THE CLOSED SESSION MEETING OF THE COUNCIL OF THE VILLAGE OF FOREST PARK, COOK COUNTY, ILLINOIS
HELD ON MONDAY EVENING SEPTEMBER 25, 2006

Mayor Calderone called the meeting to order at 7:23 p.m.

ROLL CALL

Commissioners Gillian, Hosty, Doolin, Steinbach and Mayor Calderone answered the Roll Call. Also in attendance were Village Attorney, Michael Durkin, Village Administrator, Michael J. Sturino, Village Clerk, Vanessa Moritz and Finance Director, Judith Kovacs.

Mayor Calderone stated that the purpose of the meeting was to discuss the downtown parking and the sale of the Altenheim property to the YMCA.

A discussion ensued regarding the sale of the Altenheim to the YMCA. Mayor Calderone stated that the YMCA submitted a written offer to purchase the property. Their offer was $4 million for approximately 8 acres and included a provision for $50,000 in escrow funds that would be forfeited should the closing not occur. The last negotiating session was last week. The Village is at $4.6 million based on an appraisal. Mayor Calderone further stated that because Forest Park is a non-home rule community, we can discount the sale price of the property by 20% at most. The YMCA is aware of that rule and is looking for a discounted price. The Village communicated to the Y that $50,000 is not enough earnest money to hold the property for them and requested a deposit of $175,000. This number is based on the cost to make 1 year's payment on the current debt. The YMCA has a board meeting scheduled for tomorrow and as of Friday, their executive board felt that the full board would go up to $100,000 for a deposit. They would have 6 months for zoning approval and 1 year for closing the sale.

Commissioner Steinbach stated that she recollects the appraisal being around $900,000 per acre.

Mr. Durkin stated that the appraised value varies from $15 per square foot to $20 per square foot depending on the size of the parcels of subdivision (if any). In addition, Mr. Durkin stated that there is a parcel approximately one acre containing a soccer field to the west of the buildings, which is worth about $600,000. The YMCA stated that they cannot afford the $600,000 and would rather take that piece of property out of the deal instead.

Commissioner Gillian stated that if the appraisal is $4.6 million then 80% would be $3.7 million and the YMCA's offer is $4million. Commissioner Gillian asked whether Mr. Durkin felt that $4 million is their maximum.

Mr. Durkin stated that he felt that they have a little more.

Mr. Sturino stated that the YMCA would respond that if they have to pay more for the property, then that will allow less money for building the building.

Commissioner Gillian asked whether we have any use for the soccer field or whether there is road access so that we can sell it to another buyer.

Mayor Calderone stated that the YMCA may still improve, use and lease the field from the Village, however the property known as the "donut hole" will still be owned by the Village. Mayor Calderone

stated that it is possible that we could hold the $600,000 note on the soccer field, if necessary. Commissioner Hosty stated that his concern is the carrying cost for the property.

Mr. Sturino stated that $175,000 is the interest for one year on the current debt for the entire 12 acres. Mr. Durkin stated that it is possible for the Village to keep the Grove, the buildings and the soccer field and pay off the note on the entire 12 acres. In addition, Altenheim is still discussing buying back the remaining buildings if we fund the demolition.

Commissioner Doolin asked whether it is possible to change the restrictive covenants that were placed on the property.

Mr. Durkin said that it is a private agreement that was a condition of the sale of the property to the Village, however we may be able to work something out with Altenheim. The covenants restrict development to 8 of the 12 acres.

Commissioner Doolin asked whether the final plan would be subject to Council approval.

Mr. Durkin stated that the YMCA must obtain approval for a planned unit development; however there will not be a lot of possibility for movement from the plan that will be attached with the contract for sale. The plan will go before the Plan Commission and then the Council for final approval.

Commissioners Gillian, Hosty and Doolin agreed that Mr. Durkin can go back to the negotiating table with a minimum sale price of $4.3 million including the soccer field, with the possibility of $4.6 million and the Village financing the $600,000 as long as there is $100,000 earnest money.

Commissioner Steinbach stated that she is not interested in discounting the appraised value whatsoever because we are still stuck with the buildings.

Commissioner Doolin then reiterated that $4.6 million sounds fair, if we keep the 3-acre Grove and the 1-acre buildings (with hope of negotiating a sale to Altenheim) and the YMCA will get the soccer field. Commissioner Doolin asked whether we could turn the soccer field into a parking lot.

Mr. Durkin stated that Altenheim would most likely reject that.

Mayor Calderone stated that the Altenheim might buy back the buildings if we pay for the demolition. He further stated that it might be possible for the Village to do something with the buildings in lieu of demolition. If we rehab the buildings, it would not be considered further development of the property.

Mayor Calderone stated that the other order of business was discussion of moving forward with a parking solution for the downtown area.

Mr. Sturino distributed handouts outlining the parking study and the perceived 180 parking space shortfall, along with a plan for financing a solution. It was discussed that surface parking is not only less expensive per space; it is preferred because it can be scattered along the shopping district. In addition to the grant received from the State of Illinois, we currently have $1.39 million in the parking fund. That would leave a 2.9 million funding requirement. The annual cost for a bond would be $245,000. The bond could be paid with an SSA imposed upon the downtown business district. The DBD business owners may even be agreeable to a 2% SSA if there are extras that would increase business for them. Mr. Sturino asked for policy direction on whether the parking revenues could be increased to pay for the parking lots.

Commissioner Hosty suggested using the revenue from the sale of the Altenheim property to pay for the parking lots and save the cost of interest, with the balance put in the Village's reserve. This could work since we already have the plan for the payoff of the Altenheim property in the budget and have the revenue source carved out.

Commissioner Gillian stated that this plan would also save a lot of staff time and effort in addition to increasing the reserves.

Mr. Sturino stated that he has been in contact with an appraiser for the purpose of assigning a value for property acquisition.

Commissioner Gillian asked whether this plan is legally sound.

Mr. Durkin stated that he would have to check the bond documents.

Judy Kovacs was asked to check interest rates and do an analysis of different scenarios.

Mr. Sturino stated that another way to realize funding is to increase the meter rates as suggested by R.H. Anderson in their parking proposal presentation.

Commissioner Gillian stated that he likes Commissioner Hosty's idea to use the income from the sale to the YMCA and build the parking we need. He further suggested that we start the acquisition process now by identifying the sites in addition to upgrading and improving our existing lots.

Commissioner Hosty stated that we need 1 parking area in the area of Thomas and Madison, connecting Constitution Court to the parking area behind Trage Appliances.

Commissioner Gillian and Commissioner Steinbach suggested acquiring properties north of the existing north Circle lot.

Mayor Calderone and Mr. Sturino raised the possibility of acquiring property behind Polo Lofts to building a parking garage.

Commissioner Steinbach opposed the idea of a parking garage due to safety concerns, and supported surface parking in the areas around Thomas and Madison and north of the Circle/Madison lot.

Commissioner Doolin stated that he has already met with the owner of 335 Circle and was planning to meet to discuss listing the property again tomorrow. In addition, he has spoken to Dr. Stempora regarding listing his property for sale.

Mr. Sturino asked if there would be any objections to utilizing eminent domain in the event of a hold-out owner of one of the properties identified; there was no discussion, no Commissioner gave approval, no Commissioner raised an objection.

The consensus of the Council was to authorize Mr. Sturino to move ahead with the necessary arrangements to acquire the Thomas/Madison and north Circle properties.

ADJOURNMENT

There being no further business to be addressed, Commissioner Steinbach motioned to adjourn the closed session meeting. Commissioner Hosty seconded the motion. The motion carried.

Mayor Calderone declared the meeting adjourned at 8:28 P.M.

Respectfully submitted,

Vanessa Moritz, **Village Clerk**