



**CITY COUNCIL MEETING  
CLOSED SESSION  
ALDERMANIC LIBRARY  
2<sup>ND</sup> FLOOR  
JUNE 22, 2009**

**PRESENT:** Aldermen Fiske Alderman Tendam  
Alderman Jean-Baptiste Alderman Grover  
Alderman Wynne Alderman Rainey  
Alderman Wilson Alderman Burrus  
Alderman Holmes

**STAFF:** Rolanda Russell Interim City Manager, Elke Purze Interim First Assistant Corporate Counsel, Jack Siegel Corporation Counsel, Martin Lyons Assistant City Manager

**GUEST:** Iain Johnston, Andy Greene (Johnston/Greene/LLC Attorneys)

**PRESIDING:** Mayor Elizabeth B. Tisdahl

**START:** 10:41 p.m.

Before starting the session Mayor Tisdahl allowed Alderman Rainey to say a few words. **Alderman Rainey** mentioned what an excellent set of minutes that were submitted by Mayre Press concerning the June 5<sup>th</sup> discussions on hiring the new City Manager Walter Bobkiewicz. She took those pages from 2:00 until 8:00 and made so much sense out of them that she was so impressed, and that she did it without complaining.

**Mayor Tisdahl** agreed that the minutes were excellent, but that was not quite the way she remembered it.

**Alderman Fiske** wanted to submit her editing of the minutes of May 26, 2009 and she presented them to the City Clerk. The question was asked what those changes were, and Alderman Fiske asked was it appropriate to mention them with other people in the room?

~~Then Alderman Jean-Baptiste suggested we wait until later and it was agreed.~~

**[The minutes were not voted on for approval].**

**Litigation**

**Interim City Manager Rolanda Russell** suggested we start with the Metropolitan Bank Litigation from Elke Purze Interim First Assistant Corporate Counsel and Iain Johnston/Attorney with Johnston & Greene LLC.

**Mr. Iain Johnston** stated they now have a motion to dismiss on file, because it has no merit and it's the only count keeping it in court. We can litigate, settle, or motion out, so we are looking at whether to proceed but getting the property owner Mark Witkowski out of the property located at 309-311 Sherman. They are willing to litigate the case on principle set the City's interest and let the bank know the City is ready to stand strong on this issue. They haven't received a settlement offer from the bank yet and they are talking with the Bank's Attorney, and told him flat out the City is not willing to pay any money at all for Attorney fees. They are looking for the Bank getting the transfer stamps, begin construction right away, and pay the \$57,000 they owe us and rehab the property. Their Attorney is balking at paying the \$57,000, and maybe getting back to the \$13,000 the developer was willing to pay the City in an initial settlement deal is a potential, or hang tough and push the case and make them pay the full amount for litigation, but it's up to the Council to decide whether we push forward or settle for what we can get as far as the policy the City wants to take.

**Alderman Wilson** asked if the City had filed an appearance in the foreclosure case, and the answer was no. So he was assuming that the City defaulted and judgment was entered against the City.

**Attorney Johnston** replied no technical default entered, they went right for the consent foreclosure directly to the default from the owner to the Bank. Then he asked was a noticed given to the City, answer was yes. Then he asked if they responded or go after it.

**Elke Purze** commented it was no surplus to go after, and so they sent it downtown for their Attorney Jim Wognom and he said there was no surplus to go after so it wasn't worth follow up.

**Mr. Iain Johnston** stated the liens were extinguished under the foreclosure statute, but they would argue there is a conflict in the City's Home Rule authority in particular the Ordinance provision under the Municipal Code that allows the fines to run with the land. This would be their argument. They would have to line up a conflict with the Foreclosure Statute and the City's Home Rule and present it to the court to see which one trumps the other, and there is no case on this as of yet.

**Alderman Rainey** stated one of the issues she has with this case is that we've spent tens of thousands of dollars of City time spent in the courts in Skokie. We have many homes in foreclosure that are boarded up and re-boarded up due to break-ins, grass to be cut and staff time invested. We have no accounting for that kind of money and none of it will ever be collected. We need to stop sending out people to address these buildings because it is a huge drain on our tax base. She also wanted to know what proof do we have that there were ever a real purchaser for the properties that we have received contracts on. She asked if the Bank was going to buy the building. The answer (by Mr. Johnston) was the Bank owns the building with Harold Ryder as a potential buyer who does a lot of work in Lincoln Park. Alderman Rainey also stated it is not so awful this building sits empty as long as it owes so much money, and if we ever made an example of any building it should be this one. This building has taken up so much of the City's time and hers, and hope that the Council would make a statement on this building.

**Alderman Jean-Baptiste** wanted to know how we protected our interest from day one and how we made the owner understand we were not going to stand for the type of behavior he was engaged in. There should have been some fines paid as well as other things, but when the building went into foreclosure and we didn't file an appearance we

lost our opportunity to assert whatever claims we had. When the consent foreclosure was entered into we didn't seek to be involved or say anything to object in anyway shape or form. So now we have been so out of the loop we are not vigilant about this situation. You sent this to this guy and because there was no surplus you said do nothing. Our own legal department failed to appear in a case where our interest is at stake, because we have nothing to go after. So now we are in a position that we are so weak, the case is weak in the first place because there are new issues. We don't know if the court will find that Home Rule trumps what the Foreclosure Act says or what, but we have not protected our interest from the very beginning.

**Elke Purze** remarked the first time we receive a foreclosure complaint we send it Downtown to our Attorney Jim Wognom and he looks at the facts and decides whether to proceed or not after his cross analysis is performed. **Alderman Jean-Baptiste** wanted Ms. Purze to explain why we are involved with this case, since we decided not to get involved before beside the fact that leadership from the Aldermen that we need to do something. She continued by saying we have Mr. Witkowski in court for well over a year, starting with an administrative search warrant to get the property cleaned up and get it back up to standards. At sometime Mr. Witkowski's section 8 got pulled and that's when he went into foreclosure which they knew was imminent. They tried to get Judge Murry in Skokie to get the judgments entered so that they could lien the property. By the time the judgment was entered for the \$50,000 or whatever it was for the windows and things, he was already down the path of foreclosure. **Alderman Jean-Baptiste** replied so you could still appear in the process and try to settle the claim. She replied they sent it down to Jim Wognom to get him to appear. He then asked Ms. Purze what she was advocating since she makes the decisions. Ms. Purze replied they came to the City in late December, somewhere around News Years Eve to purchase transfer stamps. We would not sell them the stamps because they owed the fees. They in turned sued us and took it to the Federal Courts on an emergency TRO, because they were in Property Standards for existing violations. Jack wrote an opinion, legal wrote an opinion about extinguishing the liens there was a conflict between the two opinions, and in between the two opinions the Bank filed suit because we wouldn't sell them the stamps that was the leverage they were trying to get over us. She also stated we could litigate this on principal and be a pioneer in this, because all the conferences she attends all talk about how to get control of this type of situation. **Alderman Jean-Baptiste** then asked what would be the economics of this and what can we win, legal fees and everything.

**Mr. Johnston** replied the best case scenario is we get the \$57,000, but that will cost the City to get to that point. Alder Jean-Baptiste asked what does he project, because of the flat fee for his services. Mr. Johnston continued by saying they could go with the traditional rate per hour, but on a case of this type where there is not a lot of law going on principal base argument he doesn't want to go in on an hourly rate because the money will exceed the \$57,000 by multiples. They offered a flat fee of \$85,000 through the trial level, if you wanted to continue through the appellate level wherever that level goes. If the Council decides to litigate how much will that principal be in the long run. **Alderman Jean-Baptiste** then asked if the total estimated liability to the City is in the range of \$750,000, and the answer was yes. So \$500,000 would be legal fees including the Plaintiff's fees. Mr. Johnston continued by saying they have a potential purchase price of

\$650,000 now they say except for this Ryder person they can only sell for \$400,000 which already shows a \$250,000 chunk of money lost.

**Ms. Russell** commented on him mentioning at one time he was talking about negotiating he would talk with them Friday or Monday to see how far we could come in terms of the amount of the transfer stamps. Please talk to us about where you are with that dollar amount.

**Mr. Johnston** spoke to the Attorney for the Bank and they were saying they were willing to litigate on principle too because they feel this is a stick up being extorted by the City of Evanston. He told them they were not getting any money from the City, and talked about \$13,000 was offered before by the Bank. **Alderman Rainey** stopped him from proceeding by saying she thought that one of our Attorneys told the Bank that \$14,000 she thought would be sufficient to buy the transfer stamps, and she did not know where that authority came from. He continued by saying previously before he got involved he heard thirteen thousand or fourteen thousand was offered. **Alderman Rainey** stated it wasn't the Bank but our Attorneys saying to the Bank, no it was the Brokers for the Bank who made the deal who had a lot invested would put up the thirteen thousand dollars on behalf of the Bank as stated by Mr. Johnston & Ms. Purze. Mr. Johnston believes that the thirteen thousand dollars is still probable, but he needs to go back and receive approval from the Brokers. There are two buyers for the property, the first buyer will pay \$65,000 and the second buyer will pay \$40,000.

**Alderman Grover** asked what remedies do we have for collecting code violations when we have no more liens because they have been extinguished, and would we have a collection suit against the previous owner. Mr. Johnston answered under the Municipal Code the fines run with the land, and we could go after the previous owner for the code violations. It then becomes whether it is a lien or a fine, and we could say the liens are extinguished but the fines still remain and so we are now at their stuff. We got a ruling the Judge entered a final ruling and we got a judgment. **Alderman Rainey** mentioned that new fines are being imposed currently on the property owned by the Bank, and why would we file a lien once we knew a new pendant was being filed, and why waste our money. **Alderman Jean-Baptiste** asked do you mean after a filed foreclosure. The answer was yes.

**Alderman Wilson** said it seemed to him the time and opportunity to raise a question was there, when we were served with a summons. We file an appearance, we file a counter claim and get the judgment attached to the lien, and we draw to continue that. So the judgment gets entered and the lien is gone and our leverage goes out the window. He thinks in the future when we are in that situation we should file our appearance.

**Alderman Rainey** wanted to know what we have done lately since December. We've been filing appearances, sounds like a practice we should have. **Ms. Purze** said when they come into our office we send it down to our Attorney in Chicago and he looks at them case by case he does an analysis, and if there is no surplus to go after he tells us not to go forward. **Alderman Wilson** replied that he was troubled by if we have a lien we may have priority of the mortgage, so it's not just a question of surplus because we might be ahead of the mortgage or on par with the mortgage or other circumstances may come up. Our lien could come before the mortgage. **Ms. Purze** commented only certain ones like weeds, board-ups, and demolitions. **Alderman Wilson** continued to voice his concern by saying the place to take a stand is when you get served with a summons, fight

for your case get your money, and not wait until the case is over and try to bring it up later you'll get sued.

**Mayor Tisdahl** asked if Alderman Wilson wanted to make a motion. His response was do you think they would settle and give us thirteen thousand dollars. **Mr. Johnston** replied it was not on the table but his best sense, is yes. Alderman Wilson said he thought that would be a home run and it was done wrong and he and Alderman Jean-Baptiste stated we just blew it.

The Aldermen agreed to stop sending foreclosures to the Attorney our legal department have been using because he is not working in our interest. Once again Mayor Tisdahl asked if anyone wanted to make a motion, and **Alderman Rainey** spoke up and stated we give HODC tonight three hundred thousands to play with a building, yet we are going to kiss this good-bye when we have so many other cases just like it.

**Alderman Holmes** asked what our process in these kinds of decisions are, and why not have our Attorneys doing it in house, and she prefaced her statement by saying she's not a lawyer. She just didn't understand why it wasn't happening. She also asked if we could have the law department review the process, and then make it a part of the regular process that they would do. **Alderman Rainey** stated we never see his name on the bills list and every now and then you'll see three hundred dollars, but nothing for foreclosures. **Ms. Purze** stated he charges ninety dollars an hour and his expertise is in bankruptcies and foreclosures. He was brought to them by a previous Assistant Corporation Counselor in the law department and that was the practice of the law department to send this type of cases to him. **Alderman Jean-Baptiste** moved to handle these things inside it was moved and seconded on Mayor Tisdahl's request since both Aldermen Holmes and Jean-Baptiste had the same motion. She then asked Mr. Jack Siegel Corporate Counselor for Evanston if he had any advice for the Council on this matter.

**Mr. Siegel** stated he was conflicted on this because he is a counsel for Holland & Knight and on a occasions he represents the Bank. Mayor Tisdahl interjected he could speak to the issue of doing the work in house. Alderman Rainey also interjected the knowledge of a letter from Holland & Knight on this case. Mr. Siegel responded yes there was indeed, every case that comes in you have to decide whether to file appearances. He states he was totally unaware of any of these practices. When a mortgage comes in for foreclosure where the City is made part of any kind of case you file an appearance to protect any kind of interest you may have. He just wasn't in the loop where that was concerned. He hopes that from now on the Attorneys who handle these matters; Ms. Purze then interrupted and said she would like opportunity to find out exactly what he did before she is being accused of all of this; Mr. Siegel continued by saying the point to him about this whole case is rather than spending the next two or three years litigating this, is if we've got somebody who can come in and fix this (he hesitates to talk because of his connection with Holland & Knight). The process he says is to try and bring buildings back up to code and if somebody is willing to come in here and rehab this thing, the City is going to be well served by putting it back on the tax rolls. He stated that his friend Iain does not need this case. He took it because he could not. He believes that if we can pick up any kind of money would be a plus for the City. The City when involved in litigation should always be on top of the situation and there is no excuse that we were not. If we can get this building rehabbed we can get some kind of money from these people, and that would have been my suggestion if I had been involved. **Alderman Rainey** mentioned the

opinion that his colleague wrote (he stated he wrote it), she then remarked but your name isn't on it. Also did everyone see that and do you still stand by what you wrote. He responded now that we've litigated this matter, if we can settle it satisfactorily for everybody then we should do. **Ms. Purze** stated this was the same settlement we proposed from the start. Alderman Rainey continued by saying this was not a property that just appeared, everybody was on top of it all the time including the Police Department. It was a constant effort with the Housing Authority, the neighbors, with me, and other Aldermen. She was very surprised his comments were not shared with her or other Aldermen and that with all that work something could have happened earlier and maybe put us in a better position. She believed our legal department blew it from the very first day we appeared in court to the day they blew filing an appearance in the foreclosure.

**Alderman Grover** said she believes the bad guy in this picture is Mr. Witkowski who let the property go for years and years, and now the Bank owns it and there are still violations so maybe we look at the things since the Bank took over ownership. Let go of Mr. Witkowski and all the bad things he's done on the property. **Alderman Jean-Baptiste** wanted to know how much would they owe us if we just focus on the present. **Alderman Holmes** suggested if we just add up the fines since the Bank took over daily and get that money. Mr. Johnston said the Statutes provide for daily fines, but most judges do not. It's the Bank's allegations against our allegations and that is how the litigation will go. He said they are willing to go forward either way the Council directs, he is just looking for leadership from the Council. He believes from talking to their Attorneys the broker is willing to settle for thirteen thousand, but in negotiating he would try and go higher. **Alderman Wilson** then motioned to authorize counsel to the case for as little as thirteen thousand. Mayor Tisdahl interrupted the motion to vote on directing the legal department to handle these appearance filings in house. **Ms. Purze** stated they could do the in house requests, then Alderman Wilson asked if he and Alderman Jean-Baptiste and one or two other persons to get together with the law department and review the practices to see what we can come up with, and Ms. Purze welcomed the suggestion to happen anytime.

**Ms. Russell** then said that both Ms. Purze and Mr. Siegel were working on a detailed report for the law department and you should be getting that within the next couple of weeks. She has the first draft of what they are doing and who is in the law department and all of the questions that you all asked her about a meeting or two ago concerning the practices of law of whether it was internal or external and you should have that within the next two weeks. Once you get that and it's not answering your questions then you can go to the next step. **Alderman Jean-Baptiste** mentioned that if in the meantime any foreclosures come up file an appearance. Mayor then called for a voice vote and it was 8 – 1 (Alderman Rainey voted no).

~~Next the Mayor asked for a vote on Alderman Wilson's motion to authorize counsel to settle for not less than thirteen thousand dollars. It was seconded by Alderman Wynne and a voice vote was taken and it was unanimous.~~

**Mr. Johnston** then asked to proceed with the Benjamin case or not, and Alderman Rainey replied she wanted to know how badly we're taken with that. Mr. Johnston replied not badly at all. They were able to get the case dismissed they filed a motion to

get it reinstated and at this point they are looking to get the case settled for ten thousand do a walk away, withdraw the motion for sanctions, and they withdraw the complaint would be even better. There is friction because Ms. Eckersall will not agree to the settlement. The Township wants the case settled. They are at the position where one client is giving us one direction and the other giving us a different direction, so we have conflicting directions. Ms. Eckersall is named alone and the City is not included.

**Alderman Rainey** stated she has a problem with Ms. Benjamin who is in the office on a daily basis, and need to get some kind of action to prevent her from coming on the property. **Alderman Burrus** stated we are in purgatory as long as Sharon has not decided to settle out. Mr. Johnston said they are in a little bit of limbo because Ms. Eckersall does not want to settle. **Alderman Burrus** asked how do we get out of limbo, if Ms. Eckersall does not want to get out of limbo. Mr. Johnston continued by saying we get to the point quickly to make her see the light that it is best to settle for the amount. Even if we can convince her to settle for the ten thousand, the Plaintiff may not accept the ten thousand and just go away. **Alderman Jean-Baptiste** asked what the latest demand was, and the answer was the Township to hire her back. **Alderman Jean-Baptiste** asked if the Attorney told Ms. Eckersall the Council demands she close this case and settle, and Mr. Johnston said they could do that. Alderman Jean-Baptiste then asked if the Council could get a report in the Friday packet. **Ms. Purze** replied they would talk to Ms. Eckersall and have a report in the Friday packets.

Mr. Jones, the Lawyer who is representing the Hotchkiss case gave an update on where they were with the case, and this was a response to the Plaintiff's Lawyer's comment of personal restitution was four to five hundred thousand. The Judge went into chamber and returned twenty minutes later and said the Plaintiff categorically denied mentioning the amounts. As he reviewed the previous conversations concerning the amounts discussed the Judge began to remember, but would not admit he was wrong instead he apologized to everyone. The Judge then asked how close can we get to three hundred thousand, an he replied to her only one hundred thousand and maybe a little more but not three hundred thousand. The Judge never gave them a real number, and so they are back with the Judge on this Wednesday, and he also informed the Council that the trial date was set for July 6, 2009.

#### Real Estate

**Ms. Russell** introduced the memo that everyone received concerning the 708 Church Street property that Mr. Siegel wrote an opinion on. She then invited him either Ms. Purze or himself to talk about his counsel on the matter.

**Mr. Siegel** talked about amending the ordinance for 708 Church Street Tower that was passed by the previous Council, as inquired by some of the Aldermen. This is a continuing problem of the question of invested rights. The City Council as any legislative body has continuing authority to repeal or amend any previously adopted ordinance. The specific exception to the rule is in zoning. A property owner who makes a substantial change in position to reliance upon zoning ordinance is protected by investing rights by means of relying on a zoning ordinance. He said the Council has to make a decision if there has been a substantial change in position with the 708 Church Street property. Until the legislature is acted anything before it has no basis to revoke the reliance doctrine. If

the matter in litigated there are two issues; (1) when did they act what did they do, if before the ordinance it doesn't apply, (2) if they bought after the ordinance were they on notice that the ordinance was going to change. Those are the factors that need to be looked at, and the reasonableness of the zoning ordinance itself is the overlying issue of the whole matter. A zoning ordinance is presumed valid and the party attacking the zoning ordinance has the burden to producing clear and convincing evidence to rebuke the legislative discretion. So the City Council always has a leg up on defending the zoning ordinance. There are two issues to this, the first being is the underlying ordinance is reasonable, and secondly is the proposed use reasonable. He was not sure if the Council wanted to repeal the ordinance or just the five year extension.

**Alderman Rainey** responded it is no need to discuss it if we don't have the votes to amend the ordinance. She assumes the ones who would want to rid the City of the 708 Church Street project as it was passed would mend the ordinance, the Plan Development Ordinance. She began to ask who would be against the plan, and was interrupted by Mr. Siegel, who stated if they wanted to do that the Council would have to go through the whole process. She continued by saying she did not want to go through the whole process if there were not enough votes to go forward, and we have people writing ordinances and she is not going to put up with that. It will be a waste of City staff time and our time. She doesn't know who the Aldermen are who want to turn it around and someone needs to address the issue. **Alderman Wilson** stated he campaigned against the project, but he doesn't think it sends the right message to the businessmen, developers and people who are going to do business in Evanston to try and undue something that is already done even though he doesn't like it. What he would like to see is some reporting of where things stand. **Alderman Burrus** stated she was opposed to this and maybe not as opposed as Alderman Fiske. She said it really depends on if we have the votes to overturn the ordinance and what it means to overturn it. Is it the five years and reducing it to a more reasonable time frame, or repealing the thirty-five stories or forty, there is a scale here of things that depends on what is put on the table. She would love to repeal the ordinance, because she believes they never intended to build. They will jus wait and come back in four to five years and ask for the forty stories again, and they will have us over a barrel for five years. At what point do we say enough is enough with these folks. It's a bigger discussion and what are our other remedies that we can pursue to stop the project, so this doesn't become a blight on our downtown which it has already become a blight.

The question came up concerning whether or not we were still in the confines of the Executive Session. **Mr. Siegel** stated he was led to understand that if the Ordinance was to be amended we are subject to litigation, that is the basis on why this meeting was called otherwise we can't talk to that. **Alderman Fiske** believes there is a problem with the extension from one year to five years. **Alderman Jean-Baptiste** called for a point of order and asked to go into the substance of the Ordinance itself, or are we now ready to ask those who are ready to turn it over. He also asked did you want to go forward, because Mr. Siegel already explained the consequences. **Alderman Fiske** continued by saying if they have done nothing since the passing of the Ordinance until now then there are no vested rights. Mr. Siegel said it still wouldn't change the basic question of whether the zoning had changed. She then asked what would be their vested rights, purchase of building, architect drawings, and Mr. Siegel added architects fees, legal fees, and

surveyors' fees. She then asked if they have closed on the building yet, and the answer from the City Clerk was no. She would also like to change the Ordinance to bring the building permit back from five years to the one year in the ordinance. **Alderman Jean-Baptiste** interjected that he still has a problem with this and it is out of order, and he asked who wants to do this. Then the next question is if you haven't talked about it, then this is not the place to talk about it. Alderman Fiske continued and said it is different arguing between turning over the entire ordinance which she doesn't believe anyone wants to do and overturning a portion of it which maybe some people want to do. Overturning the entire ordinance will give us much greater exposure to litigation than overturning a portion. **Alderman Wynne** stated she was vehemently opposed to five years and would support moving it back. **Mayor Tisdahl** stated she voted against this but she agrees with Alderman Wilson, that it should not be overturned because it is a very bad business practice, and it makes it hard for anyone to bring something to the City Council and rely on that decision (that's my two cents worth and I do not get a vote). **Alderman Fiske** stated we've never given anyone a five year extension straight out of the box like this. We need some accountability, and we need some accountability for the citizens of Evanston, because it was a huge issue in every ward and it left a very bad taste in the mouth of citizens. **Alderman Jean-Baptiste** said every single one of you are concerned about the size of the building, that is the bottom line. The question of five years three years, you haven't gone through the experience to be able to understand the process when we had Sherman Plaza going up. He met the process when he came onboard in 2001, and every six months they met with the developer and had some discussions of what was going on. Our economic development people, our community development people get on top of these developers. Whether or not they are diligent for your satisfaction is the question of the leadership of the City Manager. If the City Manager provides the leadership that is necessary to monitor what happens you get your report. You assume that this is the first Council that has ever dealt with outstanding projects on the table that have to be monitored. There will be projects that you will not have control over, but there are many more projects that will come up. He told them to let it go, if you guys campaigned for it, it was in the context in the moment. It's no longer in the moment it's a different day and we need to govern, manage and try to get accountability and move forward. **Alderman Wynne** said with all due respect she disagrees with Alderman Jean-Baptiste with respect to Sherman Plaza. She said they revisited because the developers came back to us, because they needed more money from us or changes in the zoning ordinance and they needed a new deal. **Alderman Rainey** asked if we could call this to a close so we could go on to the next discussion and it was seconded by Alderman Grover.

**Alderman Rainey** continued and said they have changed their deal as well because they are not giving us all the money. ~~Ms. Russell interjected that we were done with 708 and we can get an update.~~ She then moved the discussion forward to the Chiaravalle property located at 425 Dempster Street. **Alderman Wynne** stated she had met with the Chiaravalle board last week and they really want to move ahead with this project. They have made provisions to continue to negotiate what we deem as a reasonable time, and if we decide we haven't come up with a reasonable settlement then we have another provision that we invoke a rent offset for monies already paid. We are not stuck paying

back seven hundred-fifty thousand dollars, we don't have an empty building, and that it remains the use of a school. They agreed with all aspects of the arrangement and are ready to go, and they have started their soft approach of their capital campaign plan. They are hoping the Council will approve and let them move forward. **Alderman Wilson** wanted to be reassured that 2.5 million dollars was a fair price for us. Alderman Wynne replied they have put over three million dollars over the past ten years into the building. Both parties got appraisals and it is considered a good price. **Alderman Rainey** she did not quite understand what she presented and directed everyone to page 2 of the memo. They are in default and we would pay Chiaravalle the installments. **Ms. Purze** interjected that was proposed in February and not the current proposal. Alderman Wynne continued and said they are willing to work with us where we don't have to pay them back a large lump sum. **Alderman Rainey** then directed the attention to page three concerning demolition and when would that occur, Alderman Wynne answered only after they have purchased the building which was December 2009. They understand they can not perform demolition before going through the preservation board. **Alderman Fiske** said so Steve Friedland is negotiating on Chiaravalle's part, who negotiates for us? and the answer was Ms. Purze who has been working with Mr. Friedland. She thinks that the Council need to make sure that it comes back to the Council, because Steve Friedland is the 708 Church Street guy and he is a little bit slippery. He will do whatever he can do to make sure we don't get the best deal, but Chiaravalle will. We should make sure we covering ourselves because he was also the person on Roycemore, that she disagrees with what happened with Roycemore as well. Steve Freedman is a high-powered person who will do whatever he can to get as much for his client and we need to do whatever we can to protect ourselves, once again we don't do enough of that here in protecting our interest. We need someone who is a zealous as he to go up against him to protect our interest. **Ms. Russell** asked to get a couple of parameters of what the Council will accept and then we can get back and negotiate to those parameters. **Ms. Purze** said that Chiaravalle was agreeable to all that was mentioned. **Alderman Rainey** said some of this is no longer accurate because the one thing she asked about is no longer part of the deal. **Alderman Jean-Baptiste** wanted to get some clarity, we have not integrated in the contract that you have sent back to us all of the issues we raised the last time we met, **Ms. Purze** replied she shared all of the issues to Chiaravalle and they have agreed to the issues. Alderman Jean-Baptiste then replied everything that we discussed is in the memo. Motion to adjourn was moved and seconded. Mayor officially closed the meeting at 12:40 a.m.

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Respectfully submitted,  
Rodney Greene / City Clerk