

MEMORANDUM

TO: David A. Hulseberg, Village Manager

FROM: William J. Heniff, AICP, Director of Community Development

DATE: October 7, 2010

SUBJECT: **300-310 S. Main Street (Prairie Path Villas) – TACO Agreement Continuance**

At the August 19, 2010 Village Board meeting, the Board continued the request to Rescind a Tiered Approach to Corrective Action Objectives (TACO) Agreement previously entered into by the Village and the developer (Gap Development, LLC) of the property at 300-310 S. Main Street, commonly known as Prairie Path Villas. At the September 2, 2010 meeting this item was continued to the October 7, 2010 Village Board meeting. Staff offers the following update relative to the actions undertaken by the Association and Village staff.

As noted in staff's last correspondence to the Village Board, the Association hired an attorney to represent their interests and research methods to address the assurances the Village needs. On September 24, their attorney provided staff with an insurance coverage proposal for review and consideration, which is currently being reviewed by our Counsel. The proposal would still need to be deemed acceptable by the Village and include assurances that provide a comparable level of protection, without additional costs or obligations on the Village. Furthermore, if such a product is deemed acceptable, the Association and its respective members would also have to consent to the premiums and provisions of the policy as well. As of last week, they are unsure when such assurances will be made or completed.

During the interim review period and as a protection to any future owners, staff and Counsel are working on a notice to send to each of the existing owners informing them of this outstanding issue. This disclosure letter will require any existing owners to inform future buyers of this issue prior to and as part of the real estate transaction process.

ACTION REQUESTED

With the notification letter being prepared, the immediate need to rescind the TACO letter is somewhat lessened. However, the Association will still need to address the protection and coverage issue initially covered by the TACO Agreement. Staff will continue to work with the applicable parties on possible outcomes to this matter. However, should an alternative approval not be found, staff will bring the TACO agreement before the Board for rescinding. As such, no action is being requested by the Village Board at this time.

Should you have any questions, please feel free to contact me.