



## CITY OF PARK RIDGE

505 BUTLER PLACE  
PARK RIDGE, IL 60068  
TEL: 847/ 318-5200  
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May 22, 2014

*Via U.S. Mail and Email*

Philip Bender  
Superintendent  
Park Ridge – Niles School District No. 64  
164 S. Prospect Avenue  
Park Ridge, Illinois 60068

**RE: *Intergovernmental Agreement between  
the City of Park Ridge ("City") & the Park Ridge –  
Niles School District No. 64 ("SD 64"), dated  
September 2, 2003 (the "Agreement")***

Dear Dr. Bender:

I am glad to hear that our respective attorneys have spoken and scheduled a meeting for tomorrow Friday, May 23<sup>rd</sup>. As I have maintained throughout this matter, it is in all of our best interests to make every effort to amicably resolve the issues that have been raised. In spite of the rhetoric of the past couple weeks, I hope the meeting on Friday is the first step in bringing this matter to an equitable resolution for all involved.

As you may or may not know, the City is currently in discussion with School District 207 and the Park Ridge Recreation and Park District regarding issues related to their respective Intergovernmental Agreements and recently submitted proposals to the foregoing entities. In an effort to settle and reach a compromise to the issues and potential claims between the City and SD 64, the City hereby submits the following proposal:

**1. 2013 New Property Payment.**

Notwithstanding the City's position on New Property payments and without waiving any rights in relation thereto, the City agrees to make a 2013 New Property payment to the District equal to seventy-three percent (73%) of the 2012 New Property payment made to the District by the City. This percentage is based on the Cook County's change in assessment classification, illustrated in section 3(b) herein.

Following the completion of the Calculation Revisions/Corrections discussed below, the District shall credit and/or reimburse the City any and all New Property payments made by the City in excess of the yearly sums resulting from the Calculation Revisions/Corrections below.



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### 2. Calculation Revisions/Corrections.

- a. **Revise New Property Calculations:** prospectively and retroactively revise New Property Calculations and net out the existing Base EAV. The Base EAV as determined by the County accrues to the benefit of taxing districts and past New Property payments have been overstated.
- b. **Review the Basis for New Student Calculations:** prospectively and retroactively review New Student calculations. The District shall credit and/or reimburse the City any and all New Student payments made by the City in excess of the yearly sums resulting from the calculations contemplated herein.
- c. **Review the New Property Calculations (past and current)** comprehensively in order to determine conformance with the County's methodology and revise as necessary.

### 3. Annual Payment Revisions.

- a. The basis for the Agreement is static and does not account for decreases or reductions in EAV experienced by the taxing districts (including TIF properties) due to the County's change in assessment classification effective January 1, 2009 and for valuation decreases attributable to the economic downturn since 2008.
- b. Reference to the chart below indicates the reduction in EAV and incremental taxes from the 2009 to 2012 tax years

#### Park Ridge Uptown TIF

##### Tax Year/

##### Collection Year

##### EAV

##### Tax Increment

2009/2010

\$78,265,143

\$2,501,603

2012/2013

\$56,942,224

\$1,816,871

Percentage Change

(27%)

(27%)

IGA payments from tax year 2009 to the present need to be examined and will likely need to be reduced proportionately. The future payments would also be reduced until 2009 levels are reached.

- c. The New Property cap of 21% of increment generated from New Property within the Uptown TIF needs to be lowered.
- d. The New Student payments calculation should be amended to comply with the calculation set forth in the TIF Act.
- e. Provide language that all parties shall negotiate in good faith if any further changes in County law affects the ability of the Uptown TIF's ability to generate increment.
- f. SD 64 shall pursue its remedies through PTAB on properties in the TIF pursuant to the same guidelines as it does other property throughout SD 64.



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- g. There must be agreement as to who is responsible for undertaking the New Property calculation as the Agreement requires the Cook County clerk to make such calculations. If the City is to shoulder this responsibility going forward, any and all administrative costs incurred by the City in relation thereto shall be subject to reimbursement from TIF increment and shall have priority over New Student and New Property payments.

#### 4. TIF Term Extensions.

The City requests the taxing districts to cooperate in the legislative extension of the TIF term by 12 years. During the 12 year extension term, the payments under the Agreement would be replaced by a City declaration of surplus after annual debt obligations, including moneys paid from the City's General Fund, are paid and any negative fund balance amounts are repaid. The City will also monitor the most efficient restructuring of debt obligations – based upon market conditions in order to model debt service payments to available TIF revenues.

Once again, the City is committed to working with SD 64 in order to resolve these matters in an amicable and cooperative manner. I hope the matters discussed above will provide a baseline for discussion at the May 23<sup>rd</sup> meeting. The City realizes that the matters discussed herein will have an impact upon the residents of the City of Park Ridge and, therefore, wants to make every effort to reach an outcome that works for both parties. The proposed revisions allow the City's TIF fund to stabilize and allow for the application of TIF revenues for the payment of redevelopment costs as initially proposed by the City.

As a sign of good faith by the City and without waiving any rights or claims of the City, the payments contemplated under Section 1 of this letter shall be made to the District notwithstanding the outcome of negotiations of the other matters raised herein. Further, the City will make any and all payments related to New Students for which the data is not in question. However, as an acknowledgement that the District agrees to negotiate in good faith as to the matters raised above, the City asks that the District execute this letter in the space provided below, and return a copy to the City. The parties understand and acknowledge that except for the obligation to negotiate in good faith: (i) no legal obligations are created by this letter; (ii) neither the City or the District will have any legal obligations with respect to the issues raised herein. As always, please feel free to contact me, if you wish to discuss additional issues.

As always, please feel free to contact me, if you wish to discuss additional issues.

Thank you,  
CITY OF PARK RIDGE

Shawn Hamilton  
City Manager

PARK RIDGE – NILES DISTRICT 64

Dr. Philip Bender  
Superintendent

