

**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]
FY 2018**

Name of Redevelopment Project Area (below):	Rolling Meadows TIF No.4
Primary Use of Redevelopment Project Area*: Other Commercial	
* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.	
If "Combination/Mixed" List Component Types: Retail Residential	
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act	<input type="checkbox"/>
Industrial Jobs Recovery Law	<input checked="" type="checkbox"/>

Please utilize the information below to properly label the Attachments.

	No	Yes
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).	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 or meeting minutes submitted to the municipality by 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 and (labeled Attachment J).	X	
An analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage. [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If attachment I is yes, then Analysis MUST be attached and (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	

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))
 Provide an analysis of the special tax allocation fund.

FY 2018

Rolling Meadows TIF No.4

TIF NAME:

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 378,813

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	\$ 2,950,424	\$ 4,194,793	100%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 221	\$ 272	0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

All Amount Deposited in Special Tax Allocation Fund \$ 2,950,645

Cumulative Total Revenues/Cash Receipts \$ 4,195,065 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 244,978

Transfers to Municipal Sources

Distribution of Surplus

Total Expenditures/Disbursements \$ 244,978

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ 2,705,667

FUND BALANCE, END OF REPORTING PERIOD* \$ 3,084,480

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

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 2018

TIF NAME:

Rolling Meadows TIF No.4

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment project costs)

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.		
Christopher Burke Engineering	11,875	
Testing Services	4,038	
KC Banner	1,590	
		\$ 17,503
2. Annual administrative cost		
City Annual Administrative Costs	53,045	
Kane, McKenna and Associates	855	
		\$ 53,900
3. Cost of marketing sites		
		\$ -
4. Property assembly cost and site preparation costs.		
		\$ -
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.		
		\$ -
6. Costs of the construction of public works or improvements		
		\$ -

SECTION 3.2 A
PAGE 3

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		\$ 244,978

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2018

TIF NAME:

Rolling Meadows TIF No.4

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

X

Check here if no property was acquired by the Municipality within the Redevelopment Project Area.

Property 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:	

SECTION 5 - 20 ILCS 620/4.7 (7)(F)
PAGE 1

FY 2018

TIF Name: Rolling Meadows TIF No.4

Page 1 is to 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.)	X
2a. The number of projects undertaken by the municipality within the Redevelopment Project Area:	1

LIST the 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)	\$ -	\$ 100,000,000	\$ 100,000,000
Public Investment Undertaken	\$ -	\$ 30,000,000	\$ 30,000,000
Ratio of Private/Public Investment	0		3 1/3

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

Project 1*: Gallagher Headquarters

Private Investment Undertaken (See Instructions)		\$ 100,000,000	\$ 100,000,000
Public Investment Undertaken		\$ 30,000,000	\$ 30,000,000
Ratio of Private/Public Investment	0		3 1/3

Project 2*:

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

Project 3*:

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

Project 4*:

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

Project 5*:

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

Project 6*:

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

City of Rolling Meadows TIF No. 4

I, Joe Gallo, the Mayor of the City of Rolling Meadows, County of Cook, State of Illinois, do hereby certify that to the best of my knowledge, the City of Rolling Meadows complied with the requirements pertaining to the Illinois Tax Increment Redevelopment Allocation Act during the fiscal year beginning January 1, 2018 and ending December 31, 2018

MAYOR



DATE

6/21/2019

RE: Attorney Review City of Rolling Meadows TIF District No. 4

To Whom It May Concern:

This will confirm that I am the City Attorney for the City of Rolling Meadows, Illinois. I have reviewed all information provided to me by the City staff and consultants, and I find that the City of Rolling Meadows has conformed to all applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act set forth thereunder for the fiscal year beginning January 1, 2018 and ending December 31, 2018 to the best of my knowledge and belief.

Sincerely,



James Macholl
City Attorney

Attachment D Statement setting forth all activities undertaken in furtherance of the objectives of the Redevelopment Plan, including:

- A. Any project implemented during the reporting fiscal year; and
- B. A description of the redevelopment activities undertaken.

The City designated the TIF District in order to induce the re-occupancy of the structures located within the area and to provide for the significant rehabilitation and re use of the facilities by Arthur J. Gallagher & Co. for consolidated office and headquarters use. Arthur J. Gallagher & Co. proposed to completely renovate the existing facility (consisting of 304,680 square feet) and to construct a new parking garage as well as construct certain on site and off site improvements needed for the operation of the facility. The estimated private investment is \$100,000,000 and significant job creation (up to 1,600 jobs) is anticipated at the site as well. The City would make available TIF assistance of up to \$30,000,000 payable solely from the incremental property taxes generated by the project's redevelopment in order to address certain extraordinary costs and to provide for a market rate of return associated with the private investment. Project incremental taxes would also be utilized for certain public improvements to be undertaken by the City as part of the overall redevelopment. The City also approved a TIF term less than the maximum 23 year term allowed by State statute and requires project increment to be expended over a 15 year period.

**City of Rolling Meadows – TIF No. 4
Annual Joint Review Board Meeting Agenda/Minutes
August 23, 2018 – 10:15 a.m.
City Hall
3600 Kirchoff Road – Room 228B
Rolling Meadows, IL 60008**

Agenda

- 1) **Call to Order** – The Annual Joint Review Board Meeting was called to order at 10:15 a.m.
- 2) **Roll Call** – Robert Rychlicki took roll call for the meeting. The meeting attendees present were Robert Rychlicki, Kane, McKenna and Associates, Inc.; Barry Krumstok, City Manager; Melissa Gallagher, Finance Director; Bill Dussling, Arlington Heights High School District No. 214; Amy Charlesworth, Rolling Meadows Park District; and Dave Ruff, Rolling Meadows Library.
- 3) **Approval of Minutes** – A motion was presented by Bill Dussling to approve the 2017 Annual Joint Review Board Meeting minutes. Melissa Gallagher seconded the motion. The motion was approved by the JRB Board unanimously.
- 4) **Purpose of Annual Joint Review Board Meeting** – Barry Krumstok and Bob Rychlicki discussed that the purpose of the Annual Joint Review Meeting is to review Tax Increment Finance District No. 4 – Golf Road Conservation Area. Mr. Krumstok mentioned that all of the notifications and postings for this meeting has taken place in advance of the meeting date.

The TIF #4 Golf Road Conservation Area was created in 2015 and is located primarily in the Meadows Corporate Center area along the Golf Road corridor (2850 Golf Road). The large commercial insurance broker Arthur J. Gallagher Insurance set up its headquarters – moved in March 2017 from Itasca to Rolling Meadows – relocating approximately 2,000 employees.

The City approved the Golf Road Tax Increment Financing District with a shortened TIF term of 15 years to help finance the redevelopment costs of the area. This is a pay-as-you go TIF. The Redevelopment Agreement includes an annual administrative fee due to the City (with a 3% annual increase). In addition, the City will complete the construction of the Squibb and Apollo Drive roadway as the initial (TIF-eligible expenditures) before any tax increment funds may be released to Arthur J. Gallagher Insurance.

- 5) **Review Annual TIF Report** – Bob Rychlicki reviewed the Annual TIF Report which was remitted to the Illinois Comptroller in June 2018.
- 6) **Adjournment** Bob Rychlicki adjourned this meeting at 10:30 a.m.

NONMAJOR CAPITAL PROJECTS FUND

Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by proprietary funds.

TIF #2 Kirchoff/Owl Fund

The TIF #2 Kirchoff/Owl Fund is used to account for the purchase of property and construction of a mixed-use development along Kirchoff Road. The plan includes condominium homes, senior housing, and office/retail space.

TIF #4 Golf Road Fund

The TIF #4 Golf Road Fund is used to account for the redevelopment of the property located primarily in the Meadows Corporate Center area along the Golf Road corridor (2850 Golf Road). The large commercial insurance broker Arthur J. Gallagher Insurance set up its headquarters - moving from Itasca to Rolling Meadows to redevelop this area. The City approved the Golf Road Tax Increment Financing District with a shortened TIF term of 15 years to help finance the redevelopment costs of the area.

CITY OF ROLLING MEADOWS, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Balance Sheet

December 31, 2018

	TIF #2 Kirchoff/Owl	TIF #4 Golf Road	Totals
ASSETS			
Cash and Investments	\$ -	3,084,480	3,084,480
Receivables - Net of Allowances			
Property Taxes	1,303	-	1,303
Total Assets	1,303	3,084,480	3,085,783
LIABILITIES			
Due to Other Funds	1,350,981	-	1,350,981
FUND BALANCES			
Assigned	-	3,084,480	3,084,480
Unassigned	(1,349,678)	-	(1,349,678)
Total Fund Balances	(1,349,678)	3,084,480	1,734,802
Total Liabilities and Fund Balances	1,303	-	1,303

CITY OF ROLLING MEADOWS, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended December 31, 2018

	TIF #2 Kirchoff/Owl	TIF #4 Golf Road	Totals
Revenues			
Taxes	\$ 259,243	2,950,424	3,209,667
Interest	1,339	221	1,560
Total Revenues	260,582	2,950,645	3,211,227
Expenditures			
Economic Development	65,879	244,978	310,857
Net Change in Fund Balances	194,703	2,705,667	2,900,370
Fund Balances - Beginning	(1,544,381)	378,813	(1,165,568)
Fund Balances - Ending	(1,349,678)	3,084,480	1,734,802

CITY OF ROLLING MEADOWS, ILLINOIS

TIF #2 Kirchoff/Owl - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 350,000	350,000	259,243
Interest	100	100	1,339
Total Revenues	<u>350,100</u>	<u>350,100</u>	<u>260,582</u>
Expenditures			
Economic Development			
Contracted Services	56,615	56,615	65,879
Net Change in Fund Balance	<u>293,485</u>	<u>293,485</u>	194,703
Fund Balance - Beginning			<u>(1,544,381)</u>
Fund Balance - Ending			<u>(1,349,678)</u>

CITY OF ROLLING MEADOWS, ILLINOIS

TIF #4 Golf Road - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 2,488,965	2,488,965	2,950,424
Interest	-	-	221
Total Revenues	2,488,965	2,488,965	2,950,645
Expenditures			
Economic Development			
Contracted Services	2,940,162	2,940,162	244,978
Net Change in Fund Balance	(451,197)	(451,197)	2,705,667
Fund Balance - Beginning			378,813
Fund Balance - Ending			3,084,480



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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REPORT OF INDEPENDENT ACCOUNTANTS

May 23, 2019

The Honorable Mayor
Members of the City Council
City of Rolling Meadows, Illinois

We have examined management's assertion included in its representation report that the City of Rolling Meadows, Illinois, with respect to the City of Rolling Meadows' Tax Increment Redevelopment Project Area Special Tax Allocation District No. 4 (Golf Road Conservation Area), complied with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2018. As discussed in that representation letter, management is responsible for the City of Rolling Meadows, Illinois' compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City of Rolling Meadows, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City of Rolling Meadows, Illinois' compliance with specified requirements.

In our opinion, management's assertion that the City of Rolling Meadows, Illinois complied with the aforementioned requirements during the year ended December 31, 2018 is fairly stated in all material respects.

This report is intended solely for the information and use of the Mayor, City Council, management, and the Illinois Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP