

REGULAR BOARD MEETING
Village Hall, 102 S. Second Street

July 25, 2016 - 7:30 pm
Village of West Dundee

I. CALL TO ORDER:

President Nelson called the Regular Board Meeting to order at 7:30 pm.

II. ROLL CALL:

Present were Village President Christopher Nelson, Trustees Billy Pflanz, Dan Wilbrandt, Tom Price, Pat Hanley and Andy Yuscka. Trustee Michelle Kembitzky was absent.

Also present were Village Manager Joseph Cavallaro, Community Development Director Timothy Scott, Police Chief Andrew Wieteska, Public Works Director Eric Babcock, Attorney Kathy Orr, and twenty-five (25) people in the audience.

III. PLEDGE OF ALLEGIANCE:

Trustee Wilbrandt led those in attendance in the Pledge of Allegiance.

IV. APPROVAL OF AGENDA:

MOTION: Moved by Trustee Hanley and seconded by Trustee Yuscka to approve the agenda as presented. Motion passed unanimously by voice vote.

V. VILLAGE PRESIDENT'S REPORT: There was none.

VI. REPORTS AND QUESTIONS FROM TRUSTEES:

Trustee Yuscka commented that the Intelligentsia Cup Bike Racing event was well received, and credited Trustee Price for encouraging the Board to consider this event.

Trustee Hanley commented that, with the splash pad now open, Huffman Park is one of the most used parks in the area. He suggested that a discussion be started with the Park District about putting in permanent restroom facilities. Manager Cavallaro stated that approximately \$130,000 in land cash is being held by the Village for park improvements. Staff was directed to report back on this topic at a meeting in August or September.

Trustee Hanley requested that the Board discuss reinstating Committee of the Whole Meetings in order to encourage more group discussion. Staff was directed to place this on the next meeting agenda for discussion.

Trustee Price also commented on the Intelligentsia Cup event, noting that positive feedback has been received. He thanked the village staff for their contributions to event logistics. Manager Cavallaro commented that the event was conducted in a very professional manner.

VII. VILLAGE STAFF REPORTS:

Deputy Clerk Tibbetts expressed thanks to West Dundee resident Michael Dewey for leading the volunteer effort for the Intelligentsia Cup event.

VIII. QUESTIONS FROM THE AUDIENCE:

Mr. Randy Errington, owner of Bikini Bottom Bar & Grill at 105-107 W Main Street, asked what financial commitment the Village made toward the Intelligentsia Cup event. Manager Cavallaro advised that the Village contributed manpower in terms of Police and Public Works assistance, and that a standby ambulance was provided for the event at an agreed upon reimbursable amount of \$1,000.

IX. CONSENT AGENDA:

- A. Approval of Bill List: July 25, 2016
- B. Ratification of Manual Check: Kane Dupage Soil & Water
- C. Approval of Minutes: July 11, 2016 Regular Board Meeting
- D. Special Event & Daily Liquor Permit Application – VFW Pig Roast

MOTION: Moved by Trustee Yuscka and seconded by Trustee Hanley to approve the Consent Agenda. Upon roll call, motion was approved.

AYES: Trustees Yuscka, Pflanz, Wilbrandt, Price and Hanley

NAYS: None

ABSENT: Trustee Kembitzky

X. RESOLUTIONS AND ORDINANCES:

A. Resolution Approving an Economic Incentive Agreement for Façade Rehabilitation of 101 W Main St (President Nelson)

President Nelson stated that a façade improvement grant request for 101 W Main Street has been reviewed and meets the criteria of the program, adding that the proposed façade work is historically compatible and appropriate for the downtown area. The recommended grant amount is below the maximum of 25% of the cost of the work to be completed.

Director Scott noted that the façade improvements are slated for final review by the Appearance Review Commission at their meeting tomorrow evening.

President Nelson added that the façade work is being completed by the building owner, OTTO Engineering, and that the prospective restaurateur, Bamboozels, has proposed significant modernization of the interior, which is likely to come before the Board for financial assistance.

Trustee Wilbrandt inquired about the balance remaining in the façade grant program for this fiscal year. Trustee Hanley requested a 15 year history of known private and public dollars invested into the downtown area.

Discussion was held regarding scaling back economic incentive programs as the economy picks up, in terms of the percentage of eligible project costs to be reimbursed, taking into account an applicant's generation of sales tax back to the Village and/or establishing a threshold for the level of private investment being put into the property.

Trustee Hanley requested that building permit fees not be included as eligible costs.

MOTION: Moved by Trustee Price and seconded by Trustee Pflanz to approve an Economic Incentive Agreement by and between the Village of West Dundee and OTTO Engineering for Façade Rehabilitation of 101 W Main Street, in an amount not to exceed \$58,000, pending approval by the Appearance Review Commission. Upon roll call, motion was approved.

AYES: Trustees Price, Yuscka and Pflanz, President Nelson

NAYS: Trustees Wilbrant and Hanley

ABSENT: Trustee Kembitzky

B. Ordinance Establishing Special Service Area 7.0 - Downtown-Debt Service (President Nelson)

C. Ordinance Establishing Special Service Area 7.2 - Downtown-Marketing (President Nelson)

President Nelson provided an overview of the proposal to establish two Special Service Areas (SSAs) within the downtown business district: SSA 7.0 to partially fund debt repayment for bonds issued to complete downtown public improvements, including property acquisition, building demolition, creation of public parking and public amenities, and riverbank stabilization; and SSA 7.2 to partially fund a marketing and promotion program for the downtown area to be defined through further dialogue with downtown business and property owners, and to potentially include participation in the Discover Dundee program.

He stated that following the adoption of ordinances proposing the SSAs on March 28, 2016, a 60-day period defined by statutory law was provided for submittal of a petition in opposition to either proposal. Such petition was received within this timeframe, but did not meet the legal standards in regards to the required number of signatures to be effective.

Discussion was held regarding SSA 7.2 and whether a marketing and promotion program continues to be supported and desired by the downtown business and property owners.

President Nelson noted that the establishment of an SSA does not establish a property tax levy, but provides the mechanism by which to do so annually each December, upon the approval of the Board. Trustee Price stated that the Village would not pass an SSA levy if the discussions with stakeholders are not fruitful. Trustee Pflanz added that the downtown businesses have not been precluded from participating in East Dundee's Discover Dundee activities thus far.

Discussion of SSA 7.2 continued. Upon inquiry, Attorney Orr noted that either ordinance could be tabled to a date certain if the Board does not wish to call a vote today.

President Nelson opened the floor for public comment.

Lisa Dombrowski, 130 Washington Street, presented a prepared speech on the topics of trust, credibility and reliability, indicating a strong distrust for the Village held by herself and other business owners she has spoken to, noting that she has never requested or received any economic incentives from the Village. She stated that an analysis of the return on investment for downtown improvements should be provided.

Ms. Dombrowski asked whether economic incentive dollars provided to MT Barrels were repaid to the Village upon the closing of the business. President Nelson advised that rather than expend legal fees to seek repayment from a liquidated LLC, the monies owed back to the Village were used

as leverage to induce the property owner to reduce the purchase price of the building in order to return it to productive use. He added that, as with any economic incentive, the building improvements for which the incentive was granted remain with the building, to the benefit of making it a more attractive and cost-effective location for future businesses.

Ms. Dombrowski stated that, if the ordinances pass, that property taxes in this area will be the highest in the nation. She stated that she believes the downtown property owners that did not sign the SSA petition fear retaliation, and that documentation provided by the Village in response to her Freedom of Information request did not include economic incentive dollars provided to downtown business owners, or names of businesses in support of the SSA, as requested.

Manager Cavallaro confirmed that the requested economic incentive data was provided. President Nelson explained the statutorily defined process for establishing an SSA as one that calls for stated objection, not stated support.

Julie Fox, 536 S. Fifth Street, noted that the amount of the proposed SSA levies increased since the initial communication, and that only downtown property owners were informed. She stated that sales tax and property tax rates are too high in Illinois and that they hurt the community. She stated that the properties owned by the Village in the downtown area should be privately owned, and suggested that Riverwalk Dedication Bricks should be advertised to bring more money to the Village. In closing, she stated that she believes residents do not support this proposal.

Jay Correia, owner of DreamCo Design at 102 W. Main Street, stated that he is a concerned citizen and that the Village lacks intelligent leadership. He stated that sales tax and property increases are fiscally irresponsible and that downtown revitalization efforts will not be helpful. He stated that private investment should be made, adding that he had expressed an interest in purchasing the old Pump House to open a float and kayak rental business, a use suggested in the Downtown Plan. He stated that he has been battling to get a billboard on his building, and that the Village should step aside and let private investment lead the way.

Randy Errington, owner of Bikini Bottom Bar & Grill at 105-107 W. Main Street, stated that he has been in business for 10 years. He stated he represented a group of downtown property owners in an eminent domain lawsuit several years ago and discussed his real estate experience. He asked that the Village get out of the way of private ventures. He stated that if the Equalized Assessed Value (EAV) of downtown properties increases, so will the property tax liability for those properties. He stated that his business is one of the biggest beneficiaries of the Discover Dundee program and he does not want West Dundee to be involved in this program.

Ann Bagel, representing Waters Industries at 209-214 W. Main Street, noted that they are not a retail company and foot traffic does not help them. She stated that Waters Industries invested in their buildings and did not ask for assistance from the Village. She stated that downtown needs foot traffic and that festivals and events bring more revenue, but that non-retail businesses see the downside.

Bonnie Yates, owner of Yates and Associates at 217 W. Main Street, stated that she has provided counseling services from this location since 1989. She stated that an increase in property taxes would be a burden on small businesses and that she would no longer be able to afford to live here. She asked the Board to reconsider the proposal.

Mark Poynor, 115 W. Main Street, stated that he invested significantly in his property after purchasing it in 2004 and that the Village was very helpful and encouraging. He asked why the

Village isn't funding the entire cost of downtown improvements, and asked if a Tax Increment Financing (TIF) District would be an option, as East Dundee has done.

President Nelson and Attorney Orr briefly explained how a TIF works (by freezing the EAV of an area at a baseline amount and allocating the tax increment generated above the baseline directly to the municipality), why it worked for East Dundee (multiple contiguous TIFs including undeveloped land), how the reality in downtown West Dundee does not make this a viable option (no significant new development expected, therefore the incremental taxes would be paid by the existing property owners, and the increase in EAV would not come quickly enough to assist the downtown redevelopment plan), and the significant costs of establishing a TIF (estimated at \$80,000).

Manager Cavallaro stated that the proposed funding for the \$137,000 annual debt repayment for the downtown improvements consists of \$40,000 of Village funds, an estimated \$65,000 from the 1% business district sales tax, and an estimated \$32,000 from a property tax levy for SSA 7.0, noting that the proposed contribution from downtown property owners is less than 25% of the funding formula.

Mr. Poynor stated that the demolition of Ace Hardware for increased parking would not help him, Ms. Dombrowski, or many other downtown property owners.

Larry Dombrowski, 130 Washington Street, stated that property owners and residents support the revitalization of downtown, but he feels that the funding mechanism is flawed. He stated that the disinvestment in downtown buildings has discouraged businesses from locating within them. He stated that the Village has allowed deterioration of the Pump House and are asking the business owners to pay to demolish it. He stated that a property tax increase would be an extreme burden on small businesses and suggested that the Board members each donate an amount equal to what would be paid by the property owners through the SSA.

Dawn DeWitt, owner of DeWitt Salon and Spa located at 114 W. Main Street, stated that when she moved to West Dundee from East Dundee 6 years ago, it was a good deal. She stated that each business has made a personal investment, and that her customers have complained the tax increase. She stated that the Village and businesses need to work together to fill empty storefronts.

Randy Errington commented that Algonquin has successfully established a downtown TIF District. Manager Cavallaro advised that a copy of the Downtown Algonquin TIF Report is available at his office for anyone interested in reviewing it.

President Nelson requested a straw poll to determine the Trustee's position on SSA 7.0 and SSA 7.2. Trustee Wilbrandt supports neither. Trustee Pflanz does not support 7.2. He does support 7.0, but wants to reduce the impact using non-recurring development revenue. Trustees Yuscka, Hanley and Price would like to table a vote on SSA 7.0 to a later date and discuss further. Trustee Hanley does not support SSA 7.2 and stated that he would like to hear from business and property owners who support the SSA proposals. Trustee Price is undecided about SSA 7.2 and stated that if the downtown business and property owners don't support it, it should be dropped.

Lisa Dombrowski requested a list of those who support the SSA proposals.

MOTION: Moved by Trustee Pflanz and seconded by Trustee Hanley to table discussion regarding an Ordinance Establishing Special Service Area Number 7 to the August 22, 2016 Regular Board Meeting. Upon roll call, motion was approved.

AYES: Trustees Pflanz, Wilbrandt, Price, Hanley and Yuscka

NAYS: None

ABSENT: Trustee Kembitzky

MOTION: Moved by Trustee Price and seconded by Trustee Pflanz to table discussion regarding an Ordinance Establishing Special Service Area Number 7.2 to the August 22, 2016 Regular Board Meeting. Upon roll call, motion was approved.

AYES: Trustees Price, Hanley and Yuscka, Pflanz and Wilbrandt

NAYS: None

ABSENT: Trustee Kembitzky

Staff was directed to provide an analysis of available non-recurring development revenue and the viability of a TIF, for discussion during the month of August. Discussion regarding this topic will continue at the August 15, 2016 Special Committee of the Whole Meeting.

D. Ordinance Approving the TIF Redevelopment Plan for Spring Hill Mall TIF District (President Nelson)

E. Ordinance Designating the Proposed Spring Hill Mall Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act (President Nelson)

F. Ordinance Adopting Tax Increment Allocation Financing for Spring Hill Mall Redevelopment Project Area (President Nelson)

Manager Cavallaro stated that the establishment of a TIF District is part of an economic incentive package which was used to secure Rouse Properties' \$40,000,000 reinvestment into Spring Hill Mall. He stated that the ordinances were introduced in March and are being brought for a vote at this time. As such, TIF financing will be established based on the 2015 EAV of the parcels within the TIF District.

MOTION: Moved by Trustee Price and seconded by Trustee Hanley to adopt an Ordinance Approving the TIF Redevelopment Plan for Spring Hill Mall TIF District. Upon roll call, motion was approved.

AYES: Trustees Price, Hanley, Yuscka, Pflanz and Wilbrandt

NAYS: None

ABSENT: Trustee Kembitzky

MOTION: Moved by Trustee Price and seconded by Trustee Hanley to adopt an Ordinance Designating the Proposed Spring Hill Mall Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act. Upon roll call, motion was approved.

AYES: Trustees Price, Hanley, Yuscka, Pflanz and Wilbrandt

NAYS: None

ABSENT: Trustee Kembitzky

MOTION: Moved by Trustee Yuscka and seconded by Trustee Hanley to adopt an Ordinance Designating the Proposed Spring Hill Mall Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act. Upon roll call, motion was approved.

AYES: Trustees Yuscka, Pflanz, Wilbrandt, Price and Hanley

NAYS: None

ABSENT: Trustee Kembitzky

XI. NEW BUSINESS:

A. Huntley Road Improvements Amendment 1 - Additional Engineering Work (Trustee Yuscka)

Trustee Yuscka stated that due to new hazardous waste regulations from the Local Roads section of the Illinois Department of Transportation (IDOT), additional engineering work is required for the Huntley Road Improvements Project to prepare a Preliminary Environmental Site Assessment and Preliminary Site Investigation.

Baxter & Woodman, the Village's consulting engineer for this project, estimates the cost of the work at \$35,000. The Villages of West Dundee and Carpentersville are jointly responsible for this project cost at a 50/50 cost share, or \$17,500 each.

To lessen the cost of the burden, Baxter & Woodman will meet with Kane/Kendall Council of Mayors to discuss the possibility of additional grant funding for half of the cost of this required engineering work. If successful, the cost to each West Dundee and Carpentersville would be \$9,000.

MOTION: Moved by Trustee Yuscka and seconded by Trustee Pflanz to approve additional engineering work for the Huntley Road Improvements Project, including a Preliminary Environmental Site Assessment (PESA) and Preliminary Site Investigation (PSI), conducted by Baxter & Woodman at an estimated cost of \$9,000, not to exceed \$17,500, to the Village of West Dundee. Upon roll call, motion was approved.

AYES: Trustees Pflanz, Wilbrandt, Price, Hanley and Yuscka

NAYS: None

ABSENT: Trustee Kembitzky

B. Special Event & Related Requests - Heritage Fest (Trustee Hanley)

Discussion was held regarding the merits of Special Event Weather Insurance for Heritage Fest.

Director Danielson advised that \$9,000 has been expended to date on this coverage over the past 7 years (about \$1300 annually). Despite significant rain events on 2 separate occasions, the Village has not been able to recover any losses through this insurance policy due to the official weather reporting station at O'Hare Airport receiving less than a half-inch of rain. If the requirement were met, amount of rain were to be measured at O'Hare, the Village could collect \$20,000 to offset lost revenue. Manager Cavallaro noted that even with last year's Friday rain-out, the festival nearly broke even.

Staff was directed to continue to acquire Special Event Weather Insurance for Heritage Fest.

An inquiry was made about looking at different fireworks vendors. Manager Cavallaro noted that Mad Bomber, who the Village has used for Heritage Fest many years, has keep his costs low and is extremely responsible in terms of fire safety and cooperation with the Fire Department, and that this has not always been the case with other pyrotechnics providers.

MOTION: Moved by Trustee Price and seconded by Trustee Hanley to approve the Special Event Application, Fireworks Permit Application, Daily Liquor Permit Request, Road Closure & Parking Restriction Plan and Draft Budget for Heritage Fest on September 16, 17 & 18, 2016, as well as a Resolution Authorizing a Homecoming Parade on September 18, 2016. Upon roll call, motion was approved.

AYES: Trustees Price, Hanley, Yuscka, Pflanz and Wilbrandt

NAYS: None

ABSENT: Trustee Kembitzky

XII. MISCELLANEOUS:

Trustee Hanley inquired about The Village Squire's potential participation in Heritage Fest. Deputy Clerk Tibbetts advised that they have again declined to participate.

A brief discussion was held regarding the upcoming Committee of the Whole Meeting.

Trustee Hanley stated that the Kane County portion of his property tax bill has increased by 7%.

There was a brief discussion about Spring Hill Mall, and new tenants that have been signed.

XIII. ITEMS TO BE DISCUSSED AT A LATER MEETING:

- Recommendation to Award Contract for Demolition of Downtown Parcels
- Authorization to Solicit Bids & Recommendation to Award Contract for Rehabilitation / Construction of Downtown Parcels
- Report from the Police Department in regards to the necessity for a "no right on red" restriction from EB Huntley Road onto SB Sleepy Hollow Road.
- Analysis of Water & Sewer Rates.
- Report on discussion with Dundee Township Park District regarding permanent restrooms at Huffman Park.
- Discussion of SSAs 7.0 & 7.2 slated for August 15, 2016. Ordinances Establishing SSAs 7.0 & 7.2 tabled until August 22, 2016.

XIV. ADJOURNMENT:

MOTION: Moved by Trustee Hanley seconded by Trustee Pflanz to adjourn the Regular Board Meeting. Motion was approved by voice vote.

The Regular Board Meeting adjourned at 9:29 pm.

ATTEST:

Kim Tibbetts
Deputy Village Clerk

Christopher Nelson
Village President