

MINUTES OF THE EXECUTIVE SESSION
Of the Joint Meeting of the
Budget and Administration Committee
and
Finance and Economic Development Committee
August 11, 2009
Kallsen Conference Center

Members Present: D. Seaman, Budget and Administration Committee Chair
 M. Bettenhausen, Finance and Economic Development Committee Chair
 G. Hannon, Village Trustee
 M. Bettenhausen, Village Trustee
 B. Maher, Village Trustee
 P. Rea, Village Clerk

Other Board Members Present: E. Zabrocki, Mayor
 T. Staunton, Village Trustee
 P. Leoni, Village Trustee

Staff Present: S. Niehaus, Village Manager
 M. Mertens, Assistant Village Manager
 B. Bettenhausen, Village Treasurer
 I. Baker, Director of Economic Development

Motion was made by Trustee Bettenhausen, seconded by Trustee Hannon to call this Executive Session to order. Vote on roll call: Ayes: Zabrocki, Seaman, Hannon, Bettenhausen, Maher, Staunton, Leoni. Nays: None. Chairman Bettenhausen declared motion carried and called the Executive Session to order at 7:17 p.m.

The purpose of this Executive Session was to discuss the purchase or lease of real property, the setting of a price for sale or lease of property and probable or imminent litigation.

Trustee Bettenhausen advised the Village Board of a request from the Holiday Inn for possible financing for the construction of the sixty-eight (68) room expansion. Should the Village Board consider this funding option, it would require the Village to take ownership of the air rights or other patron for the expanded sixty-eight (68) room addition, with the Village leasing back the sixty-eight (68) rooms to the Holiday Inn. Various options for bonding this Village purchase were discussed including General Obligation Bonds, TIF Revenue Bonds, IDFA Financing options, as well as Federal Stimulus Package programs. The Committee debated the policy of funding a private development with the Village obtaining ownership of a portion of a private real estate development. The Committee discussed how staff and consultants would be able to review the financial strength of the hotel operator to determine the viability of considering this option as well as other financing options for the hotel expansion.

At this time, the Village Board moved forward with interviews with three (3) financial advisors in order to discuss the ability to finance the proposed expansion as well as the hotel expansion. The Village Board interviewed Crowe Horwath, Ehlers and Associates and Robert Baird and Company. All firms advised the Board that they have the ability to fund the Convention Center as planned and recommended various options for financing the hotel expansion, as well as the ancillary improvements at the Convention Center site. All three presentations included comment on the ownership/leaseback required for issuing bonds.

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Upon discussion, the consensus of the Committee was to recommend moving forward with Robert Baird and Company as the Village's financial advisor for the Convention Center expansion project. Staff was directed to further investigate financing options to assist the hotel development with their expansion as well as determining if the hotel development company is an ongoing concern. It was the consensus of the Village Board not to pursue ownership of all or a portion of at this time.

Motion was made by Trustee Seaman, seconded by Trustee Hannon, to adjourn this Executive Session. Vote on roll call: Ayes: Zabrocki, Seaman, Hannon, Bettenhausen, Maher, Staunton, Leoni. Nays: None. Chairman Bettenhausen declared motion carried and adjourned this executive session at 10:27 p.m.

MSM:jc