

**VILLAGE OF LINCOLNWOOD  
PRESIDENT AND BOARD OF TRUSTEES  
REGULAR MEETING  
VILLAGE HALL COUNCIL CHAMBERS  
JANUARY 2, 2019**

**Call to Order**

President Bass called the regular meeting of the Lincolnwood Board of Trustees to order at 7:40 PM Wednesday, January 2, 2019, in the Council Chambers of the Municipal Complex at 6900 N. Lincoln Avenue, Village of Lincolnwood, County of Cook, and State of Illinois.

**Pledge to the Flag**

The Corporate Authorities and all persons in attendance recited the Pledge of Allegiance.

**Roll Call**

On roll call by Village Clerk Beryl Herman the following were:

PRESENT: President Bass, Trustees Patel, Ikezoe-Halevi, Hlepas Nickell, Sugarman, (Spino by phone)

ABSENT: Trustee Cope

A quorum was present.

Also present: Assistant Village Manager, Charles Meyer; Interim Village Manager, Robert Merkel; Village Attorney, Steven Elrod.

**Approval of Minutes**

The minutes from the December 18, 2018 Village Board meeting were presented to the Village Board. Trustee Patel made a motion to approve, seconded by Trustee Spino.

The minutes were approved by a voice vote.

**Warrant Approval**

President Bass presented the warrants for approval in the amount of \$341,633.22. A motion to approve the warrants was made by Trustee Sugarman seconded by Trustee Hlepas Nickell.

Upon roll call the results were:

AYES: Trustees Ikezoe-Halevi, Hlepas Nickell, Patel, Sugarman, Spino

NAYS: None

The motion passed.

**Village President's Report**

**1. Discussion Regarding the Hiring of Bond Counsel**

A Bond Counsel and Bond Consultant will be hired to work with Tucker on the 1860 project and to cover all legalities.

**2. Government Finance Officers Association (GFOA) Award**

Finance Director Merkel has again been recognized by GFOA. This is the highest recognition which is presented. Congratulations to Mr. Merkel.

Mr. Merkel thanked Ben Harris and Heather McFarland for their work.

### **3. Happy New Year**

President Bass wished a Happy and Healthy New Year to all.

### **Consent Agenda**

- 1. Approval of an Ordinance Waiving Competitive Bidding and Approving the Purchase of 30 Desktop Computers from Dell, EMC in the Amount of \$20,649.30**
- 2. Approval of a Resolution Adopting a Lighting Policy for the Touhy Avenue Overpass**
- 3. Approval of a Resolution Authorizing the Execution of a Contract with Dahme Mechanical Industries, Inc., of Arlington Heights, IL, for the Removal and Replacement of Water Pump #3 at the Pump House in the Amount of \$111,245**
- 4. Approval of a Recommendation by the Plan Commission to Adopt an Ordinance Approving a Special Use and Variations to Allow the Construction of a Temporary Telecommunications Tower at 7015 North Central Park Avenue**
- 5. Approval of a Recommendation by the Plan Commission to Adopt an Ordinance Amending Ordinance No. 88-1801 and Allowing Building Material and Sign Zoning Modifications Related to an Exterior Façade Renovation at 3333 West Touhy Avenue**

Trustee Nickell moved to approve the Consent Agenda. The motion was seconded by Trustee Patel.

Upon Roll Call the results were:

AYES: Trustees Sugarman, Hlepas Nickell, Ikezoe-Halevi, Patel, Spino

NAYS: None

The motion passed.

### **Regular Business**

- 6. Consideration of a Recommendation by the Economic Development Commission Regarding an Economic Incentive Request for Loeber Motors at 7107, 7111 and 7125 North Lincoln Avenue**

This item was presented by Mr. McNellis using PowerPoint.

This request is to extend the existing Economic Incentive Agreement with Loeber Motors. An aerial view of the subject property was exhibited showing the existing properties and the proposed expansion.

#### **Loeber Motors Proposal**

##### **Proposal from Loeber**

1. Construct a new two-story Porsche showroom (with second floor offices) on the existing dealership site. \$6,000,000 cost
  2. Acquire and renovate the vacant warehouse building at 7125 N. Lincoln Avenue and utilize the facility/site for storage and detailing of automobiles. \$1,500,000 cost (\$1,100,000 acquisition +\$400,000 renovation) Total Costs: \$7,500,000
- A rendering of the proposed additions and changes was exhibited.

## Loeber Motors Request

### Incentive Request:

- Extension of the existing Economic Incentive Agreement by 15 years (original agreement is set to expire in 2021),
- New cap of \$7,000,000 (original agreement cap is \$5,000,000, of which \$1,500,000 is expected to be paid-out by 2021)
- Village Consent to a Cook County Class 7C Tax Abatement Incentive for 7125 N. Lincoln Avenue only.

Total Value: +\$5,500,000 in new sales tax sharing + rebate in Property Taxes.

### Auto Dealer Incentive Agreements

#### Past

- Grossinger Autoplex (1990) – Village assisted in funding of an IDRIB to construct the Autoplex, which consolidated dealerships in and outside the Village. Portion of sales tax used to fund bond payment. Cap=\$5,000,000 Bond. 20 year payback – paid

#### Current

- Loeber Porsche (2004/5) – Village shared 50% of sales taxes from the first dollar generated for new Porsche dealership relocated from Chicago. Cap=\$5,000,000. 16-year payback – to end in 2001.
- Grossinger Hyundai (2009) – Village shares 50% of sales tax over a base amount of \$165,000, annually for a new dealer that replaced a Volvo dealership. Cap = \$1,200,000. 20 year payback – to end in 2029.
- Zeigler Auto Group (2018) – Village will share 50% of sales tax over a base of \$420,000, annually for a new Cadillac facility and remodeled Buick/GMC facility. Cap = \$10,000,000. 15 year payback – to end in 2034. Cook County Class 7c Incentive also approved for Cadillac property.

### Economic Incentive Policy

- Economic Incentive Policy & Guidelines established in 1995 and updated substantially in 2012. Recommended by EDC. Approved by Village Board.
- Placed a cap of ten years on any agreement.
- Required a provision for inflation indexing for incentives which provide sales tax revenue sharing over a base amount
- Agreements should be provided to new businesses that provide significant new sales tax revenue OR existing businesses that have a substantial change to their business (eg. New division or dealership added) Base would be instituted.
- Agreements should require new businesses to provide a Development Plan that enhances the value and appearance of the new business location.

### Analysis

- Village currently collects approximately \$137,000 in sales tax revenues (50% of current \$274,000 in sales tax generated, per existing economic incentive agreement)
- Proposal to extend the agreement does not represent any loss in sales taxes to the Village, as the current amount will continue to be received.
- A loss would occur if the dealership relocated.
- An increase in sales tax revenues is likely with additional allocation of Porsche automobiles to the dealership, which is possible only with the acquisition of 7125 N. Lincoln Avenue for storage and rebuilding the Porsche showroom to Porsche's exact standards.

## Class 7C Tax Abatement Consent Request

### Four Eligibility Requirements

1. Real Estate Tax Analysis – Real Estate taxes must have declined or remained stagnant for at least three of the past six years? YES
2. Viability and Timeliness – Reasonable expectation the redevelopment is viable and likely to go forward on a timely basis? Due diligence has been completed and need to meet Porsche standards to insure adequate allotment of vehicles for sale? YES
3. Assistance and Necessity – Determination that the project would not go forward “but for” the requested Class 7C incentive. This is a judgement call based upon materials provided. YES
4. Increased Tax Revenue and Employment – Provision of an analysis projecting added sales tax revenue and employment. Anticipated employment to increase by 10 employees to start. The proposed property tax revenues with the Class 7C Incentive are actually slightly higher than the current (protested taxes due to vacancy) taxes and after five years would be expected to increase by at least 60%. YES

### Village Impact/Benefits

#### Impacts:

- Costs of municipal services would remain unchanged (private property, with no public improvements, no additional residents, no additional fire risk).
- Small increase in Police theft calls is possible with additional inventory (increased call volume would be negligible, with no additional officers or change in police procedure necessary).

#### Benefits:

- Sales tax revenues anticipated to double by 2016.
- Rebranding dealership to “Porsche Lincolnwood” presents an immeasurable value based on the association with a high-profile luxury brand.
- Re-use of a long vacant warehouse (7125 N. Lincoln), which had generated little interest, as part of a consolidated “campus” rather than a single-isolated development.
- Significant investment of this level greatly increases the likelihood that the dealership will remain in Lincolnwood for the foreseeable future.

### December 19 EDC Recommendation

EDC recommends approval of the proposed economic incentive structure by a vote of 8 – 0, with the following stipulations:

1. Provision of a “claw-back” or “go dark” clause, triggered in the event the dealership closes before the Agreement term concludes, that allows the Village to retrieve sales tax revenues shared with the dealership on a sliding scale.
2. Open access permitted to the Village for Loeber’s internal sales tax data (“open book” access) with the Village’s agreement to utilize such information only for the purposes of confirming the stipulations of this agreement;
3. Village has the right to audit (not more than quarterly, unless a material breach has occurred) the books and records of the Porsche dealership.
4. The fifteen-year extension period will begin at the end of the existing Agreement, assuming a Certificate of Occupancy has been issued for the use of all approved improvements on 7107, 7111 and 7125 North Lincoln Avenue.
5. Loeber shall be responsible for meeting the provisions of an EDC policy, if adopted by the Village Board, requiring the provision of certain amenities in keeping with the principles of the Corporate Social responsibility; and
6. Consent to a Cook County Class 7C Tax Abatement request for 7125 North Lincoln Avenue.

### Requested Action

Approval of an Economic Incentive request with Loeber Motors, and direction to the Village Attorney to prepare a Resolution and Draft an Agreement.

Mr. Loeber addressed the Board. He corrected the use of 7107 to 7101. He thanked the Village and Board and is looking forward to moving ahead.

Some discussion ensued and clarification was provided by Mr. McNellis.

Trustee Hlepas Nickell moved to approve the recommendation by the EDC, seconded by Trustee Patel.

Upon Roll Call the Results were:

AYES: Trustees Sugarman, Hlepas Nickell, Ikezoe-Halevi, Patel, Spino

NAYS: None

The motion passed.

President Bass announced that Chinese New Year is almost here. He is hoping that people will support the donations to be made at this time to the Food Pantry.

### Manager's Report

None

### Board and Commissions Report

None

### Village Clerk's Report

Any resident who will be out of town over the winter should contact the office of the Village Clerk and leave a mailing address if you wish to vote in the April election for local offices.

### Trustees Reports

#### **1. Status Report on 1860 Development**

Trustee Hlepas Nickell spoke regarding how hard staff and commission members have worked with Tucker staff. Trustee Patel thanked all also. The Tucker team has been very cooperative.

Attorney Elrod who is working with the Village team clarified the agreement for the benefit of all of the Board members.

### Public Forum

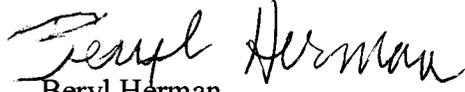
Resident Craig Klatzco spoke commending the Parks Department on the fine job they did for the New Year's Party.

### Adjournment

At 8:30 P.M. Trustee Patel moved to adjourn the Regular Meeting, seconded by Trustee Hlepas Nickell.

The motion was approved by a voice vote.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Beryl Herman". The signature is written in black ink and is positioned above the printed name.

Beryl Herman  
Village Clerk