TO: David S. Plyman  
FROM: Alan H. Cooper  
RE: Amendment to Hillcrest Sewer Agreement (Impact Fees)  
DATE: April 17, 2012

In April of 2011, following years of negotiations, the governing bodies of Rochelle and Hillcrest approved an "Agreement for Wastewater Conveyance and Treatment", which provided, in general, for Rochelle to provide sewer services to Hillcrest. Included in the agreement were certain provisions unrelated to sewer service, including provisions requiring Hillcrest to adopt impact fees and lag time fees for residential development which were identical to those adopted by Rochelle, and to do so within 120 days following approval of the agreement. The pertinent provisions of the agreement, as contained in Article IX and Exhibits E, I and J, are attached to this memo.

Earlier this year, I was contacted by Hillcrest's new attorney, Paul Keller of the Ancel Glink firm. He had reviewed the agreement and found that Hillcrest had not adopted impact fees and lag time fees as required, and that the deadline for doing so had long since passed. He indicated that Hillcrest would be making a formal request of Rochelle to extend the deadline, so that they could come into compliance with the terms of the agreement.

On February 28, 2012, the new Hillcrest president sent a letter to Mayor Olson requesting that the deadline be extended by 120 days, presumably from the date of her letter. A copy of this letter is also attached to this memo. As she indicates, the original agreement was entered into by the previous Hillcrest administration, and she was unaware of the original deadline. Undoubtedly, the downturn in residential development in both communities played a role in the passing of the deadline without action or comment.

Earlier today, I talked with the Hillcrest attorney about the request. He indicated that he will be out of the office for an extended period this summer, and requested that the extension be for 180 days from the date of council action.

It would be my recommendation that the City approve Hillcrest's request to extend the deadlines in Article IX of the Agreement for an additional 180 days from the date of council approval, which would put the deadline at October 20, 2012.