

**PLANNING & ECONOMIC DEVELOPMENT COMMISSION
MEETING MINUTES
NOVEMBER 24, 2009**

CALL TO ORDER

Chairman Don Kendeigh called the meeting of the Planning and Economic Development Commission to order at 7:30 p.m.

ROLL CALL:

Present were Chairman Don Kendeigh and Members Ron Hameetman, Steve Harris, Viki Karls, Rich Lauritsen and Mick Welch. Also in attendance was Administrator Art Osten, Jr. as staff to the PEDC, and Secretary Alison Dal Compo. Member Mike Schiestel was absent.

APPROVAL OF THE OCTOBER 27, 2009 MINUTES:

The minutes from the October 27, 2009 PEDC meeting were approved unanimously with grammatical changes following a motion made by Karls and seconded by Lauritsen.

RESIDENT'S COMMENTS

Chairman Kendeigh welcomed Village President Bob Nunamaker and Ted Wagner to the meeting. Mr. Wagner is one of the owners of Stone Hill Center and is Chairman of School District #155.

Presentation/Discussion: Filling Commercial Vacancies—(Ted Wagner) Administrator Osten asked Mr. Wagner to give a basic overview on how to fill commercial vacancies in the community. Mr. Wagner thanked the PEDC for inviting him. He explained that Stone Hill was built in 1980, and at the time the prime rate was 21%. If it seems difficult to fill spaces now, it seemed impossible back then. Right now, Stone Hill has 73,260 square feet filled and 800 square feet vacant. He stated that the strategy is a “Let’s make a deal” type of attitude. The owners have to be able to demonstrate financial stability and also to be willing to do advertising on behalf of businesses in order for them to want to do business there. Currently, they are running some full page ads in the Northwest Herald for some of the tenants. Right now, Stone Hill is “surviving” not “exceeding” according to Mr. Wagner. Among the ideas for expansion on the table are for Dominick’s to agree to put in a fueling center at Foxmoor Crossing. Even though Blockbuster is not part of Stone Hill, Mr. Wagner explained that one of the problems at that site is that Blockbuster was still paying rent to the owner until about two months ago. This fact, of course, did not give the owner any incentive to find a new tenant.

Foxmoor Crossing still has about 1,200 square feet of space available, where US Cellular

used to be. Currently, Merle Norman, the Tae Kwon Do studio and Delphi Insurance are at Foxmoor. Also, IDOT has a temporary field office set up there.

The dilemmas facing owners trying to fill vacancies are many. First, expenses referred to as common area of maintenance including things like lighting, landscaping and etc run about \$4.00-\$4.50/square foot. Real estate taxes are about \$5/square foot, which brings the upfront costs to \$9/square foot. These expenses, of course, exist whether or not the space is rented. Typically, the tenant finishes the remainder of the build out, but potential tenants often say they want the owners to do the finishing. For example, a veterinarian was looking at a space that was going to cost about \$40-\$50/square foot to finish, which amounted to about \$100,000. Mr. Wagner stated that his "break even" point on a space is \$19/square foot, but as of now he is having trouble getting to \$9/square foot. Such ventures obviously involve risk and reward. The experts maintain that the economy will turn around in the next 12-24 months.

Mr. Wagner stressed that Stone Hill and like developments need a niche. For example, if a veterinarian were to move into a space, then that could be followed by a dog groomer, and so on. Right now, Stone Hill doesn't have much of a pattern. Chairman Kendeigh asked about the feasibility of getting a day care center in there. Mr. Wagner replied that a group called "Children of America" had expressed interest, but their prototypes require at least 8,000 square feet. Additionally, the demographic of this area did not support their business plan well enough. And in the case of any day care center, tenant improvement costs and state requirements would make this area a challenge. Snap Fitness was given a "phenomenal deal". They invested about \$250,000 and Stone Hill invested about \$70,000 in improvements. Chairman Kendeigh asked if Snap Fitness had approached him or vice versa. Mr. Wagner said he had approached Snap Fitness, and stressed that developer should be the one to approach the potential tenant. Administrator Osten asked if the tenant has ownership of what they put into the build out. Mr. Wagner said not necessarily.

Mr. Wagner explained that a tenant had recently threatened to move out unless they received three months free rent. Negotiations ensued and they finally agreed on one month's free rent and some gratis advertising. Mr. Wagner said that he had considered doing a build out of 2,400 square feet, which would have cost about \$48,000. Member Harris asked if there is a merchandising plan in place for Stone Hill. Mr. Wagner said no.

Doctors Bell and Cody both started in smaller spaces and their businesses grew. Member Harris asked if the area behind Panera would be considered retail or a destination location. Mr. Wagner explained that it is considered Grade C retail, which would be good for an eye care center, dentist office or the like. Member Welch asked if a thrift shop would be a possibility. Mr. Wagner said he didn't think one would be able to make the rent in the Grove, although the Sparrows Nest in Cary is in 9,000 square feet and is doing big business. Administrator Osten asked about making up flyers for potential tenants. Mr. Wagner said that his office would make some up. Member Harris asked if it might be prudent to ask the owner of the dog grooming lodge in Barrington if he would be interested. Chairman

Kendeigh suggested a barber shop. Mr. Wagner said that he had spoken to Great Clips, but he was told that the Grove did not have enough population density. The new CVS in Cary is already not doing well. President Nunamaker suggested that everyone get a membership at Snap Fitness! Mr. Wagner said that Snap even has showers, and that it is more high end than a Cardinal. The membership is \$40 per month.

Chairman Kendeigh thanked Mr. Wagner for attending the meeting and sharing his insights.

DOWNTOWN REDEVELOPMENT

Marketing Subcommittee Business Blog Site—(Member Welch) Member Welch explained that the subcommittee had a brief meeting with Rick Gallas, who gave preliminary examples of different support plans for some of the blog work. The goal for the blog will be to have on-going threads of conversation. The examples Mr. Gallas presented seem to be more like articles which contain a blog, rather than conversation threads, so this will need to be addressed. Member Welch stressed that this blog is not something that should be done half way. It is meant to provide businesses with meaningful community feedback. There had also been an idea to provide a report based on the blog to help businesses know what areas to focus on. So the questions currently are: 1) Can we generate these reports? 2) What type of on-going administration will be involved? 3) What will the total cost be? Chairman Kendeigh asked what was meant in Mr. Gallas' plan by "up to three blogs per plan"? Administrator Osten suggested that it might mean "topics." He further asked how this plan is different from the test site. He felt that Mr. Gallas needed to sit down with the subcommittee again to answer some of the remaining questions. He thinks that the blog site is definitely within reach.

Member Lauritsen noted that it has to be determined if the correct architecture is there. Chairman Kendeigh asked if the committee is beholden to Mr. Gallas in any way. Administrator Osten said no, but that the goal is for the blog site to come directly from the Village web site. Chairman Kendeigh asked Administrator Osten to also approach the man who runs the computer store to give a bid. Chairman Kendeigh further inquired as to what was meant by a sub-author. Member Welch suggested it might be someone who follows up on someone else's comment. Member Harris asked if there could be advertising on the blogs. He was told yes, and Member Welch's company provides this type of service. Administrator Osten reiterated that the architecture must be present first. Member Welch stated that the first mock up site had the architecture and some necessary widgets. His action item is to see if his company will provide a map for free.

Member Harris brought up the idea of universal gift cards, to be used at any Fox River Grove business and to be backed by American Express or Visa. Administrator Osten asked Member Harris to look into this idea further. Member Welch added that it would be a loyalty card, pre-purchased and redeemed at Fox River Grove stores. Member Lauritsen asked who would market them. Member Welch answered that it would be the local businesses themselves, then asked since Visa or American Express cards can virtually be used anywhere, could they be made zip code specific? Member Karls observed some

businesses along Route 22 are actually zip code 60010 and thus the loyalty cards could not be used there. Member Welch said that the cards may be made up for \$50, as an example, but would actually be worth \$60. Administrator Osten observed that this way the savings are built in. Member Lauritsen asked what the percentage is on un-used gift cards in general. Member Welch stated that it was about 28%. Chairman Kendeigh asked if this card could be coordinated through the Cary Grove Chamber. President Nunamaker stated that it would then be hard to restrict to Fox River Grove, since the Chamber represents both Cary and Fox River Grove. Member Harris definitely has the right resources since the man who invented this type of gift card for his company works with him. Member Lauritsen observed that this idea would work well along with the blog map site.

Development Consultant RFQ—(Administrator Osten) Koenig and Strey was chosen to be the development consultant. Chairman Kendeigh asked why they wanted to become involved with this. Administrator Osten said that this will serve as a test case for them. John Terrell will head up the project. It is an eight step plan, with a Phase I and Phase II. Phase I will include a review of the village's existing vision and data, determine market feasibility. Phase II will refine the land plan, tweak the design plan, develop a plan to assemble land and a plan to finance it, prepare a summary document, solicit potential developers and negotiate with developers. Koenig and Strey had the most impressive combination of presentation and price. President Nunamaker said that the cost is \$10,000, but it will provide a comprehensive and actionable plan in the end. Chairman Kendeigh asked what the Phase I time frame is; he was told three months.

President Nunamaker brought up Metra's plans for a warming shelter in the Grove. Their plans also include platform extension and double deck parking sometime in the next three to four years. Metra feels that the Village will like the plans they have. Member Lauritsen asked if it would be a public or a private deck. Administrator Osten said that it will be private, belonging to Metra. President Nunamaker observed that it would be free after three or on weekends. Member Lauritsen further asked if Metra gets stimulus funding. Administrator Osten answered that they get capital funding. The deck would be located on the west side of Lincoln, north of what used to be New Hope Church. Member Harris asked why the parking deck was needed. President Nunamaker explained that Metra feels they need 900 additional spaces between Cary, Barrington and Fox River Grove. Administrator Osten added that there will also be a bathroom and coffee vendor.

OTHER BUSINESS

Residential Design Guidelines—(Administrator Osten) Chairman Kendeigh asked for an update. Administrator Osten said that the Board would like an ordinance which will require people to build what their permit was originally written for. One of the questions becomes why changes to the original plan are more important than a review of the original plan. Member Karls noted that in cases of renovation, a homeowner may not fully know what is involved until after the demolition process begins. In her example, gas lines were unexpectedly found. Administrator Osten said that the current process allows for changes as long as they are to code, but the code does not deal with aesthetics. Member Harris noted

that if there is a deviation from the presented plan, the building inspector should be pointing that out. Administrator Osten also stated that there must be allowance for positive changes, such as upgrading vinyl siding to cedar. Member Harris suggested that another position should be added at the Village, one that reviews architectural features. Administrator Osten said that is what was originally called for. Member Karls observed that it sounds like an architectural review board. Administrator Osten said yes, but it would be a board with only one member. He further asked if Member Harris' idea would include an appeals process. Member Harris said yes, there would be checks and balances. Administrator Osten said that this is what the Village Planner's job already consists of. Member Welch asked if it has been made clear anywhere that the Village Planner has that type of authority. President Nunamaker said that the ordinance now does not give authority to a building and zoning person. Administrator Osten explained that the Village Attorney was tasked with making people carry out their designs as originally submitted with no deviation. What then, would be criteria for deviation? The fact that there are no *aesthetic* controls in place is at the heart of this matter.

Chairman Kendeigh lamented that the PEDC has already done everything they can possibly do on this matter. He asked for explanation of what the opinions of individuals on the Village Board were. President Nunamaker summarized that there were just not enough who were willing to support the RDG's. Administrator Osten said that Trustee Menzel had been in favor at one point and Trustee Knar had the desire to see some of the guidelines come to fruition, but not all of them. Further, Administrator Osten reiterated that there has to be some system in place so that changes can be made to an original plan. Chairman Kendeigh asked what the options at the PEDC were at this point. Administrator Osten said it is with PH& S at this time. Chairman Kendeigh asked if the PEDC should now drop any further efforts on the guidelines. Member Welch said that the PEDC's responsibility to the Village Board was to draw up guidelines; it is now up to the Village Board to make the final judgment call.

NEWS AND UPDATES

PH & S Report and Village Updates –(Administrator Osten) There was a question as to whether the header issues at 104 Millard were resolved. They have not been, but Administrator Osten said there is no one living there. The request for the Hookah Lounge was withdrawn. Chairman Kendeigh asked if the granite counter top store was still planning on moving in; he was told yes.

MCEDC& MCCVB –There was discussion regarding Geographic Information Systems (GIS) mapping. The Village of Fox River Grove has this capability. Member Lauritsen said that the BACOG will be having a demonstration at the Barrington Village Hall on Monday November 30 from 7:00 to 9:00 p.m. regarding how the water tables from other communities affect one another

Cary Grove Area Chamber News—The tree lighting will be on December 6th, and President Nunamaker will give remarks. February 14, 2010 there will be a business roundtable.

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McHenry County 2030 Plan/CMAP 2040 Plan –The November 4th edition of the Daily Herald said that the 2030 plan is now in the hands of the County Board. Member Karls said there have been letters to the editor in this regard.

There will be a meeting regarding the 2040 plan on Monday December 14 from 9:00 to 10:00 a.m. at the Crystal Lake Panera. Chairman Kendeigh and Administrator Osten will be attending. The meeting will explore the preferred scenario; Fox River Grove will be the small town model.

NEXT MEETING

A MOTION was made by Karls and seconded by Lauritsen to cancel the December 2009 PEDC meeting and convene again in January 2010. A roll call vote was taken. All were in favor.

The next meeting is scheduled for January 26, 2010 at 7:30 p.m.

ADJOURNMENT

A motion was made by Karls and seconded by Welch to adjourn the meeting at 9:08 p.m.

Don Kendeigh, Chairman

Alison Dal Compo, Secretary

Date Approved