



Kevin R. Burns, Mayor

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*Stephanie K. Dawkins,
City Administrator*

June 23, 2016

Mr. Mark Grosso, President
Geneva Community Unit School District 304
227 N. 4th Street
Geneva, IL 60134

Dear Mark:

We are in receipt of your correspondence dated June 20, 2016 sent in response to the proposed Intergovernmental Agreement (IGA). As we understand, the School District is requesting revision to the proposed IGA to add additional properties to increase the total EAV of "Surplus Property" to \$3.5 million to service School District bond and interest payments.

The proposed "Surplus Property" includes two properties selected in direct response to the School District's public statements criticizing the City's proposed TIF program as outlined in my June 17, 2016 letter to you. These properties were not selected to add up to a defined dollar amount.

The total value of EAV in the proposed TIF district is \$7,002,759. The total EAV of the proposed "Surplus Property" is \$2,068,441 or 29.53% of the total district value. The School District's counterproposal to increase the "Surplus Property" EAV to \$3.5 million will require the City of Geneva to declare 49.98% of the total district EAV as surplus. Removing this amount from the Special Tax Increment Allocation fund will not allow the reinvestment needed into the Project Area to ensure a successful district.

Please be reminded that the property taxes paid on the base EAV amount will continue to be distributed to the various taxing bodies; it is the growth of the value of the property over the base that generates the tax increment. The IGA as proposed by the City Council, will allow the other taxing districts to receive more than just the base amount; it will allow the districts to receive increases that will arise from the levies upon the "Surplus Property".

I am sure you understand that declaring as surplus 49% of the properties in the district is untenable as it would impede the redevelopment efforts and the infrastructure improvements required for the area; therefore, the City Council cannot consider adding additional properties to the "Surplus Property".

The City Council will consider the draft IGA, subject to School Board approval, at the June 27, 2016 Committee of the Whole Meeting as previously outlined. I have enclosed a revised copy of the IGA dated June 23, 2016. This revised IGA includes additional language added to Section 3 by the City's legal counsel to address situations of successful tax appeals on the "Surplus Properties". This additional Section 3 language has been added to further clarify the last clause of Section 2.

If the School Board chooses not to accept the terms of the City's IGA dated June 23, 2016, please notify me in writing prior to the close of business on Monday, June 27, 2016.

As always, I am available on my cell phone at (630) 742-8916 to answer any questions you may have.

My best,

A handwritten signature in black ink, appearing to read "Kevin Burns", with a stylized flourish at the end.

Kevin Burns, Mayor

cc: David Lamb, School Board Member
Stephanie Dawkins, City Administrator
Kent Mutchler, Superintendent