

Minutes of the Special Committee of the Whole

of the

CITY OF DARIEN

January 30, 2013

1. **CALL TO ORDER**

The Special Committee of the Whole meeting was called to order at 6:00 P.M. by Mayor Weaver.

2. Present: Halil Avci John F. Poteraske, Jr.
Joseph A. Marchese Ted V. Schauer
Sylvia McIvor Joerg Seifert

Absent: Tina Beilke – arrived 6:10 P.M.

Also in Attendance: Kathleen Moesle Weaver, Mayor
JoAnne E. Ragona, City Clerk
Michael J. Coren, City Treasurer
John B. Murphey, City Attorney
Bryon D. Vana, City Administrator
Daniel Gombac, Director of Municipal Services

DECLARATION OF A QUORUM — There being six aldermen present, Mayor Weaver declared a quorum.

3. **DRAFT ECONOMIC INCENTIVE AGREEMENT WITH RETAIL PROPERTIES OF AMERICA INC./HOME DEPOT**

Mayor Weaver inquired if anyone had questions regarding the proposed Economic Incentive Agreement.

Administrator Vana introduced David P. Bennett and Gerald Wright of Retail Properties of America Inc. (formerly known as Inland Properties) who were in attendance to answer any questions.

Alderman Seifert stated that Home Depot is threatening to leave if an incentive agreement is not reached. He added that Westmont is conducting a hearing for the establishment of a TIF District. If approved, the TIF would not be functioning until 2018. He asked where Home Depot would move in the meantime.

Gerald Wright advised that there are land sites available for construction, and that the move to Westmont is not contingent upon the establishment of a TIF District.

Administrator Vana and Director Gombac advised that a conference call with Home Depot and their realtor confirmed plans of moving to Westmont. Home Depot wants the agreement to be between the property owner and the city.

Mr. Wright advised that the parking lot improvements will be covered by Inland and would not be part of the agreement.

The city's proposal of \$629,000 and Inland's counter proposal of \$750,000 were reviewed. Treasurer Coren explained how the city arrived at their offer.

Alderman Seifert stressed the importance of establishing incentive policy/guidelines.

Treasurer Coren noted that the extreme circumstances surrounding Wal Mart and Home Depot and the potential loss of significant sales tax revenues justifies the incentives. He added that his development of the rationale for the numbers does not suggest he supports or is against the agreement.

Alderman Poteraske asked what happens if the store goes vacant in six years. Administrator Vana responded that if the store closes or goes vacant, the city would owe nothing.

In response to Alderman Avci, Gerald Wright advised that an amendment to the lease has been drafted and will be ready to sign pending the decision of the City Council. He confirmed that if an agreement is not reached, Home Depot will move.

Alderman Schauer stated that the risk is worth taking when weighed against the significant loss of revenue and he anticipates an increase in tax revenues.

Alderman Beilke felt that finding a tenant for such a large space would be difficult, and she would not like to see the space divided into smaller units. She inquired if the rumor of the closure of the Woodridge Home Depot is accurate. Director Gombac believes that if the Darien store remains, the Woodridge location would likely close. Mr. Wright agreed and noted that, as a result of the closed Woodridge location, the sales tax revenue for the Home Depot store in Darien would probably increase.

The City Council members agreed upon the \$750,000 incentive.

Attorney Murphey explained the reason for the delayed payment, and noted that, in the event Home Depot terminates the lease, it would not constitute a breach of contract, and the city would simply stop making payments.

The City Council corrected typographical errors and struck Section 5.5 from the agreement. Attorney Murphey will send a corrected copy of the agreement to City Council.

Mayor Weaver advised this item will be on the February 4, 2013 City Council Agenda.

4. **PUBLIC COMMENT**

There were none.

5. **ADJOURNMENT**

It was moved by Alderman Marchese and seconded by Alderman Schauer to adjourn.

VIA VOICE VOTE – MOTION DULY CARRIED

Mayor Weaver adjourned the meeting at 6:38 P.M.

Mayor

City Clerk

All supporting documentation and report originals of these minutes are on file in the Office of the City Clerk under File Number 01-30-13. Minutes of 01-30-13 COW .