



MINUTES

President and Board of Trustees
Village of Arlington Heights
Board Room

Arlington Heights Village Hall
33 S. Arlington Heights Road
Arlington Heights, IL 60005

August 15, 2022

7:30 PM

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL OF MEMBERS

President Hayes and the following Trustees responded to roll: Grasse, LaBedz, Schwingbeck, Baldino, Bertucci, and Canty. Trustees Scaletta and Tinaglia were absent.

Also present were: Randy Recklaus, Charles Perkins, Cris Papierniak, Hart Passman, Diana Mikula and Becky Hume.

IV. APPROVAL OF MINUTES

A. Committee of the Whole 08/01/2022 Approved

Trustee Nicolle Grasse moved to approve. Trustee James Bertucci Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Bertucci, Canty, Grasse, Hayes, Schwingbeck

Abstain: LaBedz

Absent: Scaletta, Tinaglia

B. Village Board 08/01/2022 Approved

Trustee Richard Baldino moved to approve. Trustee Tom Schwingbeck Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Bertucci, Canty, Grasse, Hayes, Schwingbeck

Abstain: LaBedz
Absent: Scaletta, Tinaglia

C. Committee of the Whole 08/08/2022 Approved

Trustee Nicolle Grasse moved to approve. Trustee Mary Beth Canty
Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Bertucci, Canty, Grasse, Hayes, Schwingbeck

Abstain: LaBedz
Absent: Scaletta, Tinaglia

V. APPROVAL OF ACCOUNTS PAYABLE

A. Warrant Register 08/15/2022 Approved

Trustee James Bertucci moved to approve in the amount of \$2,903,843.83.
Trustee Robin LaBedz Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Bertucci, Canty, Grasse, Hayes, LaBedz, Schwingbeck

Absent: Scaletta, Tinaglia

VI. RECOGNITIONS AND PRESENTATIONS

VII. PUBLIC HEARINGS

Trustee James Bertucci moved to open the Public Hearing. Trustee Robin
LaBedz Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Bertucci, Canty, Grasse, Hayes, LaBedz, Schwingbeck

Absent: Scaletta, Tinaglia

A. Lead Service Line Replacement Loan - Public Hearing Approved

Mr. Papierniak explained the Village is seeking funding from the Public Works Water Supply Loan Program through the IEPA. In order to qualify, public comments are sought regarding the potential environmental impacts of replacing the lead water service lines. If received, this funding would help alleviate the costs the Village will incur in complying with the Public Act which is requiring the replacement of every lead water service line by 2067. The project plan was reviewed by staff and consultants who have concluded that there are no negative environmental impacts.

Trustee Nicolle Grasse moved to close the Public Hearing. Trustee Tom Schwingbeck Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Bertucci, Canty, Grasse, Hayes, LaBedz, Schwingbeck

Absent: Scaletta, Tinaglia

VIII. CITIZENS TO BE HEARD

IX. OLD BUSINESS

X. CONSENT AGENDA

CONSENT APPROVAL OF BIDS

A. Fire Station #3 Kitchen Remodel Approved

Trustee Richard Baldino moved to approve. Trustee Mary Beth Canty
Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Bertucci, Canty, Grasse, Hayes, LaBedz, Schwingbeck

Absent: Scaletta, Tinaglia

CONSENT LEGAL

A. Resolution - Approving the Release of Certain Written Minutes of Certain Closed Meetings of the Village Board of Trustees Approved

Trustee Richard Baldino moved to approve R2022-020. Trustee Mary Beth Canty Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Bertucci, Canty, Grasse, Hayes, LaBedz, Schwingbeck

Absent: Scaletta, Tinaglia

B. An Ordinance Amending Chapter 13 of the Arlington Heights Municipal Code (Making available a Class "AA" liquor license) Approved

Trustee Richard Baldino moved to approve 2022-047. Trustee Mary Beth Canty Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Bertucci, Canty, Grasse, Hayes, LaBedz, Schwingbeck

Absent: Scaletta, Tinaglia

- C. A Resolution Approving an Intergovernmental Agreement with the Illinois State Toll Highway Authority (Funding for Fire and Emergency Medical Services) Approved

Trustee Richard Baldino moved to approve R2022-021. Trustee Mary Beth Canty Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Bertucci, Canty, Grasse, Hayes, LaBedz, Schwingbeck

Absent: Scaletta, Tinaglia

CONSENT REPORT OF THE VILLAGE MANAGER

- A. Ordinance Amending the Annual Budget of the Village of Arlington Heights, County of Cook, State of Illinois, for the Fiscal Year Beginning January 1, 2002 and Ending December 31, 2022 (Metropolis Air Conditioning Unit) Approved

Trustee Richard Baldino moved to approve 2022-048. Trustee Mary Beth Canty Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Bertucci, Canty, Grasse, Hayes, LaBedz, Schwingbeck

Absent: Scaletta, Tinaglia

CONSENT APPOINTMENTS

- A. Appointment of Lance Harris, Fire Chief, to the Fire Pension Board Approved

Trustee Richard Baldino moved to approve. Trustee Mary Beth Canty Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Bertucci, Canty, Grasse, Hayes, LaBedz, Schwingbeck

Absent: Scaletta, Tinaglia

XI. APPROVAL OF BIDS

XII. NEW BUSINESS

- A. La Zingara - 2300 E. Rand Rd. - PC#22-006 Approved

SUP Amendment for expanded restaurant,
Variations

Sam Mokhtarian of SD&S Properties said the restaurant asked if they could make a party room in the space next to the restaurant. The Big and Tall shop was happy to reduce their rent and give up 850 square feet of their space. They subsequently drafted drawings, applied for the permit, were granted a permit, and did the build out. Afterwards, they were told they needed to apply for a Special Use. Parking is not a problem; they can accommodate 116 cars. They have met the Village requirements and are asking permission for occupancy.

Mr. Perkins explained the request was not forwarded for review to the Planning Department when the permit was applied for. When the liquor license review came through, it was caught and we asked them to go through the process. The request requires a 54-space parking variation. Staff observed the situation and is comfortable with the historic information the petitioner provided. There is a vacancy in the shopping center and the peak hours of the restaurant are different from the other businesses in the center. They also need a variation for their fence. They have an 8-foot fence, but only a 6-foot fence is allowed. Staff and the Plan Commission recommend approval. There are some landscaping issues to be resolved by September 30, 2023.

Trustee Canty asked if the new ERP system will help with the routing issue. Mr. Recklaus said yes, and staff has been informed that this kind of follow up should be optimized.

Trustee Schwingbeck asked how will staff go back to resolve the landscaping issue. Mr. Recklaus said staff will add a calendar tickler. Mr. Perkins said without an ERP system it is incumbent on staff to remember. Trustee Schwingbeck said he wants to make sure we have a way to make sure it happens.

Trustee Richard Baldino moved to approve. Trustee Mary Beth Canty Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Bertucci, Canty, Grasse, Hayes, LaBedz, Schwingbeck

Absent: Scaletta, Tinaglia

XIII. LEGAL

XIV. REPORT OF THE VILLAGE MANAGER

- A. Urban Street International Plaza Redevelopment
- 4-214 E. Golf Rd, 15 and 139 E. Golf Ter,
1665 S. Arlington Heights Rd.

President Hayes explained Early Review provides preliminary feed back to a

proposed development or request. It does not obligate the Board to vote yay or nay on a proposal and is intended for feedback, no vote will be taken tonight.

Mr. Perkins explained the long history of the property on the northeast corner of Golf and Arlington Heights Road. The petitioner has the property under contract. A TIF was established in July 2002. Other agreements for this property have gone by the wayside for various reasons. Since 2007 the Village has acquired 5 parcels to assemble the properties. In 2014 the taxing districts supported 12-year TIF extension which expires in 2037. There were multiple lawsuits over the years, further delaying redevelopment. Then, the recession affected the market. Since the property has multiple owners, negotiations have been challenging. Photos of the shopping center's current condition were shared highlighting the disrepair of the property.

The petitioner proposes a mix of commercial and residential development with 7 buildings. Based on the Village's Affordable Housing Ordinance, 27 affordable units are required to be dispersed among the market rate units.

John Dennis, Sr. Vice President of the Urban Street Group, explained they have a plan that would bring 37 affordable units to the site. Their proposal creates a separate low-income building using tax credits. Architecturally, it would be the same. Northpointe Development is their partner for this building which would be dedicated to seniors (building 7). There would be separate ownership of the land and Urban Street would serve as the master developer. They need to bring in resources to assist with the affordable housing units, it's not their expertise.

Mr. Perkins said the Staff Development Committee is supportive of the concept and supports the developer's plan to include affordable housing in partnership with an affordable housing developer. The development would increase the number of needed affordable housing units within the Village and it addresses a major stumbling block for affordable housing developers by providing: zoning entitlement, utility/infrastructure improvements, and site/property ownership control. The plan also facilitates the redevelopment of a blighted shopping center.

President Hayes was very excited to see the parcel developed and this proposal. He liked the mixed-use concept.

Trustee Canty expressed concern that the affordable units would be built separately. She also worried about segregating the community, to her it seemed this building is in a lesser location on the parcel. She asked what access the residents will have to the rest of the property. Mr. Dennis said the siting of the building was decided in part by the Northpointe which liked the idea of the visibility and access on Arlington Heights Road. They see it as independent rather than segregated. Being closer to the street was a positive. The Senior building would have their own amenities. The green space in the center would be shared. Every building will feel and look

cohesive. They are discussing if the residents of building 7 would have access to the pool. Trustee Canty asked what kind of amenities would be in the Senior building. Mr. Dennis replied gathering spaces and different activity rooms. The package and type of spaces will be different than the market rate building because of the age focus. Trustee Canty said that makes her uncomfortable. She asked if building 7 would be built last. Mr. Dennis said no, the prioritization goal is to build the campus simultaneously. Northpointe has to get through the tax credit process and it will take 2 years to build Urban Street's buildings. By the time we're done, they will be done and open while our buildings are still being built. There will be phased occupancy. Northpointe is working with them now, there is not a great risk of a lag. Mr. Dennis has great confidence in them. They have pre-scored the project and have a high confidence level the funding will occur. They may not get it the first round, but it may happen the 2nd or 3rd time. If they are not doing the job, Urban Street will find another partner. If Northpointe fails after all of these options, Urban Street will build it. They are committed to making sure the affordable units are part of the project.

Trustee Grasse said the cohesiveness of the plan is important and the Ordinance is "inclusionary" not "affordable". To her, it is not cohesive if the seniors are not part of the amenities. Mr. Dennis said the interspersing of affordable units with the market rate units at a 10% level is difficult to meet. Trustee Grasse asked what percentage would be possible? She asked how many projects have been built with affordable units since the Board adopted the Ordinance. Mr. Perkins said none. The only market rate project with affordable units is Arlington Downs, which predates the Inclusionary Ordinance. Arlington Downs has 9 units which are affordable. The Board approved Block 425, but it is not under construction. Crescent Place was a tax credit development. In 2004, Timber Court was developed as affordable and was deed restricted, which did not work. Trustee Grasse said she appreciated that they are working with an expert and senior housing is a great idea, but separate and apart from the community is a concern. She asked what if it doesn't get built? What can we put in place so the criteria are met?

Mr. Recklaus said because it is a public/private partnership, the Village has the ability to use those things as leverage to ensure it occurs in the way we want it to occur. Details would have to be worked out over time.

Trustee Bertucci said he was not concerned about the location of the building 7. He asked if the units will have bars in the showers or wider doors. Mr. Dennis said yes, it would be senior focused, if there is need for ADA units or bars, that's what they would be looking at. The units would be different inside than the market rate units, but from the outside, it would be cohesive. Trustee Bertucci said it would be easier to support a separate building if it was truly being tailored to seniors. There are other segregated low-income buildings in the Village, so that does not worry him. If you are going to say it is a cohesive community, but the seniors can't use the pool,

that doesn't fit and he is not comfortable with that. Mr. Dennis said there was a desire on Northpointe's part to keep amenities in the building for the seniors and not allow the other residents access. He said the focus shouldn't be on the pool access. There will be opportunities to discuss that concern. Trustee Bertucci said it's been 20 years dealing with this property. It is very blighted. The police patrols have to go in regularly. Mr. Perkins said there have been a lot of stop and starts, he listed the many projects over the years that never happened.

Trustee Schwingbeck asked about the overall site development. Mr. Dennis said they would create the roads, add utilities, grade the site, and create water detention. It's too big and complex to take on piece by piece and needs a master approach. A medical group wants to buy one site, a retailer wants to buy another. Each owner builds their building. Urban Street pulls in the groups to overcome the challenges. Trustee Schwingbeck asked how the Village sells its property in this process. Mr. Recklaus said the Village would negotiate a complex redevelopment agreement which would include a land transfer and TIF financing among other things. Mr. Dennis said there will be different owners of the site and that's by design. They have built a good relationship with the owners of International Plaza. Trustee Schwingbeck asked if there was a concern that owners would have different maintenance standards. Mr. Dennis said he would worry if the owner was in the middle. The retail and commercial frontage have their own incentive to maintain their properties. The Village will still have all the same mechanisms to enforce good management. The age restriction is 55 and over by statute, in practice, residents are typically older.

Trustee LaBedz liked the master development approach rather than bit by bit, and was glad to hear there is a good relationship with the property owner. She recalled in the inclusionary zoning discussions, the Board didn't want to allow a developer to put affordable housing somewhere else in the Village, we were talking about real distance, not something where it was still on the same site. She understood the concerns in wanting to be sure that residents felt a part of everything, but not like it's going to be three miles away. She is less concerned that it is its own building. She said she was surprised that we are talking about a senior building. A project could be senior housing with no affordable housing. The Ryan project was senior housing only, but not at a reduced rate. Mr. Dennis said Northpointe thinks the State is more likely to support it because it's a senior project. He is negotiating contracts with developers, to the point that they are ready to sign contracts. Trustee LaBedz asked if Northpointe had built in Illinois before. Mr. Dennis said they have been pursuing projects in Illinois, but have not gotten approval yet. Trustee LaBedz added a lot of seniors like to swim, and told Mr. Dennis to keep working on making sure, that there would be the use of the pool.

Mr. Dennis said the affordable developer was concerned about security and access for their building as a reason to keep it separate. These questions can be resolved. Trustee LaBedz said we need the affordable senior housing, and asked for the plan to ensure it. Mr. Perkins agreed.

Trustee Baldino clarified that this is a concept, not a plan yet. The plan will be submitted and reviewed by the Board. Regarding inclusionary housing, we don't want it to happen 3 miles down the road. His biggest concern is if we force affordable units mixed in, we will get payment in lieu and lose the units. If the developer of the building is requesting it, they can do what they do best. He is excited about the opportunity to redevelop a property that has been blighted for 20 years with affordable units above and beyond what we have asked for. It's not just an eyesore, it is dangerous. He would like to move the process forward and tick the boxes even though we may have to be creative in how all the issues are resolved.

President Hayes said he understood the integration preference of units into market rate buildings, but if you do that, we'd only get 30 units or less, or fees. This concept brings more affordable units, 37 which is way over what is required and addresses a dire need. You can overcome any problems by sharing more amenities.

Resident Keith Moens asked the Board to make it clear that the proposal comply with the Inclusionary Housing Ordinance. Building a unit separately in no way assures the 7th building will ever get built. Who would you go after? It's in a TIF district so there can be no fee in lieu. It is stigmatizing to separate the senior units. He questioned the calculations and said it may decrease again. In the packet tonight the claim that the project will provide 14% but that would be 43 units not 37. If there were 27 units integrated, that's better than a phantom developer building a separate building years from now. Throwing inclusionary housing principles under the bus is unacceptable.

Resident Linda Waycie said the Inclusionary Ordinance requires the units have the same amenities and be integrated. She was surprised the residents of the affordable units would not have the same amenities. It sounds like segregation. She said it should be affordable for everyone including seniors, not limited to seniors. Integrating housing throughout the project is key. they say they can't do it. If this is true, why is it not a problem in Evanston? The Vogue, has 12 units, 1021 Chicago Ave. has 10 units. There are many buildings in Evanston where developers have met their quota and the units are integrated and those developers have managed the financing. Look into the developers who build in Evanston and how they are able to work within the inclusionary ordinance.

Resident Christina Crusius said affordable housing is needed more than ever. If the developer segregates units into an affordable building, that is not inclusion, separate is not equal. This idea goes against the letter and the spirit of the Ordinance. We should have comparable units at affordable rates in all the units. If they are outsourcing affordable units to an outside nonprofit, can we guarantee they will be built? Justice delayed is justice denied. Is there evidence of hardship? Let's make sure we do it right. Remember the values that drove it and put the principles into action by

enforcing the Ordinance.

Mr. Passman said no approvals are being sought tonight. This is at the very beginning stage in what will be a very complicated process. One of the first major documents, will be a purchase/sale agreement. There are all sorts of things that can be worked into that agreement which could provide many of the protections the Board is seeking. As staff begins to work with the application, we make certain requests. If we don't like what we are getting, we can refuse to sell the property. This is a tool that doesn't exist in most other proposals.

President Hayes said he is looking forward to working with Urban Street as it goes through the process. No one on the Board said not to proceed. Feedback was given which will hopefully lead to a very high-class development.

XV. APPOINTMENTS

XVI. PETITIONS AND COMMUNICATIONS

XVII. ADJOURNMENT

Trustee Richard Baldino moved to adjourn at 9:08. Trustee Tom Schwingbeck Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Bertucci, Canty, Grasse, Hayes, LaBedz, Schwingbeck

Absent: Scaletta, Tinaglia