

CITY OF COUNTRYSIDE

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



Meeting Minutes

Regular Meeting

Economic Development Committee

January 25, 2023

6:00 PM

City Hall

Board Members

Chairman, John Von Drasek

Aldermen Mark Benson

Alderman John Finn

The meeting was Called to Order by Chairman John Von Drasek at 6:00 p.m.

Roll Call: City Administrator 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 Paul, Assistant City Administrator Peterson, Alderman Mikolyzk, Alderman Frohlich, City Clerk Kmet, City Treasurer Bolt, City Attorney Peck, Finance Director Schutter

Public Comment –none

APPROVAL OF MEETING MINUTES

The minutes of the Regular Meeting of December 14, 2022 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 changes, the Minutes of December 14, 2022 were approved as presented.

A motion was made by Alderman Finn, seconded by Alderman Benson, 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

COMMITTEE BUSINESS FOR DISCUSSION, CONSIDERATION AND POSSIBLE ACTION

Consideration of a Resolution Authorizing the Assignment of the Redevelopment Agreement (RDA) from Hoffman New Horizons Corp., and its Affiliate owner, Hoffmann Hodgkins Countryside, LLC.

City Administrator Ms. Paul summarized the issue – Mr. Fred Hoffmann of New Horizons Corp. is seeking to sell his gas stations – those already constructed and those pending construction. In order to sell his interest in the RDA with Countryside, an assignment of his interest in the RDA needs to be approved. Tonight John Siff of Prairie Realty Advisors is present; he is the purchaser of the property from Hoffmann. He seeks to get the RDA assigned to his group. He will make a presentation and answer any questions Committee members may have, after which time Attorney Peck will discuss the Assignment.

Mr. John Siff was born in the Chicagoland area and grew up in the northern suburbs. He seeks to assume the responsibilities of the RDA with Countryside. There is a 10-year horizon on projects of this nature and Fred Hoffman is presently in his 70s. He mentioned the 9,500 sf. of commercial space including a hotel, restaurant and fueling station. Mr. Siff has reviewed the RDA and has almost completed reviewing the Assumption Agreement. He described his former financial accomplishments – built 3,000 student housing units; built 400 apartment buildings; he is currently building 600 units in Austin, Texas. He has built in Lombard in front of *THE DUMP*. He also was involved in Market Square in Lake Forest, IL and raised equity for that deal. His company renovated a 27-story building in downtown Chicago called the Buckingham (converted into a student housing project), mostly catering to the Art Institute and Columbia College.

His father was a builder and built many homes throughout the Chicagoland area in the 50s, 60s and 70s. He never wanted to build houses; he specialized in the finance side of the business. He began as an appraiser in the late 70s and then a developer and finally into the markets function. He was a real estate broker and began to branch out in the 80s; those deals have grown in size. He is best at moderate size developments with a 12-15 month construction period; they hope to open next year – that's the plan.

He is on the Board of Directors of the Northside Community Bank, which he started from scratch. They are proud of this 20-year-old bank in Lake County; it has prospered. He has served on the Board of Wolverine Mutual Insurance Company, a member of the Mortgage Bankers of America, for 20 years. That summarizes his past financial /business experiences. Prairie Realty Advisors was formed in 1992; they facilitate access to institutional capital – that is his niche. He is happy to answer any questions.

Alderman Von Drasek asked about new time frames with the new RDA. Mr. Siff met with three separate entities today and will have more meetings tomorrow. He estimates 30 days to pulling building permits and 60 days from getting a construction loan. The equity money has been committed and they are ready to move forward but they need all the pieces in place for this \$30M project. They have identified two banks that are interested in the food/fuel component and also the hotel. His company is not expert at managing hotels; they will hire a manager then sell the asset to an investor once it is stabilized. They will remain the operating partners of the LLC going forward for the fuel and food component.

Alderman Von Drasek is interested in getting timely updates – there has been a lack of communication in the past. Mr. Siff cannot speak to past experience. He met Mr. Hoffmann about one year ago while discussing a different financial venture. Mr. Siff was more interested in the Countryside deal. Alderman Von Drasek stated that the Reassignment Agreement will be contingent upon renegotiating the time lines in the RDA. Mr. Siff and his attorney have not discussed all aspects of the RDA so he is not fully familiar with it.

Attorney Peck stated that the consent by the municipalities actually states that the RDA will be modified to reset to today's date and going forward it would be the same timeframe that was in the original RDA. The City would like to speed up those dates. Ms. Paul stated that the RDA was amended twice and those dates were all extended. It is important for the City to get the building down in 90 days – and then look at construction starting at reasonable times – but not 18 months from the time the Agreement starts. Mr. Siff is amenable to having that discussion. Attorney Peck stated that #2 of the Consent by Municipalities – that will be modified by agreement of the parties at a future date – rather than setting time frames commencing from this evening.

Attorney Peck stated that the Assignment is basically assigning all the rights and obligations to this new entity, Prairie Realty Advisors. The City still faces the situation that the original party is in default, which needs to be addressed. The City can consider the Assignment this evening but the default must be cured. Mr. Siff stated that his acquisition of that Agreement is subject to being free and clear of any issues. Ms. Paul stated that the default was that construction was to begin in November, and it has not.

Mr. Siff's plan is to bring the building down as quickly as possible – prior to the next transaction as a sign of their intent and good faith. He understands the County has approved it. Ms. Paul stated that the demo permit would come from Hodgkins; it is probably pending.

Alderman Benson thought all building permit were coming from Countryside. Ms. Paul said no; the construction of the hotel site, located in Hodgkins, is under Hodgkins jurisdiction. The City will get copies of building plans for review, but the permit is actually issued by Hodgkins; Countryside would issue the permit for the diesel side of the fueling station. The auto gas is on the Hodgkins side.

Ms. Paul stated that International Building Codes will be followed. Alderman Benson discussed MWRD permit issues. Ms. Paul is not sure of the status. Mr. John Terzakis, with Mr. Siff, stated that the problem was that the MWRD wanted the project to connect to Interceptor "A". "B" is also available.

“A” is now in the middle of a turning lane of the new expressway; the tollway does not want “A” interceptor to be disturbed. He believes the MWRD will acquiesce to the tollway and they will connect to Interceptor “B”; that’s really it. Alderman Benson asked if there was any timeline for them to review. Mr. Terzakis stated they have put a plan together and discussed the project with MWRD and with IDOT.

Alderman Finn reiterated that communications have been sorely lacking; the previous developer has not been forthcoming regarding changes in plans and future timing. We are now making new agreements with a new entity. Mr. Siff stated they are truly ready to move forward as quickly as the process allows; he believes it will be a benefit to the City. He cannot speak to past grievances. He has a good relationship with Mr. Hoffmann; together they have plotted a path forward.

Mayor McDermott stated that the City has had good communications with the residents living directly behind this development and they would like to maintain that relationship. This project will impact the Countryside residential area and the City wants the developer to be cognizant of those communications and respect the neighborhood going forward. Mr. Siff stated that that is generally the rule of thumb he follows in all his business dealings throughout the many states in which he has worked. Neighbors should be happy and informed. He will introduce himself to the residents and explain what is occurring; that will provide a deft touch. The Mayor thanked him.

Alderman Von Drasek sought a motion to bring this matter before the City Council for consideration of the Resolution.

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

Chairman Von Drasek stated that this matter will be on the City Council Agenda later this evening.

OTHER COMMITTEE BUSINESS - none

ADJOURNMENT

A motion was made by Alderman Benson, seconded by Alderman Finn, to ADJOURN the meeting. 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 6:24 p.m.

APPROVED:

Respectfully Submitted,

/fp

JOHN VON DRASEK, CHAIRMAN