

**MEETING MINUTES OF THE COOK COUNTY LAND BANK AUTHORITY**  
**LAND TRANSACTION COMMITTEE MEETING**

November 13, 2020

Land Transactions Committee of the Cook County Land Bank Authority met pursuant to notice on November 13, 2020 at 10:00 AM via Zoom, Chicago, IL

**I. Call to Order and Roll Call**

Chairman Friedman called the meeting of the Land Transactions Committee to order.

**Present:** Director Friedman, Richard Monocchio, Jim Planey (3)

**Also Present:** **Rob Rose** (CCLBA Executive Director), **Darlene Dugo** (CCLBA Sr. Acquisitions Manager), **Alderman Susan Sadlowski Garza** (City of Chicago 10<sup>th</sup> Ward), **Commissioner Stanley Moore** (Cook County Board Commissioner, 4th District), **Chad Tady** (SunPower)

**II. Public Speakers**

Chairman Friedman notes there are no public speakers.

**III. Presentation (Chad Tady)**

EXEC. DIRECTOR ROB ROSE: This property, 11400 S. Torrence, is a 36-acre property the Land Bank acquired through the over-the-counter tax process. This was formally owned by a railroad. They had some manufacturing on site, and we knew that the property had some potential for development. We were holding it in inventory for that purpose. We were then approached by Alderman Garza and Commissioner Moore to consider this project.

We made the property publicly available on our site, and others were able to bid. We received an application from SunPower, and now we are going to consider SunPower's proposal for this site.

MR. CHAD TADY: The objective for the slides being shown and our request, is wanting to show you a high-level feasibility for the value of a community solar project on this county-controlled parcel. Our request is to use a portion of this 36-acre parcel in the South Darien neighborhood and the 10th Ward for the development, installation, and operation of the Solar Project under a land lease option agreement.

I am a project developer at SunPower. The projects we typically see are community solar, distributed generations solar, and battery storage projects, and we have done several projects in Illinois. We have done similar projects like this where we have converted brown field sites to community solar projects.

In these projects, subscribers, potentially low-income residents, can participate in projects where they can save money on their electricity bills. The hosts can then make money from leasing out the land. We have a good amount of experience in this segment of solar, and we find that this project is quite viable.

With that, we've continued to explore different opportunities in the state and have come across this project through one of our affiliates, Vistra, who own a company, Luminant, a power plant adjacent to the site. They introduced the site to us as a vacant land next to their facility.

With that introduction, we have connected with some of the local officials who have been supportive and want to thank those who have been in support of this, especially Alderwoman Garza. She has demonstrated a priority to enhance the economic vitality of this neighborhood and leading in stewardship in grants and sustainability with support for a project like this.

Thanks to Alderwoman Garza and Commissioner Moore, who were helpful in supporting the project.

The slide being shown here is a layout of the site. When we first applied for use, we applied as using the whole site for solar. This represents 6MW DC and would look like a fixed-tilt system that sits on top of the ground. It would have two interconnections to ComEd, and would produce 8,264 kWh, a year.

CHAIRMAN FRIEDMAN: Eight thousand or eight million?

CHAD TADY: I'm sorry, eight million. Thank you, Director Friedman.

There are several ways that a project like this could interconnect and provide electricity to community solar recipients, or others. What we are trying to do, at this point, is get into the lease and design the project to have the most benefit to the community.

In the initial feasibilities, on the first slide, we understood in the process that there may be other interested parties in using this parcel. We always want to accommodate the owners and add as much value as possible, so there is another use for it. It is possible that we can condense our layout to fit into about 20 acres of the 36 acres, preserving the remaining land for additional use. Potentially, another party could use the land as another lessee or another owner, if you wanted to subdivide.

We wanted to show our willingness to cooperate and make the most use of this land for the community. The structure could look like, and this is common, is to enter into a lease option agreement. Within that lease option agreement, there would be a form of lease that we would have the opportunity to exercise, once we take the project further in development.

The lease option period would be 24 months at a nominal fee, where we would not occupy the space in this time. We would be performing some due diligence that is relatively light touch and non-intrusive. We would be working on getting interconnection, incentives, and structuring the project to know what the final costs, design, and mechanics would be to be installed.

Once we have a confident budget built, we would exercise the option and execute the lease. That lease would be at least 15 years but up to 35 years. During this time, we would install, own, and operate the solar system. There would be a more substantial fee being as a lease payment to the county for this lease.

The lease payment would be dependent on the final cost and final incentive rate. Solar is dependent on the incentive and it is uncertain what incentive and how much incentive will be able to be achieved because of the different programs. It is difficult to lock in a lease fee at this point.

We would provide a range and work to get the highest value for the project to drive the highest lease payment and get the most revenue to the county.

Following the term of the lease, ultimately, we could remove and restore the site as it was before at the expiration, if the county wanted, the lease could be extended, or lastly, if the county or the lessor or owner of the site wanted to buy the system, that would also be an option, at that point. Any questions, so far?

EXEC. DIRECTOR ROSE: Given the location of the site and the mix of residents that

could potentially be subscribers, is it possible that it could provide a boost to your application for the incentive?

MR. TADY: That is correct. The location of the site lends itself to being applicable to a specific incentive program. The incentive program that will be our priority is called The Solar For All Program, and this program has a subset called Low Income Community Solar. This incentive essentially has the program or utility purchased, the renewable attributes from the system, and then the energy is injected into ComEd, and then low-income residents in the area could enter into a subscription agreement to buy the electricity for half the price.

We would pay lease revenues to the county or sell a portion of the power to a public agency, which would help in the scoring criteria for the incentive. We would aim have an anchor tenant, be it the city, county, school district, or any public agency in the area, and then the majority of the generation would be sold to low income residents in the area. They would be saving 50 percent on their electricity bill.

COMMISSIONER STANLEY MOORE: You talked about the Low-Income Solar. Would individuals have to change their provider in order to sign up for a subscription, or is this a subscription through ComEd?

MR. TADY: It would be a subscription through us and our subscription manager. It would be changing their provider. They would be saying that instead of their provider being Constellation or ABC Energy, whichever it is, they would make their provider be SunPower for their electricity.

COMMISSIONER MOORE: That means that you would have a sales force, and that sales force would be calling people and asking them to change their provider, or is this something that ComEd will help you do?

MR. TADY: We would be responsible for the customer acquisition. It's not as effective to do the outreach. We would try to focus on more customized program in outreach, for example, housing authority or housing district. We would approach at an aggregate level. It could be a landing page at Alderwoman Garza's website, potentially. That's what we have done in other cities. There are a number of ways that are not costly and more effective than that.

ALDERWOMAN SUSAN SADLOWSKI-GARZA: This statement is very territorial, but on the first slide it says this is located in West Pullman?

MR. TADY: That is a good question. That was a project we had installed already. I know this project is in South Darien neighborhood, yes. The image on the slide was a project that was installed in 2010.

ALDERWOMAN SADLOWSKI-GARZA: I understand. That photo would be a replica of what it would look like?

MR. TADY: Yes. I wanted to show that because that is what a utility skill solar in an urban environment that is operating successfully and has been a really great project. We could set up a visit to go and see this project if you would like.

ALDERWOMAN SADLOWSKI-GARZA: Great!

DIRECTOR JIM PLANEY: Will this property still be under real estate taxes then?

EXEC. DIRECTOR ROSE: This property will still be owned by the Land Bank. We would be leasing this property. This property is already under a long-term exemption as it is being owned by us right now. We would still own the property and would be accepting the lease payments from SunPower, in order for them to use it. It will still be owned by the land bank.

DIRECTOR PLANEY: There would be no income state tax income generated then?

EXEC. DIRECTOR ROSE: Right now, the property is tax exempt. We would probably

keep it that way, but the use of it has other effects. There is job creation, energy generation, and the savings for residents as well. There is also another part of this property that we will subdivide that would also provide some other jobs and opportunities. It would then generate tax revenue on the other portion that we would be looking to sell in the future.

DIRECTOR PLANEY: In regard to the lease range, I personally have a farm in DeKalb County that is under option to community solar developer. My negotiated rental per acre is in the middle of your range. I believe your range estimate is practical.

MR. TADY: I appreciate that. This site sits on more of a colorful background with potentially hazardous conditions that may not be solar compatible. This may cause us to have different ways to install, and care for the site.

DIRECTOR PLANEY: Okay. Are you planning any pollinator plantings in your rows or not?

MR. TADY: Yes, we would. It is fairly customary, the State of Illinois has a pollinator score card that we have to submit. We are not required, by law, to include those plants, the vegetation type, but we would because it is the best thing to do. Yes, we would include that.

DIRECTOR PLANEY: Okay. Thank you.

CHAIRMAN FRIEDMAN: Rob, do we have any other examples where we have leased property to a long-term, for-profit entity?

EXEC. DIRECTOR ROSE: We, the Land Bank, no. However, we, Cook County, do it all of the time. This is not uncustomary for the county to own the ground and lease it out. This is the arrangement we have with the hospital and other long-term assets that we have. However, for the Land Bank, this would be our first deal.

CHAIRMAN FRIEDMAN: I am just curious about the property tax issue. I know that ground leases can be taxed, even on government property.

EXEC. DIRECTOR ROSE: We would definitely consult. Right now, it is exempted because of everything that is happening. We will also make sure that we consult with the state's attorney to make sure we know exactly how this should be, and confirm we are doing it in an appropriate fashion.

CHAIRMAN FRIEDMAN: Yes. Go ahead, Chad.

MR. TADY: We can go to the next slide. With the approach to get the low-income Solar For All community solar incentive, I wanted to outline what all the stakeholders stand to benefit. Subscribers, low income residents, can save 50 percent on their electricity bill. The anchor tenant, the public agencies, may purchase up to 40 percent of the electricity. They may not see the full 50 percent savings, but they would realize a significant savings from a portion of their electricity. The landowner, the county, would receive long term revenues.

The incentive program is 15 years, so the lease is at least 15 years, but the useful life of the solar system is 30-plus years. We would want to see a longer potential term, but we would know we would be operating for at least 15 years. In that time period, there is \$600 thousand or more of revenues received.

Within the community, the economic development is also substantial. In the construction period, there would be about 84 jobs created which breaks down to about 14 jobs per megawatt. The utility would be responsible for the interconnection and the delivery of electricity to the subscribers.

The program administrator will oversee and help us along the way to make sure we comply with all of the program requirements. The developer, SunPower, would be responsible for the turnkey of the development, installation, financing, subscription management, and all the

aspects related to the project.

I wanted to focus on the project and not highlight too much on SunPower, but as a background, we are a US-based company and have been around for 35 years. We have a large presence in Illinois. I am based in California but grew up in Illinois and lived in Chicago for eight years, so this project is really exciting to me too.

We have done a similar community solar project in the City of Urbana on a land fill, and we are doing a number of other projects for others such as Walmart, Home Depot, and others. We have installed projects in the past, such as Shedd Aquarium, Macys, and the Natural History Museum. We have a good presence and look forward to enhancing that.

COMMISSIONER MOORE: How many jobs will you create after you are up and running?

MR. TADY: There is likely to be a handful of people serving for O&M, it is not a tremendous amount of jobs because the reality is the system sits there and doesn't really do much. There are preventative operations and maintenance that happens once a year, and then any corrective work that we do not want to happen often, but could happen, so the job creation after it is installed is pretty light.

We've got an O&M team in the area that would be responsible for that project that are already essentially employed. The new employment numbers for an operating system are quite low.

COMMISSIONER MOORE: Lastly, you talked about some creative ways to help with low income housing, working with CHA or some kind of government entity, but there are not a lot of CHA housing developments in that area. How far reaching would the assistance go?

ALDERWOMAN SADLOWSKI-GARZA: Commissioner, I don't know if the Bensley or Trumbell Park homes are in your district, but those are in South Darien, and they house about 350 residents. Chad, I don't know if you are still in communications, but there is an entity that would like to partner to build affordable prefab homes. There could be a factory put on the other 20 acres that Chad was talking about. I think that is another exciting opportunity that we can hopefully bring to your district, as well.

MR. TADY: Thank you, Alderwoman.

Commissioner, the subscription potential could go to anyone in ComEd. It is pretty broad, but to the benefit of pinpointing the value of this project, we would want to focus on those in your district and those close to the project. We would prefer to enhance that community and have a first dibs approach on subscribers that can go to the folks closest to the project.

We are not tied to who the subscribers are, and if there is guidance from you or others to give to those nearest the project, that is what we would want.

EXEC. DIRECTOR ROSE: Commissioner, it could be that we look at forest reserve assets in the area or other county-owned assets to be able to be a subscriber. If the City of Chicago has an offer of use, we could do that; a governmental partner makes a lot of sense in terms of being an anchor subscriber because they can make the long-term commitment. We can be creative about looking to see who in that area would benefit most from the reduced electricity costs.

COMMISSIONER MOORE: How would we help you get the message out to the residential community, the homeowners and home renters?

MR. TADY: A lot of this is relatively new. None of them have been installed yet, or are currently being installed, so the way that we do this is creative. There are different events that elected officials, the city, or county, have held where they want to make highlight of this

program a part of that event. It could be a webpage or related webpages where there would be a link to the program, and places where you could sign up to hear more about it. There is not one single answer for that. We can be creative on how we work together to bring this to the community.

EXEC. DIRECTOR ROSE: We have Alderwoman Garza and Commissioner Moore here, and we did get letters for support from several elected officials including the state senator and state representative in the area. I will give each of you a couple minutes to talk about your support for this project, and what this would mean for your respected ward or district. We will start with Alderwoman Garza.

ALDERWOMAN SADLOWSKI-GARZA: Thank you, Rob.

I would just like to say that this is a property that once housed ACME Steel, and about 10 thousand workers were there. It is a parcel that has laid dormant for over 25 years, I believe.

I am really excited to discuss this opportunity and to be given this opportunity to bring this to my neighborhood and Commissioner Moore's district will give everyone hope about a brown field that no one ever looked at twice.

I am in full support of this, and I want to thank SunPower and Vistra for actually giving us a chance.

Rob, you have been amazing to work with, and I look forward to a long partnership with everyone on this call.

COMMISSIONER MOORE: I am full support because we have so many vacant and brown fields in our district and in our community. It is a shame that so many corporations have packed up and left, and so many people have lost their jobs. It has been my goal, ever since I had taken the helm of the fourth district, to work in partnership with my Alderman. It has been my goal to bring back businesses back to the community, and to fix up these brown fields that have been left undeveloped.

I also want to thank Rob Rose. He does an awesome job, and he is an amazing director for the land bank. We are going to welcome you, SunPower and Vistra, and we are going to work with you. We are going to do what we need to do to make this successful.

EXEC. DIRECTOR ROSE: I wanted to also say that when the land bank was created, these are the sort of projects we envisioned being able to bring to life. We are able to find creative ways to take this dormant, vacant property and breathe new life into it. We are excited to be involved. It does take a partnership. The land is one thing but having partners that can activate it and provide the community benefits, is where it all starts to come together. We appreciate all of your support. Anything else, Chad?

MR. TADY: No, I am just really appreciative of everybody's consideration and support. Thank you.

EXEC. DIRECTOR ROSE: Any questions, Directors?

DIRECTOR PLANEY: The 30-year lease is a long-term land lease, of course. Once this is up and running, has there been any discussion within SunPower as to how long you would hold this lease for?

Rob, I think that if we do a lease with SunPower, you need to make sure it sets a long term that our lease with SunPower has the flexibility so they can sell this asset to someone else, if needed, down the road. I think it's a good project.

It is just practical. None of us are going to be sitting where we are 30 years from now. This is nothing negative against the project, it is just realistic that at some point SunPower may want to transfer this asset to somebody else later on. Do you have a set term? Have you

discussed this at all?

Rob, we just need to make that available in the lease agreement.

EXEC. DIRECTOR ROSE: Right. What we are asking for today is the authorization to enter into those negotiations to be able to hammer out both the lease option and the lease agreement. I think those provisions are fairly standard for these long-term leases, but we will absolutely do that.

With your authorization, they'll be able to enter into those agreements and then be able to come back and report exactly where we landed. Once we know what the incentives are, we will be able to say, "Here are the lease terms, here are the options, and how we are going to proceed." That is a great point, and we will make sure the flexibility is built into it. That's typical around those long term leases that you have provisions around affiliate sales or other ways to transfer ownership that doesn't degrade the rights of the parties involved.

CHAIRMAN FRIEDMAN: I wanted to echo something Rob said. We consider a lot of these developments at our meetings, but sometimes we can feel a bit on our own. It makes everything a lot easier to have Alderwoman Garza and Commissioner Moore in support and participating with us, as partners.

It's great to have you at this meeting and to have your support not only for the land bank but also for this specific development. I just wanted to say thank you.

ALDERMAN GARZA: Thank you. Commissioner Stanley Moore and I make a great team. You have our commitment, and whatever you guys need from us, you got it.

COMMISSIONER MOORE: Chad, when can we expect that presentation? I had missed the first and second slide.

MR. TADY: I will send it in just a moment.

CHAIRMAN FRIEDMAN: Director Monocchio, did you have anything to add?  
I will now take a Motion to approve the resolution

#### **IV. Motion to Approve the Resolution to Enter into A Lease Agreement with SunPower**

Director Planey, seconded by Chairman Friedman, moved to approve the resolution to enter into a leasing agreement with SunPower, as we have discussed this morning. **The motion was carried unanimously by roll call vote.**

#### **V. Transactions Report**

MS. DARLENE DUGO: I wanted to point out a great article in the Journal about the Animal Care League property. This is a tax certificate property that was brought to deed and sold to the Animal Care League at 1009 Garfield St. in Oak Park. This is a property that Animal Care League had been going to the annual sale trying to buy the tax certificate so that they could take it to deed.

The land bank was able to acquire this property. We sold it to the Animal Care League for \$100,000. Previously, it was a daycare center, but the business failed. This particular property sits on the same block as the Animal Care League's current location. They will be using this to expand the services they provide to a number of other municipalities in taking in animals and being a no-kill shelter.

I thought this was a nice article, and it describes the scavenger sale process and the land bank's role in being able to take these properties to deed and then be able to offer them back to businesses. There is a copy of the article in the packet.

### **Core Business Activities:**

- For the fiscal year acquisitions through October total 526, with 39 acquisitions this month. The goal is 700. At the same time last year, there were 486 properties acquired, so we are up in comparison to last year.
- For the fiscal year dispositions through October total 180, with 21 dispositions this month. At the same time last year, we were at 162 dispositions, so we are up this year as well.
- The team completed a total of 60 transactions this past month.
- For the fiscal year through October 143 rehabs have been completed
- Community wealth is at \$89.8 million and the number of redemptions has just increased this past month, to 957 redemptions, for a little over 12 million dollars.

MS. DARLENE DUGO: This past Tuesday, I had the opportunity to join the Chicago Association of Realtors. They offered a presentation where Karen Yarbrough spoke about the plan for the recorder's office. In 2016, a binding referendum passed by 63 percent to consolidate the recorder's office duties. Karen Yarbrough is calling this the Assumption of Duty, so the clerks will be assuming the responsibility of recording land transactions. That will start on December 7, 2020.

In the first year, this reorganization is anticipating saving \$1 million in the first year, and \$6 million over the next three years. The clerk's office has been interviewing employees starting this past September. They have roughly 70 candidates that they are working to bring back and absorb them into the clerk's office. There will be a reduction in staff of about 21 employees. These are primarily individuals who have chosen to retire.

As far as the tax sale under Commissioner Yarbrough's lead, we shouldn't expect any changes there. There wasn't any indication on when the next sale will be. Typically, the annual sale will come before the scavenger sale, so nothing in terms of a schedule on that.

Finally, the goal is to implement a high-tech encryption and integrated system, for a state-of-the-art, e-recording service. We hope that things will go well in that area. They want to bring the whole process into the 21st century.

As far as where they are on the back log, Deputy Bill Drobitsch indicated on Labor Day they had over 80 thousand documents pending recording through their e-recording process. As of Tuesday, they were able to bring that down to 44 thousand documents to record. That brought everything through to October 15th, up to date, as far as being recorded. They are still about four to six weeks behind.

There is also the option of dropping off documents to be recorded. The land bank has its own designated bin, and he had indicated that it takes three to five days to turn those around. Our experience has been up to four weeks. I did reach out to him and let him know that there are about 150 sitting there waiting to be recorded. He said he would begin working on those and get caught up.

They did want to make sure that folks understand that they have a core working group, employees working seven days a week, 12-hours a day to get caught up on their recordings. Of course, COVID has really slowed down this production and in all the other offices, as well. The other thing I wanted to point out is that documents are recorded first-in first-out.

Regarding reaching the goal of 700 acquisitions, there are 160 tax deeds waiting to be recorded, and we have actually already seen some come in this past week. If we are able to get everything that is sitting at the recorder's office recorded, we should be able close to achieving



700 acquisitions. The new office officially takes over on November 10th.

**Core Business Activities Continued:**

- 807 parcels of vacant land in inventory. Last year, at this time, we had 405.
- 267 residential structures in inventory.
- 52 commercial structures in inventory. Last year, at this time, we had 23.
- Of the property in inventory 71 properties are held for the Chicago Heights Initiative, 13 properties under a Land Banking Agreement with CNI, 23 properties under Riverside Lawn Voluntary Buyout program are slotted for transfer to Forestry. 34 properties are set aside for the Red Line expansion and properties for IFF.
- With regards to the Commercial and Industrial structures, about half of those were acquired between the end of June through the middle of July.
- In terms of the Residential Structures, we have one homebuyer home available in Posen, and everything else we have that is suitable for a homebuyer to complete renovation, is either sold or under contract.
- Land Bank received 586 applications this month. At the same time last year there were 319 applications.

**VI. Chairman Report**

Chairman Friedman notes there is no chairman report.

**VII. Motion to Approve the Consent Agenda which includes the Minutes of the October 9, 2020, Cook County Land Bank Land Transactions Committee Meeting**

Director Planey moved, seconded by Chairman Friedman, moved to approve the October 9, 2020, Cook County Land Bank Land Transaction Committee Meeting Minutes. **The motion was carried unanimously by roll call vote.**

**VIII. Motion to Adjourn**

Director Planey, seconded by Chairman Friedman, motioned to adjourn the meeting. **The motion was carried unanimously by roll call vote, and the meeting was adjourned.**

Respectfully Submitted,

Land Transactions Committee of the Cook County Land Bank Authority

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DocuSigned by:  
*Peter Friedman*  
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Chairman Peter Friedman