



HOFFMAN ESTATES

GROWING TO GREATNESS

June 28, 2021

TO: ALL TAXING DISTRICTS ON ATTACHED LIST

FROM: RACHEL MUSIALA, DIRECTOR OF FINANCE

SUBJECT: LAKEWOOD CENTER REDEVELOPMENT PROJECT AREA ANNUAL REPORT

In accordance with 65 ILCS 5/11-74.4-5-(d), the Village of Hoffman Estates is transmitting to all affected taxing districts the 2020 Annual Report of the Lakewood Center Redevelopment Project Area. This TIF was created in January, 2019 and will expire in December, 2042.

Any questions regarding this report can be directed to my attention.

Rachel Musiala
Director of Finance

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LAKWOOD CENTER REDEVELOPMENT PROJECT AREA
ANNUAL REPORT

DISTRIBUTION LIST

COOK COUNTY CLERK'S OFFICE

118 North Clark Street
Chicago, IL 60602
Karen A. Yarbrough, County Clerk
Clerk.yarbrough@cookcountyil.gov

NORTHWEST MOSQUITO ABATEMENT DISTRICT

147 West Hintz Road
Wheeling, IL 60090
James Thennisch, Director
jthennisch@nwmadil.com
Ewa Migacz, Office Manager
office@nwmadil.com

METROPOLITAN WATER RECLAMATION DISTRICT

100 East Erie Street
Chicago, IL 60611
Shellie Riedle, Budget Officer
riedles@mwr.org

COMMUNITY UNIT SCHOOL DISTRICT #220

515 W. Main Street
Barrington, IL 60010
Brian Harris, Superintendent
bharris@barrington220.org
David Bein, Asst. Supt. of Business Services
dbein@barrington220.org

BARRINGTON AREA LIBRARY

505 N. Northwest Highway
Barrington, IL 60010
Vicki Rakowski, Executive Director
vrakowski@balibrary.org
Cheryl Riendeau, Business Manager
criendeau@balibrary.org

BARRINGTON TOWNSHIP

602 S. Hough Street
Barrington, IL 60010
D. Robert Alberding, Supervisor
robertalberding@barringtontownship.com

FOREST PRESERVE DISTRICT OF COOK COUNTY

536 N. Harlem Avenue
River Forest, IL 60305
Arnold Randall, General Superintendent
arnold.randall@cookcountyil.gov

HOFFMAN ESTATES PARK DISTRICT

1685 West Higgins Road
Hoffman Estates, IL 60169
Nicole Hopkins, Director of Admin. & Finance
nhopkins@heparks.org
Craig Talsma, Executive Director
ctalsma@heparks.org

HARPER COLLEGE DISTRICT #512

1200 W. Algonquin Road
Palatine, IL 60067
Ron Galick, Executive V.P. of Finance
rgalick@harpercollege.edu
Dulse Barraza, Exec. Asst. Finance & Admin. Svcs.
dbarraza@harpercollege.edu
Robert Grapenthien, Controller
rgrapent@harpercollege.edu

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LAKEWOOD CENTER REDEVELOPMENT PROJECT AREA

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS



	<u>PAGE</u>
Redevelopment Plan Amendments	1
Certificate of Compliance - Village President	2
Certificate of Compliance - Corporation Counsel	3
Statement of Receipts, Disbursements, and Changes in Fund Balance	4
Statement of Fund Balance By Source and Year	5
Statement of Equalized Assessed Value and Incremental Tax Revenues	6
Statement of Property Purchased	7
Redevelopment Activities	8
Statement of Indebtedness	9

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LAKWOOD CENTER REDEVELOPMENT PROJECT AREA
ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020
REDEVELOPMENT PLAN AMENDMENTS

A Lakewood Center Redevelopment Area Plan was approved on January 21, 2019. No amendments were made to the plan during the fiscal year ended December 31, 2020.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LAKEWOOD CENTER REDEVELOPMENT PROJECT AREA
ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

CERTIFICATE OF COMPLIANCE

I, William D. McLeod, duly elected Village President of the Village of Hoffman Estates, State of Illinois, do hereby certify that the Village of Hoffman Estates has complied with all requirements pertaining to the Tax Increment Redevelopment Allocation Act during the fiscal year January 1, 2020 through December 31, 2020.

6-18-2021
Date

William D. McLeod
William D. McLeod
Village President

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LAKWOOD CENTER REDEVELOPMENT PROJECT AREA
ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020
CERTIFICATE OF COMPLIANCE

[See Attachment]

THE LAW OFFICE OF
ARTHUR JANURA, P.C.

2123 MULGUY COURT | INVERNESS, IL 60010
O:224.655.7615 C:224.210.4593 | JANURALAW@GMAIL.COM

March 26, 2021

The Honorable Susana A. Mendoza
Illinois Comptroller
James R. Thompson Center
100 West Randolph Street, Suite 15-1500
Chicago, IL 60601-3252

**Re: Village of Hoffman Estates
Lakewood TIF District
2020 Compliance**

Dear Comptroller Mendoza:

Subject to the qualifications and limitation herein, we are of the opinion that, for the period of January 1, 2020 to December 31, 2020, we are not aware of any material violation by the Village of any of the applicable requirements of the Illinois Tax Incremental Redevelopment Allocation Act (the "Act") except for the annual meeting of the Joint Review Board.

Whenever we indicate that our opinion with respect to the existence or absence of facts is based on our knowledge, our opinion is based solely on the current actual knowledge of Arthur L. Janura. We have made no independent investigation as to such factual matters. We have not undertaken to identify or review any facts which could constitute any potential non-compliance by the Village under the Act.

This opinion is given as of the date hereof and we undertake no obligation to advise you or anyone else of any subsequent changes in any matter stated herein, changes in any law related thereto or changes in facts or any other matters that hereafter may occur or be brought to our attention. The opinion expressed herein is specifically limited to the laws of the State of Illinois and the Federal laws of the United States and no opinion express or implied, is rendered as to the effect that the law of any other jurisdiction might have upon the subject matter of the opinion expressed herein.

This opinion is rendered solely to the addressee hereof and is not to be quoted in whole or in part or otherwise referred to nor is it to be filed with any governmental agency or any other person nor is it intended to be relied upon, nor may it be relied upon, by any entity or individual other than such addressee without the prior written consent of this firm. No opinion may be inferred or implied beyond the matters expressly contained herein.

Very truly yours,

 P.C.
Arthur Janura P.C.

AJ/ds

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LAKWOOD CENTER REDEVELOPMENT PROJECT AREA

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2020

Receipts	
Property Taxes	\$ -
Interest Earnings	-
Transfer from General Fund	9,549
Sub-total	<u>9,549</u>
Disbursements	
Economic Development	5,350
Other Contractual Services	1,275
Sub-total	<u>\$ 6,625</u>
Excess (Deficit) of Receipts over Disbursements	<u>\$ 2,924</u>
Balance, January 1, 2020	(2,924)
Balance, December 31, 2020	<u>\$ -</u>
Ending Balance By Source:	
Property Taxes	\$ -
Interest Earnings	-
Ending Balance, December 31, 2020	<u>\$ -</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LAKWOOD CENTER REDEVELOPMENT PROJECT AREA
ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

STATEMENT OF FUND BALANCE BY SOURCE AND YEAR

2020		
Property Taxes	\$	-
Interest Earnings		-
		<hr/>
Total Fund Balance, December 31, 2020	\$	-
		<hr/> <hr/>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LAKEWOOD CENTER REDEVELOPMENT PROJECT AREA
ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

STATEMENT OF EQUALIZED ASSESSED VALUE (EAV)
AND INCREMENTAL TAX REVENUES

Initial EAV of the Redevelopment Project Area	\$ 30,325,169
2019 EAV of the Redevelopment Project Area	\$ 32,318,495
Incremental Revenues Received During 2020	\$0
Incremental Revenues Received in Previous Year	\$0
Increase (Decrease) in Incremental Revenues	\$0

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LAKEWOOD CENTER REDEVELOPMENT PROJECT AREA
ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

STATEMENT OF PROPERTY PURCHASED

During the year ended December 31, 2020, the Village of Hoffman Estates did not purchase any property within the redevelopment project area.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LAKWOOD CENTER REDEVELOPMENT PROJECT AREA
ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

REDEVELOPMENT ACTIVITIES

During the year ending December 31, 2020, redevelopment activities are described below.

Work continued to redevelop the 1,600,000 square foot, former AT&T office campus. More approvals were obtained as interior remodeling work continued on the east portion of the main building. Reconstruction of the main office spaces, co-working, public gathering areas on The Square and retail spaces on The Block will continue throughout 2021. The first two tenants moved into the spec office spaces in December 2020.

Economic activities in 2020 included the promotion of the district in various video productions, on social media, and in other advertising outlets since the annual tradeshow did not occur due to the COVID pandemic. Various networking and business development events throughout the year were attended virtually by the Economic Development Director and other staff members.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LAKWOOD CENTER REDEVELOPMENT PROJECT AREA
ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

STATEMENT OF INDEBTEDNESS

On January 21, 2019, the Village of Hoffman Estates authorized interest bearing TIF Notes up to a principal amount of \$53,767,000 which would be payable from the Lakewood Center Redevelopment Project Area to the developer for eligible redevelopment costs if and when incremental tax revenues are received.

On December 21, 2020, the Village approved a Request for Reimbursement to the developer in the amount of \$7,612,445.40. No funds were paid on the principal or interest as of December 31, 2020.

6/18/2021
Date



Bev Romanoff
Village Clerk

**COMMITTEE AGENDA ITEM
VILLAGE OF HOFFMAN ESTATES**

SUBJECT: Request approval of Lakewood Center TIF Reimbursement Request #1 in the amount of \$7,612,445.40 and Issuance of Lakewood Center TIF Notes A and B

MEETING DATE: December 14, 2020

COMMITTEE: Planning, Building and Zoning

FROM: Kevin Kramer/Arthur Janura

REQUEST: Request approval of Lakewood Center TIF Reimbursement Request #1 in the amount of \$7,612,445.40 and Issuance of Lakewood Center TIF Notes A and B.

BACKGROUND: The Village Board previously approved:

- ◆ A Development Agreement between the Village and the purchaser of the former AT&T campus site on April 25, 2018.
- ◆ The commission of a Tax Increment Financing District Eligibility Study and Redevelopment Plan and Project for the Lakewood Center Redevelopment Project Area. That report was completed and filed with the Village Clerk on October 25, 2018.
- ◆ A Resolution for the purposes of inducing development of property within the Lakewood Center Redevelopment Project Area and the creation of a Tax Increment Financing (TIF) District (Resolution 1671-2018).
- ◆ On January 21, 2019, Ordinances officially adopting a TIF District for the Lakewood Center Redevelopment Project Area (Ordinances 4702-2019, 4703-2019, 4704-2019).
- ◆ On January 28, 2019, a Redevelopment Agreement and TIF Notes for the Lakewood Center TIF allocating a portion of TIF revenues to a specific redevelopment project (Ordinance 4707-2019).

DISCUSSION: The developer has completed a substantial amount of work within the TIF district including, purchasing the property, remodeling the public area of the east side of the building, completed the co-working and furnished spec office space, marketing the project, held showings, and negotiated leases. These, and other TIF eligible costs have been submitted to the Village for costs incurred over the past 2 years, according to the agreements entered into by both parties, for reimbursement from the TIF, as funds become available. The developer has submitted Reimbursement Request #1 in the amount of \$25,374,818.04. Staff has verified all costs as TIF eligible, according to the TIF Act and the Redevelopment Agreement.

DISCUSSION: (Cont'd)

The Ordinance approving the Development Agreement and the TIF Notes stipulate that the Corporate Authorities approve Reimbursement Requests, and directs the Finance Director to update the TIF Notes to the new amount (which cannot exceed the \$53,767,000 or 30% of the total project costs, whichever is lesser).

Two TIF Notes were authorized as part of this TIF creation on January 21, 2019. TIF Note A is interest bearing and has a Maximum Aggregate Principal of \$43,013,600, which could not be prepaid by the TIF. TIF Note B is interest bearing and has a Maximum Aggregate Principal of \$10,753,400, which could be prepaid by the TIF. With the approval of this first reimbursement request, both TIF Notes would be issued by the Village. The issue date, according to the Note Ordinance, shall be on the first day of the year, so Note A and Note B would be issued January 1, 2021.

The payments to each Note, according to the Note Ordinance, shall be 80% to Note A and 20% to Note B. Therefore, Reimbursement Request #1 would allocate \$6,089,956.32 to Note A and \$1,522,489.08 to Note B, totaling the \$7,612,445.40.

The Finance Director is authorized to issue and increase the TIF Note upon Village Board approval of the Reimbursement Request.

The developer continues to market the site, remodel upper floors, event space, conference space, plan for residential, plan for a hotel, and lease spaces. Additional TIF eligible costs will be submitted in the future.

FINANCIAL IMPACT:

TIF financing is based on the principal that new development or redevelopment will increase the tax base. That increase in tax base, over time, generates additional property taxes. Those property taxes are directed to the TIF increment fund over the 23 year life of the TIF. Thus, the development itself generates a pool of money which can be used to pay for TIF eligible costs and provide an incentive for the developer or others to redevelop the site.

RECOMMENDATION:

Approval of Lakewood Center TIF Reimbursement Request #1 in the amount of \$7,612,445.40 and Issuance of Lakewood Center TIF Notes A and B.

Attachment

cc: Larry Woodard (Honigman LLP)



Hoffman Estates Acquisitions LLC
101 Crawfords Corner Rd
Holmdel, NJ 07733

Village of Hoffman Estates
1900 Hassell Road
Hoffman Estates, Illinois 60169
Attention: Village Manager

Re: Redevelopment Agreement, dated January 29, 2019
By and Between the Village of Hoffman Estates, Illinois and
Hoffman Estates Acquisitions LLC (“Developer”)

You are requested to disburse funds from the Special Tax Allocation Fund pursuant to the Note Ordinance and Article V of the Redevelopment Agreement described above in the amount(s), to the person(s) and for the purpose(s) set forth in this Request for Reimbursement. The terms used in this Request for Reimbursement shall have the meanings given to those terms in the Redevelopment Agreement.

1. REQUEST FOR REIMBURSEMENT NO.: 1
2. PAYMENT DUE TO: **HOFFMAN ESTATES ACQUISITIONS LLC**
a Delaware limited liability company
3. FOR THIS REQUEST FOR REIMBURSEMENT, THE DEVELOPER REQUESTS THE VILLAGE TO APPROVE THE FOLLOWING EXPENDITURES AS HAVING BEEN INCURRED BY THE DEVELOPER AND AS CONSTITUTING ELIGIBLE REDEVELOPMENT PROJECT COSTS AND TOTAL PROJECT COSTS, PURSUANT TO SECTION 403 OF THE REDEVELOPMENT AGREEMENT:
 - a. AMOUNT TO BE APPROVED FOR REIMBURSEMENT AS ELIGIBLE REDEVELOPMENT PROJECT COSTS:
\$ 25,374,818.04
 - b. TOTAL PROJECT COSTS INCURRED SINCE DATE OF LAST REQUEST FOR REIMBURSEMENT:
\$ 25,374,818.04
4. The Developer certifies that:
 - (i) the amounts to be reimbursed pursuant to this Request for Reimbursement were made or incurred or financed and were necessary for the Project and were made or

incurred in accordance with the Construction Plans and Final Project Documents heretofore in effect;


(ii) the expenditures representing Eligible Redevelopment Project Costs and Total Project Costs have been properly recorded on the Developer's books, and a correct summary of such costs are set forth in Schedule 1 attached hereto, and the information required in Section 403 is herewith provided to the Village for all sums for which reimbursement is requested;

(iii) the Eligible Redevelopment Project Costs set forth in Schedule 1 have been paid by the Developer and are reimbursable under the Act, the Note Ordinance and the Redevelopment Agreement, and each item listed on Schedule 1 has not previously been paid or reimbursed from money derived from the Fund or any money derived from any project fund established pursuant to the Note Ordinance, and no part thereof has been included in any other certificate previously filed with the Village;

(iv) the expenditures for which reimbursement is sought are not greater than those necessary to reimburse the Developer for its funds actually paid for Eligible Redevelopment Project Costs; and

(v) the Developer is not in default under the Redevelopment Agreement and nothing has occurred to the knowledge of the Developer that would prevent the performance of its obligations under Redevelopment Agreement.

HOFFMAN ESTATES ACQUISITIONS LLC
a Delaware limited liability company

By: 
Title: President
Date: 11/4/2020

[Village Approval to Immediately Follow]

VILLAGE APPROVAL

The aggregate Eligible Redevelopment Project Costs now approved by the Village under Requests for Reimbursement No 1. is a total of \$ **25,374,818.04**;

The Total Project Costs incurred and documented by the Developer under Requests for Reimbursement No. 1 is a total of \$ **25,374,818.04**; and

The Maximum Reimbursement Amount now equals: \$ **25,374,818.04**

**APPROVED BY THE
VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

By: _____
Village Manager

Date of Approval by the Village: _____

SCHEDULE 1 TO
REQUEST FOR REIMBURSEMENT #1
Through February 28, 2020

Eligible Project Redevelopment Costs:
(through February 28, 2020)

65 ILCS 5/11-74.4-3(q)(1) Costs:

Architectural Fees (to Wight & Company)	\$ 394,026.56
Architectural Fees (to Alexandar Gorlin Architect LLC)	\$ 71,964.49
Architectural Fees (to Torti Gallas)	\$ 28,158.03
Engineering Fees (to Stantec Consulting Services, Inc.)	\$ 33,424.62
Engineering Fees (to Able Engineering Services)	\$ 99,541.95
Engineering Fees (to EBI Consultaing)	\$ 8,400.00
Engineering Fees—Phase I (to Pioneer Engineering and Environmental)	\$ 3,200.00
Surveyor Fees (to WT Engineering)	\$ 34,450.00
TIF Consulting Fees (to S. B. Friedman)	\$ 84,799.86
Planning Board Application (to Village of Hoffman Estates)	\$ 2,500.00
Legal Fees (to Miller Canfield)	\$ 146,650.00
Legal Fees (to Honigman LLP)	\$ 53,788.75
Legal Fees (to Kasowitz Benson Torres LLP)	\$ 70,000.00
Legal Fees (to Giordano Halleran & Ciesta)	\$ 102,299.61
Legal Fees (to Muchnick, Golieb & Golieb, P.C.)	\$ 14,837.50
Legal Fees (to Vinson & Elkins)	\$ 50,000.00
Legal Fees (to Cohen Seglias)	\$ 4,289.50

65 ILCS 5/11-74.4-3(q)(1.6) Costs:

Marketing Fees (to Core 12 LLC)	\$ 119,434.31
Signage (to Harvest Outdoor)	\$ 40,550.00
Seminar Host Fees (to Bisnow)	\$ 19,000.00
Marketing Fees (to Rolf Jensen & Associates Inc.)	\$ 7,932.50
Signage (to Silver Style Pictures LLC)	\$ 8,674.00
Marketing Fees (to Inbound Found)	\$ 5,463.05

65 ILCS 5/11-74.4-3(q)(2) Costs:

Property Acquisition Cost:	\$ 21,000,000.00
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65 ILCS 5/11-74.4-3(q)(3) Costs:

Construction Costs (ML Group Design and Development):	\$ 44,180.00
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[continued]

65 ILCS 5/11-74.4-3(q)(6) Costs:

Appraisal (to Cushman & Wakefield)	\$ 25,000.00
Financing Costs (interest paid at closing for month of closing to Taconic):	\$ 18,072.81
Financing Costs (interest reserves to Taconic):	\$ 2,008,715.50
Financing Costs (debt issuance costs to Taconic):	\$ 483,750.00
Financing Costs (loan origination cost to Mission Capital):	\$ 211,715.00
Financing Costs (lender legal fees to Arnold & Porter):	\$ 180,000.00

Request for Reimbursement #1

ELIGIBLE PROJECT REDEVELOPMENT COSTS TOTAL: **\$ 25,374,818.04**

**AGENDA
LAKEWOOD CENTER TIF
ANNUAL MEETING
JOINT REVIEW BOARD
JULY 14, 2021
1900 HASSELL ROAD
Hoffman Estates, IL**

1:20 p.m. – Hennessy Room

- I. Call to Order**
- II. Election of Chairperson**
- III. Approval of Minutes – July 20, 2020**
- IV. Review of Year 2020 Compliance Report**
- V. Question and Answers**
- VI. Adjournment**

**Minutes
Lakewood Center TIF
Annual Meeting
Joint Review Board
July 20, 2020**

Board Members Present: James Norris, Village of Hoffman Estates, Chairman
Bev Romanoff, Resident Member
Amy Nykaza, Barrington Township
Nicole Hopkins, Hoffman Estates Park District
Rob Galick, Harper College
Craig Winkelman, School District 220

Guests Present: Dan O'Malley, Deputy Village Manager
Rachel Musiala, Director of Finance
Arthur Janura, Corporation Counsel
Patti Cross, Asst. Corporation Counsel
Kevin Kramer, Director of Economic Development
Laurel Warren, Fiscal Operations Manager

VI. Call to Order

Chairman Norris called the meeting to order at 1:15 p.m. Notices were sent via email to all members of the Joint Review Board in which they also received a copy of the Annual Report. No questions were received from any members. A distribution list and annual report will be attached to the minutes.

VII. Approval of Minutes – November 28, 2018

A motion to approve the minutes was made by Bev Romanoff and seconded by Amy Nykaza. A voice vote was taken. All ayes. Motion carried.

VIII. Review of Year 2019 Compliance Report

Rachel Musiala, Director of Finance for the Village of Hoffman Estates gave a brief overview of the Annual Compliance Report. There was no audit as there have been no revenues received.

IX. Question and Answers

No questions were asked.

X. Adjournment

Motion to adjourn was made by Rob Galick and seconded by Bev Romanoff. A voice vote was taken. All ayes. Motion carried. Chairman James Norris adjourned the meeting at 1:18 p.m.