

SPRINGFIELD LAKE SHORE IMPROVEMENT ASSOCIATION

**Minutes of Public Meeting Held Wednesday, September 9, 2009, 6:00 pm.
at Villa Maria, East Lake Shore Drive**

Respectfully submitted by Diane Urbanckas, Secretary

DRAFT #4 – September 12, 2009

Subject of Meeting: to Discuss Ordinance 2009-455 and Bob Gordon's Development entitled "Water's Edge Townhouses"

PRESENT: Tom Hiler, SLSIA President, Robert Gordon, Developer, Dave Steckel, Architect, Katie Heinz, CH 20 News, Frank Edwards, Alderman, Christine ZEMAN, CWLP, Steve Stewart, CWLP Engineer, Board Members in attendance: Kim Curry- Executive Board, Diane Urbanckas- Secretary, Jeff Schlindwein-Treasurer, Bill Beck, Yvonne Brandis, Rob Flesher-Council of Clubs SLSIA Rep, Terri Holland, Tim Kearney, Micah King, Guyla Loftus, Jack Madura, Vicki McGuar, Larry Michaud, Peter Murphy, Cinda Schien Kincade, Pam Tiskos Ann Tucker, Larry Wedding (if any were missed, we apologize) 100+ SLSIA Members and other interested parties.

[Note: An architectural rendering of one of the proposed buildings was displayed in the front of the room. The architects for the project are Steckel-Parker. The townhouse consisted of a basement, first and second floors, each of which each have approx. 800 sq. feet. The basement is not a walk-out.]

At 6:00 pm President Tom Hiler announced that he would delay calling the meeting to order for a few minutes since Frank Edwards, member and Springfield Alderman, was expected but was not there yet. There were also other members still arriving and waiting to be seated. After waiting about 10 minutes, Tom called the meeting to order and everyone stood to recite the Pledge of Allegiance.

TOM HILER: I don't know if you know much about Water's Edge. This meeting is to bring you up to date. On July 22 the Springfield Planning and Zoning Commission approved the zoning for multi-family units at the Marina. This was an appeals meeting. There will be 16 four-plex units at the Marina. They determined that "resort lodging" was to be defined as permanent owner-occupied residency. It is not a variance—it is a modification. Bob Gordon was then allowed to move on to the Springfield-Sangamon County Regional Planning Commission. They unanimously approved the final large-scale development plan. They also attached 52 "Subject to's" to their approval. All these "Subjects to's" are deservedly there. They include such things as pulling back patio porches that intrude on a sidewalk, the minimum 75' setback from the shore, resolving issues of storm water management. The list goes on—some really have substance, some don't mean a lot. It will take effort for Bob to correct all these. Number one on the list is that Bob is going to have to redo the entrance to the Marina based on a traffic study. IDOT is requiring an actual bond for that.

That took us up to last night's meeting at City Council chambers where an ordinance was presented to amend Bob Gordon's lease to include "multi-family, owner-occupied residency." His lease, right now, does not have that language in there and CWLP wants it in there for this project.

They also, in the ordinance, stated that an annual rent of \$500 would be required with incremental raises as specified in the lease. There was no formula specified. Things were left in the air and in the planning stage. We have some people here tonight from CWLP that might be able to clarify that.

Frank Edwards arrived at that point and apologized for his lateness. He thought the meeting started at 6:30.

Tom then turned the podium over to Bob Gordon.

BOB GORDON: I don't know where to start. Let me introduce Dave Steckel. Dave's the architect of the project. He brought some preliminary drawings and I put a gun to Dave's head as things have certainly changed, and Dave did an extraordinary job in a short period of time. I thank Dave for that. Phil Martin is our engineer and has done all the work on our project from the start.

Let me start by telling you what I don't know. I've had a number of questions and nobody has asked any unfair questions but these are some of the questions I can't answer. I don't know anything about the other condominium project. I don't know anything about the old marina. We sold that in 1999. I don't know anything about what Chris Weimer is doing over at the old Rod and Reel Club, the FOP Club. I'll defer these questions to someone who knows more.

What I do know is a lot about the Marina project and about the land, about some of the things we've tried to do since day one. I will admit to you that nothing has gone as planned. Everything takes longer. Our goal was to have these buildings under cover before the snow flies. Still a possibility but becoming remote. It took 2 years to negotiate a lease with CWLP, another 2 years to get the zoning. It might take 6 months to do this for a normal project but this is not a normal project. In addition to what one normally does for such a project, we have to go through CWLP and rightfully so, they are strict.

We have maybe the biggest stake on the lake and being a long active member of this Association, we value what this Association does and so I really just want to answer questions. I know some of the objections and quite frankly, don't understand them.

One of the ones I do know and keep hearing, however, is that "Bob's not paying his fair share." He's got a lease that is \$500 plus 1% of our net operating income.. Should it be more? I don't know. Lot of you get services that I don't. They don't pick up my branches, plow my roads, maintain my roads. They actually made me own the road which was thrown at me at the last minute and we had no choice on. We really don't get anything from CWLP in the form of services and I know that's a contentious point as far as lake leases and what you ought to pay for them. I did not come up with the formula.

The second thing I'll say is that because some of the property has not been developed, the Marina is shouldering the load for the entire 21.6 acres right now. We have a successful Marina. We've got 275 slips; we're doing business with 75% of the folks who live on the lake. We offer a lot of services that people need, obviously. I'm hoping to do more. At some point of time this is going to be developed.

You ask me why there isn't a hotel there now? I say it's because no one has come forward and wrote me a check to build a hotel. Same thing with a restaurant and the other things. So we concentrated on the Marina, the one thing that we were required to do. I hear we've not met our expectations and requirements. We've met every time line set for us.

We did ask for an extension in putting subleases in place. We were allowed that because it did take so long to get zoning and other approvals. The zoning right now allows us to do a hotel, restaurant, gas station and convenience store, banquet facilities, 66 museum, retail, other things I'm forgetting.

We've made substantial improvements to the Marina every year. I don't know where else to go with that, so I will take questions.

TOM HILER: We'll hold the questions for now, Bob. Steve Stewart is here from CWLP and Christine Zeman. Would you have anything to add?

CHRISTINE ZEMAN: I'm the Regulatory Affairs Manager at CWLP and responsible for the ordinance. I'm also responsible for drafting a second amendment to the original Lake Shore lease. CWLP did not believe the definition of "resort" worked for what was originally proposed for the condominium or townhouse proposal. Basically, this second amendment would authorize owner-occupied, multi-family residences. The lease does not excuse any non-compliance with the "Subject to's." It does not excuse any of the building or improvement codes. What it does is it sets the term to enable the financing. And it also has the rent of \$500 per unit and what is currently proposed is an incremental increase identical to that in the Harbor Point lease. We incorporated

provisions in the Harbor Point lease and fit it into just Lot 9. What does that mean? He still has to pay \$500 per year for the Marina plus 1% net operating; that ranges \$800 to \$2200 a year. That's it in a nutshell.

One more thing. I want to make clear that in going before the City Council we are not promoting this. This is Bob Gordon's plan. What our ordinance and lease does is present it to the Council. If City Council decides this is how land use around the lake should be developed, that's great. We are to set the groundwork to make it legal for the city.

STEVE STEWART: I'm Superintendent of Water Engineering. My primary responsibility is pipes and hydrants and valves and such. I do sit on the Land Subdivision Committee (??) the advisory committee to the Regional Planning Commission to the City Council. Tom summarized the situation well. We did approve the project with a number of "Subject To's, some minor and some significant, such as the storm water management plan. Once all 52 have been addressed, then it will get forwarded to the City Council for approval.

TOM HILER: Thank you Steve. Before I forget I want to make mention to all of you that Villa Maria is our newest sponsor. I will open it up to questions and answers and wanted to say that before I forget. Before we begin, I want to say that all questions are welcome and try to make your comments brief so that everyone will have a chance to speak. First, I have two e-mails from people who were unable to attend. One was from Mark Roberts who said he is personally in favor of the project and that it would be an asset to the community. Another from Carol and Rick Velde who said they have every confidence that this project will be done well and will benefit not only the lake homeowners but those who live in Springfield as well. *(Editor note: It was apparent that these e-mails were addressed to and in support of Bob Gordon.) Frank Edwards Springfield Alderman, then asked if he could make some comments.

FRANK EDWARDS: I want to give a perspective of the Council. I use Bob's Marina; I go there to buy gas; I'm glad it is there. I don't like where it sits, but it is there. The problem is, every time we allow something to happen on the lake, it opens the door for more. I'm a business guy and I think everybody ought to be treated equal. If you are allowed to do this, there are 12-13 clubs around the lake, some of them with substantial property, some in financial straits. My problem is, if we say Bob, this is great—go for it—a struggling club comes in and says, they want the same consideration. If you do it for one, you do it for all. Your lease is based on what the other condominium lease got. Who's going to come through the door next and want what you got? Where does it stop? This is a concern I have as a Councilman. I want to make it as tough as it is to do this project so we don't have to go through this time and time again.

Frank received a loud round of applause for his comments.

TOM HILER: Ok. I'll open it up now for questions and I want to ask you that before you make your comments, you state your name and lane. Kim Curry?

KIM CURRY: I was at the committee meeting last night and attended most of the other zoning meetings Tom mentioned, too. I sit on the Board but I am speaking for myself with these comments. My question is directed to Christine Zeman. With the change in the lease, will the units be limited to owner-occupancy, or will Bob still be able to rent those? Will he have it both ways?

CHRISTINE ZEMAN: Generally, it is intended to be owner occupied and the form of the lease to the owners has to be approved by CWLP before an owner can reside there. If we need to tighten it up, that's why we are here tonight. to make sure everyone's protected.

KIM CURRY: When the RFP for the Marina was issued, and you see what usages were approved, it was for public use, not for private. I can tell you what is happening in Harbor Point. It's in litigation; it's in bankruptcy. So now we have another going up. The difference between the two is that the developer of Harbor Point did purchase his lease; he paid some money for the property and justified his lease. Mr. Gordon has not bought a thing. He's spent a lot of money in his Marina business but that's all tax-funded infrastructure that was given to him to do this Marina and the other things that are in his lease that are for public consumption. So now he is going to change and use some of these acres and do a private development and pocket the money for it. I don't get that. Why are we going to allow that to happen when we are talking about laying off firemen and librarians?

Isn't it a change in the use? I'm all for capitalism and hope he does well over there but I think we need to tighten it up and make it fair.

The other thing is that there has been talk about having this project bonded as a whole. If you remember, at Harbor Point there was a swap between property BD-1 and BD-2, one of which the developer owned. One piece was pristine and very nice and the lot that he gave us was a bit of a swamp. They did that because the developer was going to pay to fix up that area. It never happened. CWLP is in there now, at taxpayer expense, doing the upgrade work with the intent to place a lien against the property. I am not sold on condos at all. If you want to build condos, you ought to pay for the project.

Kim was given a round of applause.

TOM KNOX. I live on West Lake Shore. My concern is the same as Kim's and Edwards, also. I work for CWLP as a carpenter. I was working on the sailboat turnaround in 2007. I overheard that the Director intended for CWLP to finish the lagoon, which we are working on right now. It made me believe there were shenanigans going on that you and I are now paying for. I know that at the Marina CWLP does provide a substantial amount of infrastructure. I roofed the bathroom out there. We painted; we fixed the doors. I think there's some under the table dealings going on and I don't want to be taken advantage of again. (round of applause) So my question is, Bob, what's going on?

BOB GORDON: The entire project was put out for proposal. How many bids came in? One. After a flood, leptospirosis, drought, we couldn't make it. Lost significant amount of money. I bought it for \$187,000 from Knights of Columbus. I sold it 9 years later for \$186,000 after a lot of time and effort. We get an opportunity to go to the new place. The State had restrictive covenants on what could be put on it. I spent the time effort and money for legal fees to get the covenants removed. After I did all that, CWLP says we can't just give this to Bob, we have to put it out for proposal. They put the RFP out internationally. The only interest came from Tokyo. So we put our bid in to do exactly what we are doing now and we win the bid. Then CWLP and Public Works say they don't want the main road, RT. 66, so Bob, if you want to go forward, you own the road. Nobody plows snow but me. Now they want me to redo the entrance because of more traffic. IDOT wants left and right turn lanes, truck turnaround, and more, \$480,000. There are six places of storm water run-off. They required me to fix six places of storm water run-off—rip-rap it and clean it up. They are requiring me to put in hydrants, cross-overs, I'm paying for all of that. Things kick in with higher levels of activity. I wish I could explain to you all I've been through. I've got CWLP saying if I don't do this and this and this by this time table, we're going to take away your lease. We've invested a significant amount of money out there.

You mention the roof on the bathroom. Those are public bathrooms. I maintain them. We sell lake stickers, we provide personal watercraft, boat slips to the fire and police departments for nothing. We provide Rock the Dock which everybody loves, and lost \$5,000 on it a year. Everybody in this room has a party on Bob each year. I'm not one sitting in a room doing my finance business—I'm out there. I pump the gas. I clean the bathrooms. You see me there all the time. You say you're there doing the roof but that's a public bathroom.

JOHN AIELLO, Maple Grove: This is public ground. How many acres will your development take? (BG: under two) And where will this be undertaken? (BG: south of where the rock is.) What are you going to do about the shore stabilization? If I don't stabilize my shoreline, these CWLP will be out there saying I'm in violation of the lease and I will be fined. You have not done this. You say you will do it only if you develop it. You are losing ground every year.

BOB GORDON: I am not putting rip-rap down to the bridge yet. I hope to see a hotel or development there. I a Cape Cod guy. I don't like steel seawalls. I like rock and the entire shoreline will be rip-rap; fabric and rip-rap. Let me make a general statement and you're not going to like it. You are all totally wrong. Your attitude is wrong against people who are taking risks to making it right. If you keep putting obstacles in people's paths who are taking risks, nothing's going to happen at that old marina. Nothing's going to happen at the FOP Lodge; nothing's going to happen anywhere. People are so afraid that it is impossible to develop anything. I don't think anything is going to happen with the attitude of people in this room. I can't imagine anybody going through what I am going thru now.

FRANK EDWARDS: The original plan is not what we're seeing. It is not what we voted on. The Marina is not where we thought it would be. We had a plan we were going to follow and we're not following it. And now it's the Council's fault. How do we hold people accountable? We make you go from A to B to C to D. I understand there must be variances but nobody wants to do what they said they would do.

VICKI McGUAR Oak Lane: You are not leasing these units; you are selling them, if I understand correctly. What if, especially in this economy, you cannot sell these units? How long do you have that they be allowed to sit empty? Do you or CWLP have an alternative plan?

BOB GORDON: I am a pretty conservative person and will not do it if it does not make sense financially. The people who I have interested are not young. I am not going to build unless the units are pre-sold. I am not going to rent. Unless 50% are pre-sold, we will not build. I don't have to build all four buildings. We can build one or more. I am not going to put my whole financial future on this. I have bankers who are only willing to go if I sell 50%.

FRAN YOCUM, Hawthorn Lane: Will there be a provision that the owners can rent them out?

BOB GORDON: You can rent your house out, can't you? They will have the same benefits as you have. They can rent them out. The answer here is I am not going in for short term rentals.

TOM HILER: All of us can rent our house with permission from Property Management at CWLP.

TIM KEARNEY: Is there any way we can do the restaurant first?

BOB GORDON: I would love to see a restaurant. We've tried hard for that. The only offer I've had is if I put the building and equipment in and they'll come in and run it. I don't want to be in the restaurant business. It's a little too far outside of Springfield and does not have enough traffic.

VALERIE NESTER Wienold Lane: Do you have sewers on that property?

BOB GORDON: Yes. All the utilities are in. 100%. Most were in there before we got there. We have a deep sewer. Even the basements pump down. We have an 18" water main. Electrical is overhead but we're going to be burying that.

KAY KING, So. Fox Mill: I have an issue with the removal of restricted covenants. The green belt space is one we revere out here and is one of the reasons we are willing to pay exorbitant property taxes. Removing restricted covenants is what had to happen in order to make this project go. How can we know that the restricted covenant that provides for green space across the street from us will not also be removed so that a subdivision can be built. That concerns me a great deal.

BOB GORDON: One-third of our space is green space. Yes, we will have to take trees down and yes, we will be putting more of them up.

BARB SHEA, Oak Lane: I would like to know if people would like to open up other clubs to people than just where you are a member?

TOM HILER: On this specific question, I don't think any of us has any control over what the individual clubs decide for their clubs provide.

JOHN SCHEIDER, West Lake Shore Drive: Bob, you just said have not done what you said you would do. You have not done the hotel, the restaurant, other things you said you would do. I want you to fulfill what you originally committed to.

TOM HOPPE, Oak Lane: To me the whole intent of the original project was to open it up to the public. It's hard

for me to stretch selling condos on public property as opening it up to the public. What I see instead is a loss of ground. We have a huge "no wake" zone. We used to have a public park for overnight camping. I see a boat dock and that's fine if that is what we need, but I see the condos as losing public access rather than gaining it.

(Round of applause.)

BOB GORDON: The Marina is the best access to the lake and it is very difficult to make it work without something else happening. It's not because I have said I am not going to do a restaurant or hotel, it's because other people have decided that at this time, this is not where I want to put one.

LARRY WEDDING, Island Bay: I think the Marina is the best thing to happen to Lake Springfield. It's immaculate, it's successful. I'd love to live in the condos. I don't know Bob that well but I think he's a man of integrity. I've been over there a lot and I admire what he has done.

BOB GORDON: We have a lot of interest in the condos. These are people living on the lake. It is mostly older people who are tired of taking care of their property. They say, "if you do it, I will buy one."

FRANK EDWARDS: Then they do not know what they are getting into. Come July and "Rock the Dock" comes around and the phone calls start. It is noisy and the calls come in. A Club has a party or a chicken fry and the band plays late and the calls come in to put a stop to it.

BOB GORDON: But they DO know what they are getting into.

FRANK EDWARDS: I want to tell you all where the Council is on this. I told Bob that I would hold it on committee and we would talk about it Wednesday night (tonight). We will then bring it up to a vote. I do not see the vote failing. With that approval it just means Bob can get started. It also means that the negotiations with Steve and CWLP are ongoing. Anybody that's been out to "Rock the Dock" has never seen anything like it. It's a lot of fun and it's loud.

TOM HILER: What Frank said was important. The Ordinance will be coming out of Committee for a vote. It's probably going to be approved by the City Council. The thing I want people to know is that with that approval, Bob is just getting started. It has meaning but there are 52 "Subject To's" and the negotiations with CWLP are ongoing. It does not mean Bob will be breaking ground in two weeks. I see Bill Beck has a question.

BILL BECK, 2 Island View Lane: I'm a relative newcomer to the lake. In fact, I thought most of the folks out the lake were pretty snobbish. Listening to you tonight, I'm not sure my opinion has changed. We focus on our own selves because Bob or someone else got an advantage and we're thinking that they shouldn't get that because I didn't get it. I don't see anything in that Ordinance that reduces my property value. In fact, I see an opportunity for 16 people who don't live on the lake right now to live on it. When this project started, it said certain things can be built, not would be. There was no requirement that they be built. It does not put a legal obligation on doing something. If you have ever taken on a project, you know once you start it, you want to change it. Nothing works out exactly the way you thought. Gordon's project is his nickel. It does not deteriorate the quality of what is there. It actually improves it.

(Round of applause.)

JIM KUNKE, Bay Ridge: ***** Note: Jim's question was missed as it occurred when the tape had to be turned over. Your input is requested.

CHRISTINE ZEMEN: What is proposed is a lease for Lot 9 for the four buildings and four units. That second amendment will allow Bob to sublease those units to owner-occupied. That form has to be approved by CWLP before the owner signs it.

MARK KANE (Cane????) West Lake Shore: How much are you selling these units for?

BOB GORDON: Just got the bids back in or at what we expected. We're hoping for \$250k maybe \$300k, depending on extras people want. They'll be very nice.

MARK KANE: How many square feet?

BOB GORDON: Approximately 1600 square feet finished, plus a full basement. It is not a walk-out. They will be nice. Originally someone wanted to build 120 units in this same area. I do not believe at all that these will be weekend rentals. I suspect a lot of them will be lakeowners who want to leave their current homes and get rid of all the problems. And I'm going to tell them, come July 4th, be ready for "Rock the Dock."

LARRY MICHAUD, Bay Ridge: Is there something in the revised lease that limits the units to 16?

CRISTINE ZEMAN: The ordinance restricts the buildings to 16 units, four in each building. Only on Lot 9. The ordinance as proposed will only allow residents on Lot 9. One-third green space is required and that limits other things being built. That does not mean that 10 years down the road a new administration will not change the rules.

LARRY MICHAUD: The city is getting 1% of the net profit. Last year Bob gave them \$1,236 based on sales of over two million dollars. Obviously the deal that was cut was not a very good deal. Perhaps now is a good time to change this so that it is 1% of the gross. I'm very concerned about the part of his shoreline that is falling into the lake. It's very expensive to dredge silt so you've got some room to negotiate here.

(round of applause)

KIM CURRY: What do you see as your top five "Subject To's" to finish?

BOB GORDON: Traffic control. Intersection. Bonded again. Steve, help me with this.

STEVE STEWART: Lake Springfield is absolutely essential to Springfield, so storm water management and erosion control is number one. The IDOT permits for the entrance will be expensive for him. When you talk about traffic, IDOT will look at peak traffic in summer plus the unit traffic so there will be no backup at the entrance. We're going to look at the green space—where it is, where the trees go. That will help the storm water management.

BOB GORDON: I agree those are the top ones. Phil Martin is already designing things to help with the storm water management. We've got a pile of rip-rap out there. That will be moved soon. Traffic study is in the works. We have a lot to do; we're working on it.

BETSY AIELLO, Maple Grove. I feel a little better after that last gentleman spoke, knowing that someone else is looking out for our interests.

VICKI McGUAR: You said each of those 16 people will pay \$500 in lease fees. Are you negotiating for the increases or do they get them like we get the increases?

CHRISTINE ZEMAN: The leases are based on those at Harbor Point, which is 7.5% every five years.

VICKI: Is it relatively the same as we are paying?

CHRISTINE: More. It is more. It starts at a level that we determine generally comparable but eventually will actually exceed what you are paying.

BOB GORDON: Someone did the math and it's 4-5 times what homeowners pay.

JOE MOORE, 45 Oak Lane. I'm known as the protector of the lake. I want to know if every time you want to build something you have to go the City Council.

BOB GORDON: Yes. Before it goes anywhere, the Mayor has to approve any sublease and everything out here. Years ago Deja Vu wanted to move out here. So the Mayor put something in the lease to make sure it didn't happen. I've got denial letters and approval letters.

TOM HILER: I'm personally disappointed that we let the opportunity of Deja Vu get away.

BOB GORDON: I know you all want to get out of here. Let me finish up. We've done a good job at the Marina. We're gonna do more. The project says we have to do traffic, maintain roads, manage storm water--the Marina can't do that by itself. It's paying for the whole deal. At some point in time that burden will be relieved. If we spread it out with a hotel, a restaurant, over time that 1% will increase.

TOM HILER: I want to thank everyone involved—CWLP, the residents, Frank Edwards, and Bob, everyone here. I want to tell you that every time Bob makes a move on that property, this Board is going to be here. We'll be talking with Steve, Slagle, everybody on everything Bob Gordon wants to do. So, we'll be seeing you.