

January 15, 2018

Mayor Franco Coladipietro & Trustees
Village of Bloomingdale
201 S. Bloomingdale Road
Bloomingdale, IL 60108

Mr. Pietro Scalera
Village Administrator
Village of Bloomingdale
201 S. Bloomingdale Road
Bloomingdale, IL 60108

Dear Mayor Coladipietro, Trustees and Administrator Scalera:

On behalf of First ILR, LLC, Owner of Indian Lakes Hotel, we wanted to let you know that our property in Bloomingdale is operating as an independent hotel and the multi-million transformation project and new franchise agreement have been placed on an indefinite hold. It was our goal to avoid this from occurring, but the overall uncertainty caused by the Village's inaction and delay in scheduling public hearings about the future of Indian Lakes has made this step necessary.

In July 2016, we shared the financial realities facing the property and our corrective plan of action which included the following steps:

- Shutting the underutilized golf course and conference center to stem significant financial losses;
- Negotiating a new brand franchise agreement to replace the non-renewable and expiring Hilton resort agreement with one more appropriate for Bloomingdale; and
- A commitment to reinvest several million dollars in the property to focus on the travel and leisure needs of Bloomingdale families and businesses.

The only path to maintaining a viable hotel property in Bloomingdale was a wholesale transformation of Indian Lakes. That is why we embarked on a parallel path of securing and financing a new franchise agreement, while finding the right partner to acquire and repurpose the remaining 190-acres of our property.

However, we cannot move forward with another investment in the hotel until the Village enters into meaningful discussions about the future of 190-acres of vacant land at Indian Lakes. There has been no indication or predictability about what the Village desires for the vacant 190-acres.

To be a good neighbor and facilitate a community dialogue about the future of Indian Lakes we created www.newindianlakes.com and published numerous updates, videos and infographics. We hosted four meetings last winter that were attended by 500 residents who live closest to the course.

Based on the feedback, the plan was refined and a formal zoning application was submitted in September 2017. During this entire time, we have openly requested feedback, consideration and comments from Village leadership and staff.

To date, we have received no meaningful feedback on the future of Indian Lakes from anyone at the Village. Calls are not returned. Perfunctory meetings on process take weeks, if not months to schedule. The last written communication included a demand for the preparation of final engineering documents of a plan that had yet to receive a preliminary consideration by any public body over the proposed land use.

We know the public, Village staff and leadership will have input on the plan and there will be additional changes before any final decision can be made, which is why final engineering is unnecessary and unwise at this time.

Any illusion that Indian Lakes will revert back to a golf use is misguided and ignores financial reality.

The Village is acutely aware of the challenges of operating a golf course in Bloomingdale and the oversupply of courses in the region – according to the Village's Comprehensive Annual Financial Reports, the municipal golf course has lost \$1.75 million since 2008.

Indian Lakes had been one of the Village's top employers, land owners and tax revenue producers for decades. While the property must head in a new direction, our fortunes remained tied together. There are critical fiscal issues facing the Village and its taxpayers, which we believe the repurposing of Indian Lakes can help address:

- Overall property values in Bloomingdale have not recovered from the 2008 downturn, and are significantly lower today than they were a decade ago. The total assessed value of residential property has declined \$182 million from levy year 2008 to levy year 2016, while total community assessed property value has declined \$252 million during the same period.
- Simultaneously, the Village has had to substantially increase its property tax levy to meet demands. From FY 2009 to 2018 the Village's property tax levy more than doubled to \$2.46 million from \$1.04 million. The increase on property taxes during a period of value decline does not include property tax increases from other units of government.
- Bloomingdale is not immune to the macroeconomic trends confronting commercial retail. To increase the likelihood that Stratford Square Mall and the Village's revitalization of Old Town are successful and economically viable, these retail outlets need more local consumers and shoppers. Given that sales tax revenues account for more than a third of the Village's annual budget, increasing the number of local consumers is also in the long-term financial interest of the Village.
- The Village has identified nearly \$53 million in capital improvements over the next several years. This includes millions in upgrades to the sewer and water facilities, investments that are spread over all ratepayers. An increased pool of customers will reduce the burden on families and businesses over the next several years.
- The capacity of the Village to repurpose its previously acquired 35 acres of open space has been continuously delayed. This experience is a primary reason our concept plan retains nearly 70 acres of open space and proposes to dedicate this improved and landscaped open space to the Village – at no cost to taxpayers or the Village.

This letter is a request to return to the partnership that Indian Lakes and the Village of Bloomingdale have shared for decades. We must heed the lessons of the 2007 revitalization efforts and accept that the time has come for Indian Lakes to move in a new direction.

The Village's inaction and delay in scheduling preliminary land use discussions with the community are having negative consequences and maintaining an environment of uncertainty in Bloomingdale. The delay in the hotel transformation will result in further diminution of the property's value and jeopardize the significant hotel tax revenue generated by the property.

As a longtime community partner, employer and taxpayer, I urge you to initiate preliminary land use discussions about Indian Lakes, so that we can receive appropriate direction and allow the community to participate in this process. We are evaluating all options available to initiate the public hearing process about the future of Indian Lakes.

We remain committed to Bloomingdale and ready to invest millions in a refocused hotel. A revitalized and transformed Indian Lakes will help the Village meet its financial challenges, while facilitating improvements that improve the quality of life for residents.

Very truly yours,



Stephen L. Schwartz
Manager, First ILR, LLC