



MANAGER'S REPORT FOR APRIL 13, 2012
GENERAL INFORMATION AND RESPONSES TO MAYOR & COMMISSIONER REQUESTS

Places to be this Week...

Tuesday, April 17, 2012 – The regular meeting of the Village Council will be held at 7 p.m. in the Council Chambers at Village Hall.

Future Calendar Reminders...

Saturday, April 21, 2012 – A Coffee with the Council will take place on **Saturday, April 21, 2012 at 9 AM** at Oak Trace Senior Living Community, 200 Village Drive.

Tuesday, May 1, 2012 – The regular meeting of the Village Council will be held at 7 p.m. in the Council Chambers.

Monday, May 7, 2012 – The Finance and Administrative Committee will meet at 6:30 p.m. in the Committee Room to discuss the Council Travel and Training Policy.

Tuesday, May 8, 2012 – The regular meeting of the Village Council will be held at 7 p.m. in the Council Chambers at Village Hall, followed by a Long Range Financial Planning meeting in the Committee Room.

Monday, May 14, 2012 – The **Barth Ceremony** will be held at **1 p.m. at Barth Pond** and the **Police Department Commendations Award Ceremony** will be held at **7 p.m. in the Village Council Chambers**.

Tuesday, May 15, 2012 – The regular meeting of the Village Council will be held at 7 p.m. in the Council Chambers.

Finance and Administrative Committee Meeting - There will be a Finance and Administrative Committee meeting on Monday, May 7 at 6:30 PM in the Committee Room. All Council members have been invited. The purpose of the meeting is to discuss the Village Council travel and training policy.

Long Range Financial Plan Meeting – The Long Range Financial Plan update meeting will be held on May 8, 2012 immediately following the Village Council Meeting in the Committee Room at Village Hall.

Article on Ken Neumann of Greenscape Homes – Attached is an article from the Chicago Tribune regarding Ken Neumann of Greenscape Homes. Greenscape is building several houses in the Village.

ONGOING PROJECTS

Belmont Underpass

Work during Previous Week

- Continued framing the three south roof canopies.
- Continued brick and cast stone work at the three south canopies
- Completed curbs and sidewalks in the SE corner of lot H
- Fine grading in various locations
- Additional testing of the non-special waste in NE ramp infield.

Planned Work

- Excavation north of the tracks is currently suspended pending soil samples
- Install traffic signal interconnect to Curtiss

- Continue pedestrian tunnel masonry

The Contractor anticipates that the new pedestrian tunnel could be opened in late June or early July.

- Percent Complete: 84%

Valley View Estates Reconstruction and Water Main Replacement

Awarded Amount: \$3,552,453.00

Contract Completion Date: November 16, 2012

A preconstruction meeting was held on Monday April 9th at Public Works. Notices were delivered to the residents on Valley View, Foster and Waterfall for the water main work that is going to begin next week. Tree fence is being installed before work begins next week. The contractor will begin installation of the water main at Dunham and Foster next week.

Knottingham Reconstruction and Water Main Replacement

Awarded Amount: \$5,489,847.76

Contract Completion Date: November 16, 2012

A preconstruction meeting was held on Monday April 9th at Public Works. Notices were delivered to the residents on Nottingham for the water main work that is going to begin next week. Tree fence is being installed before work begins next week. The contractor will begin installation of the water main at Nottingham and Plainfield Road next week.

2012 Water Main Improvements Contract B

Project was advertised on Thursday April 5th with a bid opening date of April 18th. The project is scheduled to be awarded in May and construction is scheduled to start the end of May.

ATTACHMENT

Chicago Tribune Article Regarding Ken Neumann of Greenscape Homes

New name, new strategy for longtime builder

Ken Neumann, head of Neumann Homes re-emerges, leading smaller, upscale Greenscape Homes



Ken Neumann, president of Greenscape Homes, at one of his new-construction... (Chuck Berman, Chicago Tribune)
April 07, 2012|By Mary Ellen Podmolik, Chicago Tribune reporter

Ken Neumann is back building houses in the Chicago area, but he's no longer focused on constructing thousands of homes in subdivisions for entry-level buyers.

Instead, he's tearing down homes in long-established communities and building houses for a more discerning, upscale clientele.

There's one other difference: Neumann Homes Inc., a name synonymous with the spectacular rise and fall of Chicago's home-building market, is nowhere to be seen. Instead, Neumann is operating under the Greenscape Homes brand.

As the local homebuilding market swooned, one local and regional builder after another mothballed their operations or outright failed and in the process ceded what little activity there was in the market to the large, publicly held competitors they once fought toe to toe. Over the past two years or so, some of them have re-emerged and reinvented themselves on a much smaller scale. At the end of 2011, 1,887 homes were under construction in the 12 counties that surround Chicago, compared with 6,011 in 2007.

The latest chapter in Neumann's story, whose rise rivaled the public builders before hitting bottom, shows that homebuilding success today is measured in singles, not sweeping subdivisions.

"That's what they do and that's what they know," Lance Ramella, director of consulting for Metrostudy's Midwest region, said of homebuilders. "If you're a baseball player and you get busted for steroid use, do you become a banker or do you wait out your suspension and pay your fine and go play baseball again?"

Neumann started his career as a mining engineer and then as a commercial builder. In 1992, he started building homes in the Chicago area and completed 28 that first year. Ten years later, the company was creating subdivisions of moderately priced homes on the fringes of the Chicago area. The homes were basic, but buyers had a choice of multiple floor plans and the communities included many amenities.

Its peak year was 2004, when the company constructed 1,450 homes. Just a few days into 2005, the company announced its purchase of Tadian Homes in the Detroit market, a deal that vaulted Neumann from being the nation's 54th-largest homebuilder to No. 35.

The timing of Neumann's ambitious expansion plan could not have been worse. The auto sector's slump battered Michigan's economy and housing market, and eight months after the acquisition, Neumann's Michigan operation was bleeding red ink.

Neumann, as well as his competitors, thought the industry's problems were limited to Michigan. They were wrong.

On Nov. 1, 2007, Warrenville-based Neumann, which also had operations in Wisconsin and Colorado, sought reorganization under Chapter 11 bankruptcy protection, owing at least \$235.6 million to eight banks, suppliers and contractors, and an additional \$137 million to its largest unsecured creditors, according to court documents filed early in the case.

The bankruptcy case quickly grew ugly. Suits and countersuits were filed and complaints were loudly voiced by municipalities, homeowners and would-be purchasers about payments, unfinished subdivisions and shoddy construction. At the time of its filing, Neumann had 15 active Chicago-area subdivisions.

Competitors said Neumann's troubles were an isolated case. They were wrong; the entire industry tanked. But as the first to go under locally, Neumann became a poster child for the flagging fortunes of homebuilders and the messes they left behind. In June 2008, BusinessWeek published, "When Builders Go Broke," which centered on Neumann's demise.

The company's liquidation plan became effective in August 2010, and as part of it Ken Neumann agreed to pay \$1.125 million to settle certain disputes. The case continues to wind down. Bill Kaye, the post-confirmation trustee in the case, declined to comment.

In late 2008, separated from the operations of the company, Neumann started Greenscape Ventures, buying distressed homes from banks, rehabbing them and reselling them.

He opted not to use the Neumann name while the bankruptcy case continued but said, "I'm not ashamed of being Ken Neumann."

The profit margins on fixing foreclosures were too low, so in late 2010, Neumann set his sights on teardowns in established west suburban communities, constructing in their place semicustom homes under the Greenscape Homes name and pricing most of them from the mid-\$400,000 range to more than \$700,000.

Last year, he sold 14 such homes in the Chicago area and 42 in the Detroit area, where he still has operations. "There's no way to do what we're doing on any scale," he said. "It's one-offs and it's very small. If we're really good, between our companies we'll do 90 this year. I laugh. We were doing 120 a month."

The day-to-day operations of Greenscape highlight just how much the industry has changed since Neumann's headier days. Instead of overseeing a company that needed 5,000 tradespeople and had a private jet, Neumann himself stands on the site of a teardown, wondering how to move a power line or plant a row of bushes to make a backyard more appealing to potential buyers.

Neumann's design center at one time occupied 10,000 square feet at its Warrenville headquarters. Today, the design center is a rack of carpet samples nestled next to two chairs in the office's reception area.

"I love building homes," he said. "It's not miserable. I don't need to do this but I love to do this. It's a lot of fun. It's small. I'm not stressed 90 hours a week."

And instead of dealing with a cadre of banks, Neumann is self-financing his operation, and he's profitable. He has even offered to purchase the homes of prospective buyers who want to buy a Greenscape home but find themselves unable to sell their existing residences.

Kristen and Steve deMoulied had never heard of Neumann or Greenscape when the couple, then living in Chicago's Bucktown neighborhood, drove by an empty lot in Hinsdale where a Greenscape billboard stood in the place of a razed home. But they liked what they saw and heard. In addition to being able to pick their own options, the couple worked with Greenscape to facilitate the sale of their Bucktown condo.

It was only during the process that a Greenscape employee explained to the couple how Neumann had reinvented itself and adopted a new marketplace strategy, but that didn't matter much to the deMoulieds. What they were more interested in were the four bedrooms, the 4 1/2 baths and the tray ceilings in some rooms of the house that Kristen deMoulied views as their "forever home."

Meanwhile, news of Neumann's re-emergence is a surprise to the village of Antioch, where more than 680 of the 960 lots in Neumann's Clublands development remain vacant and undeveloped. The village fought for years in bankruptcy court to secure funding to complete the landscaping and streets for the 273 homes that Neumann built before the bankruptcy filing.

"It's still a matter that's not completed," said Dustin Nilsen, Antioch's director of community development. "There's still a vast majority of the improvements and the amenities that have yet to be completed."

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