

VILLAGE OF ALGONQUIN
COMMITTEE OF THE WHOLE
Meeting Minutes
Algonquin Village Hall Board Room
June 10, 2008

AGENDA ITEM 1: Roll Call to Establish a Quorum

Present: Chairperson – Trustee Steigert; Trustees Dianis, Glogowski, Smith, Spella, and Sosine; and President Schmitt

Staff Members Present: William Ganek, Village Manager; Jeff Mihelich, Assistant Village Manager; Jenna Kollings, Assistant Village Manager; Katie Parkhurst, Senior Planner; Wade Merritt, Strategic Traffic Sgt; Kelly Cahill, Village Attorney

AGENDA ITEM 2: Community Development

- A. Esplanade Phase II – (2007-12)/Southwest Corner of Corporate Parkway and Randall Road
1. Annexation – 28.11 Acres
 2. Zoning Upon Annexation to B-2 General Retail, OR&D Office, Research and Development, and B-P Business Park
 3. Preliminary Planned Development – Entire 28.11 Acres
 4. Final Plat of Subdivision – 11 Lots
 5. Final Planned Development:
 - a. Combination Office/Retail Space Totaling 40,351 Square Feet
 - b. 280 Luxury Apartments
 - c. Special Use Permits for Daycare, Medical Office, and Residential Units Above Commercial
 6. Annexation Agreement

On May 27, 2008, the Committee of the Whole considered a petition for Phase 2 of the Esplanade. After considerable discussion, the Committee decided to continue the matter in or to allow the developer and builder to consider the issues raised by the Committee.

Mr. Mihelich provided a brief overview of the project, focusing on what changes have been made to address the issues the Committee discussed.

- Village staff and the developer had calculated the amount of open space and that over 37% of the site will be landscaped open space. They have also made some adjustments to the land use plan to create more open space in areas the Committee believed should have more.
- The developer has agreed to a quicker start date for the two mixed-use buildings. This would mean that both buildings would be ready for tenant build-out within 12 months of the project start-up.
- Boyer Road will be under construction within 12 months and will be completed within 24 months.
- To address the issues of security, police protection, and management on site, the developer agreed to have management staff on site during regular business hours Monday through Friday, as well as a 24/7 hotline. Most importantly, this will be made a covenant and a

recommendation as a condition in the annexation agreement so that whoever owns the apartment complex will have to provide the same services. There will also be termination clauses in their lease agreements (supported by Community Development and the Police Department). This will allow RHA to evict any tenant that is convicted of a crime.

- For restoration of properties, the builder/developer has agreed to final grade and seed or sod all areas within the Esplanade development after installation of utilities.
- The developer also took some time to further define the expected rents. Average rent will be \$1,396, with the highest rents being at \$1,778 per month.

Jeff Dunham, Centerville Properties, stated to the Committee how he understands their concerns, and no party involved wanted the first plan presented to change. However, with the market changing, this was a choice they had to make. He is very confident in RHA's ability to perform. He is also proud to be in Algonquin, having just moved Centerville Properties' office and 22 employees to the Village. Mr. Dunham would like to see the Commons and restaurants brought to life with the increase in daytime and nighttime population. Along with the impact fees, the Esplanade will be providing to the community two new parks; they would also like to bring in events such as a farmer's market and art exhibit.

Ms. Ann Danner, RHA President and Owner, thanked the Village staff for their help. She believes that this is a residential project that the Village will be proud of. The high quality and rent structure will bring in attractive residents. She also emphasized that the number of units is vital to the success of the community. The apartment complex is a business and will be open seven days a week. Ms. Danner also added the cost of construction per unit is comparable to townhome developments. RHA also provided the Committee additional information on their company, along with references. Staff called the references, and each community reported the RHA is a high-quality builder that keeps their promises.

Mr. Dunham also reminded the Committee that this development was approved to build apartments but that the number of units has to change to be able to work in this market. There are also planned businesses for this development that solely depend on this project being approved.

Chairman Steigert acknowledged Centerville Properties and RHA's efforts to work with staff in addressing the issues brought up in the last Committee meeting. He also recognized the significant costs involved on their end to prepare the original plan and also the changes proposed.

Mr. Glogowski asked if all units will have a sprinkler system. Ms. Danner stated yes. He asked if pets will be allowed. Ms. Danner replied pets will be allowed; however they will be limited to one pet per apartment with a weight limit of 30-40 pounds. There will also be an additional \$50 per month added to the rent costs. Mr. Glogowski then stated that the trees in the rendering look very luscious and asked what size trees will be planted. Ms. Danner replied that they will be installing four-inch trees. Mr. Mihelich added that four inches is the maximum tree size that staff will allow; any larger and the chances of survival are pretty low. Ms. Danner also stated that, on the renderings, the foundation plantings are not shown, but anywhere you see a black circle is where that area will be filled in with landscaping.

Mr. Glogowski then referenced an article by the Associated Press in the *Northwest Herald* stating that there is a housing slump that benefits first-time buyers who would likely purchase a house instead of paying rent for a luxury apartment. Ms. Danner replied that is what they call a shadow market. Mr. Glogowski stated that the article also said apartment vacancy is up by 5 ½ to 6%. Mr. Dunham replied there haven't been apartments built in the Village of Algonquin in a very long time. He continued by saying the professionals and empty nesters who would be interested in this community do not want to worry about landscaping and taking care of the outside of their property.

They would also be attracted to all the amenities offered as well as the location. Ms. Danner added, in this sub-market, vacancy is going down. Also, they have a comprehensive market study, and the opportunity to finance a project of this nature is time sensitive. She also wanted to note that this community will also be green in the fact that no cars will be needed to get around to shopping or restaurants.

Mr. Mihelich asked Ms. Danner if RHA can meet their projections immediately with this project and also, long term, being able to raise rent prices as inflation demands. Ms. Danner stated they don't determine the rent amounts nor do they build a complex to the specific rent amount they are looking for. They use an independent market firm to determine the rent prices for what they want to build. Mr. Mihelich then asked if this product, in this area, should be strong in this market. Ms. Danner replied yes, especially with the quality of construction and rent structure.

President Schmitt asked if the issue to allow or not allow satellite dishes has been addressed. Ms. Danner answered that they will discourage the use of satellite dishes for the individual units, to the extent the law will allow. She added that the community can impose the size of the dish, requiring tenants to use the very smallest available. President Schmitt then wanted to know if the units will be provided cable access. Mr. Jeff Hitz of RHA answered they will be provided both cable and phone lines for any new technology that is currently out there (for example broadband cable). Mr. Dunham added it is cost effective for tenants to utilize the cable provided because, typically, apartment communities can get a reduced rate for a larger number of users. Mr. Mihelich then stated the Village can write a requirement in the annexation agreement as well as an ordinance directing the developer to only allow the least obtrusive cable or satellite option to their tenants in accordance with federal law.

President Schmitt asked what the developer's stance is on the number of people living in one apartment. Ms. Danner replied their policy is no more than two people for one bedroom. President Schmitt then asked what would happen if there were seven people living in a one bedroom apartment. Ms. Danner stated they would be evicted. President Schmitt asked where that is documented, and Ms. Danner said it is in the lease agreement. Ms. Cahill added the Village has ordinances on maximum density per unit based on square footage.

Ms. Sosine wanted to let the developer and builder know that the apartments and architecture are gorgeous. Her problem comes with the conception of a corporate park. She asked if the fountain that has been proposed could be removed and that expense be assigned to more landscaping or a more of a park area. Mr. Dunham stated they are comfortable with that idea. Ms. Sosine continued by saying the water could be an issue as well as long-term maintenance. Ms. Danner answered that would be no problem.

Ms. Sosine asked if they have a policy about unused vehicles sitting in the parking areas (including boats, campers, etc.). Ms. Danner stated they will be notified and have 24 hours to remove the vehicle or it will be towed. Mr. Hitz added tenants will have stickers (permits) for community parking. Ms. Sosine asked how that will be policed being that there will be cross-parking from the retail shops. Ms. Danner replied that, in addition to the resident stickers, part of the duties of the full-time staff is to walk the property and enforce issues such as abandoned cars or boats parked on the property.

Ms. Sosine inquired about the increased speed at which the commercial buildings will be constructed and commented that it seems to conflict with the developer's earlier statements that they cannot rent out space for the larger corporate building originally planned. She specifically asked what the ability is to lease this property out as it is built at a faster rate. Mr. Dunham answered that there has been a strong increase in inquiries, which may be due to Centerville Properties locating there. He noted that the two existing three-story buildings in Phase I are leased as follows: 100% of the first building has lease agreements, the second floor of the third building

has been leased, and they are very close to signing a lease for the first floor of the second building. He continued by emphasizing that a lot of businesses are depending on this project being approved, noting specifically one of the leases in the first building is directly tied to whether this community is approved or not. Another example provided is a plastic surgeon who is interested in a 10,000-square foot space in the first mixed-use building to be constructed, only because the community will be unique.

Ms. Sosine then asked of the Committee members what their intent on the corporate business park is. There have been 90 acres of the original 1,000 acres committed to residential; this project would add another 11 acres. Of the original 280 acres platted, 32% is now residential and not business. This project would bring it to 36% of what was platted to be residential. If originally the corporate park was supposed to have 100 acres of residential, the Village has now reached that, and there are still 600 acres to be developed. Mr. Steigert replied that this office park was to be mixed use, where people could live, work, and play. He didn't think that there would be 1,000 acres solely devoted to office space. Part of the attraction to potential businesses is that workers can shop, eat, and even live within the community. Mr. Mihelich added that the original plan allowed for 100 acres, and, with this project, it is still within that threshold. He understands that the residential developments are coming faster; however, building is occurring from the north, which is where they always contemplated residential communities. He concluded by saying that, if this project goes forward, it would be beneficial to hold off on any more residential development to see if this project does help the Esplanade, the Commons and surrounding businesses.

Mr. Smith stated that the apartment complex designs are great. However, when this project was originally laid out before the Committee, it was a very special, unique area. There wasn't another one like it and probably would not be in this area. The question he asks is, is this what the Committee envisioned, or should it be tailored back to fit the needs of the developer/builder? He wanted to remind Centerville Properties and RHA that they approached the Village with the original plan, and he poses the question, is this new plan in the best interest of the Village of Algonquin? Mr. Dunham stated it was their original plan to provide the Esplanade with a large corporate building. There just isn't a market for a building of that size. The change in plans has cost the builder and developer a large amount of money and time. Instead of building something that would sit empty and not be active, they decided to come up with a unique project that could benefit both the Village and the builder.

Mr. Smith then asked what the expected rate of increase in rent is for the apartment units. Ms. Danner answered that typically there is a 3% increase each year.

Mr. Smith asked what the minimum number of units is that need to be leased to be successful, and Ms. Danner stated at 92% of the community. Mr. Smith asked what happens if the community is only at 80% capacity. He would not like to see, in the years to come, that amenities and staff had to be cut back because units were not being leased as expected. Ms. Danner replied that this is one of the reasons why independent market research is done, and also why it is important to have an established developer who can maintain properties in good and bad economies. She continued by stating that even though the rental communities fluctuate with the economy, like everything else, the market in this area is strong, and they wouldn't be interested in going through with this project if market analysis were to show they would have below a 90% occupancy rate. She also noted that financial lenders would not consider the project either if that was the case.

President Schmitt commented that this Board is familiar with development, and the time spent on this project shows the dilemma they are having with this project. He continued by directing a question to the Committee. The proposed development from 18 months ago is gone and will not be happening; does the Committee want apartments in this area or let it stay dirt? He stated that if the Village does want apartments, this is a great plan.

Mr. Glogowski mentioned the Grand Reserve project, and when the developer there asked for changes, the Committee looked at the long term and decided to not go ahead with those changes. He also added that when he talked to the president of Island Lake, as well as one of the trustees, they held RHA in high regards. He likes the positives and the improvements made to Boyer Road, but he is still concerned with the density.

Mr. Smith asked if there are penalties if the property maintenance is not kept to the proper standard. Mr. Mihelich stated there are multiple penalties, including a \$500 fine per violation, for each day they are not in compliance.

Mr. Dianis appreciated the changes that were made. One of his previous concerns was the density; however, he was recently in a couple of different areas similar to this project, and their open space was minimal in comparison to this development.

Mr. Dianis then asked why they chose apartments and not condominiums. Mr. Dunham stated the intent always was to have apartments, and they did not want to change that part of the plan.

Mr. Dianis was also concerned with the fact that RHA has had no recent apartment projects. Ms. Danner replied that RHA has built over 4,000 apartment units. There was a point where for-sale projects were what was marketable, and they focused their energy to those projects. Now that market has slowed down, they have been looking for a place to develop a lifestyle community, and they feel that the Esplanade is it. Mr. Dunham added that many of these types of builders are no longer in business, and RHA is still financially and fiscally strong.

Mr. Dianis then asked if it is a buyer's market in the housing industry and what ability there is to fill these apartment units. Ms. Danner replied these units and this community will appeal to people looking for lifestyle living. They will be looking for the amenities that will be offered. These people can include young professionals, empty nesters, or divorcees.

Mr. Dianis concluded by stating he sees the value in the residential component in the business park; his concern is that the Village is reaching its limit too early on how much residential can be built. He then asked Mr. Mihelich that, if this project goes through, will it limit the type of business the park can attract in the future. Mr. Mihelich replied that it wouldn't and actually might attract business with its standard of architecture.

President Schmitt reminded the Committee of the decision to not approve the building of any more banks on Randall Road and asked if that could be a stipulation used in this situation, where they would not approve anymore residential developments in the industrial park until a pre-determined percentage of business growth has taken place. Chairperson Steigert and Mr. Smith agreed that would be a good idea. Mr. Smith continued by saying it would give potential developers an outline as to where the corporate campus is headed.

At this time, Chairman Steigert call for a poll on the issue of not allowing any more residential developments to be approved in the corporate campus. The trustees and President Schmitt unanimously voted yes.

Mr. Spella echoed Ms. Sosine and Mr. Smith, stating that the product and business mindset are good. He is concerned with the drastic changes that have been presented. The biggest challenge is adapting what the Committee thought was going to be a business park with all the changes that are brought to the table every time the developer and builder appear before the Board. He continued by stating he doesn't want anymore "Plan Bs" to be presented in the future.

Chairperson Steigert commented that this wasn't the project initially presented, but it is an exciting project that offers a dynamic lifestyle. The project has great aspects to it and the domino effect that

would bring people and businesses into Algonquin. He continued by saying there are people and businesses that are holding their breath for the decision that has to be made in regards to this development. If this project is approved, it could continue the momentum of developer interest that Algonquin has been fortunate to have.

At this time Chairperson Steigert conducted a straw poll to determine if the Annexation, Zoning Upon Annexation, Final Plat of Subdivision, Preliminary Planned Unit Development and Final PUD, and Special Use Permit for the Esplanade Phase II should be forwarded to the Village Board for consideration. In each item the vote was five yes and two no. Trustees Smith, Glogowski, Dianis, Steigert, and President Schmitt all voted yes. Trustees Sosine and Spella voted no.

AGENDA ITEM 3: General Administration

A. Consider Ordinance Amending Section 31.04, Public Events and Entertainment to Provide Additional Regulations

Ms. Kollings presented to the Committee an ordinance which would effect the following changes:

1. Language is added to emphasize that a liquor license and raffle license may be required in addition to the public event permit; 2. A public event permit will be issued by staff unless the event meets certain outlined criteria, in which case Board approval is required; 3. The Police Chief is granted the authority to permit carnival employees to remain on the premises overnight as needed for security purposes; 4. Changes are made to the background check section to comply with State law; and 5. A clause is added to allow issuance of fines if this section of the Code is violated.

Mr. Smith asked, in regards to giving permission for overnight employees for carnival workers, if that covers all other businesses. Ms. Kollings stated that, at this time the wording regulates carnival workers and is silent on all others.

The Committee of the Whole recommended unanimously that the Ordinance Amending Section 31.04, Public Events and Entertainment to Provide Additional Regulations, be forwarded to the Village Board for consideration.

B. Consider Ordinance Amending Section 43.33, Retail Theft

Ms. Kollings provided an overview of the proposed ordinance adding general theft to the section. The provisions address retail theft valued under \$150 and general theft valued under \$300. Any amounts over these are considered felonies that are prosecuted by the State's Attorney's Office. The purpose of this ordinance is to give the Police Department a tool to address minor crimes of theft and gives an alternate to State prosecution for theft crimes, especially for first-time offenders.

Sgt. Merritt added that it offers the Department more discretion in handling first-time offenders; rather than sending them up to McHenry County for adjudication, it can be handled in-house should the offender show remorse for what they have done. It also allows for these offenses to be handled in a timely fashion, cutting down on the number of hours officers would be spending on individual cases typing complaints, time spent with offenders waiting for bond, and traveling to and from court.

Mr. Smith asked, in regards to general theft, if it includes damage to property, for instance, if someone breaks a car window to steal a radio. Sgt. Merritt stated that would be considered a burglary to motor vehicle, which is a different crime.

The Committee of the Whole recommended unanimously the Ordinance Amending Section 43.33, Retail Theft, be forwarded to the Village Board for consideration.

AGENDA ITEM 4: Public Works & Safety

A. Neighborhood Traffic Enforcement Program

Mr. Mihelich began by presenting the Neighborhood Traffic Safety Program. This comes from the need to inform the Board as well as residents how the staff specifically deals with resident complaints for volume of traffic and speeders in their neighborhoods.

Sgt. Merritt then provided a PowerPoint presentation detailing the different scenarios and steps taken when considering traffic control or speed control devices. The main goals of any traffic safety plan include education, engineering, and enforcement. He provided the State and Federal requirements for stop sign placement and speed limit reduction, as well as the individual steps the Department takes when a complaint from a resident is received.

Ms. Parkhurst continued by presenting the steps the Village is taking on the street planning aspect. It is the goal of staff to help discourage unsafe driving habits from the beginning by designing roads that are more narrow, if allowed, that are interconnected to give motorists more options to get through the neighborhoods, as well as discouraging cul-de-sac's.

Mr. Mihelich concluded by adding that the presentation was very detailed on purpose so that the trustees could get a look at what staff does with the traffic complaints as they come in. He also emphasized that staff takes traffic safety very seriously and has a very methodical approach to it. He also encouraged trustees to forward calls from residents to Sgt. Merritt so that individual issues can be addressed. Mr. Mihelich then asked the Committee for their endorsement of this program.

Mr. Ganek added he would like to recognize the efforts of Sgt. Merritt and the Police Department. The Department has been recognized statewide and nationally for the reduction of injury crashes within the Village, stating that it doesn't happen by accident, especially with the vehicle miles travelled increasing as the Village grows.

Chairperson Steigert was impressed by the plan and the reduction of injury accidents within the Village.

President Schmitt asked if it was possible to send the pamphlet provided with the water bills so that residents have the information available to them.

At this time Chairperson Steigert called for any public comment. Mr. Jeff Jenkins of 251 Prestwicke Blvd, Algonquin, came before the board to have the issue of excessive rate of speed at which vehicles are travelling on his street. His concern stems from there being a large number of children in that neighborhood. He requested a traffic survey be completed and some sort of traffic calming device be added.

President Schmitt made the point that speed humps are noisy, especially for the houses they are in front of, and typically motorists will speed before and after them to make up for the time they had lost to slow down.

Sgt. Merritt added that a study was done last year and found that there was minimal traffic in that area; however, the time frame was found when speeders are traveling through there. At that time, patrols were directed to Prestwicke during peak times; however, speeds were not conducive to citations; speeders were only going 5-8 miles over the limit.

Mr. James Santa Cruz of 211 Prestwicke Blvd, Algonquin then asked if Prestwicke would be considered a major or minor street. It seems they have a large amount of traffic traveling between

Algonquin Road and Square Barn Road, as well as Jimmy D's Restaurant. Sgt. Merritt replied that speeds are up; however, they are not warranting citations.

Mr. Glogowski thought it was great information, and asked for clarification on the presentation. In Sgt. Merritt's presentation, when listing the warrants for a multi-way stop sign, it was stated 200 units, and in the pamphlet it states 200 vehicles. Sgt. Merritt stated, that rather than describing what units are (vehicles, bicycles, pedestrians) in the pamphlet, for brevity the Department just printed vehicles so that the general public could understand.

Mr. Smith also stated that Sgt. Merritt did a great job. One of the constant complaints he hears from citizens is that they don't see the officers. He requested a monthly report that would have the number of citations issued in the different neighborhoods. He would then be able to address these complaints with hard data. Sgt. Merritt stated that they are working on a database for traffic complaints and should be up and running in the next 30-45 days.

Mr. Dianis also commended the Department on the awards and the passion to sustain this program for any amount of time. He then asked if the pamphlet is available online. Sgt. Merritt stated it is being worked on for the near future as well.

Ms. Sosine thanked Sgt. Merritt for the program and thinks it will help a lot.

The Committee of the Whole unanimously endorsed the Neighborhood Traffic Enforcement Program

AGENDA ITEM 5: Executive Session

None necessary.

AGENDA ITEM 6: Other business

A. Ms. Sosine brought to the attention of the Committee, in regards to Algonquin Middle School, how the buses and cars are being rerouted in and out of the school. The main problem is in the immediate vicinity of the school. The parents are concerned that no one was notified that any construction to the way cars and buses are routed was going to be taking place. She would like the Village to encourage the school district to communicate with parents and the neighborhood as well as the Village as to what they are intending to do. Mr. Ganek stated that they are in constant contact with the school district and will express that to them. Mr. Smith continued by saying he was at the same meeting, and the two issues were: 1. Traffic volume on one street instead of two; and 2. They did not review with the Village. Even though review was not required, Mr. Smith would still like to have some input to these issues.

AGENDA ITEM 7: Adjournment

There being no further business, Chairperson Steigert adjourned the meeting of the Committee of the Whole at 9:45 pm.

Respectfully Submitted,

Susan Morgan, Recording Secretary