

APPROVED
LAKE ZURICH BOARD OF TRUSTEES
SPECIAL MEETING
70 East Main Street

Wednesday, January 28, 2009

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 7:03 pm.

Present were Village President Tolomei (8:35 pm), Trustees Branding, Callahan, Johnson, McAvoy, Poynton, and Taylor. Also present were Village Administrator Vitas, Village Attorney Burkland, Police Chief Finlon, Public Works Director/Engineer Heyden, Fire Chief Mastandrea, Building/Zoning Director Peterson, and Finance Director Zochowski. Mr. Steven Thayer, Attorney to Equity Service Group, was also present.

MOTION was made by Trustee Callahan, seconded by Trustee Taylor, to appoint Trustee McAvoy as President Pro Tempore.

Voice vote, all in favor.

MOTION CARRIED

2. CONSIDERATION OF DEVELOPMENT AGREEMENT BETWEEN THE VILLAGE OF LAKE ZURICH AND THE EQUITY SERVICES GROUP, LLC.

Administrator Vitas advised the Board that Attorney Burkland, President Tolomei, and all Department Heads met to discuss their concerns described in their memos regarding the Development Agreement between the Village and Equity Services Group. This meeting was called to discuss the latest version of the agreement dated January 23, 2009, which included all changes to the document to date (blue lined).

A letter, dated January 26, 2009, was received from Rich Sustich requesting for stay of Equity Services Group Contract consideration pending resolution of critical issues. Mr. Sustich references his reasons as 1) the absence of a properly created TIF District and Redevelopment Project Area and 2) failure to follow statutorily required bidding process for development contract. Attorney Burkland addressed these concerns in his memo dated January 27, 2009 and verbally summarized his response.

Trustee Johnson suggested Ehlers & Associates correct the three minor irregularities of the TIF as they begin the process of extending the TIF. Additional pieces of property could also be added or deleted at this time; however, direction from the Board would need to be given to Ehlers & Associates in order to proceed with those matters.

Time was spent explaining the Village's need to comply with the TIF act in the sale of Village owned property and how that relates to a RFP. Mr. Thayer thought the process of securing other bids had already been undertaken. It was explained many developers came forward last year with concepts/plans for block A only.

Building/Zoning Department Peterson still feels the agreement is vague as to a specific time when plans would need to be submitted to the Plan Commission for review and development would begin.

Opportunity periods and Subsection 3B submissions were also reviewed and discussed because the Board has concerns about transferring/selling Village owned property to ESG prematurely.

Trustee McAvoy allowed the Department Heads to voice their concerns. Most of them related to items already reviewed this evening or were answered during the staff meeting.

Finance Director Zochowski discussed finances with Mr. David Smith and Mr. Jeff Smith, both from ESG. The potential incremental revenue from both property and sales taxes from this project would be most beneficial to the Village and deem the TIF successful.

A question was raised on how public improvements would be paid. Public infrastructure would be financed by ESG and the Village would repay with incremental taxes from the TIF.

Rich Sustich, 217 Sandy Point Lane, suggested the motion by the defendant and transcripts on the Comet Welding case be reviewed.

Jeff Halen, 154 S. Pleasant Rd., questioned if this agreement was the foundation to the RFP process why negotiations and concessions have already taken place.

Jim Tarbet, 1195 Cedar Creek Drive, questioned if the developers have considered how their plans will be affected with the purchase of the EJ&E by CN. Mr. Tarbet was under the impression ESG was providing funds for public infrastructure when the contract states something different.

Susan Ahrens, 364 Linden Road, questioned if ESG would be the only developers considered to build downtown.

Trustees McAvoy, Taylor and Callahan responded to these questions/comments.

Mark Ernst, 60 S. Rand Road, requested clarification if a notice of bidding would occur.

Jamie March, 65 Robertson, questioned whether other developers would have the option of purchasing parcels for \$10 and requested an explanation to the RFP process.

Attorney Burkland responded to both of these comments.

President Tolomei entered the meeting at 8:35 pm.

Both Trustee McAvoy and Attorney Burkland brought President Tolomei up to date on what had been discussed prior to his arrival.

Administrator Vitas summarized the history of what other developers had proposed and where we are today.

Trustee Poynton confirmed that most of his questions listed in a recent memo were answered this evening. President Tolomei clarified the terminology of "\$10 parcels".

Attorney Burkland reviewed his key issues, listed in his memo dated January 23, 2009, regarding this agreement.

MOTION was made by Trustee Johnson, seconded by Trustee McAvoy, to recess at 9 pm for the purpose of changing the videotape.

Voice vote, all in favor.

MOTION CARRIED

The meeting reconvened at 9:12 pm with a full quorum.

The Board concurred to move forward with the final clean up of this agreement with Equity Services Group. A public notice will be released seeking alternate proposals for redevelopment for portions of downtown. The Village has been very open in reviewing this contact so other developers will be well aware of the details and expectations.

3. ADJOURNMENT

MOTION was made by Trustee McAvoy, seconded by Trustee Johnson, to adjourn the meeting.

Meeting adjourned at 9:24 pm.

Respectfully submitted: *Gloria M. Palmlad, Village Clerk*

Approved by: _____
President John G. Tolomei