



Economic Development Commission Minutes

**Wednesday, July 27, 2022
Lincolnwood Village Hall
Council Chambers
6900 N. Lincoln Ave.
Lincolnwood, IL 60712**

Commissioners Present: Chairman James Kucienski, Vice Chair James Berger, Jennifer Spino, Tim Garcia, and Leonard Weiss

Commissioners Absent: Maureen Ehrenberg and Rivak Albazi

Staff Present: Community Development Director Scott Mangum, Village Manager Anne Marie Gaura, Planning and Economic Development Manager Doug Hammel, Finance Director Denise Joseph, Assistant Village Manager Chuck Meyer, Village Attorney Hart Passman, and Management Analyst Jake Litz

1. Call to Order/ Quorum Declaration

Noting a quorum of five members present, the meeting was called to order by Chairman Kucienski at 8:00 a.m.

The following EDC members were present: Chairman Kucienski, Vice Chair Berger, and Commissioners Weiss, Garcia, and Spino.

2. Minutes Approval

Chairman Kucienski asked the Commission if any edits were to be made to the June 22, 2022. Hearing none, Commissioner Spino moved to approve the minutes as amended and Commissioner Garcia seconded the motion. There was a consensus to approve the minutes.

Aye: Berger, Spino, Garcia, Kucienski, and Weiss

Nay: None

Motion Approved: 5-0

3. Economic Incentive Request

Community Development Director Scott Mangum provided an overview of the Economic Incentive Request. He overviewed the original hotel development concept. He discussed Lakhani Hospitality and their interest in the development. He presented the proposed site layout from Lakhani Hospitality. He overviewed the deviations between the original concept and the updated concept for the hotel. He overviewed the history of the incentive request in relation to the Village Board review and Zoning approval process.

Phil McKenna, from Kane McKenna and Associates, reviewed the parameters of the project. The background of the District 1860 project was briefly reviewed. He provided the current status of the District 1860 Incentive. He then provided a presentation via PowerPoint that overviewed the following topics: Analysis overview, observations, development costs, developer Request, IGA, sensitivity analysis, summary of return analyses, KMA Hotel Tax Analysis, Summary, Village Policy Review. 4 Key Questions were asked of the group.

1. Will Developer be required to provide updated development cost and operating and cost expense data?
2. Will additional market study be required?
3. Would any budget “true ups” be required?
4. Given that a gap is present – how much of a financial incentive is the Village willing to fund and for what cost components?

Following Mr. McKenna’s presentation, Chairman Kucienski opened discussion up to the group. Rich Tucker, Developer of the District 1860 project, provided clarification on the original agreement between the Village and Developer. He spoke about the rising costs associated with the development of the project.

The concept of the value of a market study was discussed. Commissioner Weiss commented on the matter and stated concern with the market study as it pertains to the rapid change of the market. The variation in the market for future predications was discussed as well. Phil McKenna clarified the concept of “true ups” for the group. He stated this concept was an ongoing negotiation. Chairman Kucienski discussed the “but for” concept. He stated the project would not continue “but for” the incentive. Phil McKenna stated he agreed with that concept. However, he said it was more of an issue of how much. Commissioner Garcia concurred that the incentive should go forward. He questioned the amount of the incentive as well. Karim Lakhani, of The Lakhani Hospitality Group, provided some context on the potential for recouping the cost of the incentive over the coming years. He stated the projected occupancy rate for this location would be slightly higher than the Lakhani Hospitality Group’s other local hotels. The

difference in types of travelers at different brands of hotels was discussed. Mr. Mangum asked Mr. Lakhani if their lender would require a market study. He stated that is unclear at this time and would depend on the lender. Commissioner Spino expressed concern moving forward with the incentive request due to the current state of the unknown variables in the economy.

Discussion on the Village Policy Review occurred. Discussion on a cap of the amount of incentive and/or number of years occurred. Mr. McKenna discussed the value of a market study as an additional tool. Commissioner Spino expressed additional concern with providing additional incentive funding while the residents' needs with the hotel will not be met. Mr. Tucker stated that this property would not be able to accommodate the type of hotel originally suggested. Village Manager Anne Marie Gaura stated that the Village Board generally agrees with the new concept for the hotel and the scope for this discussion relates to the incentive request itself. Commissioner Weiss stated that he was in favor of moving forward with the request. However, he added a caveat that there should be some type of risk share with the hotel. Chairman Kucienski concurred.

Commissioner Weiss made a motion to recommend approval the incentive request with consideration of an annual cap of the pay back and/or the number of years at 15. The motion was seconded by Commissioner Spino. Further discussion occurred on the cap of the number of years. There was ultimately consensus at a 15-year cap.

Aye: Berger, Spino, Garcia, Kucienski, and Weiss

Nay: None

Motion Approved: 5-0

4. Other Business

No other business was discussed.

5. Public Forum

No members of the public were present.

6. Adjournment

Commissioner Garcia moved to adjourn the meeting, Commissioner Spino seconded the motion. By consensus, the meeting was adjourned at 9:07 a.m.

Aye: Berger, Spino, Garcia, Kucienski, and Weiss

Nay: None

Motion Approved: 5-0

Respectfully submitted:

Jake Litz
Management Analyst
Fire Department/Community Development