

MINUTES OF THE SPECIAL MEETING
OF THE PRESIDENT AND BOARD OF TRUSTEES
MONDAY, MAY 9, 2011

CALL TO ORDER AND ROLL CALL

President Nunamaker called the meeting to order at 6:30 p.m. in the Municipal Center. Present at roll call were Trustees Blohm, Colletti, Ireland, Knar, Menzel and Schiestel. Administrator Osten and Village Clerk Brouder were also present.

COMMITTEE OF THE WHOLE

President Nunamaker asked the Trustees if they would like to develop an ordinance to change the way the Village Board conducts its business by replacing the monthly Public Works, Public Health & Safety, and Finance & Administration Committees with one or two Committee of the Whole meetings each month. There was a short discussion on this. Trustee Blohm felt the Committee of the Whole would require longer meetings and usually after two hours, people are ready to adjourn. Trustee Knar added at Public Health & Safety there were four people who wanted to speak and that took about an hour and one-half. Trustee Ireland added that he attends many of the current committee meetings that he is not a member of because meeting minutes cannot capture everything that occurs. Schiestel liked the idea of fewer meetings. Support was mixed.

INTERGOVERNMENTAL SERVICES

President Nunamaker explained that he had some general discussions with the President Kevin Richardson of Lake Barrington about sharing municipal services such as police services or snow plowing. Trustee Blohm asked if that would affect the Police Pension. President Nunamaker stated Chief Lukasik said it would not. Trustee Schiestel said that Lake Barrington has an industrial parks and a large car dealership. We have a shopping center, downtown, and larger staff. The communities could benefit from some sort of joint action. Administrator Osten will meet with Administrator Martin from Lake Barrington to explore ideas.

METRA TRAIN STATION

Metra has given the Village a maintenance contract for the new train station that Attorney Donahue said is ambiguous and should be rewritten. However, Metra uses this contract for all municipalities and won't revise it. It needs to be approved before Metra will bid the construction. It will be at the May 19 Village Board meeting for a vote. We also need an agreement with Union Pacific but have not received it yet. Metra will contact them.

DOWNTOWN REDEVELOPMENT

President Nunamaker gave a short summary of what has been done with downtown redevelopment. The Village hired a consultant team each with different specialties ~ real estate, redevelopment,

design, and finances. They prepared a report defining the redevelopment opportunities for three areas in the downtown. Area #1 is on the north side of Rt. 14 between Illinois and Lincoln. The plan would be to remodel and re-tenant the existing buildings. The current owners are either financially unable to move forward with their redevelopment plans or will not sell their land at appraised value. Area #2 is on the south side of the train tracks between Lincoln and Algonquin. New multi-story residential buildings would be appropriate here. The owners are supportive of redevelopment but the Village would have to buy the land and install utilities before the current market would support redevelopment. Area #3 is the northeast corner of Rt. 14 and the Fox River. This area could eventually support high-end condos and restaurants but the major landowner, the marina, has no interest in selling for 7-10 years.

President Nunamaker added that he and Administrator Osten met with one of the consultants and a developer he worked with. The developer's comments were: 1) Don't buy the land – use soft money such as the right of first refusal. 2) A soil analysis of the Grove Plating property needed. 3) Renovated Area #1 buildings won't command high dollar tenants. New buildings needed. 4) Grayhill block more marketable.

Lastly, to support redevelopment, the Village can tap the red light camera capital fund and the current TIF balance if the two areas are joined.

Trustee Knar stated the Village has a revenue problem not a spending problem. Redevelopment is necessary to generate new revenue and money has to be spent to make it happen. His ideas ~ 1) Focus on Area #1. 2) Create a municipal parking lot. 3) Conduct TIF Eligibility Study for Area #1 extended to the retail and Grayhill area west of Lincoln using funds budgeted for this purpose. 4) Do not co-mingle with the existing TIF district because we want the TIFs to encourage non-TIF reliant growth around each TIF. 5) Add a referendum to the March 2012 election to raise sales tax ¼% to fund the debt service on a \$1M redevelopment bond. Infrastructure and streetscape improvements would be made. Some of the bond proceeds could also be used for park improvements or a water and sewer rebate to low income seniors to help garner support. Anyone who shops in town would fund our downtown. This is asking all to make a small sacrifice to invest in the future of our community.

Trustee Schiestel wondered if the TIF increment would be enough to attract developers such as Moretti's. He added that while on the PEDC he did a parking count and there are plenty of parking spaces ~ 168 at Grayhill alone. The issue was the inability of owners to work out shared parking arrangements.

Trustee Menzel asked if condemnation might be a useful redevelopment tool. President Nunamaker stated that it is if for a public use but not to simply benefit a developer.

Trustee Ireland felt that, while redevelopment is surely needed, spending more funds isn't affective because the obstacles are too big for any redevelopment in the near future. The market hasn't turned around and won't for many years. Two of the key Area # 1 property owners are unable or unwilling to participate. Moretti's owners are busy buying distressed properties in the region. Mr. Kondraros has rebuffed various proposals and is in court over violation of various building codes. The Village is financially preoccupied with a Public Works garage and lawsuit. There has been a 28% increase in residential water and sewer bill delinquency. Lastly, he feels the State of Illinois will reduce Village revenues. He also wondered how much a sales tax increase would generate.

Trustee Blohm stated that, unlike the Public Works Garage or Water Plant updates, residents would be eager for and supportive of downtown redevelopment. She preferred using the red speed camera

account rather than a new tax to provide funding. TIFs aren't popular with other taxing districts and are under attack by State Legislators. She opposes providing a TIF incentive to business owners who have done nothing to improve downtown.

There was a discussion on constructing streetscapes before redevelopment occurs. Trustee Knar feels they will attract new businesses. Trustee Menzel likes the idea. Administrator Osten cautioned that what is done may be destroyed when it is redeveloped, doubling the cost of the streetscaping, and that there are examples of communities that funded beautiful streetscapes but still have empty storefronts. President Nunamaker commented the Village could "play it safe" and not spend anything and get nothing in return but that Lake Zurich did a major streetscape and no one came. Trustee Ireland suggested that the streetscapes wouldn't be affected if existing buildings were only rehabbed but that pretty downtowns aren't what attracts business interest. Trustee Colletti added that developers would also be responsible to fix streetscape they damaged. Our consultants have differing perspectives. BDI said don't spend until you have someone interested. Koenig & Strey said to do the streetscape, tie the TIF's together, and do this when Metra does their remodel.

Administrator Osten suggested that redevelopment is a necessity, a war chest has to be created to support it, a specific redevelopment package is needed to sell the public, and our consultants' expertise is needed to build on our past efforts and create this package. He felt that K&S and BDI provide the competing perspectives needed to sort through the ideas presented. Trustee Knar agreed.

Trustee Colletti asked what we could do to fill the vacancies in town. Administrator Osten stated that vacant commercial property information is listed on our website and that we work with commercial realtors like Tim Billamack and Bruce Kaplan as they try to find appropriate and marketable users. Osten added that he has made overtures to various external retailers and makes suggestions to existing ones with the help of the PEDC but that this Village doesn't have the resources and expertise larger communities can afford. Lastly, commercial realtors are working at it full time. Trustee Ireland added he takes the train everyday and there are vacancies all along the line ~ Arlington Heights, Mt. Prospect, Park Ridge ~ all empty. President Nunamaker added that Blockbuster was getting a mattress store and Cash for Gold was moving into the Dunkin Donuts/Baskin Robbins center. In the building behind Panera, a Montessori School will fill 2/3 of the building. Trustee Knar said we are trying to create destinations like Brunch Café.

President Nunamaker recapped. The Village should do something about downtown. Area #1 is the focus. A March sales tax referendum would gauge resident's support and provide needed funding. Koenig & Strey's John Terrell and BDI's Terry Jenkins will be invited to a second meeting to discuss our ideas.

Trustee Blohm asked if we could include the Planning & Economic Development Commission, Zoning Board, and Parks Commission, too. The consensus was that the Board should set the direction because of its familiarity with past efforts, the difficulty of focusing large group participation, and the different roles and perspective each of the other bodies is tasked with. While all are invited to observe, the discussion and decision was felt to be the Village Board's.

OTHER BUSINESS

President Nunamaker stated that Duane Figurski was our representative at the Northwest Municipal Conference. A trustee is needed to attend in his place. They meet once a month on a Wednesday at 7 p.m. in Northbrook. Trustee Menzel will attend.

Administrator Osten mentioned that volunteers are still needed for the Sunday, May 15th Bike Race.

ADJOURNMENT

Trustee Knar made a motion to adjourn at 8:27 p.m. Trustee Menzel seconded. All were in favor.

Robert J. Nunamaker, Village President

Date Approved

Donna M. Brouder, Village Clerk