



**Village of Commercial Point
Special Committee of the Whole Meeting Minutes
November 8th, 2021**

Mr. Thompson called the meeting to order at 6:30 pm. Administrative Assistant Baldwin took roll call with the following members present: Mr. Thompson, Ms. Geiger, Ms. Joiner, Mr. Grassel, Ms. Wolfe and Mr. Mitchem.

Solicitor Cartee introduced Mike Dean, Public Finance Manager, Dinsmore & Shohl, LLC, via conference call. He is providing an overview of a few public finance options for the village.

Mr. Dean gave an overview of the following:

A. TIF (Tax Increment Financing)

TIF monies are based on the increase in property value based on improvements made on the property. He stated that TIF monies are limited to improvements that benefit the TIF district.

B. CRA (Community Reinvestment Area)

A CRA is a property tax abatement. The tax abatement is for the actual building value. He said a typical CRA is for 15 years at 100%. Ms. Joiner asked what is the benefit of a CRA to the Village. Mr. Dean said it helps bring businesses and jobs to the Village, which in turn generates income tax revenue. He said a TIF and CRA can be placed together, but the CRA will take priority. Solicitor Cartee informed Council that due to the CRA on the K-Nova property, that property will generate little TIF money over the next 15 years.

C. NCA (New Community Authority)

An NCA is a separate entity from the village. It is created by a developer filing a petition. If approved by the Village, a Board of Directors is created to oversee the authority. This Board, not the Village, decides how all monies generated from the NCA are spent.

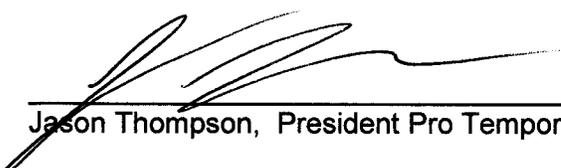
D. Port Authority

A Port Authority is another place for the Village to borrow money. If the Village would obtain a loan from a port authority, the port authority would issue bonds and an agreement would be drawn up between the port authority and the Village as to how the loan would be paid back. Future TIF monies would be an option. Mr. Dean said there is no debt on the village books with a port authority loan since they are the ones issuing the bonds, not the Village. He said these types of loans can be up to 40 years in length. Ms. Joiner asked if there is an interest rate. Mr. Dean said yes, they charge interest. Mr. Dean was asked if he has seen situations where a municipality did not receive TIF money as projected and there was not enough money to satisfy the bonds issued. Mr. Dean said yes he has. If the port authority gives a loan based on projected TIF monies and those projections are lower than expected, the port authority is responsible because they are the one who issued the bonds, not the Village. However, this could tarnish the Village's financial reputation.

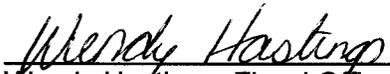
In discussing other loan options, Mr. Dean suggested OPWC and the OWDA, which has great rates. There is also a USDA loan, which has a little higher rate.

Council continued to discuss the Port Authority and the other options listed above. They discussed the cost of upcoming projects along with a timeline. They also discussed the impact fee schedule and tap fees.

A motion was made to adjourn by Ms. Wolfe and seconded by Mr. Mitchem. All were in favor, the motion passed and the meeting was adjourned.



Jason Thompson, President Pro Tempore



Wendy Hastings, Fiscal Officer