

James McDonald, Mayor
Connie Olker, Clerk
Christine McKinley, Treasurer



Trustees:
Allena Barbato
Scott Bartlett
Glenn McCollum
Jeff Nielsen
Jake Cramond
Doug Savell

AGENDA
VILLAGE OF LAKE VILLA
BOARD OF TRUSTEES – SPECIAL MEETING
Monday, June 23, 2025
6:00 p.m.

1. Call to Order and Roll Call
2. Pledge of Allegiance
3. Public Comment
4. New Business
 - a. Discussion: 209 Cedar Avenue Developer Interviews
 - i. Jackson Builders (Nashville, TN)
 - ii. JM Developers (Aurora, IL)
 - b. Resolution 2025-06-04: A Resolution Approving the Release of an Existing Irrevocable Letter of Credit and Authorizing the Substitution Therefor of either a New Letter of Credit in a Reduced Amount or a Cash Deposit in a Reduced amount as a Performance Guarantee (Starling Senior Apartments Project)
5. Executive Session
6. Adjournment



DATE: June 20, 2025
TO: Village Board of Trustees
FROM: Michael Strong
Village Administrator
RE: Agenda Transmittal

New Business

- b. **Resolution 2025-06-04:** A Resolution Approving the Release of an Existing Irrevocable Letter of Credit and Authorizing the Substitution Therefor of either a New Letter of Credit in a Reduced Amount or a Cash Deposit in a Reduced amount as a Performance Guarantee (Starling Senior Apartments Project)

Staff Contact: Jacob Litz, Assistant to the Village Administrator

The Village previously accepted a CIBC Bank USA Irrevocable Letter of Credit in the amount of \$2,117,625.00 from Starling Senior Apartments Limited Partnership as a performance guarantee for public improvements tied to the Starling Senior Apartments Project. While much of the required work has been completed, improvements remain outstanding.

The attached resolution authorizes the release of the existing letter of credit, contingent upon receipt by June 23, 2025, of either a new irrevocable letter of credit in a reduced amount, or a cash deposit in the same reduced amount, both subject to approval by the Village Attorney. If no replacement guarantee is received by the deadline, the resolution directs Village officials to declare a default and call the existing letter of credit.

Suggested Motion: *Motion to Approve Resolution 2025-06-04 A Resolution Approving the Release of an Existing Irrevocable Letter of Credit and Authorizing the Substitution Therefor of either a New Letter of Credit in a Reduced Amount or a Cash Deposit in a Reduced amount as a Performance Guarantee (Starling Senior Apartments Project)*

VILLAGE OF LAKE VILLA

RESOLUTION NO. 2025-06-04

RESOLUTION APPROVING THE RELEASE OF
AN EXISTING IRREVOCABLE LETTER OF CREDIT
AND AUTHORIZING THE SUBSTITUTION THEREFOR OF EITHER A
NEW LETTER OF CREDIT IN A REDUCED AMOUNT OR A
CASH DEPOSIT IN A REDUCED AMOUNT AS A PERFORMANCE GUARANTEE

(Re: STARLING SENIOR APARTMENTS PROJECT)

ADOPTED BY THE
CORPORATE AUTHORITIES
OF THE
VILLAGE OF LAKE VILLA, ILLINOIS
THIS 23RD DAY OF JUNE, 2025

Published in pamphlet form by the Corporate Authorities of the Village of Lake Villa, Lake County,
Illinois, this 23rd day of June, 2025

RESOLUTION APPROVING THE RELEASE OF
AN EXISTING IRREVOCABLE LETTER OF CREDIT
AND AUTHORIZING THE SUBSTITUTION THEREFOR OF EITHER A
NEW LETTER OF CREDIT IN A REDUCED AMOUNT OR A
CASH DEPOSIT IN A REDUCED AMOUNT AS A PERFORMANCE GUARANTEE

(Re: STARLING SENIOR APARTMENTS PROJECT)

WHEREAS, the Mayor and Board of Trustees of the Village of Lake Villa, Lake County, Illinois, have previously approved the deposit with the Village of CIBC Bank USA Irrevocable Standby Letter of Credit No. 223095-462094 dated September 3, 2024 in the amount of Two Million One Hundred Seventeen Thousand Six Hundred Twenty-Five and 00/100 Dollars (\$2,117,625.00) (hereinafter, the “Existing Irrevocable Letter of Credit”) by Starling Senior Apartments Limited Partnership (the “Developer”) in favor of the Village of Lake Villa (“the Village”) as a performance guarantee to assure the satisfactory installation and completion of all improvements required within and/or in the vicinity of the subdivision commonly known as the Starling Senior Apartments Project (the “Project”); and

WHEREAS, the aforesaid Existing Irrevocable Letter of Credit issued by CIBC Bank USA as Letter of Credit No. 223095-462094 dated September 3, 2024 expires on June 30, 2025 and has not been extended or renewed; and

WHEREAS, the Developer has completed a substantial amount of the required work within and/or in the vicinity of the Starling Senior Apartments Project, which work constitutes part of the required public improvements for the Project, however, all of the required public improvements will not have been completed prior to the expiration of the Existing Irrevocable Letter of Credit and are anticipated to be completed in or around August or September, 2025; and

WHEREAS, in consideration of the fact that a significant amount of work with regard to the required public improvements remains to be completed relative to the Project, based upon a review by Robert Doeringsfeld, P.E., of Applied Technologies, Inc., the Village Engineers, the remaining work on

the public and/or required improvements in the Starling Senior Apartments Project as set forth in the written recommendation of Applied Technologies, Inc. dated June 19, 2025, a copy of which is attached hereto as Exhibit A and thereby made a part hereof, is as follows:

- (1) Excavation, grading, and general improvements, including but not limited to site landscaping, installation of a community garden, and a dog run at a cost of approximately \$15,215.00;
- (2) On-site roadway improvements, including but not limited to milling and resurfacing of existing asphalt, hot-mix asphalt surface course, pavement marking and traffic signs at a cost of approximately \$93,932.00;
- (3) Water main improvements, including but not limited to adjustment of two (2) fire hydrants, at a cost of approximately \$5,000.00;

for a total estimated cost of \$114,147.00; and

WHEREAS, Robert Doeringsfeld, P.E., of Applied Technologies, Inc. has recommended a reduction in the dollar amount of the Existing Irrevocable Letter of Credit for the Starling Senior Apartments Project, or in the alternative, the deposit with the Village of funds in the reduced amount of One Hundred Forty-Two Thousand Six Hundred Eighty-Three and 75/100 Dollars (\$142,683.75) which includes the estimated cost to complete the aforesaid remaining public and/or required subdivision improvements, plus twenty-five percent (25%) as required by the Lake Villa Village Code for the amount of such performance guarantee which should be maintained in light of the remaining improvements to be completed within and/or in the vicinity of said Project; and

WHEREAS, the Mayor and Board of Trustees have considered the recommendation of the Village Engineers and desire to approve the recommended reduction of the required amount of such performance guarantee based upon the aforesaid recommendation; and

WHEREAS, in light of the fact that all improvements required relative to the Starling Senior Apartments Project have not yet been completed and completion thereof is not anticipated until on or around August or September 2025, the Corporate Authorities of the Village have determined that the deposit with the Village of a performance guarantee in the form of either a substitute Irrevocable Letter

of Credit in the aforesaid reduced amount or a cash deposit with the Village in such reduced amount to assure the satisfactory completion of the required improvements remains necessary; and

WHEREAS, the Mayor and Board of Trustees of the Village of Lake Villa desire to approve either a substitute Irrevocable Letter of Credit with an expiration date of no earlier than September 30, 2025, or a cash deposit in the reduced amount of One Hundred Forty-Two Thousand Six Hundred Eighty-Three and 75/100 Dollars (\$142,683.75) in substitution for the Existing Irrevocable Letter of Credit now on deposit with the Village:

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Board of Trustees of the Village of Lake Villa, as follows:

SECTION 1: The Mayor and Board of Trustees of the Village of Lake Villa hereby find the recitals as contained in the preamble hereof are true and correct and said recitals are hereby incorporated herein and made a part hereof.

SECTION 2: That release of the Existing Irrevocable Letter of Credit, i.e., CIBC Bank USA Irrevocable Standby Letter of Credit No. 223095-462094 dated September 3, 2024 in the amount of Two Million One Hundred Seventeen Thousand Six Hundred Twenty-Five and 00/100 Dollars (\$2,117,625.00) now on deposit with the Village relative to the Starling Senior Apartments Project is hereby authorized and said Irrevocable Letter of Credit shall be released, but only on the condition that on or before 12:00 Noon on Thursday, June 26, 2025 Starling Senior Apartments Limited Partnership, 401 Wilshire Blvd., 11th Floor, Santa Monica, California 90401 deposits with the Village either a substitute Irrevocable Letter of Credit or a cash deposit in the reduced amount of One Hundred Forty-Two Thousand Six Hundred Eighty-Three and 75/100 Dollars (\$142,683.75) as a performance guarantee to assure the satisfactory installation and completion of the remaining improvements required relative to the subdivision commonly known as the Starling Senior Apartments Project.

SECTION 3: The Mayor and Board of Trustees hereby approve the aforesaid reduction in the amount of funds being held by the Village as a performance guarantee relative to the Starling Senior Apartments Project and authorize the deposit with the Village of a substitute Irrevocable Letter of Credit or a cash deposit in the reduced amount of One Hundred Forty-Two Thousand Six Hundred Eighty-Three and 75/100 Dollars (\$142,683.75), and such substitution is hereby approved, provided, however, such action shall not constitute acceptance or approval by the Village of the required improvements within and/or in the vicinity of the Starling Senior Apartments Project at this time.

SECTION 4: Notwithstanding anything contained in this Resolution to the contrary, in the event that Starling Senior Apartments Limited Partnership has not deposited with the Village a substitute Irrevocable Letter of Credit in a form acceptable to and approved by the Village Attorney or a cash deposit in the amount of One Hundred Forty-Two Thousand Six Hundred Eighty-Three and 75/100 Dollars (\$142,683.75) as the aforesaid performance guarantee on or before 12:00 Noon on Thursday, June 26, 2025, a default shall be and is hereby declared after 12:00 Noon on June 26, 2025, of the aforesaid Existing Irrevocable Letter of Credit now on deposit with the Village, and the officials hereafter designated are hereby directed and authorized to submit to the issuing Bank the Official Signed Statement substantially in the form attached hereto as Exhibit B and the related Draft attached hereto as Exhibit C and are further authorized and directed as signatories to hereafter draw upon the entire remaining balance of said Existing Irrevocable Letter of Credit now on deposit with the Village. The designated officials are: the Mayor and Village Clerk.

SECTION 5: This Resolution shall be in full force and effect from and after its passage and approval as provided by law.

Passed by the Corporate Authorities on _____, 2025, on a roll call vote as follows:

YEAS: _____

NAYS: _____

ABSENT: _____

ABSTAIN: _____

APPROVED by the Mayor on _____, 2025

James McDonald
Mayor, Village of Lake Villa

ATTEST:

Connie Olker, Village Clerk,
Village of Lake Villa

EXHIBIT A

APPLIED TECHNOLOGIES RECOMMENDATION DATED JUNE 19, 2025
FOR REDUCTION OF THE EXISTING IRREVOCABLE LETTER OF CREDIT
OR THE DEPOSIT WITH THE VILLAGE OF A SUBSTITUTE IRREVOCABLE LETTER OF
CREDIT OR A CASH DEPOSIT IN THE REDUCED AMOUNT

EXHIBIT B

OFFICIAL SIGNED STATEMENT

RE: Starling Senior Apartments Limited
Partnership
Letter of Credit No. 223095-46294
PROJECT: Starling Senior Apartments
750 Tower Drive, Lake Villa, IL 60046

TO: CIBC Bank USA
Attn: Letter of Credit Department
70 W. Madison, Suite 900
Chicago, Illinois 60602

OFFICIAL SIGNED STATEMENT
OF THE VILLAGE OF LAKE VILLA

I, JAMES McDONALD, as Mayor of the Village of Lake Villa, Illinois, relative to your Letter of Credit No. 223095-46294, do hereby state and certify, pursuant to the direction of the Board of Trustees of the Village of Lake Villa given June 23, 2025, as follows:

The Applicant, Starling Senior Apartments Limited Partnership, has not completed the construction, addition, and/or remodeling of the Starling Senior Apartments (the "Project") as identified above and the Project has not been completed in a timely manner and in compliance with the rules, regulations and provisions of the Village of Lake Villa Village Code and with State law; and/or Letter of Credit No. 223095-46294 will expire within thirty-five (35) days or less and the Village has not received a renewal letter of credit; and/or the Village has received written notice that this Letter of Credit is about to expire, and no replacement Letter of Credit in a form satisfactory to the Village of Lake Villa has been received by it on or before thirty-five (35) days prior to the expiration of this letter of credit; and/or the Permittee has not paid, or caused to be paid within forty-five (45) days of the date when billed by the Village, professional expenses incurred by the Village relating to the Project.

James McDonald, Mayor
Village of Lake Villa

[Seal]

ATTEST:

Connie Olker, Village Clerk,
Village of Lake Villa

DATE: _____, 2025

EXHIBIT C

DRAFT ADDRESSED TO CIBC BANK USA

DRAFT

DRAWN UNDER CIBC BANK USA
IRREVOCABLE LETTER OF CREDIT NO. 223095-46294

TO: CIBC Bank USA
Attn: Letter of Credit Department
70 W. Madison, Suite 900
Chicago, Illinois 60602

DATE: June 26, 2025

RE: STARLING SENIOR APARTMENTS

Pay to the Order of the Village of Lake Villa, at sight, the amount of Two Million One Hundred Seventeen Thousand Six Hundred Twenty-Five and 00/100's Dollars (\$2,117,625.00).

This draft is drawn under CIBC Bank USA Irrevocable Letter of Credit No. 223095-46294.

VILLAGE OF LAKE VILLA

[Seal]

By: _____
James McDonald
Mayor

ATTEST:

Connie Olker, Village Clerk
Village of Lake Villa



Date: June 19th, 2025 **Project #:** 6663 – Starling Senior Living

To: Mike Strong, Village Administrator

Organization: Village of Lake Villa

From: Robert Doeringsfeld, P.E.

Regarding: Starling Senior Apartments - Letter of Credit Recommendation

Cc: _____

The Village of Lake Villa requested that Applied Technologies, Inc. review the Starling Senior Apartments Letter of Credit and provide a recommendation for the remaining improvements. We reviewed the Plans and Specifications, field notes, email correspondence, inspection notes, and made a field inspection on Tuesday, June 17th, 2025.

The remaining work of the approved plan includes the following:

- Excavation, Grading, and General Improvements - \$15,215
 - Scope to be completed
 - Site Landscaping
 - Community Garden
 - Dog Run
- On Site Roadway Improvements - \$93,932
 - Scope to be completed
 - Milling/re-surfacing existing asphalt per the 'Exhibit C'
 - Hot-Mix Asphalt Surface Course
 - Pavement Marking and traffic signs
- Water Main Improvements - \$5,000
 - Scope to be completed
 - Adjustment of 2 fire hydrants
- SUB-TOTAL = \$114,147.00

Per Village of Lake Villa Municipal Code, an Additional 25% required for all LOC - \$28,536.75

- **Total LOC Amount recommended = \$142,683.75**
- Reduction from original LOC of \$1,974,941.25.