

SECTION 2 [Sections 2 through 8 must be completed for each redevelopment project area listed in Section 1.]

FY 2023

Name of Redevelopment Project Area:

Village Center RPA (TIF #3)

Primary Use of Redevelopment Project Area*:	
<small>*Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.</small>	
If "Combination/Mixed" List Component Types:	
Under which section of the Illinois Municipal Code was the Redevelopment Project Area designated? (check one):	X
Tax Increment Allocation Redevelopment Act	
Industrial Jobs Recovery Law	

Please utilize the information below to properly label the Attachments.

	No	Yes
For redevelopment projects beginning prior to FY 2022, 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). For redevelopment projects beginning in or after FY 2022, were there any amendments, enactments or extensions 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, enactment or extension, and a copy of the redevelopment plan (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
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [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 <u>submitted to</u> the municipality <u>by</u> 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 the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached (labeled Attachment J).	X	
An analysis prepared by a financial advisor or underwriter, chosen by the municipality , setting forth the nature and term of obligation; projected debt service including required reserves and debt coverage; and actual debt service. [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If attachment I is yes, the Analysis and an accompanying letter from the municipality outlining the contractual relationship between the municipality and the financial advisor/underwriter MUST be attached (labeled Attachment J).	X	
Has a cumulative of \$100,000 of TIF revenue been deposited 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 taxes 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, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L).		X
A list of all intergovernmental agreements in effect 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 the list only, not actual agreements (labeled Attachment M).	X	
For redevelopment projects beginning in or after FY 2022, did the developer identify to the municipality a stated rate of return for each redevelopment project area? Stated rates of return required to be reported shall be independently verified by a third party chosen by the municipality. If yes, please enclose evidence of third party verification, may be in the form of a letter from the third party (labeled Attachment N).	X	

SECTION 3.1 [65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)] and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d)]

FY 2023

Name of Redevelopment Project Area:

Village Center RPA (TIF #3)

Provide an analysis of the special tax allocation fund.

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 9,921,785

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 2,008,052	\$ 26,974,830	80%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 370,311	\$ 1,031,377	3%
Land/Building Sale Proceeds	\$ 4,985,340	\$ 5,135,340	15%
Bond Proceeds			0%
Transfers from Municipal Sources		\$ 323,413	1%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)		\$ 313,846	1%

All Amount Deposited in Special Tax Allocation Fund \$ 7,363,703

Cumulative Total Revenues/Cash Receipts \$ 33,778,806 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 333,958

Transfers to Municipal Sources

Distribution of Surplus

Total Expenditures/Disbursements \$ 333,958

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ 7,029,745

Previous Year Adjustment (Explain Below)

FUND BALANCE, END OF REPORTING PERIOD* \$ 16,951,530

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

Previous Year Explanation:

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

FY 2023

Name of Redevelopment Project Area:

Village Center RPA (TIF #3)

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND

PAGE 1

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. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
Legal Services (Bernard Paul)	1,581	
Professional Services TIF #3 Project METRA Lot (S.B Friedman & Co)	26,238	
Professional Services Village Center Lake & Barrington (S.B Friedman & Co)	4,725	
Professional Services Village Center Lake/Church (S.B Friedman & Co)	32,102	
Various consulting works Lae & Church and Lake & Barrington (Codometrics)	3,600	
Hanover Square LLC advisory (S.B Friedman & Company)	5,850	
Miscellaneous supplies (Menards)	187	\$ 74,283
2. Annual administrative cost.		
		\$ -
3. Cost of marketing sites.		
Street Banner for Doggie Eggtravaganza event (AC Graphix House Inc)	2,727	
		\$ 2,727
4. Property assembly cost and site preparation costs.		
Appraisal Service at 2020 Devon Avenue (V.A. Solano & Associates Inc.)	380	
Appraisal Service at 2144-2152 Lake Street (V.A. Solano & Associates Inc.)	1,200	
		\$ 1,580
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
Façade Grant (A&A Music Inc)	21,367	
		\$ 21,367
6. Costs of the construction of public works or improvements.		
Installation & Removal of Village Holiday lights (Turf Spray Irrigation Co)	8,500	
Landscape plants (Clesen Wholesale)	2,153	
Paint, cable, water valve key and landscaping supplies (Amazon.com)	1,037	
		\$ 11,690

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PAGE 2

7. Costs of eliminating or removing contaminants and other impediments.		
Blended Organic Bark (Midwest Trading Horticultural Supplies Inc)	1,612	
Round-up quich pro and other supplies (Cook Creek Sod Farm LLC)	3,198	
		\$ 4,810
8. Cost of job training and retraining projects.		
		\$ -
9. Financing costs.		
		\$ -
10. Capital costs.		
Marcus and Millichap Real Estate Inv Serv	108,750	
Christie's International Real Estate	108,750	
		\$ 217,500
11. Cost of reimbursing school districts for their increased costs caused by TIF assisted housing projects.		
		\$ -
12. Cost of reimbursing library districts for their increased costs caused by TIF assisted housing projects.		
		\$ -

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13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
		\$ -
17. Cost of day care services.		
		\$ -
18. Other.		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 333,958

SECTION 3.3 [65 ILCS 5/11-74.4-5 (d) (5d) 65 ILCS 5/11-74.6-22 (d) (5d)]

FY 2023

Name of Redevelopment Project Area:

Village Center RPA (TIF #3)

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period by source

FUND BALANCE BY SOURCE

\$ 16,951,530

1. Description of Debt Obligations	Amount of Original Issuance	Amount Designated
NuCare Services Reimbursement (PAYG Note)	\$ 1,900,000	\$ 74,433
Animal Clinic Reimbursement (PAYG Note)	\$ 400,000	\$ -
Total Amount Designated for Obligations	\$ 2,300,000	\$ 74,433

2. Description of Project Costs to be Paid	Amount of Original Issuance	Amount Designated
Planning, Legal, Admin, Marketing - FY2024 & Beyond		\$ 255,000
Property Assembly - FY2024 & Beyond		\$ 2,500,000
Building Rehab - FY2024 & Beyond		\$ 1,000,000
Public Works, Utility & Parking Improv. - FY2024 & Beyond		\$ 5,154,000
Developer Interest Subsidies - FY2024 & Beyond		\$ 10,000,000
Total Amount Designated for Project Costs		\$ 18,909,000

TOTAL AMOUNT DESIGNATED	\$ 18,983,433
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SURPLUS/(DEFICIT)	\$ (2,031,903)
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SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2023

Name of Redevelopment Project Area:

Village Center RPA (TIF #3)

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

X

Indicate an 'X' if no property was acquired by the municipality within the redevelopment project area.

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

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:	

Property (5):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (6):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (7):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 [20 ILCS 620/4.7 (7)(F)]

FY 2023

Name of Redevelopment Project Area:

Village Center RPA (TIF #3)

PAGE 1

Page 1 MUST be included with TIF report. Pages 2 and 3 are to be included ONLY if projects are listed.

Select ONE of the following by indicating an 'X':

1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area.	
2. The municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a and 2b.)	X
2a. The total number of ALL activities undertaken in furtherance of the objectives of the redevelopment plan:	17
2b. The total number of NEW projects undertaken by the municipality in fiscal year 2022 and any fiscal year thereafter, within the Redevelopment Project area, if any.	1

LIST ALL projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 40,595,228	\$ 1,500,000	\$ 42,095,228
Public Investment Undertaken	\$ 8,545,236	\$ 1,825,000	\$ 10,370,236
Ratio of Private/Public Investment	4 3/4		4 1/17

Project 1 Name: Hanover Square Shopping Center - General

Private Investment Undertaken (See Instructions)	\$ 1,356,419	\$ 500,000	\$ 1,856,419
Public Investment Undertaken	\$ 3,068,291	\$ 1,000,000	\$ 4,068,291
Ratio of Private/Public Investment	42/95		21/46

Project 2 Name :Suburban Tire, 2064 Lake St. (Village Center)

Private Investment Undertaken (See Instructions)	\$ 1,496,700		\$ 1,496,700
Public Investment Undertaken	\$ 162,675		\$ 162,675
Ratio of Private/Public Investment	9 1/5		9 1/5

Project 3 Name: E. Kinast Distributors, 6350 Church Rd. (Business Park)

Private Investment Undertaken (See Instructions)	\$ 4,232,737		\$ 4,232,737
Public Investment Undertaken	\$ 12,026		\$ 12,026
Ratio of Private/Public Investment	351 28/29		351 28/29

Project 4 Name: Church St. Station - Townhomes

Private Investment Undertaken (See Instructions)	\$ 13,761,826	\$ 500,000	\$ 14,261,826
Public Investment Undertaken	\$ 50,000		\$ 50,000
Ratio of Private/Public Investment	275 22/93		285 22/93

Project 5 Name: Church St. Station - Commercial

Private Investment Undertaken (See Instructions)	\$ 2,350,712	\$ 500,000	\$ 2,850,712
Public Investment Undertaken			\$ -
Ratio of Private/Public Investment	0		0

Project 6 Name: HP Animal Care Center (ARF), 1920 Ontarioville Rd.

Private Investment Undertaken (See Instructions)	\$ 2,386,234		\$ 2,386,234
Public Investment Undertaken	\$ 307,922	\$ 45,000	\$ 352,922
Ratio of Private/Public Investment	7 3/4		6 67/88

PAGE 2 **ATTACH ONLY IF PROJECTS ARE LISTED**

Project 7 Name: he Claremont, 2000 Lake St. (150 Bed Skilled Nursing Facility) - Now called "Ignite"

Private Investment Undertaken (See Instructions)	\$	15,000,600		\$	15,000,600	
Public Investment Undertaken	\$	870,081	\$	200,000	\$	1,070,081
Ratio of Private/Public Investment		17	19/79		14	1/55

Project 8 Name: 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		3	2/20		3	2/20

Project 9 Name: Lakewood Restaurant, 2020 Lake St (Purchase)

Private Investment Undertaken (See Instructions)				\$	-
Public Investment Undertaken	\$	253,158		\$	253,158
Ratio of Private/Public Investment		0			0

Project 10 Name: Vacant House Removal, 2144 Lake St.

Private Investment Undertaken (See Instructions)				\$	-
Public Investment Undertaken	\$	7,900		\$	7,900
Ratio of Private/Public Investment		0			0

Project 11 Name: Building Demolition, 2152 Lake Street

Private Investment Undertaken (See Instructions)				\$	-
Public Investment Undertaken	\$	23,775		\$	23,775
Ratio of Private/Public Investment		0			0

Project 12 Name: Strip Mall, 2180 Lake Street

Private Investment Undertaken (See Instructions)				\$	-	
Public Investment Undertaken	\$	1,500	\$	5,000	\$	6,500
Ratio of Private/Public Investment		0			0	

Project 13 Name: 1961-1969 Ontarioville

Private Investment Undertaken (See Instructions)				\$	-	
Public Investment Undertaken	\$	183,631	\$	25,000	\$	208,631
Ratio of Private/Public Investment		0			0	

Project 14 Name: 7N536 Church Rd. - Donated to Village

Private Investment Undertaken (See Instructions)				\$	-
Public Investment Undertaken	\$	40,280		\$	40,280
Ratio of Private/Public Investment		0			0

Project 15 Name: Marek - 27W242 Ontarioville - Acquired via Sp. Warranty Deed in lieu of foreclosure

Private Investment Undertaken (See Instructions)				\$	-
Public Investment Undertaken		\$81,191		\$	81,191
Ratio of Private/Public Investment		0			0

PAGE 3 **ATTACH ONLY IF PROJECTS ARE LISTED**

Project 16 Name: Village Center/Ontarioville Streetscape Project

Private Investment Undertaken (See Instructions)			\$ -
Public Investment Undertaken	\$ 3,380,588	\$ 550,000	\$ 3,930,588
Ratio of Private/Public Investment	0		0

Project 17 Name: South Commuter Lot RFQ

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 35,388		\$ 35,388
Ratio of Private/Public Investment	0		0

Project 18 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 19 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 20 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 21 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 22 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 23 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 24 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 25 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

SECTION 7 [Information in the following section is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.]

FY 2023

Name of Redevelopment Project Area:

Village Center RPA (TIF #3)

Provide a general description of the redevelopment project area using only major boundaries.

The Redevelopment Project and Plan Area is generally described as within an area bounded by Barrington Road extended on the east (excluding 1600, 1700 and 1800 Ontarioville Road, 6200 and 6300 Church Road and 7N630, 7N595, and 7N581 County Farm Road), the Elgin O'Hare Expressway (k/n/a IL-390) extended on the south, the westerly corporate limit on the west (excluding Village Hall, 2015 Lake Street, and 21W471 Devon Ave.) and Elm Avenue, Maple Avenue, Pine Tree Street and Walnut Avenue on the north (excluding those properties in the Oakwood Landing North subdivision).

Optional Documents	Enclosed
Legal description of redevelopment project area	X
Map of District	X



Village of Hanover Park Administration

Municipal Building
2121 West Lake Street, Hanover Park, IL 60133
630-823-5600 tel 630-823-5786 fax

hpiil.org

Village President
Rodney S. Craig

Village Clerk
Kristy Merrill

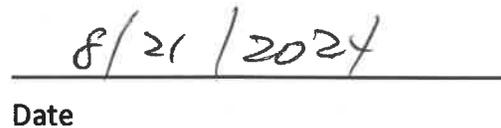
Trustees
Yasmeen Bankole
Liza Gutierrez
Syed Hussaini
Jon Kunkel
Herb Porter
Bob Prigge

Village Manager
Juliana A. Maller

ATTACHMENT B

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 of Hanover Park's Village Center RPA (TIF # 3) TIF Report complies with the requirements pertaining to the Illinois Tax Increment Redevelopment Allocation Act during the fiscal year beginning January 1, 2023 and ending December 31, 2023.


Village President


Date

ATTACHMENT C

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

BERNARD Z. PAUL
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(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 December 31, 2023

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 December 31, 2023, 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 officials and tax increment finance personnel, planners, consultants and the Village’s management 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 (including the 2019 amendments which are referred to in the 2019 Annual Report filed for that year), but without making any independent investigation or inquiry in connection with any of the foregoing, as of December 31, 2023, 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 28, 2024

Very truly yours,



Bernard Z. Paul

Attachment D –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) (7) (A and B)]

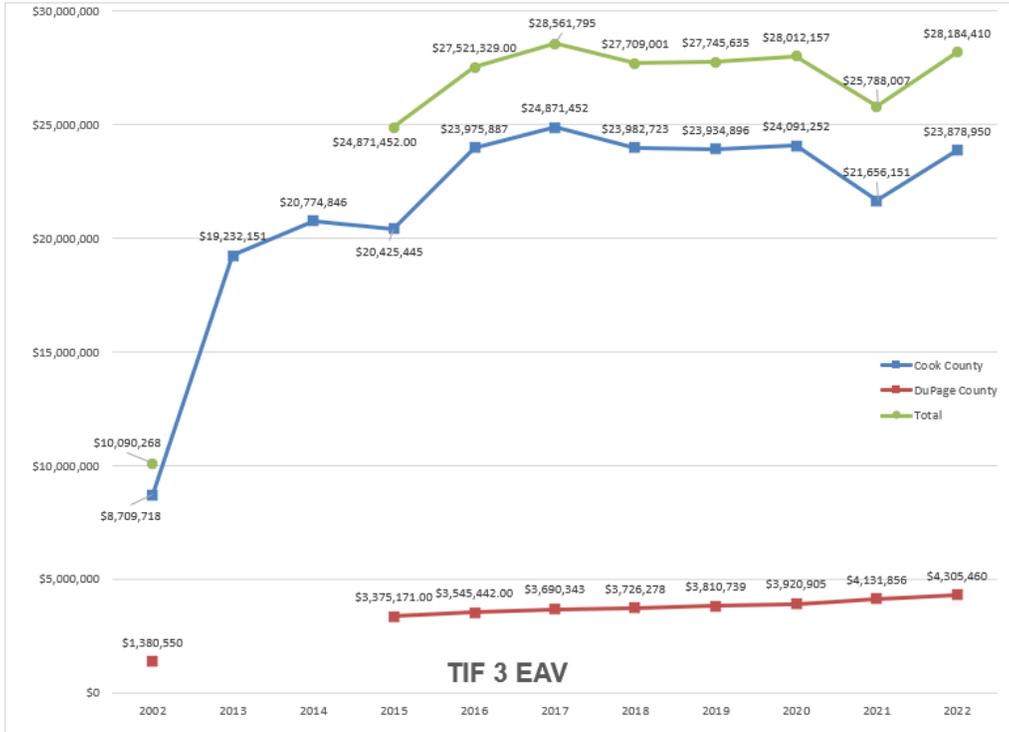
The Village of Hanover Park, Illinois Village Center Tax Increment Redevelopment Project and Plan (“TIF #3”) was approved on May 3, 2001, and filed with Cook and DuPage Counties on October 17, 2002. A portion of Village’s former TIF #1 (which was dissolved in September 1997) was included in the TIF #3. The entire area of TIF #3 is known as the Village Center Area.

The Village Center TIF District saw a major amendment in 2019. The boundary for TIF #3 was amended (to include south commuter lots) and the life of the TIF districts was extended (by an additional 12 years) via Ordinance O-19-33. The TIF now expires in 2036.

During the fiscal year beginning January 1, 2023, and ending December 31, 2023 (FY 2022), various activities and projects were undertaken in furtherance of the objectives of TIF #3, including the following:

1. The Village completed a major undertaking by adopting new zoning regulations and creating new zoning districts for the Village Center area. A consultant was hired through a CMAP/RTA grant to help draft the zoning regulations in order to enable more streamlined processes and better design and development. A new Village Center zoning code chapter was approved by the Board (O-22-25) establishing new zoning districts. All properties within the Village Center were then rezoned (O-22-28).
2. Hanover Square Shopping Center – The Village-owned shopping center was sold to a private sector buyer in December 2023. Several leases were renewed, and new tenants recruited for vacant spaces. The center is about 80% occupied. The shopping center was bought for \$2.8m using TIF funds and an LLC was formed to operate and manage the property. In 2015, the Village entered into a redevelopment agreement to renovate and operate the Hanover Square Shopping Center. Pursuant to the agreement the Village sold the property to the newly established Limited Liability Company (LLC), Hanover Square, LLC (Hanover Square), and acquired a 90% membership interest in the company. During 2016, the developer defaulted on its obligations and the remaining 10% membership interest reverted to the Village. Hanover Square then operated with only one member, the Village, and the Village Board had approval rights over Hanover Square’s annual budget. As the Village had a majority equity interest in the LLC, Hanover Square’s financial statements have been presented as a discrete column in the government-wide financial statements. Separately issued financial statements of the Hanover Square may be obtained from the Village Clerk’s office. Upon dissolution of the company, the assets of the property reverted to the Tax Increment Financing #3 Fund. The Center was sold, including the outlot, in December 2023. The TIF has been reimbursed from the sale proceeds.
3. The Village Board approved a “Master Plan Development” for 80 townhomes at the NWC of Church and Lake. These modern-style units are proposed at 2,200 sq ft, with 3 bedrooms and 2-car garages. Detailed plans are awaited for subdivision and Final Plat before construction can begin.

4. The Village issued an RFQ for developers interested in redeveloping the south commuter lot for a Transit Oriented Development. Staff reviewed submissions and worked with a developer. However, the gaps between construction costs, rental rates, and financing parameters have been identified as challenging factors. Staff is now working with another developer for a TOD-style development.
5. A Purchase and Sale Agreement was approved for two Village-owned vacant lots located at 2144-2152 Lake Street for redevelopment along with adjacent vacant lots. The buyer is proposing a daycare center at this location. (2024 update: property was sold to this buyer).
6. The Village acquired 2020 Devon through a condemnation suite and the uninhabitable structure was demolished. The Village is retaining the property to facilitate development along the north side of Devon Ave, per the Village Center TOD Plan.
7. A Façade Improvement Grant in the amount of \$21,367.07 was approved for improvements to the property located at 1979 Devon, which was previously the Ontarioville Art School. Improvements including reconstruction of an ADA compliant ramp and porch, a monument sign and landscaping have been completed.
8. The Village has been successfully hosting events in the new Village Center Plaza, constructed with the use of TIF funds. 2023 Events have included Business After Hours, the Holiday Tree Lighting, and Corks and Crafts.
9. Continued promotion of Village Center Plan, Elgin O'Hare Expressway Boulevard extension, and available properties in the TIF 3 area.
10. Staff met with developers and property owners of key properties in the Village Center area to encourage development and connected potential end developers with property owners. These include the property at the NW and the NE corner of Church and Lake, the NW corner of Lake and Barrington and other properties along Devon Ave.
11. The Village's Historic Zoning District was incorporated within the Village Center rezoning, and historic preservation guidelines were restated in the Zoning Code Text Amendment.
12. The Historic Committee continued scanning historic documents and collecting information.
13. The Historic Committee introduced a Historic Plaque program, to recognize various properties that met the criteria. A plaque was installed within the Ontarioville Plaza in 2021. The Immanuel Lutheran Church and the Parsonage were identified for receiving the plaque in 2022. However, the installation will occur after some building improvements are completed at these buildings.
14. \$898,184 was invested in 2023 within TIF #3 in private improvements (per permit reports).
15. The total EAV for TIF # 3 has increased from \$10,090,268 at the time the TIF district was put in place to \$28,184,410 in 2023.





2

VILLAGE OF HANOVER PARK

12/12/23

Date of Filing with Village

Cash Receipt #

30576

Transfer Tax Stamp Number

JM

Village Cashier

REAL ESTATE TRANSFER TAX DECLARATION PLEASE TYPE OR USE BLACK INK

Check Appropriate Box(es)

Residential

Multi-Unit - No. Of Units

Land Trust

Exempt

Commercial/Industrial

INSTRUCTIONS:

- 1. This form must be filled out completely, signed by at least one of the grantees (buyers), signed by at least one of the grantors (sellers), and presented to the Department of Finance, 2121 W. Lake St., Hanover Park, IL 60133, or other designated agent, at the time of purchase of the real estate transfer stamps as required by the Village of Hanover Park Real Estate Transfer Tax Ordinance. The stamps must be affixed to the deed, and this form attached, when the title is recorded.
2. The full actual amount of consideration of the transaction is the amount upon which the tax is to be computed. Both the full actual consideration of the transaction and the amount of the tax stamps required must be stated on the declaration.
3. A copy of the Illinois Tax Declaration form, signed by the grantee (buyer) of the deed or assignee of beneficial interest, must be presented to the Finance Department at the time the real estate transfer stamps are purchased.
4. There is a separate Hanover Park Real Estate Transfer Tax Information Sheet providing full instructions for purchasing a Real Estate Transfer Tax Stamp. If you need this Sheet or other information or assistance, please call the Department of Finance at (630) 823-5790, Monday through Friday, 8:00 a.m. to 4:30 p.m. (closed Wednesday)

Address of Property 6602-6672 + 6794 Barrington Rd. 60133
Permanent Property Index No. 06-36-406-002-0000 + 06-36-406-007,008,009,010,011,012-0000
Date of Deed 12-12-23 Type of Deed Sp. Warranty

Full Actual Consideration (Include amount of mortgage and value of liabilities assumed) \$7,
AMOUNT OF TAX (\$1.50 per \$500, or fraction thereof of full value consideration) \$

EXEMPTIONS: The Village of Hanover Park Real Estate Transfer Tax Ordinance specifically exempts certain transactions from taxation. These exemptions are enumerated in Section 94-166 of the Ordinance which are printed on the reverse side of this form. To claim one of these exemptions, complete the appropriate blanks below:

I hereby declare that this transaction is exempt from taxation under the Hanover Park Real Estate Transfer Tax Ordinance by paragraph (a)(1) of section 94-166 of said Ordinance.

Details for exemptions claimed, including documentation provided: (explain) Transfer (Sale) from Village of Hanover Park to SAINC, LLC, Village as grantor is a governmental body.

A \$10.00 processing fee applied to all exempt transfers.

We hereby declare the full actual consideration and above facts contained in this declaration to be true and correct.

GRANTOR: (Please Print) Village of Hanover Park 2121 W. Lake St. 60133
Signature Bernard Z. Paul, its attorney Date Signed 12-12-2023

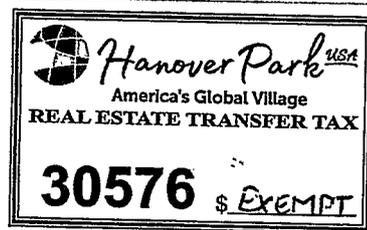
GRANTEE: (Please Print) SAINC, LLC 33 W 859 Fletcher Rd. Wayne, IL 60184
Signature Buyer or Agent Date Signed

We require a minimum of three (3) business days for processing a real estate transfer stamp request.

\$0 N/A

This instrument prepared by
and after recording return to:

Bernard Z Paul
231 South Fourth Street
DeKalb, IL 60115
815-756-1312



SPECIAL WARRANTY DEED

THE GRANTOR, Village of Hanover Park, Illinois, a municipal corporation, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable considerations, the receipt of which is hereby acknowledged hereby does grant, remise, release, alien sell and convey to, SIAINC, LLC an Illinois limited liability company, **GRANTEE**, having its principal office in the Village of Wayne, State of Illinois, whose address is 33W859 Fletcher Rd. Wayne, IL 60184, all interest in that certain real estate, the Property, situated in Cook County, Illinois, as more particularly described AS FOLLOWS.

PARCEL 1:

LOT 'A' AND THAT PART OF VACATED PARK AVENUE LYING SOUTH OF THE SOUTH LINE OF WALNUT STREET AND NORTH OF THE NORTH LINE OF MAPLE AVENUE TAKEN AS A TRACT, ALL IN HANOVER PARK ESTATE, A SUBDIVISION OF PART OF THE EAST 1/2 OF SECTION 36, TOWNSHIP 41 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPTING FROM SAID TRACT THE EAST 110 FEET OF THE NORTH 128 FEET ALSO EXCEPTING THE EAST 150 FEET OF THE SOUTH 400 FEET), IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE EAST 150 FEET OF THE NORTH 250 FEET OF THE SOUTH 400 FEET OF LOT 'A' AND THAT PART OF VACATED PARK AVENUE LYING SOUTH OF THE SOUTH LINE OF WALNUT STREET AND NORTH OF THE NORTH LINE OF MAPLE AVENUE WHICH LIES EAST OF AND ADJOINING SAID LAND TAKEN AS A TRACT, ALL IN HANOVER PARK ESTATE, A SUBDIVISION OF PART OF THE EAST 1/2 OF SECTION 36, TOWNSHIP 41 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THE NORTH 128 FEET OF THE EAST 70 FEET OF LOT 'A'; AND THE NORTH 128 FEET OF VACATED PARK AVENUE, SOUTH OF THE SOUTH LINE OF WALNUT AVENUE, OF HANOVER PARK ESTATE, A SUBDIVISION OF PART OF THE EAST 1/2 OF SECTION 36, TOWNSHIP 41 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

EXEMPTIONS:

Section 94-166-A: The following deeds or trust documents shall be exempt from the tax levied by this Article:

(a) The following deeds or trust documents shall be exempt from the tax levied by this article except as hereinafter provided:

- (1) Deeds to or trust documents relating to property acquired by any governmental body or from any governmental body, property or interests transferred between governmental bodies, or property acquired by or from any corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes.
- (2) Deeds or trust documents which secure debt or other obligation.
- (3) Deeds or trust documents which, without additional consideration, confirm, correct, modify or supplement a deed or trust document previously recorded.
- (4) Deeds or trust documents where the actual consideration is less than \$100.00.
- (5) Tax deeds.
- (6) Deeds or trust documents of release of property which is security for a debt or other obligation.
- (7) Deeds of partition.
- (8) Deeds or trust documents made pursuant to mergers, consolidations or transfers or sales of substantially all of the assets of corporations pursuant to plans of reorganization.
- (9) Deeds or trust documents made by a subsidiary corporation to its parent corporation for no consideration other than the cancellation or surrender of the subsidiary's stock.
- (10) Deeds wherein there is an actual exchange of real estate and trust documents wherein there is an actual exchange of beneficial interest except that the money difference or money's worth paid from one to the other shall not be exempt from the tax.
- (11) Deeds representing transfers subject to the imposition of a documentary stamp tax imposed by the government of the United States.
- (12) Deeds issued to a holder of a mortgage pursuant to a mortgage foreclosure proceeding or pursuant to a transfer in lieu of foreclosure.
- (13) A deed or trust document related to the purchase of a principal residence by a participant in the program authorized by the Home Ownership Made Easy Act (310 ILCS 55/5.1 et seq.), as amended.
- (14) Transactions where a written contract for the sale of property was executed by the seller and the buyer prior to the passage date of this article.

(b) The taxes imposed by this article shall not be imposed on or transferred by an executor or administrator to the legatee, heir or distributee where the transfer is being made pursuant to will or by intestacy. The tax provided by this article shall further be exempt where the transaction is affected by operation of law or upon delivery or transfer in the following instances:

- (1) From a decedent to his executor or administrator.
- (2) From a minor to his guardian or from a guardian to his ward upon attaining majority.
- (3) From an incompetent to his conservator, or similar legal representative, or from a conservator or similar legal representative to a former incompetent upon removal or disability.
- (4) From a bank, trust company, financial institution, insurance company or other similar entity, or nominee, custodian, or trustee therefor, to a public officer or commission, or person designated by such officer or commission or by a court, in the taking over of its assets, in whole or in part, under state or federal law regulating or supervising such institutions, nor upon redelivery or retransfer by any such transferee or successor thereto.
- (5) From a bankrupt or person in receivership due to insolvency to the trustee in bankruptcy or receiver, from such receiver to such trustee or from such trustee to such receiver, nor upon redelivery or transfer by any such transferee or successor thereto.
- (6) From a transferee under subsections (1) through (5), inclusive, to his successor acting in the same capacity, or from one such successor to another.
- (7) From a foreign country or national thereof to the United States or any agency thereof, or to the government of any foreign country directed pursuant to the authority vested in the President of the United States by section 5(b) of the Trading with the Enemy Act (40 Stat. 415), as amended by the First War Powers Act (55 Stat. 839).
- (8) From trustees to surviving, substitute, succeeding or additional trustees of the same trust.
- (9) Upon the death of a joint tenant or tenant by the entirety to the survivor or survivors.

REFUNDS:

A grantor or seller who has paid the tax on a property he owned and occupied as his principal residence is entitled to a refund of the taxes paid if he buys or builds a single-family dwelling or condominium unit to be occupied as his principal residence within the Village corporate limits within one (1) year from the payment of the tax sought to be refunded.

VILLAGE OF HANOVER PARK
2121 W. LAKE STREET
HANOVER PARK, ILLINOIS 60133
TELEPHONE (630) 823-5600 FAX (630) 823-5786

HANOVER PARK REAL ESTATE TRANSFER TAX INFORMATION SHEET

Transfer Tax Stamps may be purchased at the Village Hall during regular business hours or by mail. The tax rate is \$1.50 per \$500, or fraction thereof of the Full Actual Consideration. There is a \$10.00 fee for exempt transfers. Should you wish a Transfer Stamp to be mailed by Certified Mail, please forward a check for \$5.00 to cover the cost of Certified Mail, or provide a prepaid Federal Express envelope or similar type of return envelope requiring a signature. We require a minimum of 3 business days for procesing transfer tax stamps requests.

A Village of Hanover Park Real Estate Transfer Tax Declaration Form (two-part form) must be filled out completely for both taxable and exempt transfers. The back of this form contains a complete list of the exemptions. The buyer, seller or agent must sign the form. An original Declaration with original signatures is required by the county for recording.

Proper supporting documentation must accompany the completed Village form. For taxable transfers a copy of the Illinois Department of Revenue Real Estate Transfer Declaration (PTAX-203) must be submitted. Exempt transactions require a completely executed copy of the deed to be submitted.

The Village of Hanover Park may refuse to issue transfer stamps if any of the following conditions exist:

- There are outstanding sums of money due the Village from the property or property owners including, but not limited to, an unpaid water or sewer account; open invoices resulting from false alarms, damage to Village property, weed cutting, parking tickets, etc.
- Failure to have a valid rental residential housing license for dwelling subject to the Village's rental residential housing code.
- The property is in violation of any section of the Hanover Park Municipal Code.

Refunds: A grantor or seller who has paid the real estate transfer tax to the Village is entitled to a refund provided he meets all of the following requirements:

1. He owned and occupied the dwelling on the property for which such tax was paid as his principal residence;
2. He did not rent or lease any portion(s) of the dwelling or real property sold to another person or persons;
3. He buys or builds a single-family dwelling or condominium unit within the Village corporate limits within one (1) year from the payment of the tax sought to be refunded; and
4. He owns and occupies said single-family dwelling or condominium unit as his principal residence.

A Village of Hanover Park Real Estate Transfer Tax Application For Refund form must be completed to obtain a refund.

ATTACHMENT F

ORDINANCE NO. O-23-32

AN ORDINANCE MODIFYING THE VILLAGE OF HANOVER PARK TAX INCREMENT FINANCING GRANT PROGRAM FOR FAÇADE AND OTHER IMPROVEMENTS

WHEREAS, the Village is a duly organized and validly existing home-rule municipality created in accordance with the Constitution of the State of Illinois of 1970 and the laws of the State; and

WHEREAS, the Village is engaged in the revitalization and development of its commercial, residential and vacant properties within three TIF Districts; and

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois, 65 ILCS 5/11-74.4-1, et seq., as from time to time amended (the “TIF Act”), the President and Board of Trustees of the Village (collectively, the “Corporate Authorities”) are empowered to undertake the development or the redevelopment of a designated area within its municipal boundaries in which existing conditions permit such area to be classified as a “blighted area” or a “conservation area” as such terms are defined in the TIF Act; and

WHEREAS, to stimulate and induce development and redevelopment pursuant to the TIF Act, the Village, after giving all required notices, conducted public hearings and made all findings required by law, and approved Redevelopment Plans and Programs (the “Redevelopment Plans”) for three distinct TIF areas designated as: Village Center Redevelopment Project Area -TIF #3; Village’s West Irving Park Road Corridor – TIF #4; and Irving Park Road East – TIF #5 (collectively the “Project Areas”), and

WHEREAS, the Project Areas include certain eligible properties; and the Village adopted tax increment financing for the payment and financing of “Redevelopment Project Costs” for each of those three TIF areas, as defined by the TIF Act and as authorized by the TIF Act; and

WHEREAS, on May 5, 2022, the Corporate Authorities passed Ordinance No. 0-22- 17 establishing the Village’s Tax Increment Grant Program for Façade and other Improvements; and

WHEREAS, The Village Manager has submitted a proposal to the Village’s Corporate Authorities to modify the Façade Improvement Program (“the Program”) for the improvement of Building Facades and other structures and the proposed Program provides that TIF funds be available from the Village as a result of its adoption of the TIF Act and in furtherance of the of this modified Façade Program; and

WHEREAS, the Program would include Redevelopment Agreements for Projects for improvements to private property that the Village believes would enhance the various TIF Areas and the Village is prepared to assist Developers and Owners with certain costs associated with the Projects, subject to the terms of Redevelopment Agreement to be hereafter entered into and the Façade Improvement Program Procedures and Guidelines that are attached hereto and made a part hereof; and

WHEREAS, the village recognizes the need for additional funding for multi-unit commercial shopping centers, as well as providing assistance for elements that contribute to the removal of blighted conditions and enhancing the aesthetic appeal from the public right of way; and

WHEREAS, the Program as modified will include Projects of no less than \$5,000, with reimbursement limited to 50% of eligible Project Costs, or up to \$25,000, except for multi-unit shopping centers which may be up to \$100,000, whichever is less, with a maximum project length of one year, except for shopping centers which may be phased over up to four (4) years; or up to \$10,000 for landscape-only projects, and the Corporate authorities will delegate to the Village Manager the authority to approve Projects with Project Costs of less than \$20,000, together with the authority to approve on behalf of the Village (for those Projects the Village Manager is authorized to approve), redevelopment agreements concerning said specified projects, now, therefore,

BE IT ORDAINED by the President and Board of Trustees of the Village of Hanover Park, Cook and DuPage Counties, Illinois, as follows:

SECTION 1: That the preambles to this Ordinance are incorporated into this Section 1 as if fully set forth herein.

SECTION 2: That the President and Board of Trustees approve the Façade Improvement Program Procedures and Guidelines that are attached hereto and made a part hereof which replaces those approved in Ordinance No. 0-22-17 and find that the best interests of the Village will be served by the Program.

SECTION 3: the Program will include Projects of no less than \$5,000, with reimbursement limited to 50% of eligible Project Costs, or up to \$25,000, except for multi-unit shopping centers which may be up to \$100,000, whichever is less, with a maximum project length of one year, except for shopping centers which may be phased over up to four (4) years; or up to \$10,000 for landscape-only projects, and the Corporate authorities will delegate to the Village Manager the authority to approve Projects with Project Costs of less than \$20,000, together with the authority to approve on behalf of the Village (for those Projects the Village Manager is authorized to approve) redevelopment agreements concerning said specified projects,

all to be in conformance with the attached Façade Improvement Program Procedures and Guidelines.

SECTION 4: This Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

ADOPTED this 5th day of October 2023, pursuant to a roll call vote as follows:

AYES: Porter, Kunkel, Bankole, Prigge, Hussaini, Gutierrez

NAYS: None

ABSENT: None

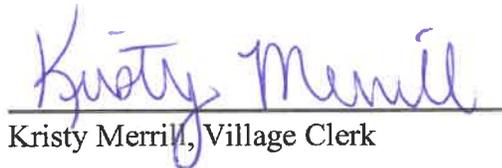
ABSTENTION: None

Approved:



Rodney S. Craig, Village President

ATTESTED, filed in my office, and published in pamphlet form this 6th day of October 2023.



Kristy Merrill, Village Clerk



Village of Hanover Park Administration

Municipal Building
2121 West Lake Street, Hanover Park, IL 60133
630-823-5600 tel 630-823-5786 fax

hpiil.org

Village President
Rodney S. Craig

Village Clerk
Kristy Merrill

Trustees
Yasmeen Bankole
Liza Gutierrez
Syed Hussaini
Jon Kunkel
Herb Porter
Bob Prigge

Village Manager
Juliana A. Maller

ATTACHMENT H

July 7, 2023

TO: JRB members
DCEO
TIF Registered Interested Parties

Re: TIF JRB Meeting – Thursday, July 20, 2023

In accordance with the Tax Increment Allocation Redevelopment Act, the Village of Hanover Park has prepared its Annual Tax Increment Finance (TIF) Reports, which are subject to statutory and Illinois State Comptroller's Office provisions in effect for the fiscal year 2022 (from Jan 1, 2022 to Dec. 31, 2022).

In accordance with the TIF law, the Village has scheduled the following time and location for the annual Joint Review Board (JRB) meetings for the below mentioned TIF Districts:

DATE: Thursday, July 20, 2023
TIME: 1:00 pm TIF #3 Village Center Redevelopment Plan Area
1:15 pm (Or immediately following TIF #3) - TIF #4 West Irving Park Road Corridor
1:20 pm (Or immediately following TIF #4) TIF #5 Irving Park Road East
Redevelopment Area
PLACE: Board Rm. 214, Village Hall – 2121 Lake Street, Hanover Park, IL 60133

Attached is the meeting agenda, draft minutes from the 8/4/2022 JRB meetings, and the TIF Reports filed with the State Comptroller's office.

Please let us know if you would like hard copies of any of this information mailed to you.

We look forward to seeing you or your Taxing District Representative at the meeting. Please RSVP via email at sgovind@hpiil.org or call (630) 823-5780.

Please contact me if you have any questions.

Thank you.

Shubhra Govind
TIF Administrator



Village of Hanover Park Administration

Municipal Building
2121 West Lake Street, Hanover Park, IL 60133
630-823-5600 tel 630-823-5786 fax

hpiil.org

Village President
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Village Clerk
Kristy Merrill

Trustees
Yasmeen Bankole
Liza Gutierrez
Syed Hussaini
Jon Kunkel
Herb Porter
Bob Prigge

Village Manager
Juliana A. Maller

VILLAGE OF HANOVER PARK

Joint Review Board Meeting Tax Increment Financing District (TIF) # 3 Village Center TIF Redevelopment Area

**Thursday, July 20, 2023
1:00 P.M.**

AGENDA

1. Call to Order- Roll Call - Village President
2. Selection of Chair
3. Selection of Public Member
4. Acceptance of Agenda
5. Approval of Minutes – August 4, 2022
6. Review of TIF Reports
7. Questions/Discussion
8. Public Comments
9. Adjournment



Village of Hanover Park Administration

Municipal Building
2121 West Lake Street, Hanover Park, IL 60133
630-823-5600 tel 630-823-5786 fax

hpil.org

Village President
Rodney S. Craig

Village Clerk
Kristy Merrill

Trustees
Yasmeen Bankole
Liza Gutierrez
Syed Hussaini
James Kemper
Herb Porter
Bob Prigge

Village Manager
Juliana A. Maller

VILLAGE OF HANOVER PARK

Joint Review Board Meeting Tax Increment Financing District (TIF) # 3 Village Center Redevelopment Project Area

Municipal Building: 2121 Lake Street, Rm. 214, Hanover Park, IL 60133

**July 20, 2023
2:00 p.m.**

MINUTES

1. CALL TO ORDER: ROLL CALL

Village Manager Maller called the meeting to order at 1:08 p.m. Admin. Sjodin called the roll.

Present:

Elgin Unit School District U-46 – Dr. Ann Williams
Hanover Park - Village Manager Maller
Hanover Township – Tom Kuttentbery
Poplar Creek Public Library - Debra Strombes
Public Member, Anita Komorski - A&A Music, and a resident in the district
Wayne Township – Randy Ramey

Staff Present:

Finance Director Remy Navarette
Community & Economic Development Director Shubhra Govind
Economic Development Coordinator Nalini Johnson
Village Attorney Bernie Paul
Sr. Admin. Kathy Sjodin

It was noted that no one was in attendance for:

Cook County
Cook County Bureau of Finance
DuPage County
Elgin Community College Dist. 509
Hanover Park Park District
IL DCEO

2. SELECTION OF CHAIR:

Motion by Popular Creek Public Library, seconded by School District U-46, to select Manager Maller as Chair.

Voice Vote: All Ayes
Motioned passed.

3. SELECTION OF PUBLIC MEMBER:

The individuals registered as interested parties were notified and present/not present: Anita Komorski of A & A Music Academy is present. She owns a business in the district, and lives within the district.

Motion by School District U-46, seconded by Poplar Creek Public Library, for Anita Komorski as Public Member.

Voice Vote: All Ayes
Motion Passed.

4. ACCEPTANCE OF AGENDA:

Motion by Wayne Township, seconded by School District U-46, to accept the Agenda.

Voice Vote: All Ayes
Motion passed.

5. APPROVAL OF MINUTES – August 4, 2022

Motion by Wayne Township, seconded by Poplar Creek Public Library, to approve the Minutes.

Voice Vote: All Ayes, except School District U-46 abstained.
Motion passed.

6. REVIEW OF TIF REPORTS

Community & Economic Development Director Shubhra Govind explained *The Village of Hanover Park, Illinois Village Center Tax Increment Redevelopment Project and Plan* (“TIF #3”) was approved on May 3, 2001 and filed with Cook and DuPage Counties on October 17, 2002. A portion of Village’s former TIF #1 (which was dissolved in September 1997) was included in the **TIF #3**. The entire area of **TIF #3** is known as the Village Center Area.

During the fiscal year beginning **January 1, 2022** and ending **December 31, 2022 (FY2022)**, various activities and projects were undertaken in furtherance of the objectives of **TIF #3**, which were reviewed by Shubhra Govind, Community & Economic Development Director:

1. The Village completed a major undertaking by adopting new zoning regulations and creating new zoning districts for the Village Center area. In order to enable more streamlined processes and better design and development, a new zoning code and a rezoning were approved by the Board (O-22-25 and O-22-28). A consultant was hired through a CMAP/RTA grant to help draft the zoning regulations.
2. The Village issued an RFQ for developers interested in redeveloping the south commuter lot for a Transit Oriented Development. Staff will review submissions in 2023.
3. The Village has been successfully hosting events in the new Village Center Plaza, constructed with the use of TIF funds. Events have included Business After Hours, the Holiday Tree Lighting, and Corks and Crafts.

4. Hanover Square Shopping Center – The Village-owned shopping center was put on the market following selection of a broker. Negotiations/discussions are ongoing with potential purchasers for the sale of the property. Several leases were renewed, and new tenants recruited for vacant spaces. The center is about 80% occupied.
5. The Village acquired 2020 Devon through a condemnation suite and the uninhabitable structure was demolished. The Village is retaining the property to facilitate development along the north side of Devon Ave, per the Village Center TOD Plan.
6. Continued promotion of Village Center Plan, Elgin O'Hare Expressway Boulevard extension, and available properties in the TIF 3 area.
7. Staff met with developers and property owners of key properties in the Village Center area to encourage development and connected potential end developers with property owners. These include the property at the NW corner of Church and Lake and the NW corner of Lake and Barrington.
8. Concept plans were reviewed and presented to the Development Commission for 80 townhome units for the NWC of Church and Lake.
9. The Village's Historic Zoning District was incorporated within the Village Center rezoning, and historic preservation guidelines were restated within the Village Center Zoning Amendment.
10. The Historic Committee continued its work of scanning historic documents and collecting information.
11. The Historic Committee introduced a Historic Plaque program, to recognize various properties that met the criteria. A plaque was installed within the Ontarioville Plaza.
12. The Village continues to market the 2144-2152 Lake Street (Village-owned) properties for redevelopment along with adjacent vacant lots.
13. 3 businesses applied for new licenses within the TIF. This includes 2 restaurants. Among existing buildings, very few spaces remain vacant.
14. The Village started a façade grant program for properties within the TIF District. Eligible property owners were provided with information and encouraged to apply. While no applications were approved in 2022, the Village expects successful applications in the coming years.
15. \$345,403 was invested in properties within TIF #3 in private investment (per permit reports) in 2022
16. Code Enforcement has worked to reduce property maintenance violations in residential structures in the Village Center. Many of the residential permits in TIF 3 are a result of these actions
17. The total EAV for TIF # 3 has increased from \$10,090,268 at the time the TIF district was put in place to \$25,577,006 in 2021.

7. QUESTIONS/DISCUSSION:

Wayne Township as what the plans were for the wooded area on Ontarioville Road. Manager Maller commented that the long-term plan is a roadway to connect County Farm Road and Church Street.

Village Manager Maller asked that financial report be read into the record.

Finance Director Remy Navarette provided a review of the TIF District #3 financial numbers from the TIF report which was submitted to the State of Illinois for activities completed in the fiscal year of **2022**. From page 3 of the TIF Report in Section 3.1:

- Beginning fund balance of the TIF (in Cook County portion) was **\$7,978,676**
- Property tax collected in 2021 for the 2020 tax levy was **\$1,928,619**
- Interest income was **\$68,999**
- Other income, including reimbursement for consulting and professional services and miscellaneous revenue was **\$0**. The detail of expenditures is found on page 4 in Section 3.2
- Net income in the fund was **\$1,943,109**
- The Fund balance at the end of the year was **\$9,921,785**

8. PUBLIC COMMENTS:

No one from the public was present.

9. ADJOURNMENT:

Hearing no questions, the Chair asked for a motion to adjourn which was made by Wayne Township, seconded by Poplar Creek Public Library.

Voice Vote: All Ayes

Meeting Adjourned at 1:21 pm

Transcribed by:

Kathy Sjodin, Admin. Assistant

This 20th day of July, 2023

VILLAGE OF HANOVER PARK, ILLINOIS
ANNUAL COMPREHENSIVE FINANCIAL REPORT



Hanover Park^{USA}

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

Attachment K

2121 W. Lake St.
Hanover Park, IL 60133
Phone: 630.823.5600
Fax: 630.823.5786
www.hpil.org

Attachment K

VILLAGE OF HANOVER PARK, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

**Prepared by:
Finance Department**

**Remy Navarrete
Director of Finance**



Government Finance Officers Association

Certificate of
Achievement
for Excellence
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Presented to

**Village of Hanover Park
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO



INDEPENDENT AUDITOR'S REPORT

August 20, 2024

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

Report on the Audit of the Financial Statements

Opinion

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 (the Village), Illinois, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the 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 December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the component unit as of December 31, 2023, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the component unit, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and supplementary pension and other post-employment benefit (OPEB) schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

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 other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2024, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

August 20, 2024

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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 December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village’s basic financial statements, and have issued our report thereon dated August 20, 2024. Our report includes a reference to other auditors who audited the financial statements of the component unit, as described in our report on the Village’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village’s internal control. According, we do not express an opinion on the effectiveness of the Village’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Village of Hanover Park, Illinois
August 20, 2024

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

VILLAGE OF HANOVER PARK, ILLINOIS

Tax Increment Financing #3 - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2023

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 1,770,000	1,770,000	2,008,052
Investment Income	4,000	4,000	370,311
Total Revenues	<u>1,774,000</u>	<u>1,774,000</u>	<u>2,378,363</u>
Expenditures			
Community Development			
Commodities	8,000	8,000	8,000
Contractual Services	666,000	666,000	307,246
Capital Outlay	487,000	487,000	33,162
Total Expenditures	<u>1,161,000</u>	<u>1,161,000</u>	<u>348,408</u>
Change in Fund Balance Before Special Items	613,000	613,000	2,029,955
Special Item - Gain on Sale of Equity Interest	—	—	<u>4,985,340</u>
Net Change in Fund Balance	<u>613,000</u>	<u>613,000</u>	7,015,295
Fund Balance - Beginning			<u>9,921,785</u>
Fund Balance - Ending			<u><u>16,937,080</u></u>

VILLAGE OF HANOVER PARK, ILLINOIS

Tax Increment Financing #4 - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2023

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 545,000	545,000	453,811
Investment Income	200	200	52,488
Miscellaneous	—	—	100
Total Revenues	<u>545,200</u>	<u>545,200</u>	<u>506,399</u>
Expenditures			
Community Development			
Contractual Services	31,000	31,000	3,392
Capital Outlay	140,000	140,000	5,210
Total Expenditures	<u>171,000</u>	<u>171,000</u>	<u>8,602</u>
Net Change in Fund Balance	<u>374,200</u>	<u>374,200</u>	497,797
Fund Balance - Beginning			<u>1,346,396</u>
Fund Balance - Ending			<u>1,844,193</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Tax Increment Financing #5 - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2023

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 242,819	242,819	202,603
Investment Income	50	50	14,090
Total Revenues	<u>242,869</u>	<u>242,869</u>	<u>216,693</u>
Expenditures			
Community Development			
Contractual Services	20,000	20,000	9,861
Capital Outlay	75,000	75,000	19,500
Total Expenditures	<u>95,000</u>	<u>95,000</u>	<u>29,361</u>
Net Change in Fund Balance	<u>147,869</u>	<u>147,869</u>	187,332
Fund Balance - Beginning			<u>407,874</u>
Fund Balance - Ending			<u>595,206</u>



HANOVER SQUARE, LLC

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2023



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HANOVER SQUARE, LLC
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INDEPENDENT AUDITOR'S REPORT

To the Member of
Hanover Square, LLC
Hanover Park, Illinois

Opinion

We have audited the accompanying financial statements of Hanover Square, LLC (the Company), which comprise the balance sheet as of December 31, 2023, and the related statements of income, member's equity, and cash flows for the year then ended, and the related notes the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hanover Square, LLC as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Sikich CPA LLC

Naperville, Illinois
June 7, 2024

FINANCIAL STATEMENTS

HANOVER SQUARE, LLC

BALANCE SHEET

December 31, 2023

ASSETS

ASSETS

Cash and cash equivalents	\$	79,289
Other assets		<u>9,109</u>
TOTAL ASSETS	\$	<u>88,398</u>

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES

Accounts payable	\$	<u>73,164</u>
Total liabilities		73,164

MEMBER'S EQUITY

TOTAL LIABILITIES AND MEMBER'S EQUITY	\$	<u>15,234</u> <u>88,398</u>
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See accompanying notes to financial statements.

HANOVER SQUARE, LLC

STATEMENT OF INCOME

For the Year Ended December 31, 2023

REVENUES	
Base lease income	\$ 827,528
Common area maintenance and other	<u>148,351</u>
Total revenues	<u>975,879</u>
EXPENSES	
Cleaning	20,565
Repairs and maintenance	97,579
Utilities	7,916
Roads and grounds	51,588
General and administrative	12,398
Management fees	64,192
Insurance	24,106
Real estate taxes	183,506
Nonrecoverable operating expenses	36,762
Professional fees	78,242
Amortization expense	27,366
Depreciation expense	263,810
Interest expense	<u>102,702</u>
Total expenses	<u>970,732</u>
NET INCOME	<u><u>\$ 5,147</u></u>

See accompanying notes to financial statements.

HANOVER SQUARE, LLC

STATEMENT OF MEMBER'S EQUITY

For the Year Ended December 31, 2023

MEMBER'S EQUITY, BEGINNING OF YEAR	\$ 4,063,954
Distributions - cash	(1,796,391)
Distributions - net assets	(2,257,476)
Net income	<u>5,147</u>
MEMBER'S EQUITY, END OF YEAR	<u><u>\$ 15,234</u></u>

See accompanying notes to financial statements.

HANOVER SQUARE, LLC

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 5,147
Adjustments to reconcile net income to net cash from operating activities	
Depreciation and amortization	291,176
(Increase) decrease in	
Tenant receivables	275,651
Other assets	(9,109)
Increase (decrease) in accrued	
Accrued expenses	(63,984)
Deferred lease income	18,321
	<hr/>
Total adjustments	512,055
	<hr/>
Net cash from operating activities	517,202

CASH FLOWS FROM INVESTING ACTIVITIES

None	<hr/> -
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CASH FLOWS FROM FINANCING ACTIVITIES

Repayments of notes payable	(163,489)
Distributions - cash	(1,796,391)
	<hr/>
Net cash from financing activities	(1,959,880)

NET DECREASE IN CASH AND CASH EQUIVALENTS (1,442,678)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

1,521,967

CASH AND CASH EQUIVALENTS, END OF YEAR

\$ 79,289

SUPPLEMENTAL CASH FLOWS DISCLOSURES

Cash paid during the period for	
Interest	<hr/> \$ 110,482

Noncash financing activity	
Distributions - net assets	<hr/> <hr/> \$ (2,257,476)

See accompanying notes to financial statements.

HANOVER SQUARE, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

1. DESCRIPTION OF BUSINESS

In 2015, the Village of Hanover Park entered into a redevelopment agreement with a developer to renovate and operate the Hanover Square Shopping Center. Pursuant to the agreement the Village conveyed the property to the newly established Limited Liability Company (LLC), Hanover Square LLC, and acquired a 90% membership interest in the company. During 2016, the developer, who held the other 10% interest, defaulted on its obligations and its 10% membership interest reverted to the Village. Hanover Square LLC is now operated with only one member, the Village. The Company owns and operates a retail shopping center located in Hanover Park, Illinois. At the inception of the company, the Village of Hanover Park contributed land, buildings, and building improvements. The Company was formed to facilitate a project to redevelop the buildings, as defined by the membership agreement.

In 2023, the Village, as the sole member, executed a purchase and sale agreement for the sale of Hanover Square Shopping Center in the amount of \$7,250,000 that closed on December 15, 2023, ceasing the Company's use of income producing assets and paid off all existing debts of the Company. The Company distributed net assets of \$2,257,476 to the Village including \$6,293,524 in land, building, and building improvements and \$4,036,048 in associated liabilities.

The Company's assets consist of cash and other receivables. The Company believes that its current cash position is sufficient to wind down operations.

Subsequent to December 31, 2023 through June 7, 2024, the date the financial statements were issued, the Company's activities were limited to collecting the value of remaining assets, paying obligations, and making distributions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with original maturities of three months or less from the date of acquisition.

Land, Building, and Building Improvements

Land, building, and building improvements were recorded at the contributed fair value or at cost. Depreciation is provided on the straight-line method over the estimated useful lives of depreciable assets, which range from 20 to 40 years for buildings, and 5 to 20 years for building improvements. Depreciation of buildings and building improvements was \$263,810 for the year ended December 31, 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (USGAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Company is not subject to federal income taxes as a separate entity since federal taxes on the income of the Company are the responsibility of the individual member. The individual member is a tax-exempt entity. The Company is not subject to examinations for federal and state income taxes prior to December 31, 2020.

Leases

The Company determines whether an arrangement is a lease at the inception of the arrangement based on the terms and conditions in the contract. A contract contains a lease if there is an identified asset, and the Company has the right to control the asset.

As noted in Note 4, the Company is a lessor under operating leases with unrelated parties.

Lease Income

Lease income primarily consists of rental payments from tenants of the retail shopping center. Lease income is recognized as revenue straight-line over the life of the lease term.

3. NOTES PAYABLE

The Company had a nonrevolving line of credit note payable with a financial institution that allowed for borrowings up to \$3,723,943 to be used exclusively for the construction costs related to the redevelopment of the buildings. Beginning in January 2019, monthly principal payments of \$12,413, based on a 25-year amortization period, plus interest at the Company's option at LIBOR in effect from time-to-time plus 2.30%. In April 2020, the Company exercised their option per the agreement to convert to a fixed interest rate of 2.86% per annum. The note matures on August 5, 2024, and any unpaid amounts will be due on the maturity date. The note is collateralized by substantially all assets of the Company. The revolving line of credit outstanding balance was paid off at the closing of the real estate and legally released.

3. NOTES PAYABLE (Continued)

The Company also had another nonrevolving line of credit note payable with a financial institution that allows for borrowings up to \$2,210,870 to be used exclusively for the construction costs related to the redevelopment of the buildings. As work is completed on the project and approved by an outside third party, funds are released to pay the contractor. The note matures on August 5, 2024. The note is collateralized by substantially all assets of the Company. The note called for monthly interest-only payments, with the interest rate at the Company's option of LIBOR in effect from time-to-time plus 2.30%. In April 2020, the Company exercised their option per the agreement to convert to a fixed rate of 2.86% per annum. Beginning in April 2020, the Company began making monthly principal payments of \$1,467, based on a 25-year amortization period, plus interest at a fixed interest rate of 2.86% per annum.

With the sale of the Hanover Square Shopping Center on December 15, 2023, the liabilities, including the nonrevolving line of credit note was paid off and were legally released.

4. LEASING OPERATIONS

The Company's leasing operations comprised of approximately 114,000 square feet of rentable space in a retail shopping center in Hanover Park, Illinois. During the year, approximately 26,600 square feet of rentable space was vacant. Tenants have signed operating leases that include a monthly base rent that escalate throughout the term of the lease and certain leases also contain a variable component with maturity dates ranging from 2022 to 2033, with some tenants on a month-to-month basis. The variable component primarily consists of reimbursement of operating expenses such as real estate taxes and common area maintenance costs.

The leasing operations ended when the Hanover Square Shopping Center was sold on December 15, 2023.

5. CONCENTRATION OF CREDIT RISK

The Company maintains its cash balances at one financial institution. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. From time-to-time, balances may exceed insured limits during the year ended December 31, 2023.

For the year ended December 31, 2023, the Company received lease income from three tenants that accounted for approximately 80% of total lease income.

Each tenant's ability to honor its lease agreement is dependent on overall and local economic conditions and each tenant's business operations.

6. SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at the date of the balance sheets, including the estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at the date of the balance sheets but arose after that date (that is, nonrecognized subsequent events).

The Company has evaluated subsequent events through June 7, 2024, which was the date that these financial statements were available for issuance, and determined that there were no significant nonrecognized subsequent events through that date.



August 20, 2024

Attachment L

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

We have audited the 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 December 31, 2023 and have issued our report thereon dated August 20, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance with laws, regulations, contracts, and grants applicable to tax increment financing districts is the responsibility of the Village of Hanover Park, Illinois' management. In connection with our audit, nothing came to our attention that caused us to believe that the Village failed to comply with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing," insofar as it relates to accounting matters for the the Tax Increment Financing #3, the Tax Increment Financing #4, and the Tax Increment Financing #5, however, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Village noncompliance with the above-referenced statute, insofar as it relates to accounting matters.

This report is intended solely for the information and use of the Village Board, management, the State of Illinois, and others within the Village and is not intended to be, and should not be, used by anyone other than the specified parties.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

Village Recd. Date: 8/29/24