies part of the respective TIF districts for the purpose of presenting the 2011 Annual Tax Increment Finance Report and reviewing the status of the TIF district.

- IV. TIF AREA #2
 - a. Selection of a Chairperson and public member

A motion was made by Member Wheeler, Hanover Park Park District, and seconded to nominate Village President Rod Craig as Chairman and Public

Member for TIF 2.

A motion was made by Member Wheeler, Hanover Park Park District, and seconded to close the nominations.

Voice Vote: All Ayes

Motion Carried: Village President Rod Craig is named Chairman and Public Member for TIF 2.

b. Approval of Minutes from March 25, 2010

A motion was made by Member Hogan, Poplar Creek Public Library District, and seconded to approve the minutes from March 25, 2010.

Discussion on corrections to be made to the minutes on page 4 to item VII.(a) Orientation and Status of Area. The minutes should read that the TIF District 4 encompass the North and Southside of Irving Park Road, East of Barrington Road.

A motion was made and seconded to amend the minutes in section VIII (a) to state “encompassing areas from the North and Southside of Irving Park Road, East of Barrington Road”.

Voice Vote: All Ayes

Motion Carried: Approve to amend the minutes in section VIII (a) to state “encompassing areas from the North and Southside of Irving Park Road, East of Barrington Road”.

Voice Vote: All Ayes

Motion Carried: Approve the minutes from March 25, 2010, as amended.

c. Orientation and Status of Area

Patrick Grill presented an overview of TIF 2. He provided the boundaries for the TIF District and noted that the TIF was created in 1987. It was noted that the TIF has been financially successful and in 2009 the TIF Fund had a balance \$2,732,914. Within that fiscal year a total of \$2,488,664 of increment was collected, and a total of \$2,262,983 was

expended in various projects ie. burial of utility line on in cooperation with COMED, signal upgrade on Irving Park Rd. in cooperation with the State of Illinois, Water Main on Jensen. The remaining balance in the fund at the close of the fiscal year was \$2,958,595.

During the establishment of the TIF the base EAV was \$ 4,113,287. At the end of the 2010 fiscal year report the EAV had grown to \$28,158,153.

d. Review of Annual TIF Reports

Grill introduces Mr. Bussee. He provides a map of TIF 2 and a map of parcels, a table, and a listing of taxing agencies with jurisdiction over the TIFs.

He notes that TIF 2 will be successfully dissolved at the expiration at the end of 2011.

Mr. Bussee reviews the annual TIF report.

e. Questions

Questions were fielded and answered on tax levying for tax bodies and capturing the new EAV. It was noted that the taxing agencies have the discretion to levy to capture the EAV, but have only one year to capture.

Discussion on the process for taxing agencies to receive the declared surplus revenue upon the expiration and dissolution of the fund.

Discussion on liabilities and anticipated obligations as outlined in page 6 of the TIF Report. Members stated their concern on delays of disbursements. Their concern was noted and members were briefed in the process of reviewing the final balance of the fund and disbursement.

Motion by Member Hogan, Poplar Creek Library, and seconded to close discussion TIF #2 JRB Meeting.

Voice Vote: All Ayes

Motion Carried: Close discussion for TIF #2 JRB Meeting.

V. TIF AREA # 3

a. Selection of a Chairperson and public member

A motion was made by Member Wheeler, Hanover Park Park District, and seconded to nominate Village President Rod Craig as Chairman and Public Member for TIF 3.

A motion was made by Member Wheeler, Hanover Park Park District, and seconded to close the nominations.

Voice Vote: All Ayes

Motion Carried: Village President Rod Craig is named Chairman and Public Member for TIF 3.

b. Approval of Minutes from March 25, 2010.

A motion was made by Wheeler and seconded to approve the Minutes from March 25, 2010 as amended.

Voice Vote: All Ayes

Motion Carried: Approve the Minutes from March 25, 2010 as amended.

c. Orientation and Status of Area.

Patrick Grill presented an overview of TIF 3. He provided the boundaries for the TIF District and noted that the TIF was created in 2001.

- d. He noted that in Fiscal Year 2010 the fund balance was \$1,945,033 balance. During the course of the year the fund collected \$938,139 in tax increment and interest. During the course of that fiscal year, the Village expended \$568,609, mostly for land acquisition for NUCARE. He noted that as of April 30, 2010 the fund balance stood at \$2,314,563.

During the establishment of the TIF the base EAV was \$ 8,709,718. At the end of the 2010 fiscal year report the EAV had grown to \$18,000,000.

Grill noted that there were not too many development agreements in this fiscal year, but noted that in future years the Village anticipates planning, legal and marketing fees. Currently, the Village is working with TESKA associates with a grant through RTA on a transit based development Village Center Plan.

e. Questions

Questions were fielded and answered on the Elgin O'Hare Expansion project. It was noted that the project was progressing and has positive support from the neighboring communities.

Discussion on development on the Church Street Lake Street. It is noted that there is interest in senior housing and concerns of developers.

Motion by Member Wheeler, Hanover Park Park District, and seconded to close discussion TIF #3 JRB Meeting.

Voice Vote: All Ayes

Motion Carried: Close discussion for TIF #3 JRB Meeting.

VI. TIF AREA #4

a. Selection of a Chairperson and public member

A motion was made by Member Wheeler, Hanover Park Park District, and seconded to nominate Village President Rod Craig as Chairman and Public Member for TIF 4.

A motion was made by Member Wheeler, Hanover Park Park District, and seconded to close the nominations.

Voice Vote: All Ayes

Motion Carried: Village President Rod Craig is named Chairman and Public Member for TIF 4.

The changes of jurisdictions that are a part of TIF Area #4 are noted. The members Village of Hanover Park, Hanover Park Park District, Harper Community College, Schaumburg Township District Library, High School Dist. 211, Elementary School Dist. 54.

b. Approval of Minutes from March 25, 2010.

A motion was made by Wheeler and seconded to approve the Minutes from March 25, 2010 as amended.

Voice Vote: All Ayes

Motion Carried: Approve the Minutes from March 25, 2010 as amended.

c. Orientation and Status of Area.

Patrick Grill presented an overview of TIF #4. He provided the boundaries for the TIF District and noted that the TIF was newest in the Village.

d. Review of Annual TIF Reports

He reported that in FY 2010 the TIF Fund balance was \$ 557,617 and that during the course of the year through tax increment dollars and interest the fund collected \$330, 217. It was noted that disbursements FY 2010 \$368,636 leaving a balance in the fund of \$518,190 as of April 30, 2010. The TIF was created in 2005, upon creation the base EAV was \$18,371,626 and by FY 2010 it had grown to \$22,217,218.

Grill noted that various projects were being evaluated for TIF 4, such as commercial development opportunities and updating platting.

e. Questions.

None

Motion by Member Wheeler, Hanover Park District, and seconded to close discussion TIF #4 JRB Meeting.

Voice Vote: All Ayes

Motion Carried: Close discussion for TIF #4 JRB Meeting.

VII. OTHER BUSINESS

Grill thanked all for attending and it was noted that staff would be available for further questions if necessary from the individual bodies of government.

VIII. ADJOURNMENT

A motion to adjourn was made by Wheeler and seconded by Hogan.

Voice Vote: All Ayes

Meeting adjourned at 11:10 am

VILLAGE OF HANOVER PARK, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended
April 30, 2012

Prepared by Department of Finance

Rebekah Flakus
Director of Finance



1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

Members of American Institute of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Village President
Members of the Board of Trustees
Village of Hanover Park, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hanover Park, Illinois, as of and for the year ended April 30, 2012, which collectively comprise the Village of Hanover Park, Illinois' basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Hanover Park, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hanover Park, Illinois, as of April 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Village adopted GASB Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended April 30, 2012. The statement changed the classifications of governmental fund balances and clarified the definitions of existing fund types. The adoption of this statement had no effect on any of the Village's governmental funds' assets or liabilities nor was there any effect to the total amount of any of the Village's governmental fund balances as of and for the year ended April 30, 2012.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Hanover Park, Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Naperville, Illinois
August 7, 2012

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #2 FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 650,000	\$ 650,000	\$ 855,169
Investment income	3,454	3,454	10,524
Total revenues	<u>653,454</u>	<u>653,454</u>	<u>865,693</u>
EXPENDITURES			
Current			
Community development			
Personal services	64,590	64,590	224,078
Contractual services	300,000	4,167,544	4,076,401
Capital outlay	2,711,410	2,711,410	541,858
Total expenditures	<u>3,076,000</u>	<u>6,943,544</u>	<u>4,842,337</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (2,422,546)</u></u>	<u><u>\$ (6,290,090)</u></u>	<u>(3,976,644)</u>
FUND BALANCE, MAY 1			<u>4,336,523</u>
FUND BALANCE, APRIL 30			<u><u>\$ 359,879</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #3 FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 933,879	\$ 933,879	\$ 967,250
Investment income	9,260	9,260	6,054
Total revenues	<u>943,139</u>	<u>943,139</u>	<u>973,304</u>
EXPENDITURES			
Current			
Community development			
Personal services	50,000	50,000	34,734
Contractual services	400,000	400,000	313,025
Capital outlay	2,500,000	5,300,000	-
Total expenditures	<u>2,950,000</u>	<u>5,750,000</u>	<u>347,759</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,006,861)</u>	<u>(4,806,861)</u>	<u>625,545</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	(2,800,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,800,000)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (2,006,861)</u></u>	<u><u>\$ (4,806,861)</u></u>	<u>(2,174,455)</u>
FUND BALANCE, MAY 1			<u>2,651,025</u>
FUND BALANCE, APRIL 30			<u><u>\$ 476,570</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #4 FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 355,600	\$ 355,600	\$ 246,760
Investment income	102	102	469
Total revenues	<u>355,702</u>	<u>355,702</u>	<u>247,229</u>
EXPENDITURES			
Current			
Community development			
Contractual services	300,000	300,000	412,613
Capital outlay	450,000	450,000	346
Total expenditures	<u>750,000</u>	<u>750,000</u>	<u>412,959</u>
NET CHANGE IN FUND BALANCE	<u>\$ (394,298)</u>	<u>\$ (394,298)</u>	(165,730)
FUND BALANCE, MAY 1			<u>224,252</u>
FUND BALANCE, APRIL 30			<u>\$ 58,522</u>

(See independent auditor's report.)

10. CONTINGENT LIABILITIES

d. Economic Incentive Agreements

The Village has entered into economic development agreements with companies to provide sales tax rebates. As of April 30, 2012, four agreements have been executed for businesses that have opened. The agreements require the Village to rebate to the companies different amounts of additional sales tax generated by the facilities. For one agreement, there is no maximum remaining amount of rebates specified in the agreement, although the term of the agreement is through fiscal year 2019. For the second agreement, a maximum of \$2,500,000 is to be paid or until 20 year elapses, whichever occurs first. For the third agreement, a maximum of \$1,565,729 is to be paid or until 15 years elapses, whichever occurs first. For the fourth agreement, a maximum of \$750,000 is to be paid or until 20 years elapses, whichever occurs first. The amount paid/accrued for the fiscal year ended April 30, 2012 was \$2,010,071. The total expenditures incurred to date in rebates as of April 30, 2012 is \$6,194,980.

The Village has entered into an economic development agreement with one company to provide property tax rebates. The agreement requires the Village to rebate 50% of annual TIF increment property taxes up to a maximum of \$2,000,000 beyond a threshold of \$250,000. The total expenditures incurred under this agreement is \$462,611 as of April 30, 2012.

The Village issued a note receivable to a local business for \$700,000 in September 2009, bearing 0% interest. The payments are satisfied by and are contingent on the generation of incremental property taxes; therefore, no receivable has been recorded by the Village as of April 30, 2012. The Village and the business will share the incremented property taxes 50/50 until the \$700,000 is reached.



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INDEPENDENT ACCOUNTANT'S REPORT ON
MANAGEMENT'S ASSERTION OF COMPLIANCE

The Honorable Village President
Members of the Board of Trustees
Village of Hanover Park, Illinois

We have examined management's assertion, included in its representation letter dated August 7, 2012, that the Village of Hanover Park complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended April 30, 2012 for Village Center TIF District (TIF #3). Management is responsible for the Village's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village's compliance with statutory requirements.

In our opinion, management's assertion that the Village of Hanover Park complied with the aforementioned requirements for the year ended April 30, 2012 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Trustees and the Illinois Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read 'Sikich' followed by a stylized flourish.

Naperville, Illinois
August 7, 2012