

Julie Friebele

From: Marian Gibson
Sent: Tuesday, September 19, 2017 5:22 PM
To: Julie Friebele
Subject: FW: Compass Business Park and the Elwood/Manhattan Boundary Agreement
Attachments: Untitled attachment 00140.htm; Compass Bus Pk Elwood Manhattan Bound Agmt.pdf

Marian T. Gibson, ICMA-CM
Village Administrator
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From: Mayor Matichak [mailto:mayor.matichak@villageofelwood.com]
Sent: Friday, September 08, 2017 9:43 AM
To: Marian Gibson <marian.gibson@villageofelwood.com>
Subject: Fwd: Compass Business Park and the Elwood/Manhattan Boundary Agreement

Sent from my iPhone

Begin forwarded message:

From: Shelly Lewis <slewis@VillageOfManhattan.org>
Date: September 8, 2017 at 9:09:17 AM CDT
To: "mayor.matichak@villageofelwood.com" <mayor.matichak@villageofelwood.com>
Subject: Compass Business Park and the Elwood/Manhattan Boundary Agreement

Mayor Matichak,

Attached is correspondence from Village of Manhattan Mayor, James M. Doyle. Mayor Doyle will reach out to you next week to schedule a meeting to discuss further.

Thank you,

Shelly A. Lewis
Executive Administrative Assistant to
Mayor, James Doyle and Village Administrator, Kevin Sing
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VIA EMAIL: mayor.matichak@villageofelwood.com

September 8, 2017

Village of Elwood
Mayor Todd C. Matichak
401 East Mississippi Ave.
Elwood, IL 60421

Re: Compass Business Park and the Elwood/Manhattan
Boundary Agreement

Dear Mayor Matichak,

I am writing with regard to concerns the Village of Manhattan has regarding the proposed Compass Business Park in unincorporated area east of Elwood that includes land on Manhattan's side of the "Intergovernmental Jurisdictional Boundary Line Agreement Between the Village of Manhattan and Village of Elwood" dated November 15, 2006 (the "Boundary Agreement").

I have been provided with a document titled "Village of Elwood and NorthPoint Development Memorandum of Understanding regarding the Compass Business Park" ("MOU"), a copy of which is attached hereto. Apparently, the MOU was produced by Elwood in response to a recent FOIA request.

The MOU indicates in Paragraph 1 that the Developer, NPD, intends to acquire approximately 2,100 +/- acres of land "immediately adjacent to the Village of Elwood". That paragraph then goes on to state "in addition, the proposed acquisition and conceptual site layout helps to preserve 2,300 acres +/- of land that would be annexed into the Village of Elwood at some point in the future". It is clear

from the Site Plan on NPD's website and from additional information on the website that approximately 1,200 acres of the land that NPD seeks to annex to Elwood are on Manhattan's side of the Boundary Line as established by the Boundary Agreement.

In light of NPD's request to annex property to Elwood that is located on Manhattan's side of the Boundary Line, I want to direct your attention to Elwood's obligations and limitations under the Boundary Agreement.

Paragraph 5 of the Boundary Agreement addresses third-party attempts, such as this effort by NPD, to effectuate a voluntary annexation of property that would change the boundaries established under the Agreement. In absence of a mutual agreement to change the boundaries by Elwood and Manhattan, Paragraph 5 states, **"each municipality shall actively oppose any attempt to effectuate any voluntary or involuntary annexation which would have the effect of changing the boundaries established under this Agreement"**. Manhattan has made no such agreement to change the Boundary Line.

In addition, please be advised that Paragraph 3(a) of the Boundary Agreement prohibits Elwood not only from annexing unincorporated territory within the Manhattan designated area but also from "exercising, or attempting to exercise or enforce, any zoning ordinance, planning control, official map, or other municipal authority or ordinances" in the Manhattan area.

In accordance with Paragraph 5 of the Boundary Agreement, Manhattan hereby requests that Elwood issue a public statement that it "actively opposes" NPD's attempt as set forth in the MOU and NPD's website to voluntary annex property to Elwood that would change the boundaries set forth in the Boundary Agreement. We also request that you clarify with NPD in writing that the Boundary Agreement requires that NPD deal solely with Manhattan on any proposed development on the Manhattan side of the Boundary Line.

In sum, Elwood must actively oppose the Compass Business Park as currently proposed and absent an agreement between Elwood and Manhattan to the contrary, NPD must deal solely with Manhattan regarding any development activity on the land in the proposed Compass Business Park that is on Manhattan's side of the Boundary Line.

Manhattan trusts that Elwood will honor the existing Boundary Agreement with respect to the Compass Project and that Elwood will work with Manhattan to extend the Boundary Agreement for a full 20 years to protect the interests of both communities.

I will call you next week to schedule a meeting to discuss the extension.

Sincerely,

James Doyle
Village President

Attachment

CC: Patrick Robinson, Northpoint Development

**Village of Elwood and NorthPoint Development
Memorandum of Understanding
Compass Business Park**

The Village of Elwood ("Village") and NorthPoint Development ("NPD") are cooperative parties that desire to enter into agreements that mutually benefit the Village of Elwood and NorthPoint as identified below:

1. **Acquisition and Conceptual Layout.** While negotiations with land owners are nearly complete but still ongoing, NPD (through an affiliate) intends to acquire approximately 2,100 +/- acres of land immediately adjacent to the Village of Elwood. This location is advantageous for appropriately routing trucks to the bridge (to be constructed) at Ira Morgan/ Walter Strawn and Route 53, without "leaking" any truck traffic to streets that have direct connections to Route 53. In addition, the proposed acquisition and conceptual site layout helps to preserves 2,300 acres +/- of land that would likely be annexed into the Village of Elwood at some point in the future. A preliminary conceptual map identifying the land acquisition strategy, building layout, and street network is attached as Exhibit A. This exhibit is consistent with the previously stated goal of **not allowing truck traffic on Route 53**, and is subject to further discussion and comment from the Village.
2. **Future Acquisitions/Annexation.** Both the Village and NPD desire to **work exclusively** with each other. Should NPD acquire additional land east of Route 53 in Will County, IL, NPD agrees to annex into the Village.
3. **Recapture Agreements.** To incentivize the public infrastructure necessary for this project by NPD, the Village will incorporate recapture agreements and any other similar financial levy to fairly account for this project's initial development. In the event the Village desires to pursue development types other than industrial, manufacturing, warehouse and distribution near the proposed NPD project, the Village and NPD agree to waive any recapture agreement for such uses.
4. **Dedicated Truck Route and Employee Entrances.** To maintain the future separation of trucks from the general traveling public in the Village, the Village will abandon and/or remove the connections of current roads from the street improvements identified in Exhibit A. Unless otherwise set forth herein, any connection to the street improvements identified on Exhibit A shall require the mutual consent of the Village and NPD. To ensure truck traffic is appropriately separated, the parties agree to install certain traffic calming measures at agreed-upon locations. Similarly, the Village agrees to authorize and enable passenger vehicle traffic to-and-from various public rights-of-way, at agreed upon locations, and shall separately agree to allow truck traffic outside of the dedicated truck route only in the event of emergency (e.g., bridge closure).
5. **No General Obligation Bonds or Similar Debt.** Both the Village and NPD agree to a

covenant that restricts the Village from utilizing general obligation debt or any other form of Village-backed debt for development of infrastructure associated with the infrastructure required for the project.

6. **Initial Funding of Public Infrastructure and Dedication to Village.** NPD agrees to pre-fund public infrastructure associated with the project, which shall be eligible for reimbursement to the extent that funds are available in the TIF or similar fund established pursuant to Section 12. NPD agrees to donate the right-of-way through its project that is required for this infrastructure. Again, both parties agree that the Village shall have no obligation to issue general obligation or any similar "full faith and credit obligation" backed by the Village. The process of such construction and dedication shall be set forth in a future agreement.
7. **Bidding of Public Infrastructure.** The Village and NPD agree that projects intended to convey traffic (road and bridge construction), water, and wastewater shall be privately bid to appropriate contractors, which shall be determined at NPD's discretion. In each instance, it is desirable to procure with the lowest priced, best qualified contractor. For the bridge at Walter Strawn and any other similar road or traffic improvement, it is agreed the time of delivery shall be a consideration as well. In addition, the parties shall execute and enter into a mutually agreeable shared services agreement for purposes of funding the initial maintenance of the bridge.
8. **Additional Public Infrastructure and Similar Improvements.** In addition to pre-funding the public infrastructure, NPD agrees to either construct or provide funds to construct the following additional improvements pursuant to a mutually agreeable schedule: (a) a bike path to and from the Village to the Midewin Tall Grass Prairie, (b) a community center, (c) a new public works facility, (d) subject to IDOT consent and approval, a traffic signal located at Highway 53 and Mississippi Road. It is presently contemplated that such improvements shall be constructed during the initial phase of the project and the costs associated with the improvements shall be eligible for reimbursement to the extent that funds are available in the TIF or similar fund established pursuant to Section 12.
9. **Bike Path Screening.** The bike path project shall include general landscaping and screening improvements at Archer Park for Village residents residing on South Street north of Walter Strawn Drive.
10. **Learning and Career Center.** The parties agree to work together to identify appropriate educational and career partner(s) (e.g., Joliet Junior College) to operate a program for career enhancement, workforce training, job placement and continuing education at the Learning and Career Center located in the Village. At such time as the appropriate partnership is identified, NPD agrees to construct a Learning and Career Center at its sole costs and expense. This facility will be staffed, managed, and operated by the appropriate partner(s) for the purposes of developing a well-qualified workforce with

an emphasis on manufacturing jobs. The Learning and Career Center shall be available to the Village and its residents for use, and the Village shall have a first right of use, provided it is in common with other users.

11. Potential Development Immediately East of Highway 53. The Village and NPD desire to pursue manufacturing and other non-warehousing commercial development opportunities on the sites immediately east of Highway 53. NPD agrees to make these sites available exclusively for pursuing build-to-suit, manufacturing opportunities until its remaining property is fully developed, which is anticipated to occur over approximately 8 years. If users do not locate at the dedicated site during such period, then the dedicated site shall be available for industrial, warehouse, and distribution development and use.
12. Development Incentives. While research is being completed on the final form of the infrastructure/development agreement between the Village and NPD, the parties desire to pursue the expansion of an Enterprise Zone to accommodate the project. In addition, the parties desire to either (a) redirect real property taxes via Tax Increment Financing (TIF) or (b) abate real estate taxes via an Enterprise Zone property tax abatement, which would be coupled with direct payments in lieu of taxes (PILOTs), or some other similar mechanism. The goal would be to share revenues between project constituents by, for example, dedicating a portion of the redirected property taxes or PILOTs to: (i) the Village of Elwood, (ii) the remaining taxing jurisdictions, (iii) NPD for infrastructure reimbursement, and (iv) the beneficial occupants/tenants of the project. As it relates the impact for the Village – and for the sake of example – the current agreements between Edgerton and NPD provide that NPD pays the City \$0.09 per square foot per year for a period of 10 years on each building that is constructed. This is essentially dedicated to the City's economic development fund and allows for broad usage of these funds including construction of off-site municipal facilities like a new city hall or public works building. Should such a structure be utilized at the same \$0.09 per building square foot per year levy, then a 20,000,000 square foot project would equate to \$41,400,000 in direct payments to the Village (assuming a 23 year TIF period and construction of 20,000,000 square feet in year 1 of the TIF).
13. Economic Development Fund. The parties agree that a to-be-agreed-upon portion of TIF or similar funding mechanism proceeds shall be dedicated for purposes of economic development programs (e.g., grants, forgivable loans, low-interest loans) to attract users to NPD's development. For the sake of example, this program could be utilized to offset moving expenses for a manufacturer locating in the project.
14. Grade Separation at Ira Morgan/Walter Strawn. The Village and NPD agree to work cooperatively with the Illinois Department of Transportation (IDOT) to seek approval for a grade separation/ bridge at Ira Morgan/ Walter Strawn and Route 53. To the extent that a determination is made that this is in the sole discretion of the Village, the Village agrees to approve the request for this grade separation. Additionally, it is

agreed that the bridge shall include a bike lane and a connecting path providing access from the Village to the trail system within the Midewin Tallgrass Prairie. Further, both agree to work cooperatively to seek the necessary approvals from Midewin, allowing for this bicycle path connection. Regardless of Midewin's initial stance, NPD agrees to place a bike path on the bridge.

15. Annexation. The Village is determining the current width of Mississippi Road near the project. Should the width of the existing right of way be under 300 feet, it is agreed that **involuntary annexation of a portion of Coldwater Farms** will be pursued, if required, to facilitate the proposed development.
16. Submittal Review and Variations from Elwood Code of Ordinances. The Village agrees to review project submittals in a timely manner for purposes of obtaining building and tenant improvement permits to meet the timing requirements of projects, which would include making site plan (and similar review functions) a staff function to the extent consistent with the terms and provisions of the annexation agreement, it being understood and agreed that any deviations from the annexation agreement would require planning commission, and, as necessary, Village Board approval. The Village further agrees to grant variances from the Village Development Code and Ordinances to maintain consistency with fees, assessments, charges, and requirements imposed by neighboring jurisdictions.

EXHIBIT A
Conceptual Layout