

## Chronology

- Initial talks in 2013-14 on CDH need for another parking deck, expanded into discussion of TC redevelopment to also benefit the Village. After developing plans (pic) CDH asked to just build deck first. Board balked & hospital walked. Months later at an April 2015 presentation CDH publicly over-stated its annual financial support, claiming \$1.9M in grants & donations that were really utility bills and permit fees. This sparked debate on the actual support for Village services
- Following special newsletter (pic) Oct. 2015, growing debate, and headlines in the newspaper, NM agreed in December 2015 to a \$900K grant towards costs if Village agreed to hold off home rule effort... WHY!? (the towns around us have home rule (pic), which would allow sufficient taxation of CDH thru head/bed tax, parking fees, etc.). We cannot advocate HR under grant
- With the grant compromise reached, talks resumed in 2017 on deck and TC redevelopment, now with NM staff involvement. A negotiation protocol was established with staff from both sides meeting as a technical workgroup to craft the outline of a development agreement (DA), with each side signing off before language additions or adjustments were made. Presidents begin meeting periodically to review staff progress, finally shaking hands in October 2018 on a tentative deal. NM-CDH next approved release of a joint special newsletter (pic) rolling out plans (pic) and announcing town hall meetings which were held this past winter.
- After a positive public reception to plans, NM-CDH changed its position, with President Lemon explaining they needed to revisit the terms of taxation sent out in the newsletter, instead suggesting 25 years could be discussed. This dispute made front page news and turned into a political issue in Winfield elections, concerning the relevance of good faith bargaining, accountability, and how best to negotiate with the hospital. NM-CDH ceased negotiations until after contested Board elections were held in April, 2019, but formed a community group to discuss issues which Village officials were barred from attending. Following elections, a new Board majority added Trustee Sorgatz to the negotiating team, and NM-CDH resumed talks.
- As the workgroup continued working on the DA outline this summer and fall, NM has insisted upon several more changes beyond the taxation question. Progress in talks since May:
- NM-CDH has repeatedly changed its position on taxation. Original agreement expected to generate approximately \$1 million per year into the TIF Fund, then \$1 million per year spread among all Winfield taxing bodies to benefit future generations. The Village originally sought to keep these properties on the tax rolls for 99 years. NM's latest offer is for only 20 years, after which time most of this property value would come off the tax roll forever.
- NM-CDH has also changed its position regarding Medical Office Building (MOB), designed to anchor TC redevelopment & bring in many new employees and visitors to downtown. NM-CDH this summer suggested the anchor building be dropped from deal, and when that was opposed suggested it be senior housing (go-go, slow-go, no-go). Their latest preference is to relocate administrative employees from Snyder building two blocks down, or just gradually fill new offices in anchor building as needed. NM would then sell Snyder to us for \$3M to retro fit as VH/PD. In contrast, we understand the taxable DuPage Medical Group has repeatedly sought to locate large MOB near hospital at WFM then Prosek's (while we wait at alter); architect's eval.

- NM-CDH's November 25th offer also removes their original commitment to build a public plaza by Metra, forcing renegotiation to split the cost. Leaves smaller retail plazas in question.
- Still no agreement on claw-back provision should Phase 2 development never occur. As NM-CDH continues land-banking additional Town Center properties, need to protect Village's future rights to develop along next block of Jewell Road.
- Need clause protecting change in assessment or legislation on taxability which impacts revenue
- See Comparison Table

### Grant Discussion

- Have been kept separate for legal reasons, but concurrent talks on extension of the \$900,000 grant continue. These dollars have been used to for the following three purposes:
  1. Reimbursement of costs caused by the operations of NM-CDH
  2. Economic Development efforts to grow the VOW tax base
  3. Investments that enhance VOW operations and efficiencies

Newsletter Table depicts impact on Village's ability to fund services over time at various grant levels. Note TIF monies cannot be used for roads, police, etc.

- While hospital contributions toward Village costs the last four years have kept us solvent, they made no such contributions during their growth the many years before, while polic pension gap grew. Staff calculate CDH share of costs between 2005 and start of grant in 2016 as \$5 million+
- This spring NM-CDH suggested a one-time payment could help shore up the police pension and asked Village for research. This offer has since been rescinded.
- Total annual Village costs NM-CDH is now offering to reimburse is now approximately \$500,000. The economic development assistance is to help Winfield get on its feet. While the Village can show much development progress in four years, that is far too short a time frame to reasonably reach status of a diversified tax base. Continued economic development support is required to truly transform key development areas at both ends of town, including the St. Charles/North Avenue Corridor & Roosevelt/Winfield Road Corridor.
- NM and a few others have asked that references to the profits they generate in Winfield not be mentioned during talks, and NM has consistently declined requests on financial info about CDH. But looking at Crain's Business yearly reports on largest hospitals we find annual profits average \$180M+ since 2016 – this represents \$500,000 per day in profits pulled out of Winfield – for a grand total in excess of \$540M in three years since grant agreement approved

- NM presented to the VOW an updated DA outline dated 11/15/2019 with significant unilateral changes by NM, which was discussed at length by the entire board in executive session. On Friday December 6<sup>th</sup> President Spande at the direction of the board emailed President Lemon noting there were concerns and that the VOW had question for the next monthly President's meeting scheduled for Tuesday December 10<sup>th</sup>. The same day President Lemon responded by cancelling the scheduled monthly President's Meeting, stating that the VOW had received NM's final offer and that there would be no further negotiations until the VOW agreed to the terms outlined in the unilateral 11/25/2019 DA outline. Saturday December 7<sup>th</sup> NM noted they saw no purpose for further staff-level review intended to work out differences, but would take questions by email.
- On December 13<sup>th</sup> President Spande sent NM position papers on both the grant renewal and TC DA discussions. The December Winfield Word and President's column then summarized key elements of the NM ultimatum and final offer as presented in the 11/25/2019 DA outline. CDH President Lemon responded on Tuesday 12/17 with an email reconsidering items called out by the Village President while disputing some statements and noting they feel the Village is responsible for costs to revise any deck engineering and construction plans NM has prematurely completed without Village Board approval.
- NM-CDH now requesting two trustees to be put in negotiations – which two do they prefer?
- NM does not appreciate staff pointing out fast moves - but we've only 1 chance to get this right!