

MEMORANDUM

TO: Community Development Agency
FROM: Alison Janecek Borer, Cline Williams Wright Johnson and Oldfather, L.L.P.
DATE: January 6, 2026
SUBJECT: Request from Cardinal Ventures, LLC to amend the Redevelopment Agreement for the Cardinal Ventures Redevelopment Project

Request: This is a request by Cardinal Ventures, LLC for a 2-year extension to the TIF timeline for the Cardinal Ventures Redevelopment Project based on construction delays and real estate market conditions. An extension to the TIF timeline would require an amendment to the Redevelopment Agreement to amend the “Project Completion Date” and the phasing.

Background: The CDA and Cardinal Ventures, LLC (“Redeveloper”) entered into that certain Redevelopment Agreement dated June 6, 2023 (the “Redevelopment Agreement”) to implement the Cardinal Ventures Redevelopment Project (“Project”).

This Project involves the construction of thirty-five (35) residential dwelling units in multiple phases, including the necessary public infrastructure to support the development. This Project was approved for \$1,780,000 in TIF Indebtedness to assist with TIF-eligible costs.

As a phased TIF project, the construction of the homes can occur over multiple years (each year, a “phase”). Each phase will have a separate “Effective Date” for the division of taxes and its own 15-year TIF period.

Pursuant to the Redevelopment Agreement, the CDA and Redeveloper agreed to a Project Completion Date of **December 31, 2029**, and **up to six (6) phases from 2025 to 2030**. To complete 35 homes over 6 years/phases, approximately 6 homes would have to be constructed as part of each phase.

Note: Per the TIF Application, Redeveloper first estimated a 4-year buildout for all lots. However, to provide some flexibility, the CDA agreed to allow up to 6 years/phases to complete the Project.

It was anticipated that construction of the public improvements would commence in the spring of 2024 and be completed the same year. Further, it was anticipated that the first homes would be constructed in 2024.

“Phase 1” of the Project includes six (6) lots comprised of four (4) row house units along Iris Avenue constructed in 2024 and two (2) single family homes along the west side of Jasmine Road constructed in 2025. Phase 1 has an Effective Date of 2025.

“Phase 2” of the Project will include four (4) lots comprised of two (2) townhomes (of 2 units each) along the east side of Jasmine Road constructed in 2025. Phase 2 will have an Effective Date of 2026 upon the filing of the Notice to Divide Tax.

There were construction delays associated with the new street in the development (Willow Lane) along which twenty-two (22) lots have frontage. Redeveloper completed the new street in June 2025, but no homes have been constructed yet on these lots. Two (2) of these lots have been sold to a builder.

Despite the delays and other market factors, the Project has yielded ten (10) homes over the first two phases. This is only 2 homes short of the pace required to meet the deadline.

From a legal perspective, it is fine to grant an extension to the TIF timeline. However, based on what I know, the extension does not really seem necessary at this point. As explained above, the Project is progressing, and we have already built-in a 2-year cushion. Further, multi-phase TIF projects are challenging to administer, so these projects should only be extended when the redeveloper can show some reason why it needs to be done.

If the TIF timeline is not extended, Redeveloper will lose some years of TIF on any homes completed after the deadline. However, understand that TIF is not completely lost on those lots. Here is how it will work: The calendar year 2030 will be the final phase of the Project based on a Project Completion Date of December 31, 2029. In the Notice to Divide Tax for the 2030 calendar year, we will include any lots not included as part of a prior phase, irrespective of the progress of construction on such lots. This will start the TIF clock (i.e., 15 years) on all remaining lots in 2030. Redeveloper will receive TIF from the remaining lots, but the number of years of TIF will depend on construction. For example, if Redeveloper constructs a home in the 2030 calendar year, the valuation of the lot will increase in 2031; thus, Redeveloper will receive 14 years of TIF from that lot. Therefore, maximization of the TIF will depend on the Redeveloper’s timeline. Redeveloper risks losing some TIF, but not all TIF.

The Redevelopment Agreement does not expressly provide for the inclusion of the remaining, undeveloped lots in the final Notice to Divide Tax, but this is how it works in practice. We could prepare an amendment to the Redevelopment Agreement to clarify how this will work.

The CDA can decide to grant or deny the extension request. It is legal if you want to amend the Redevelopment Agreement as set forth above, and I will prepare any desired amendment to the Redevelopment Agreement for your review and approval.

Enclosed is a map of the Project Site (Burlington Estates).