

VILLAGE OF ORLAND PARK

14700 Ravinia Avenue
Orland Park, IL 60462
www.orland-park.il.us



Meeting Minutes

Monday, September 19, 2011

7:00 PM

Village Hall

Board of Trustees

*Village President Daniel J. McLaughlin
Village Clerk David P. Maher
Trustees, Kathleen M. Fenton, Brad S. O'Halloran,
James V. Dodge, Jr., Edward G. Schussler, Patricia Gira and Carole Griffin Ruzich*

CALL TO ORDER/ROLL CALL

The meeting was called to order at 7:00 PM.

Present: 7 - Trustee Fenton, Trustee O'Halloran, Trustee Dodge, Trustee Schussler, Trustee Gira, Trustee Griffin Ruzich and President McLaughlin

VILLAGE CLERK'S OFFICE**2011-0604 Approval of the September 6, 2011 Regular Meeting Minutes**

The Minutes of the Regular Meeting of September 6, 2011, were previously distributed to the members of the Board of Trustees. President McLaughlin asked if there were any corrections or additions to be made to said Minutes. There being no corrections or additions,

I move to approve the minutes of the Board of Trustees Meeting of September 6, 2011.

A motion was made by Trustee Fenton, seconded by Trustee Gira, that this matter be APPROVED. The motion carried by the following vote:

Aye: 7 - Trustee Fenton, Trustee O'Halloran, Trustee Dodge, Trustee Schussler, Trustee Gira, Trustee Griffin Ruzich, and President McLaughlin

Nay: 0

PROCLAMATIONS/APPOINTMENTS/PRESENTATIONS**2011-0603 33rd Annual Orland "Open" Spelling Bee - Presentation**

Spelling Master Bill Smith reported to the Board that this is the 33rd year of the Annual Orland Open Spelling Bee, which will be held at the Presbyterian Church in Orland Park on Sunday, October 16, 2011 beginning at 2:00 PM. The Open Spelling Bee is open to ages 8 years old and older. We encourage all ages to participate. He also thanked the Board for their support and participation with this event.

NO ACTION was required on this matter.

NON-SCHEDULED CITIZENS & VISITORS

Antoinette (Toni) Zaro - 13978 Millbank Drive - Made a statement regarding Ninety 7 Fifty on the Park. "Mr. Mayor, with all due respect, you can be our mayor or you can be a developer, but you can not and should not be both."

Wynell Whitmore - 8918 Wheeler Drive - Spoke to the Board regarding Ninety 7 Fifty on the Park. He stated that he did not want to see the Village become the developer for this project.

Dorothy Hammond - Orland Park Resident stated that she is not in favor of the Ninety 7 Fifty on the Park project. Her concerns were the taxes in the Village. She

also commented on retail vacancies.

CONSENT AGENDA

Passed the Consent Agenda

A motion was made by Trustee O'Halloran, seconded by Trustee Fenton, to PASS THE CONSENT AGENDA, including all the following items marked as having been adopted on the Consent Agenda. The motion carried by the following vote:

Aye: 7 - Trustee Fenton, Trustee O'Halloran, Trustee Dodge, Trustee Schussler, Trustee Gira, Trustee Griffin Ruzich, and President McLaughlin

Nay: 0

2011-0582 Payroll - Approval

The lists of Payroll having been submitted to the Board of Trustees for approval and the lists having been determined by the Board of Trustees to be in order and having been approved by the various Department Heads,

I move to approve the Bi-Weekly Payroll for August 19, 2011 in the amount of \$1,023,842.93.

This matter was APPROVED on the Consent Agenda.

2011-0594 Accounts Payable - Approval

The lists of Accounts Payable having been submitted to the Board of Trustees for approval and the lists having been determined by the Board of Trustees to be in order and having been approved by the various Department Heads,

I move to approve the Accounts Payable from September 7, 2011 through September 19, 2011 in the amount of \$3,185,004.72.

This matter was APPROVED on the Consent Agenda.

2011-0566 Software Purchase & Maintenance Contract - Contract Approval

The Class system has been in use by the Recreation Department since 1997 and is core information system used by the department. The original 1997 contract was with Escom Software Services, LTD. The Active Network acquired Escom Software Services in 2004 and is now requiring customers with maintenance contracts that are older than 2007 to execute new contracts under the new company name.

Active Network attached the maintenance agreement as an additional schedule to the contract the Village Board approved for Hosted Internet Registration on August 15, 2011. The contract is presented in its entirety for approval that includes Hosted Internet Registration and software support and maintenance.

I move to approve the Active Network Inc. software purchase and maintenance contract in an amount not to exceed \$38,647.13.

This matter was APPROVED on the Consent Agenda.

2011-0567 Fiber Optic Cable Repair - Expenditure Approval

On June 7, 2011 the contractor performing pond restoration work at the Village Hall complex pond cut a fiber optic cable with a bulldozer and back hoe. This fiber line feeds the Recreation Administration and FLC facilities. The fiber line was not located and marked for the contractor.

The request for utility locates was transmitted via fax from the public works department to the building maintenance department. The building maintenance department fax machine was malfunctioning and the utility locate request was not received. As a result, new notification protocols have been implemented to assure that multiple individuals are electronically notified of all utility locate requests on Village property. A call was placed to Western Utilities of University Park Illinois to perform emergency repairs.

I move to approve payment for the emergency fiber optic cable repairs from Western Utilities in an amount not to exceed \$11,438.69.

This matter was APPROVED on the Consent Agenda.

2011-0553 Community Wide Surveys

The Village of Orland Park has always taken a proactive approach in its service level to residents and the business community. The Village prides itself on its array of public services.

Like any service organization, however, these services need to be reviewed to ensure they are still relevant and meeting the needs and expectations of the community. One effective means of review is a community-wide survey. These statistically validated surveys are used in progressive communities throughout the U.S., and serve to assist policymakers in better understanding how well it is doing - or where it needs to improve. Moreover, the data from the survey provides another tool for helping communities to better understand their residents' priorities.

Examples of types of surveys include the overall quality of the community; transportation, including ease of car or bicycle travel; walking paths and flow on major streets; public works issues including snow removal, street lighting and street maintenance; land use and how sustainable the Village's economic climate is; public safety; recreation and parks, i.e., entertainment, special events and leisure services.

To facilitate this engagement tool with the community we serve, staff is

recommending the implementation of a community-wide survey. This survey will enable the Village to seek the input of residents and businesses in the Village on Village services and programs, the Village's goals for the future and the overall quality of life in the community. Just as private sector businesses conduct market research, progressive Village governments conduct customer surveys to best align service levels with user demands.

Surveys would be mailed or emailed to a number of random addresses throughout the Village. A sample survey and explanatory letter will be developed for the board's approval and the Orland Park Chamber of Commerce can also make the surveys available to chamber members.

The survey results will be analyzed and will assist the Village in prioritizing what is best for the Village. Staff recommends conducting annual or bi-annual surveys, enabling the Village Board to compare results from the previous years. In addition, staff would conduct and track smaller scale surveys possibly on a quarterly basis though a number of methods, i.e. Village website; water bills; etc.

Staff wishes to seek further direction from the Committee on whether to advance preparation of an RFP for a community-wide survey.

I move to approve authorizing staff to prepare and promulgate an RFP for a community-wide survey.

This matter was APPROVED on the Consent Agenda.

2011-0589 University of Illinois Extension - Master Gardener Lease Agreement Extension

The University of Illinois Extension Master Gardener Program is currently leasing 618 square feet of space in the Cultural Center building, located at 14750 Park Lane. The lease period is from November 1, 2010 thru October 31, 2011 at an annual rent rate of twelve dollars (\$12.00). The Master Gardener program is requesting a two year extension on the lease agreement. At any time during the Lease Term, the Village may terminate this Lease Agreement effective three (3) months following written notice from Landlord to Tenant.

As a reminder, the Master Gardener program has agreed, in exchange for the space, to partner with the Village to expand access to research based information through the Master Gardener Volunteer program; answer homeowner gardening questions; participate in potential workshops for residents; contribute to Village publications, as well as provide additional benefits to our residents.

I move to approve a lease agreement extension with the Board of Trustees of the University of Illinois

And

To authorize the Village Manager to execute the agreement.

This matter was APPROVED on the Consent Agenda.

2011-0584 Early Termination of Commercial Lease - Read & Ascend

As part of the improvements for the LaGrange Road/143rd Street intersection, the Village purchased the property commonly known as the Foot & Ankle Clinic, 9645 W. 143rd Street on October 8, 2010. The entire parcel was purchased after analyzing the cost of total acquisition vs. the payment for the damage to the remainder after acquiring the necessary right-of-way. The prior owner, Dr. Massuta was given one year to vacate and a tenant, Rula Zegar and Norma Abutarboush d/b/a Read and Ascend was allowed to remain on-premises until the expiration of their lease on September 30, 2011. The tenant occupied approximately 1,500 square feet in the basement unit.

Due to the road and intersection improvement project along the frontage of the property, access to the property became difficult for the tenant beginning in June of 2011. The village provided on-street parking on Jefferson Avenue and a few spaces were outlined for the clinic staff on the former car wash property; however the limited space in this area made customer parking very difficult. In addition to the access difficulties, the excessive rainfall in the early to mid-summer of 2011 resulted in some minor flooding in the tenant's space requiring the tenant to cancel several weeks of their programs. As a result of these issues, the tenant requested consideration for early termination of the lease. The village and tenant have negotiated an early termination of the lease effective May 30, 2011. If approved, the tenant will remain responsible for full payment to the village of all rent due up to and including May 30, 2011.

I move to approve to terminate the lease agreement with Read & Ascend effective May 30, 2011.

This matter was APPROVED on the Consent Agenda.

2011-0572 Sportsplex Gymnasium - Change Order

In order to meet the demand for multi-court play, the Sportsplex gymnasium is in need of additional badminton court configuration. The optimal time to install the extra sleeves and floor plates is during installation of the floor; however, this cost was not listed in the original bid specifications for the re-construction project currently underway. Floors Incorporated, the contractor working on the floors, supplied us with a quote for one set of badminton sleeves and covers for a cost of \$1,310.00.

I move to approve a change order to Floors Incorporated in the amount of \$1,310.00 for installing additional sleeves and floor plates

and

I move to approve a change order to Floors Incorporated in the amount of \$4,500 for additional printing of the Sportsplex logo on the gymnasium floors.

This matter was APPROVED on the Consent Agenda.

2011-0539 Orland Park Theatre Troupe Dinner Show - Payment Approval

The Orland Park Theatre Troupe Dinner Show was held on July 24, 2011 and July 31, 2011 at Orland Chateau. This is the third event of this kind for the department and as in the past, it was very successful. July 24 attendance was 124 and July 31 was 142, totaling 266 attendees.

The Orland Chateau expense for this event was \$6,650. The ticket price was \$40, \$25 covers the dinner. Total revenue collected in ticket sales was \$8,600. No deposit was required by Orland Chateau. Invoice was received after the final performance.

I move to approve payment to Orland Chateau for the Orland Park Theatre Troupe Dinner Show in the amount of \$6,650

This matter was APPROVED on the Consent Agenda.

2011-0550 Recreation Department Program Brochure - Winter 2012 Programs

Recommended programs to be offered in the Recreation Department 2012 Winter Brochure were attached in the Board packet. Included in the lists are contractual costs (over \$5,000) that would need Board approval associated with the winter session. These costs are covered by revenue generated through registration fees and actual costs are dependent on the number of participants registered.

Staff is requesting approval of the recommended programs as submitted by staff, and payment to the contractual instructors at time of invoicing.

I move to approve accepting the 2012 winter programs as presented by staff; and approve payment to contractual instructors at time of invoicing.

This matter was APPROVED on the Consent Agenda.

2011-0533 Carpet Water Damage at Cultural Center

During the flooding of Doogan Park on August 6, 2011, the water came into the Cultural Center causing damage to the carpet in the offices and entrance of the building as well as damage to the dance floor. Carpet was cleaned twice; but due to the odor it was recommended that it be removed and replaced. Both Public Works and Building Maintenance are looking into installing a gate valve to prevent this problem from recurring. Integral Flooring Systems, Inc. is the original installer of the carpet and submitted the low bid for Cultural Center and Sportsplex at the time of original installation. They were also able to match existing carpet.

I move to approve Integral Flooring Systems, Inc. for a cost of \$6,045.00 for carpet

replacement.

This matter was APPROVED on the Consent Agenda.

2011-0541 Tennis Court Resurfacing/Repairs Bid

Bids were received on August 10, 2011 at 11:00 AM for the parks tennis court, basketball court and in-line skating repair.

Two bids were received from Accu-Paving Co. in the amount of \$148,420.00 and Crowley-Sheppard Asphalt Inc. in an amount of \$147,200.00.

The amount budgeted for 2011 is \$125,000.00 for this work. Staff has reduced the number of courts as stated in the bid documentation to remain within budget. Upon calculating the selected areas the low bid was from Crowley-Sheppard Asphalt Inc. at a cost of \$120,300.00.

I move to approve the bid from Crowley-Sheppard Asphalt Inc for a cost of \$120,300.00.

And

Authorize the Village Manager execute a contract

This matter was APPROVED on the Consent Agenda.

2011-0542 Additional Architectural Services on Clock Tower Brick Repair

We have received quote from Robert Juris & Associates, Ltd. for additional Architectural Services on Clock Tower work for the Village Hall at a cost of \$1,880.00 to cover the Construction Phase and to review sample submittals.

On July 18, 2011, the Village Board approved the low bid from Berglund Construction Company out of Chicago at a cost of \$198,523.00. The budgeted amount for this project was \$200,000.00. Robert Juris & Associates Architects, Ltd. fees for construction documents are \$4,500.00 and construction costs are \$198,523.00.

These additional fees amount to a \$4903.00 overage for the project. There are funds in the account for overage as other projects were completed under budget.

I move to approve accepting the quote from Robert Juris Associates Architects at a cost of \$1,880.00.

And

Authorize the Village Manager to execute the contract.

This matter was APPROVED on the Consent Agenda.

2011-0549 Village Hall & Franklin Loebe Roof Replacement Bid

Six bids were received for the Village Hall & Franklin Loebe Center roof replacement and low bid was from Elens & Maichin Roofing & Sheet Metal, Inc. for a cost of \$297,360.00, without alternates 1 & 2 (alternate roofing and pavers on Village Hall Roofs).

Amount budgeted for this work was \$239,000.00. A budget adjustment will be needed.

I move to approve accepting the bid amount of \$297,360.00 from Elens & Maichin Roofing & Sheet Metal

And

To have the Village Manager execute the contract.

This matter was APPROVED on the Consent Agenda.

2011-0571 Sportsplex Gymnasium Flooring Change Order

Upon removal of the existing gym flooring it was discovered that the concrete floor is not level in the northeast corner of the building. We have received an estimate from Floors Incorporated, the contractor currently reconstructing the floor, in the amount of \$4700 to perform the work to correct this.

I move to approve a change order to Floors Incorporated \$4,700.00 for the leveling of the gymnasium concrete sub-floor.

This matter was APPROVED on the Consent Agenda.

DEVELOPMENT SERVICES AND PLANNING**2011-0482 Ninety 7 Fifty on the Park - Site Plan, Special Use Permit, Subdivision**

This project is the first petition submitted in the Main Street Area of Downtown Orland Park since the Village and Related Midwest terminated the previous redevelopment agreement. Ninety 7 Fifty on the Park is a public private partnership between the Village and the developer, Metra Triangle FC, LLC.

The Village Board approved a redevelopment plan for the area prepared by Related Midwest in 2006, but economic conditions made the program unfeasible. In order to leverage the existing village investment, over \$45 million to date, and to ensure that the community's vision is achieved, the Village continued work as the Master Developer. Orland Park has been working with the Flaherty and Collins for over two years on this project, which has been through numerous design iterations.

Ninety 7 Fifty on the Park is a transit-oriented development with a mix of

residential, retail and open space that will enhance property values in the entire area, strengthen the local economy and preserve Orland Park's standing as one of the most desirable communities in which to live, work and play.

PROJECT DESCRIPTION:

The petitioner proposes to construct a multi-story, mixed use building that will include 295 residential units, 365 structured parking spaces, 4,000 square feet of retail, 8,600 square feet of residential amenity space and two outdoor courtyards.

The architect, RTKL, has designed the building as a 'full texas wrap,' meaning that the structured parking is located interior to the site, completely wrapped by architecture that fronts all of the public streets. The site design of the building results in the creation of two interior courtyards that provide outdoor space for the residents. The architecture includes modern and prairie elements, pulling local design guidance from the train station and Village Hall.

The residential units are market rate 'for-lease' and include 60% (178) 1 bedroom and 40% (117) two bedrooms. For reference, floorplans have been provided on sheets A-401 through A-403 and show a variety of designs and choices, including some 2+ bedroom duplex units. Interior unit features, as listed in the project narrative include but are not limited to, 9' ceilings, granite countertops, in-unit washer/dryers, upgraded appliances, walk-in closets, brushed nickel hardware and balconies. Common amenities include enclosed parking, outdoor courtyards, a saltwater pool, fire pit, grilling area, fitness center, private yoga/spin studio, tanning salon, E-lounge business center and a media and gaming lounge.

The first floor along Crescent Park includes 4,000 square feet of retail space, and 20 spaces in the garage are designated as public to support that retail. There is also ample on-street parking along the public roads as well as the nearby Metra lot, which is open to the public on nights and weekends.

The Ninety 7 Fifty proposal is consistent with the Village's Comprehensive Plan and the Village Center Zoning District. The project, as designed, requires approval for site plan, subdivision, special use permit with modifications and landscape plan. The site plan is for the parcel bounded by Main Street, 143rd Street, Ravinia Avenue and Crescent Park Circle while the subdivision includes the road right of ways and a parcel in the southwest corner of the overall Main Street Area. The special use permit is required because the building is over 50,000 square feet and modifications are requested to reduce the building setback along 143rd Street and to reduce the required number of parking stalls. The landscape plan will be approved separately by the Board after final engineering has been granted.

BOARD COMMENTS:

TRUSTEE FENTON - Stated that she would like to address the different questions

and comments that were made by the public at both the Open House Special Meeting on August 29, 2011 and at the regular Board of Trustees meeting on September 6, 2011 when public comments were accepted regarding the Ninety 7 Fifty on the Park project.

Trustee Fenton stated that as Chairman of the Development Services Committee one of her responsibilities is to work with the Development Services Department on all developments within the Village of Orland Park.

This development, Ninety 7 Fifty on the Park has been going on for several years; Trustee Fenton has attended numerous meetings and has spent countless hours and days not only with the Development Services Department but also with the Finance Department.

Trustee Fenton stated for those who know her, she has never been one to move fast, rather she is a pessimist.

She stated that with the record that this Board has on the different projects within the Village, the Board is a very proactive Board and is not a reactive individual group.

Trustee Fenton stated in reference to the vacant retail; the Village has 11.5 Million square feet of commercial property within the Village. The way the national average figures how much the vacancies rate is, is based on the number of square feet that the Village has got for retail space. The Village of Orland Park has just under 5 percent of commercial space that is empty.

Two weeks ago two comments were made regarding the Orland Park Crossings. The Crossings have a total of 34 stores including the front outlots. Of the 34 stores only 5 remaining small square footage stores are left to rent.

The other comment that was made was that the Crossings is in foreclosure. That was true, however, the foreclosure has been sold, businesses never closed during the foreclosure, business went on as usually, and business will continue to go on at the Crossings.

Trustee Fenton stated that Charming Charles and Parmida Home Concepts picked the location at the Crossings as their premier location in the southland suburbs because it is Orland Park. Dave & Busters which is taking over the old Orland Theater by Toys R Us, picked this location because it is Orland Park. Dave & Busters could have picked any other southland community, but they did not because of Orland Park's reputation and Orland Park's vision.

Trustee Fenton stated that Dominick's is closing on 151st and LaGrange and was sold several years ago to another grocery store that will be opening in that location. The Village of Orland Park has two major Jewel Food Stores one on the

west end of town and the other on the east end of town. Currently, the grocery store that is vacant at 159th and Wolf Road that once housed Bobak's and then the Green Food's Grocer has been sold to Berkots Grocery Store. At 94th Avenue and 159th (the old Mobil Station) that has been purchased and will be a retail center.

At tonight's Development Services Committee meeting two unsightly parcels of vacant property that have been that way for several years at 144th and LaGrange (the old Shell Site) is now the new home for Miroballi Shoes along with three additional tenants. The old Rizza site at Wheeler and Harlem, half of that property was purchased and will be affordable senior housing with 80 units and will be called Thomas Place. The bakery is remaining in Orland Park. All these businesses choose Orland Park because of Orland Park's reputation.

Trustee Fenton stated that Orland Park Place was the Village's first TIF district. The Board needed to be proactive and could no longer just let that old mall sit there and continue to be called the "dead mall" and continue to fall apart. That mall was placed into a TIF District, the TIF was paid off early, and currently when there is a vacancy in that mall it is filled immediately. Sports Authority relocated to Orland Hills and hhgregg will be taking over that store.

Other new businesses in the Village are Johnny's Charhouse located in the former Canoe Club building. Meijer took over the former Value City store, all of these businesses could have gone just a block down to another town, but they select Orland Park.

On 153rd and West Avenue, Andrew Cooperation is located on the north and south side. When Andrew Cooperation decided to leave town, even though the Board tried very hard to keep them in town, Kimball Homes purchased all this property. Kimball Homes then went bankrupt and this property has been sitting there for a number of years. Now, there is a new development called Sheffield Square that will begin building townhomes and row homes on the south side.

The Village of Orland Park does have some vacancies, but not as many as people are claiming. This Board does not drive businesses out of town if anything they try to bring more businesses into town. The Village has had some new premier stores come into the area for example, Dress for Less, Buy Buy Baby, these are stores that are coming from the west coast and can choose any of our neighboring communities. They choose the Village of Orland Park because of its leadership and quality of life that is in Orland Park.

TRUSTEE GIRA - Stated that the Main Street Redevelopment parcels of property were a mess when you entered into the Village of Orland Park under the viaduct on LaGrange. The Village has assembled the different parcels, some are large, some are smaller, to put a plan together.

Trustee Gira stated that currently in that unsightly area, there is a beautiful water feature that eliminates the flooding on LaGrange Road that someday will be an attraction for restaurants. The Board knows this because the Village has been approached by different businesses just during the planning process of this project. There is a park in this area, there are roads there, and there is a beautiful train station and parking. These are all appropriate expenditures for a Village to make.

Trustee Gira stated that professionals were contacted by Village staff to make recommendations to the Board on what type of housing would be appropriate to be built in this area. Luxury apartments were recommended because nothing like this has been seen in this area and is in short supply and high demand.

The financial plan is the Village acting as the lender. Just as many of us have a mortgage on our homes so will this developer and he will repay that loan to the Village. None of the professionals that have been contacted believe this is weak.

TRUSTEE DODGE - Stated he cares very much about the Village of Orland Park and that is why as this project has worked its way through the processes this Board has been extremely cautious, and careful on how this plan was done.

As he has listened at the two other meetings and he has spoken to residents, family and friends the concerns are the \$65 Million; the fear of the risk and taxes; as one resident stated don't treat the residents as a piggy-bank another fears they will be taxed out of being able to afford their homes in Orland Park.

Trustee Dodge stated that being taxed out of our homes is an issue for everyone. Real Estate Taxes in Orland Park have been going up and it is not entirely the Village's fault. He is very proud to state that this Village's finances are so good that Orland Parks Municipal tax rate is one of the lowest in the southwestern suburbs and has been stable for years.

Trustee Dodge stated that he requested staff to run simulation reports on where the Village stands currently and where the Village will stand in ten years when the Village will no longer be involved with this project. By then the major road projects that the Village is investing in will be completed. LaGrange will be completed, 143rd, 159th and Wolf Road will be completed.

Trustee Dodge stated that the Village has spent 25 Million of the Village's money fixing State roads. Residents may want to ask their federal and state elected officials why the Village has had to fund these roads and the answer is because this Board cares about this town, and the Village is blessed with the asset base to be able to repair these roads.

Trustee Dodge stated a resident shouted out to guarantee this will not hit the tax bills. In ten years when the Village is not involved with this project and the Village

has completed the road projects, this will not hit your tax bills.

If Flaherty and Collins goes to “hell in a handbasket,” and the Village steps in because the Village is the lender to control the assets, which will be more than the loan, the Village will have enough money in home rule sales tax to make sure this never hits the Villages tax bills.

TRUSTEE SCHUSSLER - Stated there are two reasons the Village of Orland Park is considering loaning \$38 million for this development: it puts the Village in a first lien position if problems are encountered and it allows the Village to recover all or a major portion of the \$23 million incentive that is necessary to get this project under way. If a third party lender were involved, the Village would not be in a secured position if a default occurred and the Village would not be able to recover the \$23 million incentive.

Because of conservative budgeting and prudent decisions that were made by successive Village Boards over the last forty years, Orland Park is a very desirable place to live and work. Residents and businesses receive a plethora of services at a very low relative cost. Twice in the last five years, we have made the list of the most desirable places to live in the entire country. New businesses continue to open in Orland Park.

Orland Park is one of a very small number of municipalities in Illinois that has the financial ability to handle a project like Ninety 7 Fifty. At the end of our most recent fiscal year (2010), we had more than \$37 million in fund balance reserves. The Village’s debt, as a percentage of equalized assessed value, is low. In 1992, we had just under \$22 million of outstanding debt which was 2.93% of equalized assessed value. In 2010, the outstanding debt was over \$79 million but the percentage of equalized assessed value was almost the same, 2.89%. The board only borrows for capital projects and never to cover operating expenses. That is one of the reasons why approximately \$4.4 million was cut from the operating budget during the last three years.

Orland Park residents should not fear bold action. Forty years ago, a nervous mayor and board approved the construction of a big shopping center on a former pig farm. It was a controversial decision that many said would change the town. It certainly did that. Today, Orland Square is a huge success. The current economy calls for creativity and innovation if Orland Park is to remain a dynamic Village. We need to invest in the future. For that reason Trustee Schussler stated he is voting for this project.

TRUSTEE RUZICH - Thanked the citizens and visitors who took the time to express their concerns and raise questions before the Board. She stated that as a new Trustee, it was very important for her to hear those questions and equally important was for her to hear the Board and staffs responses to those questions.

Trustee Ruzich thanked staff on all their help on reviewing and bringing her up to speed on this project.

Trustee Ruzich stated that regarding the proposed project she believes that the upscale apartments are the best option for this current market. The real estate market has not recovered and ownership currently is tough to achieve and maintain. All the studies and projections on this projects that she has reviewed along with the Board indicate this market will not be improving for some time. This development will provide a significant catalyst for further redevelopment for the Villages downtown. She is a firm believer that if the Village doesn't progress it will regress.

Trustee Ruzich stated regarding the Village financing this project that she is very comfortable after reviewing all the market studies. Those studies used very conservative estimates to base the success of this development. The studies also insure the opportunity for the Village to get paid back the loan and receive back the investment that the Village is making. For those reasons Trustee Ruzich is very comfortable with this project.

TRUSTEE O'HALLORAN - Stated that he is not against the Triangle Redevelopment project. He has supported it the past decade. He believes in the vision that President McLaughlin has outlined for this area to really create a heart for Orland Park. He is not against this particular project the Ninety 7 Fifty on the Park Apartment complex, he believes it is beautiful; the renderings are gorgeous and wishes it to be a resounding success.

Trustee O'Halloran stated that what he is against is the proposed financing plan. It's true that he hasn't always feel this way, but all that changed on August 5, 2011 the day that Standard and Poor's (S & P) downgraded the United States credit rating for the first time in history, because of too much debt.

Trustee O'Halloran stated that per David Beers who is head of S & P government debt rating unit, this downgrade will also have a cascading negative series of effects on States and Localities. Everyone is aware of the financial mess that the State of Illinois is in. Illinois is the second lowest rated U.S. state after California with the largest unfunded pension and health care liability of all states in the nations, again the State has too much debt.

Trustee O'Halloran stated that everyone watched the large day to day fluctuations in the stock market. This is due to the credit implosion of central banks throughout Europe, again too much debt.

Trustee O'Halloran stated that he believes increasing the debt of the Village at this time is too much of a risk. The Village's own third party review by Kane McKenna Capital, Inc. stated that given the number of variables, is this level of risk acceptable to the Village. They then outlined several alternatives to mitigate risk.

Trustee O'Halloran stated that he has spoken to residents all over the Village and the same message was repeated, it is too much money at this challenging economic time.

Trustee O'Halloran apologized and stated that it was probably not appropriated that the letter to the Editor that he sent to the Prairie last week was not sent immediately to this Board and President McLaughlin before it was printed in the paper.

Trustee O'Halloran did meet with President McLaughlin and reiterated his concerns with respects to the risks involved on this project. While President McLaughlin intent is to vote on this redevelopment agreement tonight, an agreement that Trustee O'Halloran can not support, Trustee O'Halloran stated that he will vote in favor of the Site Plan, Special Use Permit, Subdivision, and the Special Use Permit Ordinance. However, Trustee will not vote for the Authorizing Redevelopment Agreement.

Trustee O'Halloran stated that President McLaughlin is allowing a resolution to be put under the Finance area of tonight's agenda that will authorize staff to explore other options to reduce the risk on the part of the Village.

Trustee O'Halloran stated he hopes staff will be successful and pursue this with the same vigor as they displayed with the rest of this project. President McLaughlin has assured Trustee O'Halloran that we can work together to attempt to achieve this goal. Trustee O'Halloran would rather see no risk currently on the part of the Village; he believes this is a good approach to try to at least mitigate the risk.

PRESIDENT McLAUGHLIN - Stated that he would like to compliment staff and the Board for the tremendous amount of time that has been spent over the last several years working on this and getting to this point on the project.

President McLaughlin stated that Trustee O'Halloran and he had met and spoke this past week about some other alternatives to reduce risk, and they will continue to work on that.

President McLaughlin stated that the Board shortly will be voting on a large and complicated project that has certainly received more exposure in the last five weeks than any other issue taken on by the Village over the past several years. At the end of the day the seven Board members have to cast a final vote on whether to move forward with this project or not.

Each of the Board members have dedicated themselves to planning, nurturing, and maintaining the highest quality of life for this community and President McLaughlin can assure everyone that each of us and everyone with the Village has

taken this issue and our collective responsibility very serious.

From the beginning, the Board's motivation has only been what is best for Orland Park and what will help us prepare for the future, build for the future, and help insure a bright future. The Board has not taken this issue frivolously nor has the Board rushed into this, as been suggested. For over three years the Board and staff have researched, planned and prepared. Experts have been consulted, exhausted studies were completed, similar projects were examined, and worse case scenarios were investigated and modeled. The Board has dotted all the "i's" and crossed all the "t's" in an effort to insure that the Board has identified and addressed all the tough questions, and there have been tough questions that demanded from the beginning critical consideration.

President McLaughlin stated that openness, accountability, and doing what is right for the community has always been the driving force behind everything that he has done as Mayor. He assured everyone that he along with each member of the Board here tonight who will be deciding on the direction that will be taken on this project knows full well and is deeply committed to the special responsibility that the Board has to this community and protecting the quality of life we enjoy in Orland Park.

I move to approve the subdivision, site plan, building elevations, and special use permit with modifications for Ninety 7 Fifty on the Park as indicated in the attached fully referenced motion.

THIS SECTION FOR REFERENCE ONLY (NOT NECESSARY TO BE READ)

I move to approve the subdivision, as shown on the preliminary plat titled 'Main Street Triangle - Phase1,' prepared by SpaceCo, Inc., job number 4278, dated 5/27/2011, most recent revision 07/15/2011, sheets 1 through 3, subject to the submission of a Record Plat of Subdivision to the Village for recording.

And

I move to approve a Special Use Permit for a building over 50,000 square feet in the Village Center District subject to the same conditions as outlined in the Preliminary Site Plan motion. Modifications to the Special Use permit include:

1. Reduction in the 143rd Street setback from 15' to 5'-9".
2. Reduction in parking from 458 to 365 spaces.

And

I move to approve the preliminary site plan titled 'Ninety 7 Fifty on the Park-Downtown Orland Park,' prepared by RTKL Associates Inc., project number 30-10003.00, sheet number A-101 and dated 7.29.11, subject to the following conditions. That the petitioner:

1. Submit a Final Landscape Plan, meeting all Village Codes, for separate review and approval within 60 days of final engineering approval.
2. Meet all final engineering and building code related items.

And

I move to approve the Elevations and Illustrations titled 'Ninety 7 Fifty on the Park- Downtown Orland Park,' prepared by RTKL Associates Inc., project number 30-10003.00, sheet numbers A-201 through A-205 and G-001 through G-003 and dated 7.29.11, subject to the following conditions. That the petitioner:

1. Screen all mechanical equipment either at grade level with landscaping or hidden behind the roofline.

A motion was made by Trustee Fenton, seconded by Trustee Schussler, that this matter be APPROVED. The motion carried by the following vote:

Aye: 7 - Trustee Fenton, Trustee O'Halloran, Trustee Dodge, Trustee Schussler, Trustee Gira, Trustee Griffin Ruzich, and President McLaughlin

Nay: 0

2011-0586 Ninety 7 Fifty on the Park - Special Use Permit - Ordinance

On September 19, 2011, the Board approved a Special Use Permit with modifications for Ninety 7 Fifty on the Park, located at 9750 Crescent Park Circle (the northwest corner of 143rd Street and Main Street). The Special Use Permit allows for a planned development and a building over 50,000 square feet with modifications to reduce the 143rd Street setback from 15' to 5'-9" and to reduce the required parking from 458 to 365 spaces, and is subject to conditions as stated in the Ordinance

This is now before the Village Board for consideration of an ordinance.

I move to pass Ordinance Number 4672, entitled: AN ORDINANCE GRANTING A SPECIAL USE FOR PLANNED DEVELOPMENT - NINETY 7 FIFTY ON THE PARK.

A motion was made by Trustee Fenton, seconded by Trustee Schussler, that this matter be PASSED. The motion carried by the following vote:

Aye: 7 - Trustee Fenton, Trustee O'Halloran, Trustee Dodge, Trustee Schussler, Trustee Gira, Trustee Griffin Ruzich, and President McLaughlin

Nay: 0

2011-0547 Ninety 7 Fifty on the Park - Authorizing Redevelopment Agreement - Ordinance

A draft Redevelopment Agreement (RDA) which sets forth terms and conditions for development of Ninety 7 Fifty on the Park located at 9750 Crescent Park

Circle in the Main Street Triangle TIF District.

Ninety 7 Fifty, a mixed use project, is the first petition submitted in the Main Street Area of Downtown Orland Park since the Village and Related Midwest terminated the previous redevelopment agreement. The project is proposed as a public private partnership between the Village and the developer, Metra Triangle FC, LLC (Flaherty and Collins). The attached Redevelopment Agreement represents over two years of negotiations, analysis and policy decisions. The partnership strategy contemplates shared risk by both entities. Over time, and upon certain defined milestones, the Village risk is reduced, with the developer shouldering more of the project risk.

The following three principles guided the development of both the physical design and the deal structure of this project:

- 1) The project must be high quality, reflective of Orland Park.
- 2) The project should serve as a catalyst for future development in the Main Street Area.
- 3) The deal should be structured in a way that allows the Village to recapture its investment in the project.

In addition to these principles, this Redevelopment Agreement is structured in a way that provides the Village with a high level of financial control over the project. Although public-private partnerships for town center developments are not uncommon, it is unique for a municipality to not only share in the risk, but also be able to share in the success. Generally, project incentives are granted and considered an investment into the project with no option for recovery. The Village has already spent \$45 million in the Main Street Area so it is critical to be able to recover some, if not all, of the Developer Project Incentive. It is also important to note the \$45 million already spent includes a significant portion of public infrastructure investment, including the train station and accompanying parking, Crescent Park, a detention pond and public roads with considerable aesthetic enhancements.

The proposed RDA is the result of extensive analysis and negotiations over the past three years, but it also captures work that has exceeded ten years. The terms set for in the Redevelopment Agreement will allow the Village to (1) attain a successful project while (2) ensuring proper execution and (3) maximizing the leverage of the community's investment. The deal is a partnership that requires equity contribution by the Developer and the Village. The Village's contribution will be higher in the initial stages of the project, and the Developer's contribution and share of risk will increase over time.

The Village held a public open house for questions and comments on August 29 and accepted public comment on the project at the regularly scheduled September 6 Board of Trustees meeting.

Pursuant to the TIF Act, the Village published for alternate proposals in both the Orland Park Prairie and the SouthtownStar. No proposals were received.

This is now before the Village Board for consideration and to authorize execution of the finalized agreement.

I move to pass Ordinance Number 4673, entitled: AN ORDINANCE AUTHORIZING A REDEVELOPMENT AGREEMENT BETWEEN THE VILLAGE OF ORLAND PARK AND METRA TRIANGLE FC, LLC IN REGARD TO THE LUXURY APARTMENT DEVELOPMENT COMPRISING A PART OF THE ORLAND PARK MAIN STREET TRIANGLE TIF DISTRICT AND AUTHORIZING THE GRANTING OF A GROUND LEASE TO, AND THE EVENTUAL TRANSFER OF TITLE TO, CERTAIN REAL PROPERTY CURRENTLY OWNED BY THE VILLAGE, OR TO BE OWNED BY TH VILLAGE BY A DATE CERTAIN IN THE FUTURE, TO METRA TRIANGLE FC, LLC IN RELATION THERETO

A motion was made by Trustee Fenton, seconded by Trustee Schussler, that this matter be PASSED. The motion carried by the following vote:

Aye: 6 - Trustee Fenton, Trustee Dodge, Trustee Schussler, Trustee Gira, Trustee Griffin Ruzich, and President McLaughlin

Nay: 1 - Trustee O'Halloran

FINANCE

2011-0605 Ninety 7 Fifty on the Park Line of Credit/Term Loan Provider - Approval

As previously approved by the Board and as per the terms of the Redevelopment Agreement between the Village of Orland Park (Village) and Flaherty & Collins (F&C), the Village will obtain financing for the total cost (less F&C's equity contribution) of the Ninety 7 Fifty on the Park development.

Upon determining that the most cost efficient method was the establishment of a bank line of credit that converts to a term loan, with the subsequent issuance of a minimum of two (2) series of taxable general obligation bonds, the Village reached out to a number of financial institutions to gauge their interest in providing the line of credit/term loan financing.

After discussions with a number of financial institutions, we narrowed our selection to Fifth Third Bank and PNC Bank. A summary of the terms and conditions offered by each is attached to this agenda item. Many of the terms and conditions listed by Fifth Third and PNC that relate to the structure of the financing are the same. One significant difference is that Fifth Third is requesting that we maintain our non-credit banking relationship with them for a minimum of five (5) years. This request is not listed as a term and/or condition, but was requested in conversation and will be built into the contract extension that will be brought to the Board in the coming months. Based upon this request, staff asked Fifth Third to provide

proposed fee increases over the five (5) year extension term. Fifth Third's proposal included a 3% fee increase in year one (1) of the extension, no increase in years two (2) and three (3) and a 2% increase in years four (4) and five (5). Staff also advised Fifth Third that should the Village agree to a contract extension, the Village would need language added to our extension agreement that allowed the Village to cancel the contract should Fifth Third not continue to enhance its services and technologies. PNC is only requesting that we establish and maintain a Purchase Card Program with them in the immediate future and consider expanding our non-credit banking relationship in future years.

Another variance between the two proposals lies in the interest rate applied to the line of credit as well as the subsequent term loan. Fifth Third Bank provides for the lowest cost of funds over the ten (10) year life of the line of credit/term loan (three (3) year line of credit/seven (7) year term loan) based upon the current level of the floating rates proposed. As shown on the attached analyses, and based upon the current construction draw schedule provided by F&C, as well as the current rates proposed by each bank, the interest savings over the ten (10) year term amounts to approximately \$542,000 when comparing Fifth Third Bank to PNC Bank. Approximately \$156,000 of this amount is savings to the Village and approximately \$386,000 is savings to the developer.

Both Fifth Third and PNC offered the services of a Banker's Representative, at the Village's expense. The Banker's Representative will act as an owner's agent for the Village and provide preconstruction, construction and close-out management services, including but not limited to project and developer oversight, design review, construction bid document review, project budget tracking, pay request processing and approval, change order review and tracking, schedule monitoring and management of project punch lists at close-out of project. The services provided by the Banker's Representative offered by Fifth Third were more formalized and broad as this is a usual and customary service provided by Fifth Third.

Based on the above, staff recommends that the Village enter into an agreement with Fifth Third Bank to provide financing for the Ninety 7 Fifty on the Park project. Upon approval by the Board, Fifth Third will finalize the financing documents and we will bring these documents to the Board on a future date for formal approval. In addition, we will bring the Fifth Third Banking Services contract renewal to the Board prior to expiration of the current contract (November 2011).

Trustee O'Halloran made a motion to continue this item until a Special Finance Committee meeting date of Monday, September 26, 2011.

The motion was not seconded.

President McLaughlin asked if Trustee O'Halloran would like to change his motion.

Trustee O'Halloran replied no.

I move to approve entering into an agreement with Fifth Third Bank to provide financing for the Ninety 7 Fifty on the Park project.

A motion was made by Trustee Schussler, seconded by Trustee Gira, that this matter be APPROVED. The motion carried by the following vote:

Aye: 6 - Trustee Fenton, Trustee Dodge, Trustee Schussler, Trustee Gira, Trustee Griffin Ruzich, and President McLaughlin

Nay: 1 - Trustee O'Halloran

2011-0560 Authorizing a Loan Agreement and the Issuance of Taxable General Obligation Bonds - Ordinance

The Redevelopment Agreement between Flaherty & Collins (F&C) and the Village of Orland Park (Village) is on the September 19th Board agenda to be considered for approval by the Board. As per the terms of the Redevelopment Agreement, the Village will obtain financing for the total cost of the project, less the developer's equity participation. Both the Village and F&C will be responsible for the repayment of the financing proceeds.

Village staff, its financial advisor (Speer Financial), bond counsel (Chapman & Cutler) and general legal counsel (Klein, Thorpe & Jenkins), as well as Flaherty & Collins, researched and analyzed a number of different ways of financing this project, including private market financing and/or HUD financing directly obtained by F&C, a single taxable GO bond issuance by the Village, and a blend of bank line of credit/taxable GO bond issuances by the Village.

Initially F&C was going to obtain financing thru the private markets; i.e., F&C was going to obtain a loan from a commercial bank and/or obtain equity partners in order to fund this project. Given economic conditions at the time, it was determined that financing for a project of this type was not available, and if it was it would be very expensive and not in an amount sufficient to finance the overall costs of this project, causing the Village's project incentive to be significantly more than first anticipated. HUD financing was also considered, but once again, the amount of financing available would not cover the overall costs of this project. In addition, private market and HUD financing would require the Village to give up its 1st position lien on the underlying property, putting the Village in 2nd position should a default occur and not providing the right to cure in the event that F&C was unable to make its debt service payments. This scenario was not favorable to the Village as the Village's investment in this project was to be substantial, in addition to the investment the Village had already made in the Main Street Triangle area.

After long and detailed consideration, it was determined that the most cost efficient (lowest carrying cost) method of financing, and that which allowed the Village to maintain the most control and bear the least risk, was the issuance of

some form of debt instrument by the Village. The Village's ability to obtain financing that carries a lower interest rate is in part due to the Village's strong bond rating, which was recently reaffirmed by both Moody's and Standard & Poor's. In July 2010, this option was presented to the Board for consideration and the Board authorized staff to move forward under the assumption that the Village would obtain the financing necessary to fund the project.

The team's first thought was the one-time issuance of general obligation bonds in an amount sufficient to cover the full cost of the project, less the developer's equity contribution. After further analysis of the project's cash outflow requirements, as well as the subsequent cash inflow once the project began realizing revenues, it was determined the most cost efficient method was the establishment of a bank line of credit that converts to a term loan, with the subsequent issuance of a minimum of two (2) series of taxable general obligation bonds. The Village will establish a revolving line of credit (currently estimated at \$30M) with a selected bank and draw on the line of credit to fund the project. Once the line of credit reaches a certain balance, the Village will issue a series of taxable general obligation bonds and utilize the proceeds to pay down the line of credit. The Village will then redraw on the line of credit and upon reaching a certain balance, the Village will issue a 2nd series of taxable general obligation bonds to pay down the line of credit. Timing of the bond issuances will be flexible, in order to get to the market at a point where the Village can lock in a rate that meets our cash flow targets. Our financial advisor recommends two sales instead of one, to enhance the marketability of the bonds by keeping the size in the \$20,000,000 to \$25,000,000 range. Any balance remaining on the

Chapman & Cutler (bond counsel) prepared the attached Ordinance titled "An Ordinance authorizing a loan agreement for and providing for the issuance of Taxable General Obligation Refunding Bonds of the Village of Orland Park, Cook and Will Counties, Illinois, authorizing the execution of one or more bond orders in connection with the issuance of said bonds and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds". Passage of this Ordinance will memorialize the proposed financing structure and allow the Village to issue taxable general obligation bonds at a point in the future in order to provide financing per the terms of the Redevelopment Agreement.

I move to pass Ordinance Number 4674, entitled: AN ORDINANCE AUTHORIZING A LOAN AGREEMENT FOR AND PROVIDING FOR THE ISSUANCE OF TAXABLE GENERAL OBLIGATION REFUNDING BONDS OF THE VILLAGE OF ORLAND PARK, COOK AND WILL COUNTIES, ILLINOIS, AUTHORIZING THE EXECUTION OF ONE OR MORE BOND ORDERS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS AND PROVIDING FOR THE LEVY AND COLLECTION OF A DIRECT ANNUAL TAX FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS.

A motion was made by Trustee Schussler, seconded by Trustee Gira, that this matter be PASSED. The motion carried by the following vote:

Aye: 6 - Trustee Fenton, Trustee Dodge, Trustee Schussler, Trustee Gira, Trustee Griffin Ruzich, and President McLaughlin

Nay: 1 - Trustee O'Halloran

2011-0606 Authorization for Staff to Explore, Identify & Evaluate Various Fund Options for Ninety 7 Fifty on the Park - Resolution

Passage is requested for a Resolution that would authorize staff to explore, identify, and evaluate various funding options of the Main Street Phase I Redevelopment Agreement with Flaherty & Collins that enables the Village to reduce its debt and equity participation in the Ninety 7 Fifty on the Park project.

I move to pass Resolution Number 1124, entitled: RESOLUTION AUTHORIZING STAFF TO EXPLORE, IDENTIFY, AND EVALUATE VARIOUS FUNDING OPTIONS OF THE MAIN STREET PHASE I REDEVELOPMENT AGREEMENT WITH FLAHERTY & COLLINS THAT ENABLES THE VILLAGE TO REDUCE ITS DEBT AND EQUITY PARTICIPATION IN THE NINETY 7 FIFTY ON THE PARK PROJECT

A motion was made by Trustee O'Halloran, seconded by Trustee Dodge, that this matter be PASSED. The motion carried by the following vote:

Aye: 7 - Trustee Fenton, Trustee O'Halloran, Trustee Dodge, Trustee Schussler, Trustee Gira, Trustee Griffin Ruzich, and President McLaughlin

Nay: 0

ADJOURNMENT - 7:53 PM

A motion was made by Trustee Fenton, seconded by Trustee O'Halloran, that this matter be ADJOURNED. The motion carried by the following vote:

Aye: 7 - Trustee Fenton, Trustee O'Halloran, Trustee Dodge, Trustee Schussler, Trustee Gira, Trustee Griffin Ruzich, and President McLaughlin

Nay: 0

/nm

APPROVED:

Respectfully Submitted,

David P. Maher, Village Clerk