

MINUTES OF THE VILLAGE BOARD OF LONG GROVE

Tuesday, January 22, 2008 at 8 P.M.

3110 RFD, LONG GROVE, ILLINOIS 60047-9613

CALL TO ORDER:

President Rodriguez called the meeting to order at 8:00 P.M.

OFFICIALS IN ATTENDANCE:

Village President:	Rodriguez
Trustees:	Acuna, Hannon, Lazakis, Schmitt, Wachs
Trustees Absent:	Barry
Village Clerk:	Schultheis
Also Present:	Village Manager Lothspeich, Superintendent Block, Village Planner Hogue and Village Counsel Filippini

Opening Remarks - **President Rodriguez began the meeting with a recap of the Special Meeting of the Board of Trustees Tax Increment Finance (TIF) Public Hearing on January 15, 2008 mentioning that the Board Meeting had been opened at 8:14 PM and adjourned at 10:55 PM. She said that Trustee Lazakis had discussed the definition of the TIF, and the progression of events from Historic Business District Plan Streetscape (October, 1999), Village Board Meetings regarding special service areas and Downtown Special service area (September, 2005), hiring Ehlers and Associates to evaluate financing options for B1 and B1A (December, 2005), voters approve infrastructure sales tax (March, 2006), Open House for Downtown Improvement Areas (May, 2006), Master Plan Development (September, 2007), Village Board Open Information Meeting on TIF (December 11, 2007), Joint Review Board Meetings on the TIF (December, 2007 through January, 2008); Joint Review Board Meeting agree to adopt Report but neither support nor oppose the TIF (January 10, 2008), Special Meeting of the Board of Trustees Tax Increment Finance (TIF) Public Hearing (January 15, 2008).- **No action taken.**

** *Dates shown above in parentheses* were reported by the Village Clerk for these Minutes, and were

not necessarily all mentioned at the January 22, 2008 Meeting during President Rodriguez' opening remarks.

Bedrosian Presentation: President Rodriguez said that there would be a brief presentation from the Haig and Monica Bedrosian that had been requested during the January 15, 2008 Special Meeting of The Board of Trustees Tax Increment Finance (TIF) Public Hearing – **No action was taken.**

HOMEOWNERS ASSOCIATIONS/ITEMS FROM THE AUDIENCE

Homeowner Associations:

Edgewood Pond – John Spina. – **Nothing to report. No action was taken.**

Oak Hills/Oakwood Creek – Ken Krebs. – Mr. Krebs reported that speeding was an issue, as well As running stop signs, and that there were other traffic issues. He also stated that barriers were down, and that The area was a “muddy mess.” *Village Manager Lothspeich said that the mitigation site was in abeyance, but that they were looking into medians instead of barriers. Sgt Ed Haras was mentioned as being the contact for traffic issues (847-277-7021)*

Mr. Krebs mentioned that the bridge was in need of repair. *Village President Rodriguez said that the bridge repair was slated in the current budget.* – **No action was taken.**

Oak Hills/Rosos Parkway – Al Spinoso. – Nothing to report. No action was taken.

Congregation Beth Judea License To Conduct Raffle.

Congregation Beth Judea applied for approval of a raffle license and requested waiver of the \$25 application fee and waiver of the bonding requirements for their fundraiser.

Trustee Hannon moved to approve the license to conduct a raffle and waiver of the \$25 application fee and bond requirements for the Congregation Beth Judea fundraiser; seconded by Trustee Lazakis.

ROLL CALL VOTE:

**Acuna – aye; Barry – absent; Hannon- aye; Lazakis – aye; Schmitt –aye; Wachs – aye.
(Motion carried 5 – 0; one absent).**

Special Event Application: Long Grove Art Fest.

The Kildeer Countryside PTO submitted the enclosed November 19, 2007 application for the Annual Art Fest to be held on August 16 and August 17, 2008 from 10:00 a.m. until 5:00 p.m. The Art Fest is proposing to be located in the Stemple Municipal Parking Lot rather than Robert Parker Coffin Road.

Trustee Wachs moved to approve the motion approving the 20th Annual Long Grove Art Festival in the Stemple Municipal Parking Lot on August 16 and 17, 2008, subject to receipt of a complete application no later than June, 2008; seconded by Trustee Hannon.

VOICE VOTE:

All ayes, no nays (Motion carried 5 – 0; Trustee Barry absent).

ACTION ITEMS:

***** Due to temporary technical difficulties of the Bedrosian presentation, the meeting continued**

On to the first Action Item until the technical malfunction was repaired

Item #1: Report Of The January 16, 2008 Plan Commission & Zoning Board Of Appeals Meeting.

The PCZBA considered the following items during their meeting.

- Continued Zoning Code Amendment And Reclassification Of Property (R2 Residential To New HR-1 Highway Retail & OS-P Open Space Preservation), Planned Unit Development, Special Use Permit & Zoning Code Amendment(s) To Allow A Retail Planned Unit Development Anchored By A Specialty Grocer Store Located At The Southeast Corner Of Route 83 & Aptakisic Road, *Mid-America Development Partners.*
Continued until the February 5, 2008 PCZBA Meeting. The Architectural Board Review Continued Until February 11, 2008.- Village Planner Hogue stated that there were concerns regarding aesthetics, and that the landscaping plan was revisited. Village Planner Hogue said that the Plan Commissioners' comments mirrored that of the audience. – No action was taken.

Bedrosian Presentation: Monica and Haig Bedrosian presented slides regarding their neighborhood on Arlington Heights Road; and why they did not believe their homes should be part of the TIF. Monica Bedrosian said that Beth Ruyle of Ehlers and Associates did not give a definition of what constituted deterioration. *President Rodriguez said that the Bedrosian comments would be clarified during the TIF presentation of the Action Items.* – **No action was taken.**

Item #2: TIF Joint Review Board Recommendation & TIF Public Hearing.

The TIF Joint Review Board (JRB) met on:

December 13, 2007; January 3, 2008 and January 10,

School District 125 (Stevenson); School District 96 (Kildeer) and Long Grove Fire District (Long Grove Fire) representatives participated during the December 13, 2007 meeting with School District 96 sending the December 12, 2007 letter and December 28, 2007 email questioning the Village's intentions for inclusion of the Kildeer School in the TIF District Boundaries. Staff replied to the December 28, 2007 email with the December 29, 2007 email. School District 96 subsequently approved a resolution formally requesting the following: (1) Removing Kildeer Countryside Elementary School from within the TIF Boundaries; (2) Creating an intergovernmental agreement to guarantee and share surplus tax increment; and (3) Securing written assurance the TIF District will not include residential development. In addition, Long Grove Fire Chief Bob Turpel provided the December 27, 2007 letter outlining their various concerns. The TIF Joint Review Board considered these requests and included various provisions to address these concerns within their following recommendations:

Recommendation

1. **TIF Boundaries.** The TIF Plan and Eligibility Report should be revised to delete from the Proposed TIF District the following parcels:
 - a. The sliver parcel along Illinois Route 53 (PIN 15-30-106-003);
 - b. The School District 96 parcel along Old McHenry Road (PIN 15-

30-100-004); and

- c. The Village Hall parcel along Old McHenry Road (PIN 15-30-100-003).

In addition, the JRB recommends that the TIF Plan be revised to state that at no time in the future should the Proposed TIF District be expanded to include properties fronting on Arlington Heights Road.

2. Correction to TIF Plan. Page 2 of the TIF Plan should be corrected so that the second sentence of the first paragraph reads: "The median home value in 2000 was \$555,400." Also, on page 15 of the TIF Plan, in Item 15, the word "patron" should be "resident."
3. Residential Development. The TIF Plan should not provide assistance for the development of additional residential units within the Proposed TIF District. To the extent that additional residential units are developed within the Proposed TIF District, the TIF Plan should provide expressly for compensation to the school and library districts in accordance with Sections 11-74.4-3(q)(7.5 and 7.7) of the TIF Act. For purposes of determining student- or resident-generation calculations, rates shall be no less than those reflected in the current Village impact fee ordinance, or the amount reflected in the TIF Act, whichever is greater.
4. Fire Protection Standards. New development in the Proposed TIF District should be required to comply with applicable code requirements of the Long Grove Fire Protection District.

5. TIF Plan Priorities. The TIF Plan should identify certain projects for the Historic Downtown Area of the Proposed TIF District as "high priorities," including:
 - a. The establishment of a water system to serve properties in the Historic Downtown Area of the Proposed TIF District, which water system should be developed to the far boundary of the Proposed TIF District so that an extension to the District 96 property is feasible; and
 - b. Burial of overhead utility lines.
6. TIF Bonds. The TIF Plan should provide that any bonds will be backed only by incremental tax revenue generated from the Proposed TIF District, and that the Village will not give its full faith and credit (general obligation) backing of any such bonds. The Village should seek to include a "call" provision in any such bonds.
7. Duration of the TIF. The TIF Plan should provide that the Village will not seek to extend the Proposed TIF District beyond the customary 23-year term in the TIF Act.
In addition, the Village should endeavor to conclude the TIF in less than 23 years if all objectives and obligations are satisfied.
8. Surplus Funds. At such time as the Proposed TIF District generates sufficient incremental tax revenue that there are surplus revenues, those surplus revenues should be promptly returned *pro rata* to the taxing districts affected by the Proposed TIF District

in accordance with Sections 11-74.4-2(c) and 11-74.4-7 of the TIF Act. The Village should consider reducing over time the percentage of incremental revenue that will be dedicated to TIF projects.

9. Eminent Domain. The Village should not seek to exercise its powers of eminent domain under the TIF Act in connection with any properties fronting on Arlington Heights Road. The JRB recognizes that the Village does not have eminent domain authority over the lands of the taxing bodies.
10. Capital Expense Agreements. The Village should explore with the affected taxing districts appropriate agreements as contemplated under item 8 on page 21 of the TIF Plan.

Conclusion

On 10 January 2008, the JRB decided by a vote of 6-1 to adopt this Report and neither support nor oppose the creation of the Proposed TIF District, but to request the Long Grove Village Board to include the foregoing recommendations in any approval of the Proposed TIF District

Trustee Lazakis reiterated the main criteria agreed upon by the January 10, 2008 (third meeting of the Joint Review Board) Joint Review Board Minutes as shown above.

Trustee Lazakis emphasized that **1) Properties along Arlington Heights Road were not part of the TIF boundaries; 2) The bonds being discussed were not General Obligation Bonds, but bonds backed only upon incremental revenue, and were the financial risk of the bondholders not the municipality or the residents; 3) there was no intention to exercise eminent domain powers to any properties along Arlington Heights Road; 4) Surplus Funds monies should be proportionately returned to the respective taxing bodies; 5) The Village should**

explore Capital Expense agreements with taxing bodies to assist with any hardships that might be caused by the TIF; 6) While the duration of the TIF had a maximum of 23 years with an extension to 35 years, it should conclude in less than 23 years if possible; and 7) Fire Protection standards should be maintained – and there should be a water system developed and burial of overhead utility lines.

Trustee Lazakis noted that the conclusion of the Joint Review Board was to adopt the report but not to agree or disagree with the implementation of a TIF.

Village Counsel Filippini noted that if a TIF District were to be established, there would still be annual meetings of the Joint Review Board. – **No action required. No action was taken.**

Recap of the January 15, 2008 Special Meeting of the Board of Trustees Open House. – Trustee

Lazakis recapped the main issues of the meeting, and discussed how in December, 2005 Ehlers had been hired to help determine if a TIF was needed. he also discussed the Master Plan, and the types of improvements a TIF can fund. In brief, he described a TIF thusly: A development can freeze the tax money that goes to the taxing bodies, but have the incremental tax money go to help fund the improvement. The litmus test being, *BUT FOR* those improvements the development would not have occurred. As the value of the property increases, so does the incremental tax money.

Trustee Hannon stated that the school district would not lose any money in a TIF. There is a 5% or the CPI (Consumer Product Index) – whichever is less -cap on the increases that District 96 can make. With or without the TIF, the biggest increase tax increase that the District 96 can impose is 5% (or, about \$41,000,000.00 in total tax revenue). Trustee Lazakis further explained that the monies being

proposed for the TIF district amounted to 0.78% of the budget for District 96. He said that the assessed value of District 96 is \$1.3 billion.

Denise Harnish (resident) – asked if future generations would be losing money.

A corollary question was from Trustee Acuna regarding the percentage tax change in the TIF area? – *Trustee Lazakis said that in the residential areas, the percentage change per year was 8-9%; but in the TIF area, the percentage change was only 2-3%.*

Trustee Acuna also noted that without the TIF, there would not be much development in the TIF area for the school; but at the end of the TIF, there would be the potential for a huge jump in tax revenue.

Residents asked about sharing TIF money with the school. *Trustee Hannon replied that the tax base would not be affected for the taxing bodies, and that incremental monies would be used to develop the TIF area. She added that District 96 would still be able to increase taxes based upon their standard caps.*

President Rodriguez said that Village had been talking to District 96 Superintendent Many about ways to lessen any impact that the TIF might have. She also reminded the audience that Kildeer Countryside Elementary School was not in the TIF District (as per the request of District 96).

Trustee Lazakis said that where the incremental monies exceeded the amount to pay the mortgage, it would go back into the taxing bodies and help reduce our taxes. Without that development, there would be no such benefit to the residents.

Current Financing of the Village Budget: Trustee Lazakis said that

the Village currently uses downtown tax money revenue (which has been declining) and money from building permits (which had a precipitous drop in 2007). The sales tax money from Menard's would not cover the loss in revenue from other sources.

Risks to Village: Trustee Lazakis said that if the Village made it impossible to develop the land, it was possible that those areas would de-annex and become part of Buffalo Grove.

Haig Bedrosian said that the Village should not be governed by fear. *Trustee Lazakis said this" was not fear but that this was a fact" – he mentioned the Shell and McDonald's on Arlington Heights and Rte 83 that had de-annexed for just that reason.*

Trustee Acuna said that the Village had developed a Master Plan to make certain that there was a strategy to employ for the long and short term – it involved developers; and that historically, monies from the TIF were only about 20% of the total development costs (ie, five times the amount of the TIF monies would flow into the project from private sources).

Trustee Acuna responded to a comment about using the \$4,000,000.00 in the Village's savings to accomplish any development – he said if the TIF development did not work, it would be the bondholders that would lose capital; but if the Village would take it money out of its savings and the development fail, then the Village would lose its own capital.

Developer Firsell said that the Sunset Grove property had poor soil, and was in need of water, roadways and utility lines. He told the audience that he did not

want the TIF to build the shopping center but to improve the water, roadways and utility lines that most other municipalities already offered. He hoped to see the Village bring the development area to the level where it can be built.

Trustee Acuna clarified to the audience that nothing had been decided upon.

Parks Commissioner Barry Nathanson reminded the audience that LaSalle Bank had been annexed into Buffalo Grove because they provided sewers. He said that the landowners can manipulate where they want to be

located.

President Rodriguez noted that compared to the size and scale of the development that Sunset Grove was designing, the amount of money that might be accessible to the development of a TIF was minimum. She noted that the soil improvement alone would cost \$2,000,000 to the developer. She emphasized that the TIF would not be created to build the development for the owners.

Resident David Klein asked what the role of the developer would be in terms of their contribution to a TIF District project.

Developer Firsel said that the developers would contribute 90% (total project cost about \$30,000,000).

Monica Bedrosian wanted to know why the Village did not know sooner about this development.

President Rodriguez replied that the Village does not initiate the developments, and that the Sunset Grove project was told to the public as soon as Developer Firsel brought it forth to the Board.

Trustee Lazakis concluded by saying that the Village lost valuable pieces of property through de-annexation. He said that the Village needed to get smart about these developments, make certain that the Village had well-researched opinions, a good strategy and to get something back for what we give when we are negotiating. – **No action was required.**

Item #3: Discussion Of Draft Ordinance Approving The TIF Redevelopment Plan & Project. Continued. No action was taken.

Item #4: Resolution Approving Waiver Of 120-Day Waiting Period For Demolition Of 4287. Village Superintendent Bob Block received the enclosed January 15, 2008 and will be calling Long Grove Historical Society President Ann Dickson requesting her review prior to the January 22, 2008 Board Meeting.

Trustee Acuna moved to approve a Resolution granting a waiver from the 120-day waiting period for Issuance of a Demolition Permit for 4287 Hilltop; seconded by Trustee Schmitt.

VOICE VOTE:

All ayes, no nays (Motion carried 5 – 0; Trustee Barry absent).

Item #5: Resolution Supporting Purchase Of Certain Property In Long Grove By LCFPD.

As directed during the January 8, 2008 Board Meeting, Village Counsel Victor Filippini prepared a draft Resolution supporting the purchase of portions of the CF Industries Property by the Lake County Forest Preserve District (LCFPD).

Trustee Lazakis moved to Approve a Resolution supporting the Purchase of Certain Property located within the Village of Long Grove by the Lake County Forest Preserve District; seconded by Trustee Acuna.

VOICE VOTE:

All ayes, no nays (Motion carried 5 – 0; Trustee Barry absent).

Item #6: Village President Rodriguez.

A. IL Route 53 Update. – Nothing new to report. No action was taken.

B. EJ&E/STAR Line Update. – President Rodriguez reported that the Chicago Metropolitan Agency for Planning (CMAP) had written a letter to Surface Transportation Board in Washington, DC regarding the purchase of the EJ&E/Star Line by Canadian National Railway. She said that the Village agrees with the contents of that letter and will send a similar letter. – **No action was taken.**

C. Board/Commission/Committee Appointments. – No action was taken.

Item #7: Village Trustee Acuna.

Lake Michigan Water Feasibility Study Update. Applied Technologies (Applied) Representative John Callan reports that the initial review of costs for including Hawthorn Woods and Long Grove were better than anticipated but that they are continuing to review the numbers. Lake Zurich agreed to participate in the study and is being evaluated with HW and LG. – Trustee Acuna said that the meeting was moved to February, 2008. He said that even though the costs were less than expected, there was still not a cost estimate. Trustee Acuna said that distribution was the main expense. He said that we could not hold a spot for water usage, but would have to work on a “use it or lose it” basis – so that, the Village would need a referendum if they wanted to hook up to Lake Michigan water. – **No action was taken.**

Item #8: Village Trustee Barry. Absent.

Item #9: Village Trustee Hannon.

Nothing to report. No action was taken.

Item #10: Village Trustee Lazakis.

Nothing to report. No action was taken.

Item #11: Trustee Schmitt.

Waste Management Agreement Extension. Waste Management provided the enclosed 3% rate increase for the current year as outline in the current Agreement. – Trustee Schmitt said that this was a well negotiated agreement, and that rates would have been considerably higher had the Village not locked into a five-year agreement. – **No action was taken.**

Sunset Foods: Trustee Schmitt said that Whole Foods grocery stores were no longer using plastic sacs, and that the Village should encourage Sunset Foods to use canvas bags for the environment. – **No action was taken.**

Park Commissioner Nathanson commended Trustee Schmitt for her role as a liaison between the Park District and the Village Board.

Item #12: Village Trustee Wachs.

A. Downtown Master Plan Update.

Village Trustee Charlie Wachs, Village Superintendent Block and Staff attended the January 14, 2008 Downtown Master Plan meeting. – Trustee Wachs said that they are moving into Design Standards; and that there would be a presentation meeting to the Plan Commission on February 19, 2008 regarding the Master Plan – **No action was taken.**

B. Report Of The LGBCP January 15,

2008 Meeting. – Trustee Wachs said that the LGBCP was excited about the progress of the Master Plan. – **No action was taken.**

Item #13: Village Clerk Schultheis.

Nothing to report. No action was taken.

Item #14: Village Manager Lothspeich.

Nothing to report. No action was taken.

Item #15: Village Superintendent Block.

Nothing to report. No action was taken.

Item #16: Village Planner Hogue.

Not present.

Item #17: Village Attorney Filippini

Nothing to report. No action was taken.

Item #18: Approval of Board Meeting Minutes.

January 8, 2008 Minutes. – Trustee Schmitt moved to approve the January 8, 2008 Board Minutes, as amended; seconded by Trustee Wachs.

VOICE VOTE:

All ayes, no nays (Motion carried 4 – 0; Trustee Barry absent; Trustee Acuna temporarily out of the meeting).

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Item: Executive Session.

At 10:48 P.M.; Trustee Wachs moved to go into Executive Session to discuss (1) Executive Session Minutes; (2) Litigation; (3) Acquisition and Distribution of Property; and (4) Personnel; seconded by Trustee Lazakis.

ROLL CALL VOTE:

Acuna – aye; Barry – absent; Hannon- aye; Lazakis – aye; Schmitt –aye; Wachs – aye.
(Motion carried 5 – 0; one absent).

Item: Other Business.

December 11, 2007 Executive Session Meeting Minutes. – Trustee Lazakis moved to approve the December 11, 2007 Executive Session Minutes, as amended, but not for public release; seconded by Trustee Schmitt.

VOICE VOTE:

All ayes, no nays (Motion carried 5 – 0; Trustee Barry absent).

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January 8, 2008 Executive Session Meeting Minutes. Trustee Schmitt moved to approve the January 8, 2008 Executive Session Minutes as amended, but not for public release; seconded by Trustee Wachs.

VOICE VOTE:

All ayes, no nays (Motion carried 5 – 0; Trustee Barry absent).

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Continued Discussion about the TIF: Trustees reopened discussion regarding the fact that District 96 will still have the option to increase its taxes by 5% or the CPI, whichever is lower. They also discussed that the TIF was an investment not a subsidy. Trustees discussed moving forward by incorporating the suggestions of the audience into any redrafts; and that the TIF Report and Eligibility Report should be compared; and that the Village should review its strategies. – **No action was taken.**

Item #19: Possible Consideration Of Ordinances Relating To Acquisition Of Property.

No action was taken.

Item: Adjournment.

At 11:45 P.M.; Trustee Schmitt moved to adjourn the meeting; seconded by Trustee Acuna.

VOICE VOTE:

All ayes, no nays (Motion carried 5 – 0; Trustee Barry absent).

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