
HLC PARTNERS

DIVISION OF HAEGER INDUSTRIES, INC.

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MEMO

TO: The Honorable Christopher Nelson, President
Members of the Board of Trustees
Mr. Joseph Cavallaro - Village Administrator
Village of West Dundee

FROM: Craig Zachrich

DATE: 10/19/2014

**RE: Haeger/Estes – West Dundee, IL
History of Long Partnership**

It is often overlooked and forgotten that the Haeger/Estes Family and the Village of West Dundee have had a long term relationship of working together. Many new people move into the Village, new Village Staff members are added and the make-up of the Village Board and commissions change and add new residents. I think it is imperative that the new residents, new staff, new Board members and new commissions be made aware of this working relationship and of its importance to both. I hope that many of the residents and Board members who have been part of the Village of West Dundee for many years will also find it informative.

The following is a summary of the activities that have taken place since 1984 between the Village of West Dundee and HLC Partners, a Division of Haeger Industries:

INITIAL DISCUSSIONS:

1. In 1983 the Village of West Dundee was treating its own sanitary sewer effluent. Its treatment facility consisted of a receiving station, treatment equipment with open sludge pits that were emptied by end loaders and trucks several times a year. It was located at the far southwest corner of South End Park. It was a maintenance nightmare and was known for occasionally spreading sanitary sewer odors throughout the local area as well as sending contaminated sewage into the Fox River. The plant and equipment were outdated and in bad shape. West Dundee needed to do something quickly as demand was increasing for the service and regulations were tightening under new EPA regulations.
2. West Dundee was planning to upgrade and expand the facility to address the problems stated above. They had preliminary plans drawn and preliminary estimates made. The cost was considerable and the increase in the capacity of the facility was going to be marginal. An upgraded facility was still going to require the use of the wonderful South End Park location and was, in fact, going to use more of the park for the expansion. West Dundee was going to have to man the facility and meet all future EPA requirements, which were not known at the time.
3. A second possible solution was investigated. The proposal was to combine West Dundee's expansion with one that the Fox River Water Reclamation Department of Elgin was also contemplating. Elgin was running out of capacity and had a huge plant that needed some additional upgrades also. It was determined that if West Dundee combined its money needed to upgrade its plant with that needed by Elgin, West Dundee could obtain around 1,200,000 gpd

treatment capacity or an excess of over 600,000 gpd compared to that amount if it expanded its facility at South End Park. The proposed scheme also allowed Elgin to use West Dundee's priority number in obtaining state and federal grant money. This was a win-win for both communities.

4. West Dundee would also receive the following advantages:
 - a. It could get out of the business of sanitary sewer treatment totally and thus reduce its payrolls.
 - b. It would not be subject to new treatment regulations by the EPA, which can be tremendously expensive.
 - c. It could remove the facility and existing sludge pits located in the park and recover this property for the park. The new South End Park renovation has been possible because of the decisions made in 1983.
5. The above plan was a good one except West Dundee needed an easement across the Haeger property to be able to install a force main that would transport the untreated sanitary sewage from its lift station to the Elgin treatment facility.
6. Haeger gladly gave West Dundee the easement it needed and at no cash charge. This allowed West Dundee to use this money to build even more capacity than it would have been able to do if it had paid Haeger for the easement. Haeger requested that it receive some capacity for its property at a fixed amount if it ever annexed to the Village. Again a win-win for both parties.

1990 AND 1993 ANNEXATIONS OF THE HAEGER PROPERTY TO THE VILLAGE:

1. In 1989/1990 Haeger entered into negotiations with West Dundee to annex its northern most 315 acres. West Dundee was very pleased that Haeger was steadfast in its commitment to become part of the Village of West Dundee, as the City of Elgin was most interested in our annexing the Haeger property. A wonderful concept plan was presented and accepted and the 15-year North Annexation Agreement was signed on August 6, 1990.
2. In 1992 the Village again approached Haeger for a favor. It had an opportunity to be involved with the Mirage Casino River Boat proposal to place a riverboat casino on the Fox River. The Village asked that Haeger sell 30 acres of property to the Mirage for the casino and to strip annex the property to West Dundee.
3. Haeger has always had a dedication to the Village of West Dundee as the Haeger family has lived and worked in the community since 1871. Again, although Haeger was very concerned about having a casino located on its property, it knew that the Village was very interested in pursuing the revenues it would generate. Haeger worked diligently with West Dundee to annex its southerly 213 acres of property to the Village. The 20-year South Annexation Agreement was signed on July 9, 1993.

GENERAL DEDICATIONS SINCE THE ANNEXATION AGREEMENTS WERE SIGNED:

1. Haeger has given the Village over 7 acres of property at no cost. One acre was given for the elevated water tank at the southwest corner of the property. Five acres were given to the Village for its Water Treatment and Maintenance facility on Angle Tarn Street and an additional 1-acre was given to the Village for its lift station.
2. In addition, Haeger has given the Village numerous easements for raw water lines, treated water lines and for other utility easements.
3. Haeger has installed over 9,000 lineal feet of 10-inch water line that now loops the system from the new elevated water tank to the Village's system in Strom Drive. This installation and additional easements has been given to the Village at no cost.

MARRIOTT HOTEL/THORNTON GAS STATION DEVELOPMENT – JULY 1998:

1. The Marriott Hotel and the Thornton Gas Station needed water, sanitary and storm services from the Village or they would have annexed to Elgin.
2. Haeger, through the installation of the looped water line, discussed above, provided the project with water at no cost to the Village.
3. Haeger gave the Village the needed easements necessary to connect the sanitary sewer lines to the Elgin trunk line at no cost.
4. Haeger gave the Village the necessary easement so that the storm lines from the project could run the Fox River outlet at no cost.
5. The above projects could not have been constructed in the Village without these easements.

GALVIN/PULTE PROPERTY ANNEXATION INVOLVEMENT – NOVEMBER 1999:

1. The Village of West Dundee was in a fight with the Village of Sleepy Hollow over who had rights to the Galvin property and its future development.

2. The Village of West Dundee did not have enough “uncommitted” sanitary sewer capacity to be able to service the proposed Pulte project. The Village asked if Haeger would officially loan the Village 164,400 gpd of Haeger’s sanitary sewer treatment capacity.
3. Haeger provided the Village with what it requested immediately, at no cost, and the Village was able to prove it had the capacity and ultimately annexed the property.

GENERAL COOPERATIONS AND PRIDE IN WEST DUNDEE:

1. Haeger and the Village have worked together on many other smaller projects and always with the common good in mind.
2. In 1994 Haeger worked with the Kane County Forest Preserve to continue the “greenway” along the entire Fox River frontage. The end result of this was to gift the Forest Preserve a 20+ acre Nature Trail and Nature Preserve Easement along the Fox. This Trail and Preserve easement links the Forest Preserve’s Voyagers Landing with West Dundee’s South End Park.
3. Haeger has brought two projects into the Village since the Annexation Agreements were signed. Fairhills of Canterfield is a very nice single-family project. We spent a lot of time and effort in working with Ryland to make this the best single-family development that they had ever done. Haeger continues to head the Architectural Review Committee and feels this continued involvement has kept the area looking sharp and presentable.
4. The second project is the Traditions Apartment complex. Haeger worked diligently with the developer, planners, architects and the Frontenac Homeowners Association to make this project not only a commercial success but a neighborhood success. The Frontenac Homeowners Association presented the Village Board with a letter that not only approved the project, but also praised the manner in which their concerns were addressed. The Traditions has won many housing awards from the American Institute of Architects and well as Site Planning Engineering Societies. Haeger worked very hard to find the right developers in both cases and feel we have improved West Dundee’s image with these two projects.
5. Haeger takes a lot of pride in presenting the public with a wonderful “Front Door” for West Dundee’s south entrance. We take pride in keeping the right of ways along Route 31 mowed and cleaned up. We have also recently made a substantial investment in improving the barns and pasture at the intersection of Route 31 and Boncosky Road. We have done all of this with the intention of creating a very special Public impression for the Village of West Dundee and us.

We hope we have demonstrated that Haeger and the Village have a special long-term relationship that needs to continue. We further hope that we have demonstrated that Haeger has provided the Village with many free easements through which all of the Village’s sewage is pumped the City of Elgin, raw water is pumped to its water treatment facility and utilities are provided to the Marriott Hotel/Thornton Gas Station development. Haeger has given the Village seven (7) acres of free land on which the Village has built an elevated water tank and built the municipal Water Treatment and Maintenance Facility, both of which have improved services to the entire Village.

Throughout the process, Haeger has always been mindful about what it wants to create on its property and for the Village of West Dundee. We have had numerous opportunities to sell to developers who would have done a good job with the property, but not an exceptional job. We feel that our property and how it is ultimately developed will influence the Village of West Dundee for many years to come. This is a process that needs to be slowly nurtured. We need to find the best developers available who are willing to “push the envelope” on good design and quality and who are willing to make the development the “jewel on the Fox River” that it can become. All of the above takes a lot more time than we, or the Village, ever expected.

Our insistence on finding the best developers and the best developments for our property and for the Village of West Dundee has, unfortunately, brought us up against the 2005 deadline for the North Annexation Agreement. We feel we have been a good partner to the Village and have more than complied with every aspect of our past Annexation Agreement.

We hope you have found this informative and interesting.