

**MINUTES OF A COMMITTEE OF THE WHOLE MEETING OF THE BOARD OF TRUSTEES
OF THE VILLAGE OF HARWOOD HEIGHTS
HELD ON TUESDAY, DECEMBER 6, 2011**

A. **CALL TO ORDER** at 6:44pm by Mayor Arlene C. Jezierny

B. **PLEDGE OF ALLEGIANCE**

C. **ROLL CALL** –

Mayor	Arlene C. Jezierny
Clerk	Marcia L. Pollowy
Trustees	Mark Dobrzycki Michael Gadzinski Demetrios Mougolias Therese Schuepfer Lawrence Steiner Lester Szlendak (Left 8:30pm)
Attorney	Rob Bush

Also present: Chief Mario Ricchio
Accountant Bruno Bellissimo
Attorney Mark Heinle
Treasurer Joe Russo

D. **AGENDA ITEMS**

WSSRA Share Formula Update

- Ms. Marianne Birko, Executive Director of the WSSRA, gave the board an update on how the share formula was calculated by supplying them with a number of reports used to calculate the share formula. Ms. Birko reviewed the EAV numbers for Harwood Heights which total \$290,821,216 minus \$56,890,242 which is the EAV value on the 440 Village of Harwood Heights households/properties that pay into the Norridge Park District for a balance EAV of \$233,930,974. These numbers were given to the WSSRA from the Cook County Treasurer's office. 75% of the total share calculation is based on the EAV numbers.
- Ms. Birko then reviewed the share that was based on the new 2010 census population numbers which accounts for the other 25% of the total share calculation. The 2010 census population for the Village of Harwood Heights is 8,612 based on 3,731 households at 2.3 per household; this number was verified by the Accountant Bruno Bellissimo and the Mayor which was the same number used in last year's calculation. 356 Harwood Heights residential properties are in the Norridge Park District, times the 2.3 per household, equals 819 persons. This number is subtracted from the gross population of 8,612 resulting in a reduced gross population of 7,793.
- The proposed 2012 Share Calculation based on the EAV's and the reduced 2010 gross population numbers shows the Village of Harwood Heights share at a 2.287% increase over last year's numbers or a dollar amount increase of \$1,109.
- Ms. Birko reviewed some of the 2012 budget cost cutting measures that the WSSRA implemented: Reduced full-time and regular part-time salaries by \$21,000. Reduced overall health insurance cost by 8%. Use Verizon government account for cell phones. Reduced travel miles for social programs to reduce fuel expenses. Selling the Executive Directors car. Reduced printing costs for seasonal flyers and brochures. Lowered postal costs by using the US postal online stamp system.
- The 2012 budget includes the following in the revenue area: Securing of additional sponsors for the Agency Golf Part-tee. Increased collection of fees to make up for the loss of CDBG funding from Berwyn which went from \$20,000 down to \$15,000. Continue the successful sliding scale for the Lekotek program. Increase sponsorship revenue for the agency sports banquet. Reduced revenue and expenses in accommodations with Norridge Park District providing their own staffing.
- If any additional questions come up from the board, the Mayor will email them to Ms. Birko for a response.

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Public Works Truck Financing Agreement

- Accountant Bruno Bellissimo stated that the board had approved a purchase price of \$115,000 for the purchase of a new dump truck at the August 11, 2011 board meeting. The original purchase price did not include the interest on the loan.
- An amended motion for the purchase of the new 2012 dump truck plus the loan interest will be placed on the December 8, 2011 board agenda for a revised total of \$131,868.66; the loan rate is 3.2% on a 7-year loan.

Tax Levy/Bonds/Abatement

- Accountant Bruno Bellissimo reviewed the proposed draft Tax Levy and Abatement Ordinances that will be included on the December 8th consent agenda, along with a memo that included 3 separate scenarios regarding the "contribution amount" for the Police Pension Fund.
- The 2011 proposed Tax Levy does not include any increase over last year's amount of \$1,264,867.
- Bruno reviewed each of the 3 scenarios in detail and how the numbers will affect the General Corporate Fund and Police Protection balances.
- Over the years the village has been funding the Police Pension Fund above the required state statutory minimum amount; the funding was at 85% to 86% last year and at 82% to 83% this year. The village is in the desired range which is between 80% and 90% and keeps us from having a future negative impact.
- After a lengthy discussion the board decided that the Police Pension Fund amount should be \$500,000 which is about \$23,000 or about 5% over the statutory minimum amount of \$477,005.

RICOH Copies Maintenance Agreement

- Accountant Bruno Bellissimo reviewed the new RICOH copier agreement for maintenance on the 5 copiers; 3 in the Village Hall, 1 in the Police Department and 1 in Public Works. There is no increase in the price of the new maintenance agreement; the cost is the same as last years.
- Motion to approve the agreement will be on the December 8, 2011 board agenda for board approval.

Bradford Realty Redevelopment Agreement

- Attorney Rob Bush and Economic Development Consultant Wayne Pesek updated the board on conversations and meetings with Bradford Realty representatives on the proposed redevelopment agreement for the Mariano's project.
- Attorney Bush indicated that he and Mr. Pesek will review the major provisions of an agreement that would allow Bradford to build a 70,000 sq.ft. Mariano's on the Tornado/Tanzer properties and asked that at the end of the review for the board to make decisions, give recommendations and direction to the attorney's on a number of the issues. The Village attorney's and the Economic Development Consultant do not have the authority to commit to anything and have not committed the village in any way to this proposed project; it will be the decision of the board to move forward with this project.
- Wayne Pesek reviewed previous discussions that were held with the board, going back almost 14 months ago, regarding the village's participation with developers to do capital improvements and other special projects. The Mariano's project is a 21 million dollar project with participation by the village in a range of between 3 & 4 million dollars. In order to proceed with any participation, the village has to have the capability of being able to secure the funding and the ability to repay the funds over a specified period. The village's current financial rating has been downgraded to a "B" rating; we are no longer in the preferred rating. The village's rating can be upgraded by exercising fiscal control and management; living within our means. Another alternative is to generate alternate revenue. The Mariano's project would provide this village with an enormous amount of sales tax revenue. The village is subject to a confidentiality agreement with Bradford/Mariano's but present estimates could mean that the village's generation would exceed \$500,000 or more; these would be new dollars coming into the village. The developer and Mariano's would like to get an infusion of contributions by the village over a long term to be repaid by the generation of the sales tax that Mariano's will generate. From earlier discussions with the board, the village should enjoy at least 50% of the revenues that will be generated by this development.

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- The 50% of the new sales tax revenue would go into the General Fund and begin to build cash reserves for the village and be earmarked for any future capital projects.
- Wayne Pesek reviewed the advantages of a TIF and how those tax dollars can be used for various economic development opportunities, infrastructure needs and other soft costs within the TIF boundary map.
- Wayne Pesek updated the board on the reasons regarding the recent urgency for the Mariano's redevelopment project. Bradford Realty is also interested in the property directly south of the old Tornado building that is currently being rented to a former business from Norridge and they have a lease contract with the owner until December 2013. Bradford wants to know if this is a viable project that the village wants? Is there a financial commitment on behalf of the village? Is there the ability to notify the tenant regarding a proposed development that includes the property they're renting? This information will also be presented at the Plan Commission hearing that's scheduled for Monday, December 12, 2011; the residents and businesses that are within this proposed development area have also be notified regarding this meeting. The Public Hearing will also include some of the changes/recommendations that came out of the December 1st meeting when Bradford presented their proposed development plan. Those changes include: a traffic study, recommendations regarding the building and parking lot lighting and a landscape plan.
- Wayne Pesek informed the board that the former Costco site in Norridge is back up for development opportunities, but not for Costco, and is a candidate for a TIF District; the area is about an 11-1/2 acre site. There are a few other sites that are opening within some of the village's boarding communities.
- Wayne Pesek indicated to the board that because of the prospect of a future Mariano's on the Tornado site, there has been renewed interest regarding the old Village Hall property from 2 of the former developers interested earlier this year, 2 new prospective developers and also Bradford Realty.
- Attorney Rob Bush stated that he and Wayne need direction from the board regarding 2 main areas of interest in the redevelopment agreement. The first is the village's financial commitment and the second is the timing.
- Bradford is going to be giving the village a 20-year lease with Roundy's, Mariano's. Bradford owns the property and will build the store and they will have a 20-year lease with Mariano's for the property that will be attached to the redevelopment agreement. Bradford agreed that will pay for all of the permitting requirements and all other fees associated with the redevelopment of the properties.
- The first issue that the Village Attorney needs direction on is the timing. In the presentation by Bradford and Roundy's the proposed Mariano's project is based on the redevelopment of both the Tornado site and the Tanzer site. Both the owner of the Tanzer property, the developer and the village have made efforts to demonstrate to the tenants of the Tanzer property regarding the proposed development and the developers timetable. The current lease on the Tanzer property expires December 2013 which would push back the development completion until February 2015.
- Discussion ensued regarding the other Mariano's locations and if any incentives were given. Vernon Hills gave the developer \$1.5 million with a scheduled payback over a 15-year period; this development already had a building in place that only required remodeling. The Arlington Heights store was built on vacant property owned by the village on an aggregate investment, discount on the land and sales tax, of \$2.8 – \$3 million.
- Attorney Rob Bush indicated that any money that would be paid to them would depend on the sharing of sales tax. The village's obligation, as discussed with Bradford, indicates that no money is paid out until the closing date. There are 2 different possibilities in terms of the time that we would turn the money over to them; that's why completion is important. As soon as we borrow the money we start paying interest on it, so we want to be sure that the sales tax revenue starts coming in as quickly as possible after we have to borrow money. The only money that the village wants to commit to funding this project would be no more than 50% of any sales tax revenue that would be generated by this facility. With the expectation of \$40 million dollars in sales that the numbers that are being talked about, the number is \$3.5 million. This amount could be escrowed at the time of closing and \$40 million dollars in sales, 50% of the sales tax generated from that amount is more than enough to cover the debt on \$3.5 million over a 20-year instrument. There are 2 dates regarding the transfer of money; one is that half would be given at closing, with half at the completion of the foundation. The second is that we would turn over all the money only at the time when the building was completed, it was tenant ready and turned over to Mariano's with an expectation that it would be opened in the next 2 to 3 weeks after that; this allows the village to hold on to the money longer.
- Attorney Rob Bush indicated that one of the other considerations is if the village does solely a sales tax rebate Bradford would probably want instead of \$3.5 million dollars, they will be looking for a cap of \$4.5 million because someone has to pay the interest.

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- Trustee Mougolias suggested that the village consider buying the Tornado property and giving Bradford a land lease. The only thing missing from the land lease is that the tax base will be at zero. The land lease can be for 20-years at an estimated amount of what the property tax would be. After a lengthy discussion ensued, it was recommended that the village should only consider the purchase of the Tanzer property and possibly leasing it to Bradford.
- Attorney Rob Bush and Economic Development Consultant will present the board's recommendation to Bradford on the village's position in regards to the purchase of the Tanzer property, the proposal of a land lease, closing on the 2 properties (Bradford on the Tornado and the village on the Tanzer), final construction dates for the opening of the proposed Mariano's. All of the board members were in consensus of the recommendations to be presented to Bradford.

E. PUBLIC COMMENT

Chris Holzer: Indicated that in the Bradford presentation there was no mention that the Tanzer property was part of the proposed development and couldn't Bradford build a smaller store than the proposed 70,000 sq.ft.

Peter Magnelli: Stated that he finds it odd that a developer would come to the village asking for money. Wanted to know if the village would have to pay for any intersection improvements if the proposed development is approved?

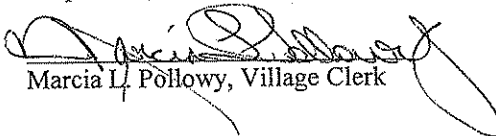
Rita Rogers: Heard a rumor that a Mariano's will be built on the property on Elston Avenue that currently houses the Secretary of State facility.

F. EXECUTIVE SESSION

ADJOURNMENT

Motion by Trustee Mougolias seconded by Trustee Dobrzycki to adjourn. On a voice vote, all present being in favor, the motion carried and the Committee of the Whole Meeting of the Board of Trustees of the Village of Harwood Heights was adjourned by Mayor Arlene C. Jezierny on Tuesday, December 6, 2011 at 9:02pm.

Respectfully submitted,


Marcia L. Pollowy, Village Clerk