

**CITY OF BRAIDWOOD AGENDA
SPECIAL MEETING, Friday June 1, 2018 @ 6:00pm**

Call to Order

Pledge of Allegiance

Roll Call

Public Comment (Comments are limited to no more than 3 minutes per Sect. 2-34(b) of the City's Code of Ord.)

Executive Session-Discuss Personnel, Pending and/or Imminent Litigation, Collective Bargaining/Labor Relations, Land Acquisition or Review of Closed Session Minutes.

-Actions to be taken following Executive Session:

Approval of Ordinance 18-07, Budget Ordinance for Fiscal Year 2018-2019

Approval of Ordinance 18-08, Approving and Authorizing the Execution of TIF Redevelopment Agreement with Comfort Zone Hotel Solutions, Inc. (for the construction of a hotel near Reed Road and Interstate 55)

Old Business

New Business

Adjournment

CITY OF BRAIDWOOD
City Council Special Meeting Minutes
Friday, June 1, 2018

Call to Order

Mayor Vehrs called the meeting to order at 6:00pm.

Pledge of Allegiance

Mayor Vehrs asked Wayne Saltzman to lead us in the pledge of allegiance.

Roll Call

Elected Officials present: Commissioner Hibler, Commissioner Smith, Commissioner Tessler and Mayor Vehrs were present. Commissioner Hutton was absent.

Appointed officials present: City Attorney Matt Campbell, City Clerk Sue Grygiel, City Administrator Don Labriola and Chief Ficarello were present.

Public Comment

Mayor opened public comment at 6:01pm.

Sue Vehrs wanted to tell the Mayor, City Administrator, Commissioners, all secretarial staff and Chief that everyone needs to take a break, take a vacation.

Public comment closed at 6:02pm.

Closed Session

The Mayor asked if anyone wanted to entertain a motion for Closed Session. There was no motion made.

Mayor Vehrs then entertained a motion from the council for the approval of Ordinance 18-07, the Budget Ordinance for Fiscal Year 2018-2019.

Comm. Hibler made a motion to approve Ordinance 18-07 Budget Ordinance for FY 2018-2019, seconded by Comm. Tessler. Motion approved 4 ayes, 0 nays (Hibler, Tessler, Smith & Mayor Vehrs) 1 absent (Hutton).

The Mayor then addressed the next Agenda item Ordinance 18-08, Approving and Authorizing the Execution of a TIF Redevelopment Agreement with Comfort Zone Hotel Solutions, Inc. for construction of a Hotel near Reed Road & Interstate 55. The Mayor then opened the floor up for comments and questions.

Mayor Vehrs started the discussion. He said this has been a learning experience for himself. He said 3yrs. ago he had no clue what TIF was and now is pretty well educated that he can explain it to someone. The mayor said he wants to stay as straight as possible and follow all the laws TIF encompasses and TIF Atty. Nick Nelson has done a great job at that. For this Agreement that we're putting together he knows there are a lot of questions out there and that's why he's bringing it up for comments and questions because people are concerned. The Mayor said TIF money is to help bring business in as well as extending your TIF and keeping the TIF District alive. The money for this Hotel isn't coming out of the General Fund but coming out of the TIF Fund. At this time TIF Atty. Nick Nelson explained to everyone the mechanics of how TIF Agreements work. There are 2 types of TIF: 1) you are reimbursed for your expenditures that are TIF eligible and receive a percentage paid out to them over a certain period of time and this is the most common way to do it. 2) or pay out some type of lump sum of money which is being done here with the Hotel. This can be done by issuing Bonds or some form of debt to the municipality. Thankfully in this situation the city had enough TIF money saved up in the account, where they didn't have to Bond for it, didn't have to levy a General Obligation Bond. Atty. Nelson said the total amount of this Agreement is for \$1.35 million and is paid in different installments. Up to the first million will be paid as the developer incurs those costs and submits those costs for verification and show that they're TIF eligible under the Act.

For the million dollars the Developer is going to sign a note, basically where they're going to promise to pay that back if they don't get the Hotel built by June 1, 2019. Assuming they get the Hotel built in time then the city will forgive that note. Then on top of that the city is to reimburse an additional \$175,000 within 6 mths. of the hotel being complete, and another \$175,000 within 18 mths. after the Hotel is complete. So this is the timeline for getting the Hotel built and once built it has to remain open for 5 yrs. and at that point the Developer has met his obligation. Comm. Smith asked who was backing the note? Nick said the Developer, there's not a personal guarantee for it. There will also be a second mortgage backing it as well. Comm. Tessler addressed the 5 yr. obligation of being open for 5 yrs. and asked if there was something in the Agreement if there would be a possible sale of the Hotel? No, but even if they were to sell it, that 5 yr. obligation is still in the Agreement and has to stay a Brand Name Hotel. Nick said that whatever the name of the Hotel is it has to stay that name for 5 yrs. Comm. Smith said Tony Altiery has worked hard for this and will give him all the credit and as long as the city can get their money back within reason and get good security he's for it. The Mayor asked what chain Tony was going with and he replied AmericInn who bought Wyndham.

Comm. Tessler made a motion to approve Ordinance 18-08, the Redevelopment Agreement Authorizing Execution of a TIF Redevelopment Agreement with Comfort Zone Hotel Solutions, Inc., seconded by Comm. Smith. Motion approved 4 ayes, 0 nays (Tessler, Smith, Hibler & Mayor Vehrs) 1 absent (Hutton).

Old Business

Mayor Vehrs thanked the city council for working with everyone on this Hotel project, thanked Tony Altiery and his partners for all their patience in putting this Agreement together. Mayor also thanked all the Attorney's that were involved, Don and for everyone being patient with us for the deal that was put together and presented this evening.

Comm. Tessler asked Tony Altiery was his timeline was for the year. Tony said looking at 30-60 days to start because we're waiting for some preliminary bids to come back. Tony said they wanted to make sure that local workers could get on this job as well.

New Business

Mayor Vehrs advised that on June 15th is the opening of Bids on the rest of The Townes of Braidwood. We've had many hits on that property out there and we're possibly looking at (4) Bids coming in. We have 25 new house permits this year, so it's booming out there.

Adjournment

Comm. Tessler made motion to adjourn this Special Meeting at 6:15pm, seconded by Comm. Smith. Motion approved with 4 ayes, 0 nays (Tessler, Smith, Hibler & Mayor Vehrs) 1 absent (Hutton) Meeting adjourned.

Approved this 20th day of June 2018

James A. Vehrs Mayor

Sue Guggil City Clerk

