

# CITY OF COUNTRYSIDE

*803 Joliet Road  
Countryside, IL 60525  
www.countryside-il.org*



## **Meeting Minutes**

### **Regular Meeting**

### **Economic Development Committee**

Thursday, March 5, 2020

6:00 PM

City Hall

### **Board Members**

**Chairman, John Von Drasek**

**Aldermen Mark Benson**

**Alderman John Finn**

**Roll Call:** City Administrator Ms. Paul called the Roll of Members physically present as follows:  
**PRESENT:** Chairman John Von Drasek, Alderman Mark Benson, Alderman John Finn

**Also Present:** Mayor McDermott, City Administrator Ms. Paul, Attorney Peck,  
Finance Director Schutter

### **APPROVAL OF MEETING MINUTES**

The minutes of the Regular Meeting of February 20, 2020 were previously distributed to the Board Members. Chairman Von Drasek asked if there were any corrections to be made to said minutes. There being no corrections or additions, motion made to approve the minutes of the Regular Meeting of February 20, 2020 as presented.

**A motion was made by Alderman Benson, seconded by Alderman Finn, that this matter be APPROVED, as presented. The motion carried by the following vote:**

**Aye: 3                      Chairman Von Drasek, Alderman Benson, Alderman Finn**  
**Nay: 0**

**Public Comment – none**

### **Consideration of a Draft Redevelopment Agreement (RDA) Between the City of Countryside, IL, the Village of Hodgkins, IL and Hoffmann New Horizons Corporation.**

City Administrator Ms. Paul summarized the Redevelopment Agreement (RDA). After the draft RDA was presented to the EDC, the Developer requested some changes, one of which was very significant. We are bringing that forward. Hoffmann wants to be paid interest on their incentive; whatever amount of the 4.6 was unpaid each year they would receive interest on. Finance director Schutter has run the numbers. The City went back to the Developer because they didn't think this Committee would approve that request. We came to a compromise position. Dave Schutter will run the numbers from our original discussion, their request, and finally the compromise numbers.

The first spreadsheet shows the original numbers, basically the 50/50 split among all taxes, no interest – just principal. The request was for 4.7 – eligible costs that they calculated – as if it were in a TIF District and those were TIF eligible costs. The total cost of the project, preliminary basis, was \$20M. This shows a small portion of the total cost. After seven years the Developer didn't think they would get fully paid and sought to get compensated for time, value and money – they wanted interest – he modeled what that would look like – they still get 4.7 but they get an additional \$1.3M in interest. It would take over nine years to pay them back, the City's share in future value would be \$11.121M.

In the first scenario the City would have collected \$11.781M - \$650K less over time. After negotiations to remove the interest, they would get paid quicker. They suggested giving them 100% of taxes until they're gone. That would occur, if projections come to fruition, just over four years – capping it at five years – the city still gets paid the same over time \$11.781M – it just comes a little slower, but it preserves the city's benefit. Once they're gone in early 2026, both municipalities would collect a little over \$650K per year and growing with inflation.

Ms. Paul stated if you look at the net individual municipal share, you see some amounts in the first four years; that represents the City's share of the property tax levied by Hodgkins. They will discuss the IGA –

the next item on the agenda where Hodgkins and the City have agreed to split all of the taxes generated from this development 50/50 no matter if they occur on the Hodgkins portion or the Countryside portion.

Attorney Peck discussed some other points modified in the RDA. The hotel will have a maximum height of 80 feet; if approved, provisions were made to state that it cannot be changed thereafter without approval of both municipalities. Any material changes to the plans must be approved by the Village – minor modifications, e.g. windows, would need only a permit through Hodgkins. If a material change to their original plan is submitted, they must come to both municipalities for approval. There are already two floors there; this will give them an additional two floors, 20 feet for each floor. They also clarified that this will be a union project so union wages must be paid accordingly. The incentive remains the same, and the amount; simply the time period for rebate will be increased. Additional confidentiality was added – making sure to comply with the Open Meetings Act and Freedom of Information Act. Finally, the term of the Agreement – the Developer will continue to pay all taxes implemented by the City, implemented by the Village, and any future taxes. If either municipality were to implement any other tax, they agree to pay that subject to the rebate program.

Chairman Von Drasek stated that once this Agreement goes to the City Council for approval, it still must go before the PC/ZBA to get their final approval on some site issues. Attorney Peck stated that a Special Meeting has been called for Tuesday, March 17, 2020, to subdivide the property, a residential portion and a commercial portion; the other matter is to rezone it to the commercial portion.

Question from Alderman Benson re: structures on the roof of the hotel –the 80 feet includes air conditioning units but not cell towers. Attorney Peck stated the cell tower is a material change; they would have to come before the PC/ZBA. Plus, that might entail additional income, which the City would receive a 50/50 split. Ms. Paul stated that when the height was discussed, they may have said additional structures, which include air conditioning units and cell towers – so the City may wish to strike cell towers or antennas. Attorney Peck stated an antenna would be permitted but not a cell tower.

**A motion was made by Alderman Benson, seconded by Alderman Finn, to bring this matter to the full City Council, as presented. The motion carried by the following vote:**

**Aye: 3                      Chairman Von Drasek, Alderman Benson, Alderman Finn**  
**Nay: 0**

**Consideration of an Intergovernmental Agreement (IGA) by and between the City of Countryside, IL, and the Village of Hodgkins, IL, to Share Certain Tax Revenues Generated from the Development of Real Property Located on Their Shared Boundary.**

Ms. Paul stated that the IGA includes a 50/50 share of the taxes. The Developer has agreed to pay the highest rate charged. She notes that they will be paying the vehicle fuel tax, the restaurant tax and the hotel tax of Countryside. They will take the Hodgkins home rule sales tax, which is 1% - Countryside's is ¾% -- and the property tax that Hodgkins has agreed to split with Countryside. The Finance Director of Countryside and the Comptroller of Hodgkins are in charge of doing all collections. The City will make three payments per year to the Developer, and also be splitting the taxes with Hodgkins. Whoever received more tax revenue will rebate that amount back to the other community. All those points are included in this agreement. Attorney Peck stated that this agreement will remain in effect until the parties agree to terminate it, or there is no longer any associated business on that property. So long as any business remains on that property, the sales tax will be split 50/50.

**A motion was made by Alderman Finn, seconded by Alderman Benson, to enter into the IGA between Hodgkins and Countryside, as presented. The motion carried by the following vote:**

**Aye: 3                      Chairman Von Drasek, Alderman Benson, Alderman Finn**

**Nay: 0**

### **Other Business**

Finance Director Schutter received a request for 555 East Plainfield road, in Dansher Park; the property has been vacant for almost two years. The property was purchased and the buyer was considering an auto detail shop; he decided not to proceed with that endeavor and is now seeking to sell the property. An interested buyer has asked for board consensus regarding a 6b proposal. The business is a third party food products testing company that reports to product manufacturers; they do not manufacture anything on site; they basically test products and produce reports. They will employ 20-30 individuals with professional jobs – scientists, chemists, etc. They will put \$1M into the building and \$2-3M in capital equipment inside the property. They are seeking to gauge the feasibility of a 6b proposal. Chairman Von Drasek asked about proper zoning. Mr. Schutter stated that Planning Manager Trent has looked at the property and noted there may be parking variances required. Ms. Paul stated if the committee believes there is a possibility to proceed, since the building has been vacant for some time, the City could request additional information and ask the applicant to come to the next EDC meeting. Chairman Von Drasek agreed, as did Mr. Schutter. They are seeking preliminary concept approval prior to having a full commitment at this point. Ald. Benson stated it is at the corner of Plainfield and Dansher Roads. – kitty corner from Crown Lift Trucks. This company probably will not generate any sales tax for the City. The primary benefit is higher paying jobs and bringing people into the City. Chairman Von Drasek agreed to allow them to define their business at the next EDC meeting. Mr. Schutter will follow up with the purchaser.

### **ADJOURNMENT**

**A motion was made by Alderman Benson, seconded by Alderman Finn that this meeting be ADJOURNED. The motion carried by the following vote:**

**Aye: 3                      Chairman Von Drasek, Alderman Benson, Alderman Finn**

**Nay: 0**

**Chairman Von Drasek declared the meeting adjourned at 6:22 p.m.**

APPROVED:

Respectfully Submitted,

/fp

---

JOHN VON DRASEK, CHAIRMAN