

Village of Riverwoods
Continued Public Hearing – Regarding Approval of the Milwaukee Avenue
Tax Increment Finance Redevelopment
October 5, 2004

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In Attendance:

William Kaplan
Sherry Graditor
Michael Haber
John Norris
Paul Tully
Eileen Stanger
Bruce Huvad
Pat Glenn
Morry Weinstein

Absent:

Bruce Masterson
William Svatik

Minutes taken by Debbie Limer

The Public Hearing was called to order at 8:00 PM.

Atty. Huvad told the board he wanted to give them the latest update on the TIF. The next Plan Commission meeting will be on October 28th. There are several proposals before the Plan Commission. He explained that the TIF for the 37 acres cannot be done until the property is annexed. We have to continue this hearing until the property is annexed. There is some new testimony to hear tonight. He passed out the Joint Review Board report. Atty. Huvad stated that Tony Smith, our consultant, from S. B. Friedman is here tonight. He is going to present some financial analysis, proposed improvements, projection of the tax increment, and feasibility.

Mr. Smith explained that the TIF will be adopted in 2004. That will make 2005 “Year 1.” The TIF has a 23 year life span. The improvements are an eligible cost. The base value of both parcels of land in 2003 was \$600K. The proposed development program is for around 320K square feet. Mr. Smith stated that he used tax comparables to determine the amount of taxes per square foot. He used similar uses in similar areas. He explained that a big box retailer generates less tax than a restaurant. Listed on the attached report is the reasonable equalized value per square foot for each use. He estimates the development will be up and running in 2006 to 2007. He figured the EAV will increase 3% a year. That is a conservative estimate. He also assumed a constant tax rate.

Mr. Smith stated that in 2027 there will be an estimated \$23M in revenue. In present day dollars that is \$11.7M. Atty. Huvad explained that we could issue bonds using the

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present day value when the tenants are signed up and ready to go. The community could issue conduit bonds only coming from the TIF. We could issue bonds up to 60% of the present value. The developer would like us to consider issuing bonds for the use of the larger tenants. We can hold onto them or refund them after the tenant is up and running. The developers are looking for flexibility and want the bonds as early as possible. Atty. Huvard added the bonds are refunded after the tenants are in and open for business. After the annexation is complete and they line up uses, we will issue the bonds.

Trustee Tully told the board we have been told a gas station on the corner is the most fruitful use. According to the report handed out by Mr. Smith, a restaurant would be a better choice. Pres. Kaplan pointed out there is a difference between real estate taxes and sales taxes. Trustee Tully asked where the numbers come from. Mr. Smith stated tax comparables. Sales tax has a direct benefit to the Village. The Village gets the majority of it. The Village sees very little of the real estate taxes. Atty. Huvard stated the sales tax on a gas station is much higher than a restaurant. BP is looking at the proposed station to be a high volume service station.

Trustee Tully moved to continue the Public Hearing until November 2nd at 8PM. Trustee Norris seconded. Motion was carried by voice vote.

The Public Hearing adjourned at 8:25PM.

Respectfully Submitted,

Debbie Limer

Village of Riverwoods
Public Hearing
Appropriations Ordinance
March 2, 2004

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In Attendance:
William Kaplan
John Norris
Sherry Graditor
William Svatik
Bruce Masterson
Paul Tully
Eileen Stanger
Jack Siegel
Bruce Huvad
Pat Glenn
Russ Kraly
Morry Weinstein

Minutes taken by Debbie Limer

The public hearing was called to order at 8:00 PM.

Atty. Siegel explained that the Public Hearing for the Appropriations Ordinance is required by State statute. The Ordinance is not a commitment to spend; it is an authorization to spend money, based on the Tax Levy Ordinance figures. The large numbers listed are not a direct representation of a plan to spend.

Trustee Haber arrived at 8:02PM.

There were no public or board comments.

The Public Hearing was closed by voice vote at 8:05PM

Respectfully Submitted,

Debbie Limer

Village of Riverwoods
Plan Commission
Public Hearing
January 8, 2004

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In Attendance:

Linda Dunn
Joan Becker
Kristine Ford
Larry Kanar
Ron Pankau
David Ritter
David Zehren
William Kaplan
Bruce Huvad
Pat Glenn
Russ Kraly

Minutes taken by Debbie Limer

The public hearing was called to order at 8:00 PM.

Chair Dunn told the commissioners the reason for the public hearing is to discuss the hotel site. Atty. Huvad explained there was a notice published in the Deerfield Review about the public hearing. The discussion is whether or not to add a text amendment for a special use of a "destination restaurant." We are considering this Special Use in the vacant hotel site. Chuck Burns is the owner of the site. Atty. Huvad directed the commissioners to the second page of the text amendment. The proposed addition is underlined. He explained that Morgan Stanley had negotiated for a higher density than what is normally allowed in the O & R1 district. We gave them a special use within the O & R1 district. Smaller parcels became an issue. We did not know what to do in the O & R1 district. We set up the "office compatible" district. A hotel is a good compliment to that and is in the right area. We also set up the small office development which became the Korman Lederer project. The issue tonight is the third or letter "C" of the text amendment. Atty. Huvad explained the other half of the hotel site is very hard to market as a hotel. It is not foreseeable to have another hotel. There are other businesses interested. We are concerned about getting a mid-scale restaurant. A German company is interested in putting in a Bavarian Garden type restaurant. They want it to resemble a Bavarian beer hall. There is no proposal yet; they want to know if we are interested.

Atty. Huvad explained the Village would like to see an up-scale restaurant. He did research on J. Alexanders. Some of their distinctive features are a stand alone building, 200 seat capacity, food products made from scratch, and a wine list. We want something supportive of the office workers in the area. Atty. Huvad stated years ago the board did not want a stand alone restaurant. There was a concern the restaurant would go out of business. We want quality in the building and design. Atty. Huvad told the commissioner Chuck Burns is here to discuss the issues. Chuck Burns explained he bought the land 3 years ago for a Holiday Inn. The economy and 9/11 had changed everything, and the hotel industry is in a slump. He reported that last May they were

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ready for construction, but the bank rejected their offer, and they lost the franchise. That was the end of a hotel in the site. He told the commissioners that after the sale sign went up he got 30 phone calls. There have been people interested in condos, a funeral home, and office space. The problem with offices is the high vacancy level and there is not enough room in that space. Mr. Burns stated a group from Germany called about a Bavarias Garten. They want something bigger than we can put in, but they would consider consolidating. There is a concern about the outdoor festivals. They have already talked to CCH about parking issues. He added they were originally looking at Wheeling, but that is no longer happening. Mr. Burns told the commissioners he feels the best use is a restaurant. It will help the hotel. The increase in hotel taxes will help the Village. He added Pres. Kaplan, Atty. Huvad, and Russ have been very helpful.

Commissioner Pankau stated he is concerned about the noise of the music. Hans Bavarian Lodge was a problem. Mr. Burns told the commissioners we can not have that kind of a problem with the hotel so close by. Commissioner Pankau added there would also be noise problems for Thorngate. Mr. Burns explained they plan to have the music in a tent. Chair Dunn informed him that was how Hans Bavarian Lodge had their outdoor events; the noise was still a problem. Commissioner Pankau suggested talking to the owners. He liked the idea, but was concerned about the noise. Chair Dunn stated we can change the text amendment to add a restaurant, but it may not be that type (Bavarian with outdoor entertainment) of restaurant. Atty. Huvad explained we can put in qualifications and restrictions. Commissioner Becker wanted to know if there has been interest from other restaurants or retail. Atty. Huvad pointed out we do not want to put in retail. It is inconsistent with the office use. A strip mall is not compatible. Chuck Burns informed the board he got a faxed proposal for retail. It would be a strip mall with food service. He stated he did not think it would be acceptable. There are no other restaurants, but he did talk to a restaurant broker. The broker offered to list the site. If the special use is approved, he will pursue it. There is no written offer from the Bavarias Garten yet. Atty. Huvad stated they are proposing little shops inside the restaurant. It would be a theme concept.

Chair Dunn told the commissioners the site is three acres. Honore Frumentino stated J. Alexanders is on 2.4 acres. She added she likes the restaurant idea, but not the beer garden concept. Parking is the key. The market is there. It needs to be a restaurant with a track record. Commissioner Pankau stated he agrees with the restaurant comments. Chair Dunn pointed out that we can work on the wording even after it is accepted. Atty. Huvad reported it is hard to define what we mean. The commissioners all felt "destination restaurant" was a good description. Mr. Burns explained he wants a good quality restaurant that brings in traffic for the hotel. The German group wants to come in at the end of January. If they are willing to change a few things, he wanted to know if the commissioners wanted them to come in. Atty. Huvad stated that is premature. We cannot react until we see their proposal. Commissioner Ford questioned how we approach a restaurant we are interested in. Commissioner Kanar stated there are brokers who

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specialize in restaurants. Mr. Burns told the commissioners he has put an ad in a restaurant magazine. He wanted to be proactive and help the hotel. Commissioner Ritter moved to close the public hearing. Commissioner Ford seconded. Motion was carried by voice vote.

The public hearing closed at 8:40PM.

Respectfully Submitted,

Debbie Limer