

**VILLAGE OF ALGONQUIN
PLANNING AND ZONING COMMISSION
Meeting Minutes
Algonquin Village Hall Board Room
August 13, 2012**

AGENDA ITEM 1: Roll Call to Establish a Quorum

Present: Chairperson Patrician; Commissioners Neuhalphen, Szpekowski, Sabatine, Sturznickel, and Zaplatynsky.

Absent: Commissioner Hoferle.

Staff Members Present: Russ Farnum, Community Development Director; Katherine Parkhurst, Senior Planner; and Kelly Cahill, Village Attorney.

AGENDA ITEM 2: Approval of Minutes from the July 9, 2012 Meeting.

Chairperson Patrician entertained a motion to approve the July 9, 2012 minutes. Commissioner Sabatine motioned and Commissioner Szpekowski seconded a motion to approve the minutes as presented. The voice vote noted all ayes and the motion carried.

Chairperson Patrician noted that the following item would be brought before the Planning and Zoning Commission for consideration this evening.

- Consideration of a Request for a PUD Amendment for 69 Rental Units (**Case No. 2012-07 Riverside Plaza**)

AGENDA ITEM 3: Consideration of a Request for a PUD Amendment for 69 Rental Units.
Case No. 2012-07. Riverside Plaza

REOPEN PUBLIC HEARING CONTINUED FROM JULY 9, 2012 AND ESTABLISH QUORUM

Mrs. Parkhurst called roll to verify a quorum. Present: Chairperson Patrician; Commissioners Neuhalphen, Sabatine, Sturznickel, Szpekowski, and Zaplatynsky. Absent: Commissioner Hoferle.

PETITIONER COMMENTS

Ms. Cahill reminded the petitioner he is still under oath from the July meeting. Representing Riverside Plaza was John Breugelmans (developer).

Mr. Breugelmans explained his request for 69 rental units for Riverside Plaza is based on current market conditions and lack of financing available for condo projects. He desires to complete the project and have residents and retailers moved in to make this building beneficial for the community. The proposed 69 units will keep the exterior of the building intact as it is today,

only changes will be interior. The quality of the interior finishes in each unit will be high quality allowing the building to draw luxury rental prices and allow the units to be converted to condos in the future if that is desired. Mr. Breugelmans clarified points from the July meeting regarding parking. There are 110 spaces within the building and the lease at Port Edward for 43 spaces. This will meet demand for the residential and retail parking needs. He supplied the Commission with a parking study showing existing spaces available and parking demand. Mr. Breugelmans clarified the unit size and bedroom count of the proposed 69 units in comparison to other apartment complexes in surrounding communities. He stressed the desire is to lease luxury apartments until a time when the market would allow the conversion to condos. He stressed the apartments will be luxury with all the amenities provided (club room, fitness center, bike storage, garden area, secure building, and heated parking) and high quality finishes and appliances in the units. The units will not have top of the line appliances as renters typically do not take care of appliances like owners do and all this would be replaced when the conversion back to condos occurs. Rental rates are projected to be \$1,200-\$2,000/month with no affordable or subsidized units. Mr. Breugelmans stated he would put this in writing, if necessary, that he has no intention of providing affordable or subsidized housing.

STAFF AND COMMISSION QUESTIONS/COMMENTS

Mr. Farnum gave an overview of his memorandum of August 10, 2012. He explained that the construction along Front Street is necessary and the Village and developer will work closely with Texan to ensure their customers can still get into the restaurant. Mr. Farnum explained the comparison of Riverside Plaza and the Riverwalk in McHenry as requested by the Commission at the last meeting. Staff does recommend a one year time frame on this petition if approved for the developer to obtain financing, apply for building permits and start construction. If this is not done in the one year time frame then the approval of rental units is no longer valid. Mr. Farnum stressed the Planning and Zoning Commission has two main issues to decide this evening: 1) should the project be converted from condos to luxury rentals? and 2) should the unit count be increased from 54 units to 69 units as proposed by the developer or 60 units as proposed by staff?

Commissioner Zaplatynsky inquired if the building could be split with some rentals and some condos? Mr. Breugelmans explained that for financing purposes at the time of construction, no, all units must be rental. After the construction loan is paid off it might be possible to sell some units as condos; however, that leads to other issues like having a condo association. It is much better to keep the building all rentals or all condo.

Commissioner Sabatine stated he would like to see a timeframe on when the building has to be converted back to condos, maybe five years. He still has concerns about parking, specifically guest parking. Mr. Breugelmans stated it is hard to put a timeframe on the conversion as it depends on the market. He explained that three months from the approval he would have financing and start construction. Construction would only take a few months, so the building could start being leased next spring/summer. He expects it to take about 9 months to lease the building fully. It would take about two years after that to pay off the construction loan and set up permanent financing.

Commissioner Neuhalphen inquired about potential retail tenants. Mr. Breugelmans stated he has started conversations with an upscale salon spa and a gourmet coffee/deli; however, all talks were stopped due to the uncertainty of the project moving forward and timing. The retail is a vital component of making Riverside Plaza a successful project. No hours of operation have been determined for the retail tenants.

Commissioner Neuhalphen asked what the concern is with 60 units instead of 69 units. Mr. Breugelmans stated that a marketing study was done to determine the unit count and rental prices to make the project successful. The Tracy Cross study indicated that 75 units were perfect; however, due to the limitations of the exterior building and the need for a mix of one and two bedroom units, 69 units was determined. The project would not work with 60 units; an arbitrary number staff came up with.

Commissioner Szpekowski thanked Mr. Breugelmans for coming back this month to clarify the issues the Commission raised last month. She asked how many units have a view of the river. Mr. Breugelmans stated there are 16 units with a view of the river, either north or south, on each floor. Other units have nice views of the bluffs. There are only about six units that have bad views of the Shell gas station. *Commissioner Szpekowski* stated she is pleased with the additional parking arrangement and the improvements to Port Edward's parking lot.

Commissioner Szpekowski inquired about the lease terms, are these one year leases? Mr. Breugelmans stated he would prefer to do three year leases, but will accommodate shorter leases if necessary. *Commissioner Szpekowski* asked if pets would be allowed. Mr. Breugelmans stated he was still working on that issue and no decision has been finalized yet.

Chairperson Patrician inquired about the conversion process, would this happen all at once or over time? Mr. Breugelmans stated the details would need to be worked out. Typically the renters would be allowed the option to purchase with a set deadline for either purchasing or moving out. As the leases end the units would be renovated as necessary and sold as condos. Mr. Breugelmans stated he would have to work with the lender to convert the building to condos and set up an association. *Chairperson Patrician* asked how the units and building will be kept consistent as far as what can be placed on the balconies. Mr. Breugelmans stated the lease agreement would have restrictions just like the covenants would for the condos. Attorney Cahill stated the Village can add a condition to the approval to review the lease agreements.

PUBLIC COMMENT

There was no one wishing to provide public comments.

CLOSE PUBLIC COMMENT

Chairperson Patrician stated he likes to see progress but does have concerns of a decision that looks like the Village is bailing out the developer.

Chairperson Patrician asked for an informal vote from the Commission. Are you in favor of rentals? Commissioner Sturznickel-yes, Commissioner Zaplatynsky-yes it makes sense for now

and would like to see it change to condos later, Commissioner Sabatine-no, however do not want to see the building sit empty any longer, Commissioner Neuhaufen-yes, but keep the vision of condos for the future, Commissioner Szpekowski-yes, Chairperson Patrician-no, concerned with changing the project from what was approved.

Chairperson Patrician asked for another informal vote on the number of units that would be appropriate. Mr. Farnum explained staff came up with 60 units by splitting in half the largest (2,000 square foot) units. Commissioner Szpekowski-pass, Commissioner Neuhaufen-60 units so the luxury apartments can go to luxury condos, Commissioner Sabatine-unit count does not matter, Commissioner Zaplatynsky-pass, Commissioner Sturznickel-69 units as needed by the developer otherwise the building still sits empty, Chairperson Patrician-60 units, not convinced Tracy Cross study used comparable communities.

Commissioner Neuhaufen inquired how the row homes just north of this project did. Mr. Farnum stated they all sold when the project was constructed, some are now for sale again.

Chairperson Patrician stated he is concerned about the parking lease arrangement, as what happens when then lease is not renewed. Mr. Breugelmans stated he does have an option to purchase the property.

Chairperson Patrician asked staff how we can ensure the building is converted back to condos. Mr. Farnum stated a security can be posted along with a condition of a timeframe, similar to McHenry, but that would not guarantee conversion at the end of the time frame. Mr. Farnum suggested that, if the Planning and Zoning Commission wanted, the details of this would be worked out with the Village Attorney and the Village Board.

Mr. Breugelmans reminded the Commission that he needs/wants this project to succeed so he can get a return on his investment. He is committed to making the project successful.

The Planning and Zoning Commission reviewed and discussed the conditions proposed by staff.

COMMISSION MOTION ON PETITION

Chairperson Patrician entertained a motion on the request for a PUD Amendment for 69 rental units for Riverside Plaza. *Commissioner Zaplatynsky* moved and *Commissioner Sturznickel* seconded a motion to approve the petition by John Breugelmans on behalf of Riverside Plaza Developers LLC for PUD Amendment to allow 69 rental units at Riverside Plaza, along with the Findings of Fact noted in the staff report and subject to the conditions outlined in the staff report with the following changes: change #2 from 60 units to 69 units; #5 change minimum unit size from 1,000 square feet to 750 square feet and eliminate the bedroom size requirement; and #10 delete the first sentence of this condition. The Roll Call noted the following: Ayes: Chairperson Patrician; Commissioners Neuhaufen, Sturznickel, Sabatine, Szpekowski, and Zaplatynsky. Nays: None. Absent: Commissioner Hoferle. Motioned carried.

CLOSE PUBLIC HEARING

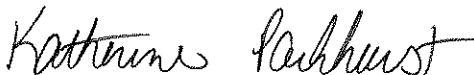
AGENDA ITEM 4: New/Old Business

- Mr. Farnum reminded all the Commissioners that they must complete the State mandated training on the Open Meetings Act by the end of the year. The website and directions were included again in their packets. Once they complete the training they should email the certificate to Katie or Russ.
- Edgewood Drive construction

AGENDA ITEM 5: Adjournment

Chairperson Patrician entertained a motion to adjourn the meeting. *Commissioner Sturznickel* motioned and *Commissioner Neuhalfen* seconded a motion to adjourn the meeting. The voice vote noted all ayes. The motion carried, and the meeting was adjourned at 9:40 p.m.

Respectfully Submitted,



Katherine Parkhurst
Senior Planner/Recording Secretary