

January 19, 2009

Pat Tierney
Lake County Planning, Building and Development
18 N. County Street – 6th Floor
Waukegan, Illinois 60085

Re: Mill Creek Estates – Application for PBZ Consideration (Major Subdivision Waiver)

Dear Pat:

The purpose of this correspondence is to submit a Major Subdivision Waiver to the Planning, Building and Development Department. Article 10 of the Lake County UDO indicates that the application shall include (1) a description of specific procedural or design and improvement standards to be waived or modified and (2) the reasons and justifications for the requested Major Subdivision Waiver, in light of the approval criteria.

Your January 16th correspondence indicated that the provisions of the UDO from which we are seeking variances are Section 10.16.2.C and Section 10.16.3.C. I will explain our requests as follows:

Section 10.16.2.C/ Restoration Assurances

This section of the UDO requires restoration assurance (in the amount of 30% of the engineer's estimate of the cost of the subdivision improvements) to be posted as a prerequisite to commencement of construction activities for a minimum 2 year period. The restoration assurance section of the UDO indicates that in all of the development scenarios, the developer has begun the on-site improvements. Thus the Restoration Assurance is predicated on commencement of construction activities. Our situation is unique because the on-site improvements have not yet commenced because of the housing market downturn. This situation is the reason for our variance requests, from both Sections 10.16.2.C and 10.16.3.C. A thorough description is explained below and we appreciate the consideration from the PBZ Committee of our requests.

Section 10.16.3.C/ Performance Assurances

This section of the UDO requires bond to be posted as a prerequisite to commencement of construction activities for a minimum 2 year period. None of the on-site improvements have started, and no construction activities are planned for the near future. Our request is for a postponement of the bond posting for the on-site improvements until such time as we are ready to install the subdivision improvements. While we expect that there will be significant demand for these lots sometime in the future, because of the market downturn no lots have been sold and no sales are expected in the near future.

As noted previously, none of the on-site improvements have commenced. Further, while the Final Plat remains in place, all of the Access and Site Development Permits have now lapsed. Therefore, the County controls the development and building process and is protected from any prospective lot purchasers from coming into the County requesting a building permit which cannot be issued until the on-site improvements are completed.

We understand the importance of providing the County with assurance of completion of the subdivision improvements. However, ours is a unique situation in that none of the on-site improvements have begun. In order to provide additional protection for the County in addition to the permitting process, we have created a Bond Agreement to be recorded against the property. The Bond Agreement (a draft included herein) indicates that no lots would be sold until such time as the security is renewed in the applicable amount as required by Lake County Ordinances. The Bond Agreement also verifies that the County is not responsible for the improvements at the subdivision.

We would like to thank staff for the discussions and correspondence that we have had relative to this issue. For edification of the PBZ Committee, copies of that correspondence beginning on October 13th, 2008 is attached herein. In addition, please find a copy of the check verifying payment of the application fee in the amount of \$260.

Sincerely,

INLAND REAL ESTATE DEVELOPMENT, LLC



David Howat

Inland Real Estate Development, LLC

2901 Butterfield Road

Oak Brook, Illinois 60523

howat@inlandgroup.com

(630) 586-4731

cc. Tony Casaccio, Matt Fiascone, H. Dan Bauer, Esq., Phil Rovang, Bob Mosteller, Lisle Stalter