



## Agenda Item Summary

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**Submitted By**

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**Reviewed By**

LKS

**Agenda Item Title**

**An Ordinance Amending Chapter 2 ("Administration"), Article 25 ("Conflict of Interest and Ethics"), Section 2-15-9 ("Conflicts of Interest and Standards of Conduct") of the Oak Park Village Code**

**Overview**

The 2011 Settlement Agreement has been treated as a stand alone document which effectively carved out all property from the Downtown TIF but for two redevelopment properties locally known as Vantage and Emerson. All remaining property within the Downtown TIF cannot benefit whatsoever from the increment generated by the Downtown TIF as the Settlement Agreement prohibits these properties from either receiving TIF benefits or from contributing funds to further economic activities in the TIF. The recommended ordinance incorporates by reference the Settlement Agreement in order to inform what constitutes a conflict of interest pursuant to Village Code.

**Staff Recommendation**

Approval.

**Fiscal Impact**

N/A.

**Background**

Staff has reviewed the 2011 Downtown TIF Settlement Agreement, as well as the 2013 and 2016 Amendments to the Agreement resolving litigation filed by School District 200 and 97 against the Village of Oak Park. As a result, staff is recommending the Village Board consider two ordinances at its next meeting:

1. An Ordinance which would Remove Certain Properties from the downtown TIF map; and
2. An Ordinance Amending Chapter 2 ("Administration"), Article 25 ("Conflict of Interest and Ethics") of the Oak Park Village Code.

The first ordinance specifically addresses in the TIF map the properties owned or leased by elected officials (along with surrounding parcels for simplicity) to visually show that the neither Red Mango nor Maya Del Sol remain in the TIF. This action provides clarity to the public and staff that pursuant to the 2011 Settlement Agreement, which provides that since 2010, neither the Red Mango property nor Maya Del Sol property could benefit whatsoever from the increment generated by the Downtown TIF. This is because these properties were effectively carved out from the Downtown TIF pursuant to the 2011 Settlement Agreement. The Agreement also requires the increment generated from these properties, and all but two of the other properties located in the Downtown TIF, to be paid to the applicable taxing bodies as surplus funds. Thus, the Settlement Agreement prohibits these properties from either receiving TIF benefits or

from contributing funds to further economic activities in the TIF. However, the properties were never formally removed from the TIF. This proposed ordinance does not change the conditions of the settlement agreement.

The second ordinance amends the Village Code to affirmatively incorporate provisions of the 2011 Settlement Agreement into the Code and provide the legal certainty that Village elected or appointed officers or employees who maintain an interest in the carved out parcels in the TIF are not in conflict with the TIF Act or the Village Code.

#### **Alternatives**

The Village could elect to dissolve the TIF prior to the current December 31, 2018 termination. This would eliminate the capture of any TIF increment from either the Vantage Development or Emerson Development, the only two properties in the TIF which can generate increment for economic development eligible expenditures and it would eliminate the use TIF increment in the amount of \$1.8 million in tax levy year 2017 and \$1.8 million in tax levy year 2018 for infrastructure debt service.

#### **Previous Board Action**

The Village established the Downtown TIF in 1983.

#### **Citizen Advisory Commission Action**

N/A.

#### **Anticipated Future Actions/Commitments**

N/A.