

September 6, 2012

## LETTER OF INTENT

In the spirit of collaboration, Lake County Board members Steve Mountsier and Craig Taylor and Village President Albert Pino and Mayor Joseph Mancino have met and found common ground on the future development of the Dimucci property.

The respective parties were able to focus on mutual concerns and mutual desires to create a series of conditions, while collaboratively working toward an appropriate outcome for the pending application process. In particular, the presidents and board members mutually agree that the Dimucci property is best suited for smaller-scale commercial development in a manner compatible with the local area. They further agree that such future commercial development of the property is best accommodated through mutual cooperation, resulting in standards that are appropriate for development at this location.

The signatories to this letter have reached conceptual agreement on mutually acceptable conditions for the future development of the property and the mutual obligations of their respective jurisdictions related to such development. Under such conditions and obligations, provided below, the presidents and board members fully support the pending application as modified in accordance with the provisions of this Letter of Intent. In turn, they will present a series of recommended development conditions to the Zoning Board of Appeals for its review, and will further work with their respective boards to incorporate the conditions and obligations set forth herein into a binding Intergovernmental Agreement to be considered for adoption concurrently with the County Board's consideration of the project's pending rezoning, Conditional Use Permit and PUD Preliminary Development Plan applications. It is the intent of the parties that the intergovernmental agreement shall be adopted by the two villages conditioned on the County Board's approval of the development application subject to the terms stated herein, prior to the County Board's consideration of the development application and IGA.

Accordingly, County Board members Mountsier and Taylor and Village President Pino and Mayor Mancino mutually agree to the following:

### **Development Conditions:**

- The site's maximum allowed floor area shall be reduced from 800,000 square feet to no more than 450,000 square feet of retail with the balance of the project as "local service-oriented uses" such as restaurants, entertainment, local commercial service, other neighborhood-oriented uses or general office uses, provided that the total project floor area is limited to 650,000 square feet. It is to be noted that the total allowed floor area thus being allowed for "retail" and "local service-oriented uses", 650,000 square feet, is less than half the approximately 1,400,000 square feet which would be allowed if the property were rezoned to general commercial zoning without restrictions and is a little more than half of the approximately 1,200,000 square feet of floor area in the Deer Park Triangle commercial area.
- Any buildings located within 300 feet of the Old McHenry Road right-of-way line shall be limited to 35' in height (with 15' of additional height allowed for architectural features).

- For the remainder of the buildable area (as defined by the setbacks on the Preliminary Development Plan), buildings shall be limited to no more than 50' in height (with 15' of additional height allowed for architectural features) and shall be further limited to no more than 3 stories.
- Lighting shall be limited to the following maximum thresholds: 0.75 footcandle along Rand Road, 0.25 footcandle along all other property lines and all lighting fixtures shall meet the criteria of "Dark Sky" principles.
- The following uses shall be prohibited on the property:
  - Hospitals/medical centers with overnight beds
  - Adult entertainment establishments (as defined in the current Lake County UDO, including adult stores, adult theatres and adult cabarets; and as otherwise defined as "adult entertainment facilities" in 55 ILCS 5/5-1097.5)
  - Crematoria
  - Boat/Car/Other Vehicle Sales with outdoor storage/display
  - Airports
  - Bus terminals
  - Tattoo parlors
  - Mortuaries
  - Self-service (coin-operated) laundromats
  - Dwelling units
  - Outdoor Kennels
  - Service Stations/Fuel Storage Facilities
- The development shall retain on-site security for all retail hours of operation if requested by the Sheriff's Office.
- The developer shall provide up to an acre of land to be used for Sheriff's and Fire Protection District substations on-site, if requested by these agencies.
- Any outdoor storage/display associated with established retail uses on-site shall be completely enclosed and screened from view by a wall meeting the architectural conditions of the applicant's Pattern Book dated January 25, 2010; such outdoor storage/display area shall only be accessible via the interior of the retail building. (see, for example, Long Grove Menard at Route 53/Lake Cook)
- Parking structures shall be limited to 2 stories; any parking structures oriented to Old McHenry Road shall be visually buffered from the Old McHenry right-of-way through additional enhanced screening.
- The development layout shall, at least in part, feature separate structures, individual external store entrances or other means of promoting open-air circulation of pedestrians.
- Open-air pedestrian-oriented amenities shall be featured to further enhance community character. Examples include, without limitation, the following: fountains, waterfalls and other decorative water features; gazebos and pavilions; pedestrian trails; outdoor seating; and internal streetscape improvements.
- Off-site stormwater flow from the development shall be at least restrictive as the Squaw Creek Release Rate (specifically defined as 0.02 cubic feet per second, per acre for the 2-year 24-hour storm event; 0.09 cubic feet per second, per acre for the 100-year 24-hour storm event) in lieu of any less-restrictive release rates of the current Lake County Unified Development Ordinance.
- The Lake County Planning, Building and Development Department and the Stormwater Management Commission will exercise concurrent responsibility for review and approval over

the stormwater-related components of the project utilizing, unless otherwise provided herein, the standards of the Lake County Unified Development Ordinance (UDO).

- Performance guarantees shall be required for the installation and maintenance of landscaping equal to the following: for installation -130% (100% plus 30% contingency) of the estimated installation costs (including labor and materials); for maintenance:15% of the estimated installation costs (including labor and materials). Such guarantees shall encompass not only new landscape buffering required along all property lines but also required screening enhancements to existing landscaping and berming along abutting properties in Valentine Manor.

#### Mutual Obligations of the Parties:

- The Villages will agree not to annex nor take any action to allow an annexation of the Dimucci property, in whole or in part unless the annexation is owner-initiated. Provided that, in the event of annexation of the property, the annexing municipality will pay to the County and non-annexing municipality their same share of the base municipal portion of the Retailer's Occupations tax revenue generated from the property (currently one percent (1%)) as if the property remained in the unincorporated Lake County. Moreover, notwithstanding any annexation, the same standards for development (stormwater management, building codes, Development Conditions contained herein, etc.) shall continue to apply as if the property remained in the unincorporated County.
- Hawthorn Woods will immediately work to amend any existing agreements with Lake Zurich or others in order to authorize and allow Lake Zurich to supply public water service to the property conditioned upon approval of the Final Development Plan.
- Hawthorn Woods will immediately work to execute its consent to Lake Zurich's pending consent request to provide sewer service to the Dimucci Property conditioned upon approval of the Final Development Plan.
- The Villages will withdraw their public opposition but will retain their formal legal objections to the pending Dimucci rezoning, Conditional Use Permit and PUD Preliminary Development Plan application pending County Board approval of the project subject to the terms stated herein.
- The Villages will not waive any conflict or otherwise consent to any of their consultants/experts or any materials developed by the Villages or their consultants/experts for the purpose of objecting to or opposing the pending Dimucci application, to be retained by, utilized by or provided to any other parties who object to or oppose the pending Dimucci application, except as may be required by law.
- The Villages support the overall proposed development's size and scope, subject to the terms and conditions set forth herein.
- By providing conceptual support to the proposed development's size and scope, the Villages nonetheless retain the right to make additional comments throughout the remainder of the development review process as related to the proposal's details in order to enhance the development proposal (by way of example, drive-through service orientation away from Old McHenry Road, specific architectural components, etc.).
- To recognize and mitigate the potential impacts that the development of the property may have on the Villages' infrastructure and services, the County and Villages agree to sales tax revenue-sharing: 60%, County; 22%, Hawthorn Woods; and 18% North Barrington
- The County and Villages will enter into a binding three-party intergovernmental agreement ("IGA") concurrently with the County Board's consideration of the project's pending rezoning,

Conditional Use Permit and PUD Preliminary Development Plan application to effectuate the terms of this Letter of Intent. The County and Villages will use appropriate legal mechanisms, including but not limited to a Consent Order entered by the Circuit Court of Lake County, Illinois, in order to bind the County and Villages to the terms of the intergovernmental agreement for a period of ninety nine (99) years.

- The Villages agree to rescind and/or amend all existing agreements that are inconsistent with the terms herein, so as to be consistent with the terms herein, and not to enter into new agreements that are inconsistent with the terms set forth herein.

Mayor Joseph Mancino,  
Village of Hawthorn Woods

President Albert Pino,  
Village of North Barrington

Steven Mountsier  
County Board Member (District 17)

Craig Taylor  
County Board Member (District 19)