



Minutes
Village of Glen Ellyn
Glen Ellyn Village Board
Special Workshop Meeting
Monday, June 22, 2020
6:00 PM

Glen Ellyn Civic Center, Galligan Board Room

A. Call to Order

Attendee Name	Title	Status	Arrived
Diane McGinley	Village President	Present	Pr
Bill Enright	Village Trustee	Present	Pr
Gary Fasules	Village Trustee	Present	Pr
Craig R. Pryde	Village Trustee	Present	Pr
Kelli E. Christiansen	Village Trustee	Present	Pr
Steve Thompson	Village Trustee	Present	Pr
Mark Senak	Village Trustee	Present	Pr
John Chereskin	Village Clerk	Present	Pr
Mark Franz	Village Manager	Present	Pr
Greg Mathews	Village Attorney	Present	Pr
William Holmer	Assistant Village Manager	Present	Pr
Christina Coyle	Finance Director	Present	Pr
Julius Hansen	Public Works Director	Present	Pr
Staci Springer	Community Development Director	Present	Pr
Phil Norton	Chief of Police	Present	Pr
Dave Buckley	Assistant Public Works Director	Present	Pr

B. Pledge of Allegiance

C. Roll Call

D. Audience Participation

1. Open:

None.

E. McChesney & Miller Site Redevelopment Agreement (Presented by Village Manager Franz) (Discussion Only)

1. Village Manager Franz will lead a discussion with the Village Board on proposed terms of a redevelopment agreement with Holladay Properties for the former McChesney Miller site

Village Manager Franz stated Holladay Properties, based in South Bend, Indiana, is under contract to purchase the property located at 460 Crescent Boulevard. Village Manager Franz stated Holladay Properties functions as a multi-faceted firm that offers services for every stop of the real estate cycle from property development to property management. Village Manager Franz stated Holladay Properties develop a wide range of land uses, including primarily commercial uses such as hotels and office space, as well as multi-family and mixed-use development.

Village Manager Franz stated Holladay Properties has completed Burlington Station in downtown Downers Grove in 2018; a 89-unit, four-story building. Village Manager Franz stated a 94-unit, five-story building called Quincy Station in downtown Westmont is set to open in 2021 and in August 2019, Holladay Properties received approval from the Village of Lombard to construct Lilac Station in the downtown which will consists of 118 units and 3,000 - 4,000 square-feet of ground-floor commercial space.

Village Manager Franz stated on June 3, 2020, Holladay Properties submitted applications for a Special Use Permit for a Planned Unit Development with Zoning Deviations, a Special Use Permit for multi-family dwelling units, and Exterior Appearance approval to allow a mixed-use development concept to be known as Crescent Station for the subject property. Village Manager Franz stated Holladay Properties is proposing a 5-story, 6-level mixed-use building with 86 apartment units, 1,556 square-feet of commercial space and 104 parking stalls.

Drew Mitchell of Holladay Properties stated the vibrancy of the community is what brought their company to Glen Ellyn. Mr. Mitchell stated they have explored multiple sites with Village staff, and they kept coming back to the McChesney and Miller site.

Mr. Mitchell stated Holladay Properties is proposing an 86-unit luxury development. Mr. Mitchell stated of the 86 units, four are studios, 47 are one-bedrooms, 28 are two bedrooms and seven are two bedrooms with dens. Mr. Mitchell also stated the proposed parking ratio is 1.2 stalls per unit, with the parking garage component being the below-grade and at-grade levels of the building.

Mr. Mitchell stated Holladay Properties attended a Pre-Application meeting with the Plan Commission on May 14, 2020. Since that meeting, Holladay Properties has incorporated the Plan Commission's feedback and have introduced more retail, 360 degree architecture and accommodations for a drop off location for deliveries.

Mr. Mitchell stated Holladay Properties has identified a financial gap, that "but for" TIF assistance, the project would not be financially feasible. Mr. Mitchell stated due to this, they are requesting assistance from the TIF for this project. Mr. Mitchell stated Holladay Properties needs the support by the Village Board to assist in getting this project off the ground.

Bob Rychlicki of Kane McKenna and Associates (KMA) stated the gap on the project that creates the incentive request arises from the higher property acquisition cost and a higher project property tax burden for mixed-use/ apartment projects in Milton Township as compared to the other surrounding townships. Mr. Rychlicki stated without TIF incentives, Holladay Properties has indicated they cannot proceed with the project as they cannot meet a return on project costs of 6.75-7.0 percent in order to secure both equity investors as well as financing for the project.

Mr. Rychlicki stated he has reviewed and analyzed Holladay's pro-forma and incentive request. Mr. Rychlicki stated originally, Holladay Properties requested a TIF incentive request of approximately of \$3.3 Million. Mr. Rychlicki stated through negotiations, staff was able to bring forth an incentive request with the following basic business terms:

- 1. A 50%/50% (developer/Village) performance based agreement generated by available TIF increment for up to \$2 Million. The developer must justify TIF eligible costs to receive the increment.*
- 2. Schools are entitled to up to 40% of the increment based on the number of net new students in the development. The Village has agreed to pay for the student costs with the TIF increment generated.*
- 3. The developer will be reimbursed for 10 years of the increment. Therefore, this would be a \$2 Million or 10 year investment, whichever occurs first.*
- 4. In addition, the Village has agreed to assist in controlling some costs of the project as follows:*
 - A contribution of up to \$200,000 in capital costs to reimburse for costs associated with street, sidewalk and other improvements made as part of the project*
 - A reduction of \$200,000 in developer donations*

Village Manager Franz stated many benefits of this project align with the Village's Strategic Plan which seeks to promote economic development within the Village. Village Manager Franz stated some of the key benefits include:

- 1. Meets goals of the downtown plan, including additional units and residents in the downtown and CBD TIF Plan.*
- 2. Creates additional diverse housing stock which will allow more "age-in-place" options.*
- 3. Overall \$29 Million investment in the Central Business District.*
- 4. The developer is qualified, experienced and has completed several other projects in the area.*
- 5. The developer and the Village would both benefit from the TIF increment generated from this project.*
- 6. All taxing bodies would benefit from this development once the TIF expires in 2036.*

Trustee Senak asked for clarification of the \$200,000 capital costs for streets and sidewalks and also asked for clarification of the \$200,000 developer donation. Village Manager Franz stated the \$200,000 in capital costs would be a one-time payment to help with public improvement costs. Village Manager Franz also stated these costs are budgeted for in the Capital Plan. Community Development Director Springer stated the Village's subdivision regulations code sets what amount of developer donations is required for taxing districts. Community Development Director Springer stated often multi-family projects make developer donations too high to move forward with the project. Community Development Director Springer stated when the developer donations are too high, the Community Development department will speak to the director of each taxing body to adjust their fees; the Park District has agreed to lower its fee to be the same as the Apex and Avere projects.

Trustee Thompson asked if the \$200,000 in capital costs is budgeted for. Finance Director Coyle stated these costs would be budgeted for in 2021.

Trustee Thompson asked if the Village would allow parking permits to be used for overnight parking in the Crescent lot. Village Manager Franz stated staff has not fully discussed this yet, but there is an opportunity for permits to be used. Community Development Director Springer stated because this development is in a C5B zoning district, the developer needs to supply parking for residents and commercial use. Community Development Director Springer also noted the Crescent lot is currently available for customer parking.

Trustee Enright asked if there is any ability to provide low income housing in the development. Mike O'Connor of Holladay Properties stated this question came up at the Plan Commission meeting. Mr. O'Connor stated 5 percent of the units meet the area mean income (AMI).

Trustee Fasules asked if Holladay Properties surveyed residents to see if they want to live in apartments or studios. Trustee Fasules stated he is not sure residents will want to live in apartments. Mr. Mitchell stated they have been working with a market study consultant regarding this. Additionally, Mr. Mitchell stated that Downers Grove and Glen Ellyn has a similar type of community and the Downers Grove building is full with all types of renters. Mr. Mitchell noted that renting is becoming more popular in Illinois due to taxes.

Trustee Senak asked if the Downers Grove location is full. Mr. Mitchell stated the location is full and currently has a wait list.

Trustee Senak asked if the parking ratio of 1.2 spots is the same in Holladay Properties other developments. Mr. Mitchell stated their other developments have the same ratio of 1.2

Trustee Senak asked how Downers Grove's experience has been with the 1.2 parking ratio, and if there is any waitlist for parking. Mr. Mitchell stated the 1.2 ratio has proven to be the right fit, and that the parking has been managed very closely. Mr. Mitchell also stated 1/3 of residents do not require parking, 1/3 of residents require 1 parking spot while 1/3 of residents require 2 parking spots. Mr. O'Connor stated a parking study completed by KOLA shows that if a development is within 1/4 of a mile from a train station, there is a ratio of less than 1.2 cars per dwelling unit.

Trustee Senak asked if Holladay Properties plans to own and manage the property after it is built. Mr. Mitchell confirmed it is the plan for Holladay Properties to continue to own and manage the property.

Trustee Senak asked if each unit has a standalone HVAC and hot water system. Mr. Mitchell stated there is a central water boiler that Holladay Properties would pay for. Mr. Mitchell stated each unit individually controls their temperature and use of gas.

Trustee Senak asked if Holladay Properties has exhausted all opportunities to expand this development. Mr. Mitchell stated they still see an opportunity in the Lord's Auto site. Mr. O'Connor stated it is difficult when one or two participants are added to a development. Mr. O'Connor stated if the same density is put onto the Lord's Auto site, the land cost per dwelling would increase. Mr. O'Connor also stated it is possible to have a second phase of the development in the future.

Trustee Senak asked how receptive Holladay Properties is regarding potential architectural changes to their design, and if staff is willing to sit down to listen and discuss ideas with residents. Mr. Mitchell stated his team is always willing and open to work with residents.

Trustee Senak asked if Holladay Properties were to receive a larger TIF incentive from the Village if they could acquire more land and make potential architectural changes. Mr. Mitchell stated that is a possibility.

Trustee Senak asked what Holladay Properties is doing to make the building environmentally friendly. Mr. Mitchell stated there will be electric vehicle charging stations, LED lights, environmentally friendly appliances, and they hope to use recycled materials.

Trustee Thompson asked why the lobby is in the corner of the building and the retail is on Glenwood Avenue. Trustee Thompson stated he believes retail should be more in the center. Mr. Mitchell stated the development is designed like this because first and foremost, the building is a residence.

Public Comment

Eleanor XXX, stated the Village should require solar panels on the development and asked if they have been considered. President McGinley stated staff will follow up with her directly.

Village Manager Franz stated staff is looking for direction from the Village Board regarding the following:

1. *A 50%/50% (developer/Village) performance based agreement generated by available TIF*

increment for up to \$2 Million.

2. *The TIF will pay for net new students.*
3. *The developer will be reimbursed for 10 years of the increment. Therefore, this would be a \$2 Million or 10 year investment, whichever occurs first.*
4. *A Village contribution of up to \$200,000 in capital costs to reimburse for costs associated with street, sidewalk and other improvements made as part of the project and a reduction of \$200,000 in developer donations.*

Trustee Senak stated he is in favor.

Trustee Thompson stated he is in favor, and is also comfortable with the proposed building height.

Trustee Christiansen stated she is generally in favor. Trustee Christiansen stated she is a little concerned about the \$200,000 Village contribution in capital costs as the Village has been using the Capital Fund due to COVID. Trustee Christiansen also stated she is concerned about the affordable housing.

Trustee Pryde stated he is in support. Trustee Pryde also stated he commends the Village for being out in front of the TIF and is glad we have a strong IGA with our taxing bodies.

Trustee Fasules stated he is not opposed to providing the TIF incentives. Trustee Fasules stated he is not sure this is the best project for Glen Ellyn.

Trustee Enright stated he is in support of the TIF and also agrees with Trustee Christiansen's comments.

President McGinley stated the Village Board has directed staff to continue with the financial aspect of this project.

Trustee Senak stated he would like to see a 3D mock-up of the development.

Trustee Christiansen stated she would like to see a bird's eye view and view from Pennsylvania Avenue.

Trustee Thompson stated he would like to see renderings that include the adjacent properties.

RESULT:	DISCUSSION ONLY
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F. Other Items

G. Adjournment

RESULT:	APPROVED [6 TO 0]
MOVER:	Kelli E. Christiansen, Village Trustee
SECONDER:	Mark Senak, Village Trustee
AYES:	Enright, Fasules, Pryde, Christiansen, Thompson, Senak
PRESENT:	McGinley

Respectfully Submitted, Lindsey Kaminsky Executive Assistant

Reviewed and Approved, John A. Chereskin Village Clerk