

**VILLAGE OF RIVER FOREST
SPECIAL MEETING OF THE BOARD OF TRUSTEES MINUTES
September 18, 2017**

A special meeting of the Village of River Forest Board of Trustees was held on Monday, September 18, 2017 at 7:00 p.m. in the Community Room at the River Forest Village Hall, 400 Park Avenue, River Forest, IL.

1. CALL TO ORDER/ROLL CALL

The meeting was called to order at 7:06 p.m. Upon roll call, the following persons were:

Present: President Adduci, Trustees Cargie, Corsini, Henek, Conti and Gibbs
Absent: Trustee Vazquez
Also Present: Village Clerk Kathleen Brand-White, Village Administrator Palm, Assistant Village Administrator Lisa Scheiner, Village Attorney Greg Smith

2. CITIZENS COMMENTS

None.

**3. RESOLUTION AUTHORIZING THE EXECUTION OF AN AMENDED AND
RESTATED REDEVELOPMENT AGREEMENT FOR LAKE STREET AND
LATHROP AVENUE**

Trustee Gibbs made a motion, which was seconded by Trustee Conti, to approve the Resolution authorizing the execution of an amended and restated redevelopment agreement for Lake Street and Lathrop Avenue.

President Adduci asked the Village Administrator to review the differences between the draft agreement that was distributed to the Village Board of Trustees on Friday and the version that was distributed on September 18.

Trustee Cargie expressed concerns about voting on the matter. President Adduci stated that she would like for the Board to take action on the matter because of the deadlines included in the agreement.

Village Administrator Palm reviewed the differences between the draft agreement and final agreement in specific sections. He noted that the previous requirement for the Village to pay for the Developer's professional fees and expenses on certain faults has been removed. He reported that the Village's hard committed fund dollars is at \$1.9 million plus \$40,000.

In response to a question from Trustee Corsini, Village Administrator Palm stated reimbursable marketing costs cannot exceed \$1.9 million and noted that the Developer can also use the committed funds for architectural or demolition.

In response to a question from Trustee Cargie, Village Administrator Palm stated the Village could not recover architectural fees should the Developer default.

In response to a question from Trustee Conti, President Adduci stated if the Developer does not meet deadlines it would be in default and there will be costs that the Village would not be able to recover.

In regard to deadlines in Section 4.01, Village Administrator Palm stated these deadlines trigger default and the Village would take the performance deposit and send notice to have the properties transferred back to the Village.

In response to a question from Trustee Cargie, Village Administrator Palm stated the Village would not incur planned development costs prior to the application deadline.

Village Administrator Palm stated that the deadlines in Section 4.03 are consistent with what the Board has previously discussed. He noted that the June 1, 2018 deadline is based on a 20% pre-sale threshold, if the Developer is close to that threshold it can request a two month extension, and if they choose to proceed, they have 60 days to begin.

In response to a question from Trustee Corsini, President Adduci stated that the Developer's final go/no go date is August 1, 2018, and in that case they have to begin demolition by October 1, 2018. In response to a question from Trustee Corsini, Village Administrator Palm stated the Developer could begin the process earlier if sales reach the 20% threshold.

In response to a question from Trustee Corsini, Assistant Village Administrator Scheiner stated the Developer has up to 33 months to complete construction once the planned development permit is issued.

In response to a question from Trustee Cargie, Village Administrator Palm stated that the Developer is not committed to building condominiums.

President Adduci asked the Trustees if they had any further questions regarding any of the changes. Hearing none, she invited Mr. Paris to come to the microphone to discuss the project.

Marty Paris, Sedgewick Properties Development Corporation, introduced himself and said that his firm is a vertically integrated development company. He stated the Corporation runs its own carpentry division. He said they use a third party for sales and marketing and noted that they are currently in the selection process for that. Mr. Paris stated that prior to the recession they were doing almost all for-sale condo and since then they have done retail, for-sale condo, and apartment product. He indicated the for-sale condo market looks better in the Chicago metro area than apartments and said he believes the highest and best use for this property is for-sale housing. He discussed the presale strategy they will use.

In response to a question from Trustee Cargie, Mr. Paris stated the Village funds will not directly pay employees and noted some of the design work will be done in-house and they will also use third party consultants. He stated that he believes in-house design work is qualified under the Redevelopment Agreement (RDA).

In response to a question from Trustee Cargie, Mr. Paris stated there hasn't been much done on financing and in this cycle they will acquire the land with bridge financing and related party

equity. He said later they typically will get construction financing and usually institution equity. He noted that institutional equity is not as available for condominium projects.

In response to a question from Trustee Conti, Mr. Paris stated the sales threshold for financing is between 30% and 50% and noted that it is difficult to get buyers to sign contracts early in a project.

In response to a question from Trustee Conti, Mr. Paris stated that they will provide a lot of flexibility in regard to combining units and customization. He noted that constructions costs have risen.

In response to a question from Trustee Henek, Mr. Paris stated that they expect to build between 20 and 30 units.

In response to a question from Trustee Henek, Mr. Paris stated there is a lot of opportunity to fill the commercial space. He said they envision an outdoor café in the commercial space. He noted that the market will decide and retailers feed on retailers which may be difficult to overcome.

In response to a question from Trustee Cargie, Mr. Paris stated he is not aware of a formal option on the corner of Forest and Lake but believes there is an informal agreement. He said there will be a lot of space to fill and they will not chase away any retailers. President Adduci said she believes the biggest issue is whether the bank has the first refusal of that corner. Mr. Paris stated he is more interested in restaurant use than a bank.

In response to a question from Trustee Corsini, Mr. Paris stated that they plan to sell all spaces but typically retail starts with leasing.

In response to a question from Trustee Corsini, Mr. Paris stated that the closing of the ElSaffar property has been very difficult. He believes the owner has agreed to the terms and it will go forward soon.

In response to a question from Trustee Cargie, Mr. Paris stated he does not believe the planned development application will be difficult.

Trustee Cargie questioned why the description of the insurance policy was removed in 203 e. Village Administrator Palm stated that the property owner and agents, based on their discussions with the insurance company, are unable to list the Village or the Developer as additional insured. He said he is making additional inquiries with the property owners' insurance agent and hopes to speak directly with the insurance company prior to closing.

In response to a question from Trustee Henek, Mr. Paris stated that the architects have begun preliminary conceptual discussion and designs but he has not seen them yet.

In response to a question from Trustee Cargie, Mr. Paris stated that it depends on what remediation is. He said they will likely get a No Further Remediation (NFR) letter and, in general, pouring concrete over the area is all that is required for the letter. Village Administrator Palm stated that the property will be remediated and will not be a slab on grade remediated. President Adduci stated the intent of this contract is for the property to be fully remediated. Mr. Paris stated he is

not an environmental expert and cannot debate this too far. He said they will do what needs to be done for residential condos and getting an NFR letter is what their obligation is. He said they are in the process of transitioning to another environmental contractor. Village Administrator Palm stated that 4.03 b. in the agreement says remediation is defined as the physical demolition of buildings and treatment of the soil to eliminate contaminated materials. He continued, developer shall demolish all surface and subsurface improvements in the remediation of unstable and unsuitable soil conditions necessary for the construction, use, and operation of the project. Mr. Paris stated he is in agreement.

President Adduci briefly summarized the process and contract. She stated she is happy that a resident is involved in this development. She encouraged the Board to unanimously authorize this agreement so this project can move forward.

Roll call:

Ayes: Trustees Conti, Henek, Gibbs, Corsini and Cargie

Absent: Trustee Vazquez

Nays: None

Motion Passes.

4. EXECUTIVE SESSION

5. ADJOURNMENT

Trustee Cargie made a motion, which was seconded by Trustee Gibbs, to adjourn the regular meeting of the Village Board of Trustees at 7:54 p.m.

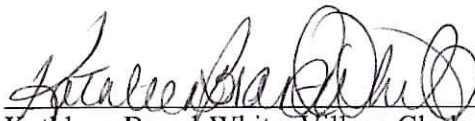
Roll call:

Ayes: Trustees Cargie, Gibbs, Corsini, Conti and Henek

Absent: Trustee Vazquez

Nays: None

Motion Passes.


Kathleen Brand-White, Village Clerk