

VILLAGE OF ALGONQUIN
COMMITTEE OF THE WHOLE
Meeting Minutes
Algonquin Village Hall Board Room
September 11, 2012

AGENDA ITEM 1: Roll Call to Establish a Quorum

Present: Chairperson – Trustee John Spella; Trustees Jim Steigert, Jerry Glogowski, Bob Smith, Debby Sosine, Brian Dianis and President John Schmitt

Staff Members Present: William Ganek, Village Manager; Russ Farnum, Community Development Director; Michael Kumbera, Assistant to the Village Manager; Kelly Cahill, Village Attorney; Jerry Kautz, Village Clerk

Chairperson Spella called the meeting to order at 7:30 p.m. and established a quorum with all Committee members present.

AGENDA ITEM 2: Community Development

A. Request for a PUD Amendment for 69 Rental Units (2012-07)/Riverside Plaza, Northeast Corner of Illinois Routes 31 and 62

Mr. Farnum reported this project has been ongoing for some time. John Breugelmans, on behalf of Riverside Plaza Developers LLC, has proposed two major changes to the Riverside Plaza PUD. The changes proposed include: (1) allow for the property to be completed as a luxury rental project instead of an owner occupied condominium project, and (2) allow for a change in floor plan and density to increase the number of units 54 units to 69. If the proposal to change the PUD to allow rental dwellings in the building is to be approved, Mr. Farnum continued, there should be consideration for conditions that will assure the developer delivers the luxury, higher-income units that are being proposed. There would be assurances of a high-end product in regard to appliances, fixtures, etc. A special service area, a special levy on that particular property, should be established so that if the association fails to maintain the building to adequate standards, the village can step in to compel performance and has a funding source to do so. In addition, the Planning and Zoning Commission, who voted to recommend the 69 unit apartment proposal, also requested a 43-stall, off-street parking lot on the south side of Port Edward; this would assure compliance with the village's parking regulations, even with the additional units. A recommended condition requires that parking be maintained; otherwise the owner will have to pay the village \$250,000 to replace the parking. If the owner cannot or chooses not to pay, the Village may levy against the special service area for that fee.

The rentals would be returned to the originally planned luxury condos when the marketplace improves, which could be years from now. Mr. Breugelmans says that it is in the best interests of the investors and the Village to sell as condos but just not feasible at this time.

Mr. Breugelmans stated his case saying that he cannot get further financing for any condo project as the market has completely fallen in the marketplace. He stated only four contracts had been purchased in all this time since the Riverside project began. Apartments are the only way to proceed, and the 60-unit figure that the Village wants will not allow him to get financing. The 69-unit proposal is the only way to go. At one point President Schmitt replied that at a previous meeting with staff and himself, Mr. Breugelmans said a plan with 64 units might be feasible, keeping the fourth floor as luxury, corporate-leased apartments. Since that time, Mr. Breugelmans has not contacted any corporations to see if this is a viable option. According to Mr. Breugelmans, 69 units would be the least "financeable" number, and it would cost \$8,500,000 to finish and make complete. He added he could rent all units within eight months, and maybe the flat housing market would improve by 2015. If the market changes to support condos, they would be hard pressed to keep them as rentals.

As the meeting progressed, the following persons attending the meeting wishing to speak in favor of approving the rental project:

1. Realtor Tony Bellino, 214 Washington, Algonquin, stated filling the building as soon as possible would help revitalize the downtown district.
2. Restaurant owner Ed Wolowiec, 20 West Algonquin Road, stated the downtown businesses would all benefit from having this building fully occupied.
3. Neighbor Robert Massion said he lives on Harrison Street and this would be welcomed by his neighbors.
4. Neighbor Brad McAfee, 949 North Harrison, Algonquin, who said he has previously worked with Mr. Breugelmans on projects and that John keeps his word.
5. Glenn Kilbride of Hawthorn Woods who represents Mr. Breugelmans' financial partner on this project. He spoke in favor of rentals until the economy changes for the better and then return to 54 luxury condo units. No major financing is available if the project remains as condos.

There was much discussion among the members of the Committee of the Whole.

President Schmitt said there have been cycles over the past three decades where markets have changed from people owning and purchasing homes, but currently not many have the ability in today's economy to purchase homes or condos. The Board had previously approved 54 condo units and not more. He wants to see people with disposable income as residents in the building to help revitalize the downtown area. He also proposed 64 instead of 69 units; the 64-unit plan would include leaving the top floor as luxury corporate suites and reconfigure the other two floors as rentals which would bring the total compromise figure to 64 units.

Mr. Glogowski questioned Mr. Breugelmans as to the price of the rentals. Mr. Breugelmans replied that a one-bedroom, one-bath unit would start at \$1,330, which includes heated indoor parking. He also told the Committee of the Whole that the one-bedroom apartments could easily be converted back to luxury condo units once the marketplace improves. He then stated, "He doesn't want 69 rentals, he needs them," to make Riverside a viable project. Mr. Glogowski also asked what would happen if the off-site parking agreement was terminated. Mr. Ganek interjected that a \$250,000 fee on the property would be in place to ensure that Riverside parking would be provided and maintained over time.

Mr. Smith said he is definitely not in favor of the 69 rental unit figure. That number of units would mean 30 percent of the building's apartments would be one bedroom.

Mr. Steigert commented he has changed his mind on this project and that if the building is quality maintained and the number of apartments will be converted back to condos in the future, he supports the plan. He wants to see the building occupied, and, combined with all the other downtown improvements planned, this will be beneficial to the Village.

Ms. Sosine responded to one of Mr. Breugelmans' comments that he cannot get financing at anything less than 69 rentals. She said the Village has expended a large amount of funds since the original owner started this project. Ms. Sosine stated the Village waived various permit fees. Also, the Village recently finished streetscape improvements around the building. She is not in favor of the plan.

Trustee Dianis stated, although not completely pleased with the increase in rentals, he wants to see units occupied and get the downtown area on its way to recovery.

Chairman Spella asked for consensus from the Committee of the Whole if the project should proceed to the Board with the 69 rental apartments as now proposed. The Committee responded as follows: Glogowski – No; Steigert – Yes; Smith – No; President Schmitt – No; Spella – No; Sosine – No; Dianis – Yes. The consensus was 5 to 2 not to approve 69 units if brought to the Village Board for a final vote.

Chairman Spella told Mr. Breugelmans to meet with staff and come up with a lower number of rental units.

AGENDA ITEM 3: General Administration

No items to discuss.

AGENDA ITEM 4: Public Works & Safety

No items to discuss.

AGENDA ITEM 5: Executive Session

None.

AGENDA ITEM 6: Other Business

None.

AGENDA ITEM 7: Adjournment

There being no further business, Chairperson Spella adjourned the meeting of the Committee of the Whole at 7:55 p.m.

Submitted: Jerry Kautz, Village Clerk