Minutes
Village of Glen Ellyn
Regular Workshop Meeting
Monday, June 18, 2018
7:00 PM
Glen Ellyn Civic Center, Room 301

A. Call to Order

President Pro Tem Senak called the meeting to order at 7:00 p.m.

A motion was made by Trustee Ladesic and seconded by Trustee Pryde to allow Trustee Kenwood to participate in the meeting via phone.

Upon roll call, President Pro Tem Senak and Trustees Enright, Fasules, Ladesic and Pryde answered "aye."

Trustee Kenwood entered the meeting via phone at 7:05 p.m.

B. Pledge of Allegiance

President Pro Tem Senak led the Pledge of Allegiance.

C. Roll Call

Attendee Name	Title	Status	Arrived
Diane McGinley	Village President	Excused	
Bill Enright	Village Trustee	Present	
Gary Fasules	Village Trustee	Present	
John Kenwood	Village Trustee	Remote	7:05 PM
Pete Ladesic	Village Trustee	Present	
Craig R. Pryde	Village Trustee	Present	
Mark Senak	Village Trustee	Present	
John Chereskin	Village Clerk	Excused	
Mark Franz	Village Manager	Present	
Greg Mathews	Village Attorney	Present	
William Holmer	Assistant Village Manager	Present	
Christina Coyle	Finance Director	Present	
Staci Hulseberg	Director	Present	
Phil Norton	Chief of Police	Present	
Patti Taves	Records Supervisor	Present	
Christine Miller	Administrative Assistant	Present	

D. Audience Participation

1. Open:

None

E. REVA (Avere) Development Proposal (Village Manager Franz and Finance Director Coyle) (Discussion Only) (45 Minutes)

1. Village Manager Franz will brief Board on proposed terms of the REVA (Avere) development proposal.

Village Manager Franz presented background on this proposal and stated this discussion is regarding the financial component of this project. Village Manager Franz stated the basic terms of a future agreement would include a 90%/10% (developer/Village) performance-based agreement by available TIF increment for a period of 10 years capped at $1.9 million (with a discount rate of 6.5%) to the developer for 10 years, whichever happens 1st, cap the floor of student payments at 20%, once the term expires in 2031, the Village would collect 100% of available increment, a contribution of $200,000 in capital costs, a reduction of $100,000 in Developer Donations and consideration of utilizing Village-owned land (Glenbard Wastewater Authority) for soil hauling purposes.

Village Manager Franz stated this proposed project does cover six different properties and seven different parcels, and staff thinks this proposed project is the best and highest use of this property. Village Manager Franz stated this proposed project does meet the goals of the Downtown Plan and the Strategic Plan.

Warren James, principal with REVA Development Partners, LLC, in Chicago, Illinois, gave a presentation on the proposed project and reviewed other residential developments in Vernon Hills, Wheeling, Deer Park and Orland Park that they have completed or in the process of constructing. Mr. James stated the development under construction in Deer Park is similar to what they are proposing to do in Glen Ellyn. Mr. James stated this development project is proposed to be a 4-level, 48-unit rental building with underground parking and surface parking. Mr. James stated they have embraced the scale and composition of the Glen Ellyn Public Library that is across the street, and they have done the design details as well in keeping with the library. Mr. James showed renderings of the proposed elevations of the development as well as representative interior and exterior pictures of the Deer Park Crossing development. Mr. James stated this development will be geared toward "empty-nesters" and will help to serve a need in the community as well as be in close proximity to downtown restaurants, shopping and the train.

Matt Nix, principal with REVA Development Partners, LLC, in Chicago, Illinois, reviewed the incentive request. Mr. Nix stated the challenge with this proposed development is to bridge the gap between the economics and the use. Mr. Nix stated this building would be very similar to the building they are constructing in Deer Park. Mr. Nix stated the proposed incentive is needed as there are six property owners that they have been working with for the past year, and there is a gap with what these owners are willing to take. Mr. Nix stated the proposed incentive is also needed due to increased infrastructure and demolition costs. Mr. Nix stated they have met with the property assessor, and there is a high degree of uncertainty about where the taxes will be.

Mr. Nix stated their typical project is usually 200 to 300 units so this will be a boutique development. Mr. Nix reviewed the proposed business terms of this incentive request as well as the benefits the Village will receive down the road from this development.

The Village's consultant, Bob Rychlicki, president with Kane, McKenna and Associates (KMA), Inc. of Chicago, Illinois, stated from an economic standpoint, they look at the industry averages. Mr. Rychlicki stated there is a gap that relates to the return on the *project and the ongoing implementation of the project. Mr. Rychlicki stated the variables with this project are due to the possible tax assessment per unit and the possible school district percent.*

Mr. Rychlicki stated they believe this is a legitimate return based on the market data for this project. Mr. Rychlicki stated there is a sunset on this proposed incentive (projected for 2031) so this will shift some of the back-end risk to the developer and be a "Pay As You Go."

Trustee Fasules asked if the Village should worry about what the investor needs. Mr. Rychlicki stated this could be a possibility and explained mezzanine financing. Village Manager Franz stated to make the project viable, the developer needs to attract equity partners, so meeting a reasonable profit is necessary.. Mr. Rychlicki stated they have moved the risk to a performance-based system that terminates in 2031, thereby shifting the risk back to the developer to perform.

Trustee Enright asked about the $6,775 which is quoted as the average tax estimate for each unit. Mr. Rychlicki stated they were surprised by this number,KMA's internal go-to number is $4,000. Mr. Nix stated this quoted tax estimate is based off their meetings with the tax assessor, and the $6,775 is the projected assessment provided by the township. Trustee Enright asked if the developer was going to build and own the development. Mr. James stated this is a smaller development, and this is the type of product that will be in demand in the next 10 years. Mr. James stated they believe in the Glen Ellyn community, and this is the right product in the marketplace, so they intend to hold onto this property. Trustee Enright asked if this development could be turned into condominiums. Mr. James stated it could be, but this is not their vision for this development at this time.

Trustee Enright asked about the TIF expiring and how this will work. Village Manager Franz stated the TIF is for 23 years, and any monies not used in the TIF will be deemed a surplus and will be distributed to other taxing bodies at the end of the TIF.

Trustee Pryde asked about the developer's confidence in the construction-loan financing. Mr. Nix stated the numbers are different as this will be a boutique development, and they will be using investors who have invested previously. Mr. Nix stated they are trying to control the interest-rate risk, and they would not be here if they did not feel they could get this done.

Trustee Kenwood asked about the proposed tax revenue for the development today and in the future. Mr. Rychlicki stated the base is approximately $48,000 to $50,000 now. Village Manager Franz stated everything above this is TIF increment. There was a discussion about the possible scenarios regarding Equalized Assessed Value (EAV) and the number of net new students potential residing in the new development, which would require annual payments to the schools.

President Pro Tem Senak asked what would happen in the EAV was adjusted downward. Mr. Rychlicki stated there is a safety valve in the agreement. President Pro Tem Senak asked if this is a good deal for the Village. Mr. Rychlicki stated they believe it is based on the pay as you go approach, limited risk, and 10-year term. President Pro Tem Senak asked what the biggest risk is to the Village. Mr. Rychlicki stated the dollars up front.

Trustee Ladesic stated he likes the proposed development, and this will be a catalyst for future downtown development and satisfies a need. Trustee Ladesic stated the risk is minimal, and he is good with this.

Trustee Enright stated he agrees with Trustee Ladesic, and this proposed development will look good in the Village. Trustee Enright stated the developer has looked for good ways to make this project feasible. Trustee Enright stated many people are interested in this type of development, and he supports this.

Trustee Pryde stated he supports this, and this will bring a positive impact to the bottom line of the TIF. Trustee Pryde stated this product type will be a good balance to products at the other possible development sites.

Trustee Fasules stated he is fine with this.

Trustee Kenwood stated he likes this proposed project and what this development will do to the downtown. Trustee Kenwood stated he likes the risk-sharing model. Trustee Kenwood stated he is struggling some with the percent the Village is giving as it seems a bit high. Trustee Kenwood asked if there was consideration around the Village getting a refund on the investment if the developers do sell the property in the future.

President Pro Tem Senak stated this proposal is far more costly than he would prefer it to be; however, it is the right deal. President Pro Tem Senak stated the design will fit the site and will integrate the site and the community. President Pro Tem Senak stated there will be no financial risk to the General Fund, and he likes the sunset provision on this proposal. President Pro Tem Senak stated he is in favor of this. President Pro Tem Senak stated from a design standpoint, he suggests not using synthetic stucco on the building and to go with something more aesthetically pleasing.

F. Group Home Regulations (Planning & Development Director Hulseberg) (Discussion Only) (30 Minutes)

1. Planning & Development Director Hulseburg will present proposed changes to group home regulations.

Planning and Development Director Hulseberg presented a brief overview on the proposed changes to the Group Home regulations. Planning and Development Director Hulseberg stated the discussions on this started in October 2016 as they were trying to establish whether or not the Village's Zoning Code as it stood was in compliance with fair housing laws. Planning and Development Director Hulseberg stated the staff concluded that the Village's regulations are not necessarily in violation of the Fair Housing Act (FHA), but could expose the Village to legal challenges if not amended. Planning and Development Director Hulseberg stated staff did research and surveyed other communities on this. Planning and Development Director Hulseberg stated currently, Group Homes are not permitted by right in any zoning district within the Village, but may be located in R3 and R4 multi-family residential districts and in C2, C5A and C5B commercial districts with the issuance of a Special Use permit.

Planning and Development Director Hulseberg stated the Plan Commission did review Group Home regulations at three public hearings and discussed information on building codes, licensing from the state and accessibility requirements. Planning and Development Director Hulseberg stated staff's final recommendation to the Plan Commission was to change the definition of a Family and to update the Group Home definition. Planning and Development Director Hulseberg read the updated sentences added to the proposed Group Home definition. Planning and Development Director Hulseberg stated staff recommended that Group Homes with up to 4 residents be *permitted, by right, in the R3, R4 and R5 districts and with a Special Use Permit in all single-family districts (RE, R0, R1, R2 and R2B). Planning and Development Director Hulseberg stated any more than 4 residents in a Group Home would require a Special Use in the R3, R4 and R5 districts and would not be permitted in the single-family residential districts.*

Planning and Development Director Hulseberg stated the Plan Commission did not feel comfortable with the idea of a Group Home being permitted by right and expressed a desire to see the use considered on a case by case basis via a Special Use Permit. Planning and Development Director Hulseberg stated the Plan Commission unanimously recommended that Group Homes be prohibited in all single-family zoning districts and that they be allowed in the R3, R4, R5, C2 and C4 districts with a Special Use Permit and that the definition of a Family and the definition of a Group Home be amended as proposed by staff. Planning and Development Director Hulseberg stated this recommendation would be more restrictive than the current code.

Mike Spain, who resides at 367 Lorraine Street, stated they moved in to their home two years ago. Mr. Spain stated the home at 373 Lorraine Street was a rental property, and this home was leased to a for-profit corporation that created a group home at this property. Mr. Spain stated they are the ones that brought the concern over group homes to the Village as the quality of life in the area deteriorated after the group home was opened there. Mr. Spain stated there have been numerous calls to the Glen Ellyn Police Department and the Glen Ellyn Volunteer Fire Company, and the property is also in decay. Mr. Spain stated they were at the December Plan Commission Meeting where group homes were discussed, and it seems to him that the owner of the property is in conflict with the Village. Mr. Spain went on to review the surrounding communities and their regulations on group homes. Mr. Spain stated the residents would like to keep the flavor of the area.

President Pro Tem Senak stated he wants the Village to comply with the Fair Housing Act, but the Village Board does have a moral obligation to help disabled people in the Village as well. President Pro Tem Senak stated he is in favor of trying to find a method to address the concerns on Group Home. President Pro Tem Senak stated the state regulations on Group Homes seem relatively low and are not very specific, and the Village seems to have higher standards than the state.

Attorney Mathews stated the Village does have a right and an obligation to enforce building codes and stated licensing requirements.

Trustee Pryde stated the 373 Lorraine property is a rental property, and the Village does not have many restrictions on owners with rental properties. Trustee Pryde stated a property should be kept to a minimum standard. Trustee Pryde stated he is concerned about creating an ordinance on Group Homes that would go beyond the Village's residential districts.

Trustee Fasules stated according to the definition, three unrelated adults can make a family and asked why four adults is fine for a Group Home. Trustee Fasules stated the Village Board has a duty to the Village's residents to protect its residents as protect those who would fall under the Fair Housing Act.

Trustee Enright asked about the licensing regulations. Planning and Development Director Hulseberg stated the staff did review these, and there are minimal regulations to get a structure license.

Trustee Kenwood stated he likes the staff's recommendation around defining a family. Trustee Kenwood stated he feels four adults is good for a Group Home number, and funding from the state or federal sources is usually for four. Trustee Kenwood stated he does like the recommendation around certain areas, but he would prefer to have more permitted uses. Trustee Kenwood stated the Village does need to deal with the group home on Lorraine Street.

Trustee Ladesic stated he has some concern around forcing single-family into multi-family or commercial use. Trustee Ladesic stated the one thing the Village Board must do is that when there is a change of use in a building, there could possibly be risks to the inhabitants. Trustee Ladesic stated he supports this recommendation with parameters. Trustee Ladesic stated if someone does want to create a Group Home then they would be changing the use of the structure, and there should be much more strict regulations on this. Trustee Ladesic stated handicapped accessibility can differ than life-saving necessities. Trustee Ladesic stated he would be fine with four adults or four plus adults. Trustee Ladesic stated he wants to ensure everyone is licensed and regulated. Trustee Ladesic asked if they can use building codes to regulate this. Attorney Mathews stated if someone changes the use of the home, the Village can set up more requirements.

Trustee Pryde stated someone would be changing a home's use from the existing condition to a proposed condition which should require a new set of rules. Trustee Pryde stated there should be improvements done for life-safety issues.

Trustee Fasules asked if the staff was aware that the home at 373 Lorraine was made into a Group Home.
Planning and Development Director Hulseberg stated the staff was not aware of this at all until the staff started to receive complaints about this Group Home. Trustee Fasules asked what could be done of get the Group Home at 373 Lorraine out. Attorney Mathews stated this would become a matter of enforcing the law, and if a Group Home does not go through the proper process, the Village can cite monetary fines.

Attorney Mathews stated the staff is proposing definitions and a process for Group Homes which would allow due process. Attorney Mathews stated the staff is proposing to call Group Homes a Special Use and then give Group Homes a process.

The consensus of the Village Board was they are fine with the staff's recommendations on this. Trustee Ladesic suggested a building code amendment for this as well. Trustee Fasules asked for the staff to align the numbers and definition of family.

A resident asked where this would go next. Village Manager Franz stated this would come before the Village Board for a vote at the July 23, 2018, Village Board Meeting.

G. False Alarms (Police Chief Norton) (Discussion Only) (15 Minutes)

1. Police Chief Norton will present an update on false alarm billing and permit registration.

Police Chief Norton presented an update on false alarm billing and permit registration and stated there has always been a False Alarm ordinance on the books, but it needs to be finessed. Police Chief Norton stated they have not been collecting false alarm fines for the past few years as there was not consensus from a Village Board before. Police Chief Norton stated they do want to outsource the false alarm billing. Police Chief Norton *stated a module has been developed for MUNIS that can be used for alarm fees along with Seamless Docs. Police Chief Norton stated the Police Department is ready to proceed with an updated ordinance on the books and reviewed the criteria for this.*

Trustee Fasules stated he has no problem with the fees, but he is concerned about registering an alarm and paying a permit fee for this. Police Chief Norton stated this permit fee is basically a user fee as the Police Department is going to show up for any alarm.

Trustee Ladesic stated he supports this, and it is long overdue. Trustee Ladesic stated this will help to recoup some of the costs.

Trustee Pryde asked about having a one-time registration fee and then the Village will capture the data on alarms around the Village. Police Chief Norton stated there is an annual fee which is the cost of having the program. Police Chief Norton stated these costs should not come out of the Village budget to underwrite the alarms in the Village.

Trustee Pryde asked if the fee is the same for residential and commercial to which Records Supervisor Taves stated the fee structure is the same for both residential and commercial.

The consensus of the Village Board was they are fine with the updated false alarm billing and fees.

H. Parking Garage and Capital Projects Funding (Village Manager Franz and Finance Director Coyle) (Discussion Only) (30 Minutes)

1. Village Manager Franz and Finance Director Coyle will provide an update regarding Parking Garage and Capital Projects funding.

Village Manager Franz provided an updated on the proposed parking garage and Capital Projects funding and stated they will discuss cost estimates, options for the proposed parking garage and funding gaps with the CBD Streetscape project and the Civic Center renovation. Village Manager Franz stated staff is looking for direction on a communication plan roll-out about the possible food and beverage tax, the construction model and potential timelines.

Finance Director Coyle referred the Village Board to the tables in the packet entitled Capital Needs, Potential Funding Sources and Potential Bond Debt Service and reviewed the information in each of these tables. Finance Director Coyle stated the estimated Capital Needs for the Civic Center Parking Garage, the Civic Center HVAC system and the CBD Streetscape is approximately $15.2 million. Finance Director Coyle the Potential Bond Debt Service for a 20-year bond would be approximately $826,000 a year.

President Pro Tem Senak asked who would collect the food and beverage tax to which Finance Director Coyle stated the Village would collect this and not the state. President Pro Tem Senak asked if diverting part of the stormwater fee would affect the Village's stormwater projects in the future. Finance Director Coyle stated there are ways as to not impair the sewer program substantially.

Trustee Pryde stated he thinks the $15 million estimate is globally correct and thinks the parking garage could come in under $12 million. Trustee Pryde stated he advocates for a

Design Build for the parking garage.

Trustee Kenwood stated he is fine with a Design Build and asked if the agreed budget is $15 million. Village Manager Franz stated this is the best estimate they have for the Capital Projects at this time, but more detailed cost estimates will be forthcoming and the debt level can and will be adjusted accordingly

Mark Rhodes, who resides at 538 Hillside Avenue, stated he and his wife live behind the Civic Center. Mr. Rhodes stated the Village has a long tradition of doing something right for the community. Mr. Rhodes stated they support the parking garage, but he does want to ensure the safety of the five homes that would be adjacent to the proposed parking garage. Mr. Rhodes stated this garage could take a lot of maintenance. Village Manager Franz stated the staff is happy to share their ideas for the parking garage with the residents and also want to dialog with the neighbors to hear their ideas as well.

Donna Rhodes, who resides at 538 Hillside Avenue, stated they wanted to ensure their voices are heard now on this.

Mary Jane Chapman, chairman of the Trustee Board of the First United Methodist Church next door to the Civic Center, stated their board met yesterday as they received the proposed parking garage plans the other day. Ms. Chapman stated their Trustee Board is not happy that there would be an access to the parking garage through the church's parking lot. Ms. Chapman stated they have safety concerns using the church's drive aisle for a parking garage access. Ms. Chapman stated they have many concerns with this parking garage, including losing the light coming in their windows. Ms. Chapman stated the church maintains their own parking lot, and they do not want their lot used as an access to the parking garage. Ms. Chapman stated this access would have no real benefit to the church.

President Pro Tem Senak stated the staff and Village Board would be happy to sit down with the representatives from the church to hear their comments as well as answer any questions. Ms. Chapman stated she will put together a list of the church's questions and concerns.

Steve Thompson, President of the Glen Ellyn Chamber of Commerce, stated the businesses do want to see the food and beverage tax be used toward the parking garage. Mr. Thompson asked if this tax would be across the Village and not just the downtown. Village Manager Franz stated it would be across the Village, and the staff is working on a communication plan for this as they want to be sensitive to the restaurants that are not in the downtown. Mr. Thompson asked if the Chamber of Commerce should redo their survey on the possible food and beverage tax with all the restaurants in the Village to which Village Manager Franz stated they will discuss this. Mr. Thompson asked if a parking garage on the north side of the railroad tracks is now out of the question. Village Manager Franz stated a north-side parking garage is not a priority in the next few years, but there still is potential for this in the future. Trustee Ladesic stated there is more development space on the north side of the railroad tracks that is still in play.

I. Civic Center Plan Renovation (Assistant Village Manager Holmer) (Discussion Only) (15 Minutes)

1. Assistant Manager Holmer will facilitate a discussion to update the Board on the Civic Center Renovation.

Assistant Village Manager Holmer provided an update on the Civic Center renovation and stated Leopardo and Dewberry came up with four options to address the HVAC problems in the Civic Center. Assistant Village Manager Holmer stated the estimated costs of these options do not include possible abatement expenses. Assistant Village Manager Holmer stated the staff does not feel comfortable choosing one of these options so they would like to take a step back from this and not include the HVAC work as a part of the renovation. Assistant Village Manager Holmer stated they will continue to address the HVAC issues as well as planning funding for the HVAC system. Assistant Village Manager Holmer stated the Guaranteed Maximum Price (GMP), without the HVAC overhaul cost, will come before the Village Board on June 25, 2018 for approval.

Trustee Ladesic stated he feels it is alarming that we would move forward with the renovation without addressing the HVAC issues. Assistant Village Manager Holmer stated with the renovation, there will be some duct work rerouting, but they would not address the HVAC mechanical components. Trustee Ladesic stated College of DuPage (COD) should bear part of the cost of replacing the HVAC system. Trustee Ladesic stated you cannot put additional people in the building and then tear apart pieces that could have asbestos in it. Trustee Ladesic stated updating the HVAC system will benefit COD in the long run, and it would be best to deal with the HVAC now.

President Pro Tem Senak asked how much time is needed to which Assistant Village Manager Holmer stated the Village would need to engage an engineer to specifically look at the HVAC issues.

Trustee Fasules stated they are piecemealing this and need to do the replacement right.

Trustee Pryde stated if you do the Design Build scenario, there can be an energy audit and an estimate for the HVAC replacement and window replacement. Trustee Pryde stated updating these will benefit everyone in the building.

President Pro Tem Senak asked if this could affect the bond issue. Village Manager Franz stated HVAC replacement is already being done for the spaces that COD will occupy. Village Manager Franz stated he looks at the HVAC replacement as "Phase II" of the Civic Center renovation project. President Pro Tem Senak suggested approaching COD and check on their timeline so the HVAC issue can be addressed.

Finance Director Coyle stated the bond issue will not come down until the winter of 2019, and they can include HVAC dollars in the bond issue.

Trustee Pryde stated the HVAC replacement can be fit into the budget.

Trustee Kenwood stated they should ask COD to entertain this. Village Manager Franz stated COD really wants to be in the Civic Center by November 2018. Village Manager Franz stated they could work parallel tracks on this and get someone in to look at this issue. Village Manager Franz stated they do need the Village Board to review and approve the GMP.

Trustee Pryde asked who the engineer was that looked at the possible options. Assistant Village Manager Holmer stated it was an internal engineer at Dewberry. Trustee Pryde stated he had made a few phone calls that afternoon on this piece. Assistant Village Manager Holmer asked for the information from these calls.

President Pro Tem Senak asked what the possible cost and timeframe would be if they *brought someone in the look at this. Village Manager Franz stated it could possibly take four months and up to $125,000 in cost. There was a discussion regarding getting a second review of the HVAC system replacement as well as the possible cost and timeframe.*

Village Manager Franz asked if the Village Board was comfortable with modifying the GMP by $150,000 to pay for Leopardo to hire an engineer of the Village's choosing to look at the HVAC system or if we could get an agenda item infront of the Village Board in short order. The consensus of the Village Board was to support "an amount not to exceed $150,000."

Village Manager Franz reviewed the game plan for this and stated the staff would talk to Leopardo and Dewberry and let them know they are getting a second opinion on the HVAC replacement piece.

Trustee Pryde asked if the Village could do a direct hire on this. Village Manager Franz stated they can waive the competitive bidding and would need a super majority vote of the Village Board on this.

President Pro Tem Senak thanked the staff for bringing this issue to the Village Board.

J. Other Items

Trustee Kenwood asked that in regards to the REVA discussion, should the Village ask for a reimbursement clause in the contract if the development is sold. Village Manager Franz stated this point was raised in negotiations, and the REVA team balked at this which is why they capped the proposed deal at 10 years.

Trustee Enright referred to an email from Village Manager Franz on March 21, 2018 and asked if this verbiage about the Village's thoughts would be posted. Village Manager Franz stated this was the basis of President McGinley's comments at the April 9, 2018 Village Board Meeting, and the Village does have a values clause on its website. Village Manager Franz stated this verbiage will be included in a press release.

K. Adjournment

At 10:14 p.m., a motion was made by Trustee Kenwood and seconded by Trustee Pryde to adjourn. Motion carried.

Upon roll call, President Pro Tem Senak and Trustees Enright, Fasules Kenwood, Ladesic and Pryde answered "aye."

Motion carried.

Respectfully submitted by Recording Secretary Debbie Solomon; Reviewed and Approved by Village Manager Franz