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
July 7 2014
8:05 PM

I. CALL TO ORDER

The meeting was called to order at 8:04 p.m.

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL OF MEMBERS

The Village Clerk called the roll with President Hayes and the following Trustees responding: Glasgow, Sidor, Tinaglia, LaBedz, Farwell, Scaletta, Blackwood and Rosenberg.

Also present were Interim Village Manager Diana Mikula, Assistant Village Attorney Robin Ward, Public Works Director Scott Shirley, Director of Planning and Community Development Charles Perkins, Finance Director Tom Kuehne, Deputy Director of Planning and Community Development Bill Enright and Village Clerk Becky Hume.

IV. APPROVAL OF MINUTES

A. Committee of the Whole 06/09/2014 — Approved

Trustee Robin LaBedz moved to approve. Trustee Mike Sidor Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .

B. Committee of the Whole 06/16/2014 — Approved

Trustee Joe Farwell moved to approve. Trustee Mike Sidor Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Scaletta , Sidor , Tinaglia .

Abstain: Rosenberg .

C. Village Board 06/16/2014 Approved

Trustee Thomas Glasgow moved to approve. Trustee Robin LaBedz Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Scaletta , Sidor , Tinaglia .

Abstain: Rosenberg .

V. APPROVAL OF ACCOUNTS PAYABLE

A. Warrant Register of 6/30/2014 Approved

Trustee Joe Farwell moved to approve the Warrant Register dated 6/30/2014 in the amount of $2,712,720.34. Trustee Thomas Glasgow Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .

VI. RECOGNITIONS AND PRESENTATIONS

President Hayes acknowledged the Frontier Days festival committee. He also thanked the Village's uniformed personnel, Co-Chair's Pat Peery and Ryan Danzinger and all the red shirts for the wonderful five day festival. He noted the involvement of Village staff members in Public Works, Nursing, Fire and Police.

A. Swearing in of Peter Ahlman as Deputy Fire Chief

President Hayes administered the Oath of Office to Peter Ahlman who was promoted to Deputy Fire Chief.

B. Swearing in of Dwayne Wood as Fire Commander

President Hayes administered the Oath of Office to Dwyane Wood who was promoted to Fire Commander.

C. Swearing in of Benjamin Kimmel as Fire Lieutenant

President Hayes administered the Oath of Office to Benjamin Kimmel who was promoted to Fire Lieutenant.

VII. PUBLIC HEARINGS

VIII. CITIZENS TO BE HEARD

IX. OLD BUSINESS

A. Report of the Committee-of-the-Whole Meeting of June 9, 2014 — Approved

Proposed Transfers from General Fund

Trustee Scaletta moved, seconded by Trustee Sidor, that the Committee-of-the-Whole recommend to the Village Board approval of the proposed transfers from the General Fund of $600,000 to the EAB Fund, $1 million to the Flood V Fund, $1.4 million to the Fleet Fund, and $1.2 million to the Capital Projects Fund, using projected surplus monies as of the end of FY2014, pending receipt of the Fleet Fund back-up information.

Ms. Mikula said that an amended motion is recommended by staff from the original motion made at the Committee of the Whole meeting of June 9. She indicated that the change relates to total transfers of $1.2 million for street purposes to be split evenly between the Capital Projects Fund and the Motor Fuel Tax Fund.

Trustee Rosenberg asked for an explanation of the proposed amended motion. Mr. Kuehne said that the Board wanted to have more money go to street work than staff had originally suggested. After meeting with Jim Massarelli, Engineering Director, he recommended that the best use of those monies would be to divide them between the Capital Projects Fund and the Street Reconstruction funds. This action achieves the Board's goal of funding street reconstruction, but places the money in two different funds where street projects were awaiting funding.

Trustee John Scaletta moved to approve the proposed transfers from the General Fund of $600,000 to the EAB Fund, $1 million to the Flood V Fund, $1.4 million to the Fleet Fund, $600,000 to the Capital Projects Fund, and $600,000 to the MFT Fund, using projected surplus monies as of the end of FY2014. Trustee Mike Sidor Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .

B. Report of the Committee-of-the-Whole Meeting of July 7, 2014 — Approved

Consideration of recommending to the Liquor Commissioner the issuance of a Class "B" & Class "T" Liquor License to Joe Caputo and Sons AH, Inc., dba Joe Caputo and Sons, located at 325 E. Palatine Road

Trustee Joe Farwell moved to approve. Trustee Robin LaBedz Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .

C. Report of the Committee-of-the-Whole Meeting of July 7, 2014 — Tabled

Use of public sidewalks for outdoor dining cafe for Salsa 17 Restaurant - 17 W. Campbell

D. Report of the Committee-of-the-Whole Meeting of July 7, 2014 - Interview of Christopher Laughlin for Appointment to the Arts Commission — Approved

X. CONSENT AGENDA

President Hayes administered the Oath of Office to Mr. Laughlin.

Trustee Thomas Glasgow moved to concur with the Mayor's appointment of Christopher Laughlin to the Arts Commission with a term ending term ending 4/30/17.
Trustee Joe Farwell Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .

This Agenda consists of proposals and recommendations that, in the opinion of the Village Manager, will be acceptable to all members of the Board of Trustees. The purpose of this Agenda is to save time by taking only one roll call vote instead of separate votes on each item. Consideration of this Consent Agenda will be governed by the following rules and procedures prior to roll call vote:

1. Any Trustee who wishes to vote "no" or "pass" on any Consent Agenda items should so indicate.
2. Upon the request of any one Trustee, any item will be removed from the Consent Agenda and considered separately after adoption of the Consent Agenda.
3. Citizens in the audience may ask to remove any item on this Consent Agenda.
4. One roll call vote will be taken and will cover all remaining Consent Agenda items.

CONSENT OLD BUSINESS

CONSENT APPROVAL OF BIDS

A. Sodium Chloride (Road Salt) Purchase — Approved

Trustee Robin LaBedz moved to award a contract to North American Salt Co., in the amount not to exceed $268,272.00 for the purchase of Sodium Chloride for the FY 2015 winter season. Trustee Bert Rosenberg Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .

CONSENT LEGAL

A. A Resolution Approving an Agreement with Northwest Community Hospital (use of space at the Senior Center) — Approved

Trustee Robin LaBedz moved to approve R14-022/A14-039. Trustee Bert Rosenberg Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .

B. An Ordinance Amending Chapter 19 of the Arlington Heights Municipal Code (Adding applicability to alternative nicotine products) — Approved

Trustee Glasgow confirmed that if the definition of alternative nicotine changes that the Village Code would amend its definition as well. Ms. Ward said that it would be modified if needed. The current definition of alternative nicotine is in accordance with the State law.

Trustee Robin LaBedz moved to approve 14-031. Trustee Bert Rosenberg Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .

C. U.S. Route 14 and Wilke Road Intersection Improvements — Approved

Trustee Robin LaBedz moved to approve R14-023/A14-041. Trustee Bert Rosenberg Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .

CONSENT PETITIONS AND COMMUNICATIONS

A. Bond Waiver - Cross & Crown Lutheran Church — Approved

Trustee Robin LaBedz moved to approve. Trustee Bert Rosenberg Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .

B. Bond Waiver - Arlington Heights Senior Center, Inc. — Approved

Trustee Robin LaBedz moved to approve. Trustee Bert Rosenberg Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .

CONSENT REPORT OF THE VILLAGE MANAGER

A. FY2015 Budget Encumbrance — Approved

Trustee Robin LaBedz moved to amend the FY2015 Budget to include prior year encumbrances in the amount of $3,046,057. Trustee Bert Rosenberg Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .

B. Settlement - Workers' Compensation Claim - Utterback — Approved

Trustee Robin LaBedz moved to approve the settlement of $10,688.25 for Benjamin Utterback's worker's compensation claim. Trustee Bert Rosenberg Seconded the Motion.
The Motion: Passed

XI. APPROVAL OF BIDS

XII. NEW BUSINESS

Trustee Thomas Glasgow moved to move the Building Code Review Board Request and the Quinlan & Fabish Request ahead of the Hickory/Kensington TIF discussion. Trustee Robin LaBedz Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .

A. Building Code Review Board - Proposed Code Amendment to 2009 International Fire Code, Chapter 46, Section 4603.6.6 — Approved

Trustee Scaletta explained that the Building Code Review Board had adopted more restrictive language than the 2009 International Fire Code for section 4603.6.6 of Chapter 46. Subsequently the BCRB realized that the proposed retrofit program for fire alarm systems in R-2 occupancies could place a financial burden on many multi-story property owners, including some affordable housing buildings, for a requirement that was in excess of what the International Code Council deemed was necessary. By adopting this Code amendment, the number of affected buildings would go from 442 to 85.

Trustee Rosenberg asked if there would be any exceptions that would be allowed. Trustee Scaletta said there is an appeals process, however it is difficult to receive an exception. Current owners have five years to comply.

Trustee Thomas Glasgow moved to approve. Trustee John Scaletta Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .

B. Quinlan & Fabish Music - PC#14-012 59 W. Seegers Rd. — Approved

Mr. Thomas Moffitt, attorney for Quinlan and Fabish, said they are requesting a Land Use Variation to allow for retail sale of music instruments in an industrial location. There will be no change in the character of the neighborhood or the traffic. They are fully supportive of conditions.

Trustee John Scaletta moved to approve. Trustee Jim Tinaglia Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .

Trustee Thomas Glasgow moved to move the Request from Housing Authority of Cook County Regarding Goedke House Renovations to New Business. Trustee Joe Farwell Seconded the Motion.

The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .

C. Request from Housing Authority of Cook County Regarding Approved Goedke House Renovations

Mr. Perkins explained that the Housing Authority of Cook County has approached the Village with a request of financial support for an extensive remodeling project at the Goedke Apartments. As the Housing Authority is seeking loan and grant funds for the project, Cook County has indicated that a condition of providing County CDBG funds would be that the Village co-invest with the County. This $50,000-$75,000 investment would come from the Village's CDBG funds. The use of these funds could lower the funding available for the Single Family Rehab Program or other construction projects that may be submitted in FY 2016. However, by allocating these funds the Village would leverage an approximate $6 million investment and renovation.

Jessica Poirier of the Cook County Housing Authority said that the apartment building was constructed in 1978 and the Housing Authority would be able to do so much good work with this money.

Trustee Glasgow asked if by granting this request, other potential requests would be significantly impacted. Mr. Perkins said that the program has some extra program income currently, which makes a little more money available. Also, it's possible that the funding request would come at the same time the Senior Center debt service is retired meaning that $150,000 would be available for these kinds of programs. However, it is also possible that some housing programs would be slightly reduced for one year. At this time, it is unknown if any agencies will be seeking construction project money. Trustee Scaletta clarified that this is a one time commitment only. Ms. Poirier said construction would occur at the end of 2015 or the beginning of 2016.

Trustee Farwell said that $50,000-$75,000 is a standard amount for a multifamily project and that the Village has often approved such an amount for rehab loans like Cedar Glen and other privately held properties. Bricks and mortar are easier to fund. Service projects are harder to fund. This is a good project and a fantastic way to leverage the Village's CDBG dollars.

Trustee Thomas Glasgow moved to authorize forwarding a Conditional Commitment Letter to the Housing Authority conditionally pledging an amount of $50,000-$75,000 in CDBG funds from the Village's FY2015 or FY2016 funds subject to the stipulations made in the correspondence. Trustee Joe Farwell Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .

D. Hickory/Kensington TIF Redevelopment Plan - PC14-010 Approved

Ms. Mikula said the Board is considering the Hickory Kensington TIF Redevelopment Plan and Ordinances establishing a Tax Increment Finance District. In 2012 the Village held public meetings with property owners and nearby residents to discuss the Hickory Kensington Area Plan. Then Plan, which was approved by the Village Board in January of 2013, recommended the evaluation of the use of Tax Increment Financing to provide a mechanism to assist with redevelopment. On June 11, 2014 the Redevelopment Commission recommended approval of the Hickory Kensington TIF Redevelopment Plan & Project and Ordinances establishing a Tax Increment Financing District.

Mr. Enright explained the chronology of public meetings which resulted in the Village Board's approval of the Redevelopment Plan and the rezoning of the properties. As part of the Plan, a vision statement was developed: *To create a vibrant, mixed use neighborhood which compliments the Village's downtown area, provide new housing and commercial opportunities in a walkable pedestrian friendly environment.* One of the recommendations of the Plan was to investigate the use of a TIF District to encourage redevelopment. This recommendation led to another sequence of public meetings. At some of these public meetings, the issue of eminent domain has been raised. If a TIF is created, the Village has the legal authority to use eminent domain. It does not mean the Village is going to use it.

The process to consider a TIF is extensive and mandated by state law. Mr. Enright gave a detailed description of the process of meetings and subsequent actions. Tonight the Board is considering the Redevelopment's recommendation to create a TIF district. The primary purpose of a TIF is to finance public infrastructure, environmental remediation, demolition of structures, business relocation and land preparation. The goal is to reach out to land owners to purchase property and work with businesses on finding new locations. First the Village would work with developers on concept plans as well as developing costs for a project. Then developers would reach out to land owners to acquire property. Incremental projections about how much money would be generated, which informs how much money would be available to assist with public increments, and eligible costs would then be made. After that, the Village would work with the developer to create a development agreement, zoning entitlements and the necessary approvals.

Mr. Bob Rychlicki from Kane/McKenna said that a TIF is a supplement to the planning process and one of the few tools left for development. Property within or outside of the TIF is assessed uniformly and taxed with the same tax rate. The distribution of tax increment in relation to any increase over base value is what is captured by the TIF and used for some of the costs in the Plan. Certain standards must be met for the area to be eligible for a TIF. A TIF Conservation Area has to have 50% or more of the buildings in the Hickory Kensington area are 35 years in age or more, plus a combination of 3 or more of the 13 qualification factors set forth in the TIF area. This area has 100% of its buildings over 35 years old and has 6 factors present. The factors present are: obsolescence, deterioration, inadequate utilities, deleterious layout, lack of community planning, and declining EAV. Most of the buildings were built prior to the Village having a comprehensive plan. A TIF is a general framework for economic development. It is not a detailed blueprint plan or a document which mandates expenditures.

The base EAV in the Hickory Kensington area is \$9,636,936, with the creation of a TIF, there is a projected increase of \$30 to \$40 million dollars in EAV. A 23 year budget period allows for specific allocations for approved expenditures. These monies cannot be used to construct new buildings but can be used to rehabilitate existing structures. Mr Rychlicki described the categories in the TIF budget. The TIF is reviewed by the Joint Review Board each year.

Peter Calandra, 407 S. Evanston, has had a glassblowing business for 35 years. He asked for the Board to vote no on this TIF because it's just a bunch of numbers. It doesn't tell him what he is going to be able to do. Property values have gone down. Buildings have sold recently around him and the prices are increasing. There is no way for him to judge where he's going. He said someone is dealing the cards and he can't see them. He'd like real numbers.

Bob Heller, 546 Balmoral Lane in Inverness, asked the Board to vote no on the TIF district. He asked for his letter to the Board be included as part of the record (Exhibit A). He said he has been supportive of process, the plan and rezoning, not really understanding that this would become a TIF District. He received continued assurances that Heller Lumber could continue its operations if they desired. He appreciated the reaffirmations that the businesses on Hickory could stay and even re-tenant and was given assurances that his business could continue operations indefinitely. He said it is hard to see how a TIF will be successful if the current businesses stay. He said he was uncomfortable giving the Village the right of eminent domain which it would acquire if the area becomes a TIF. He said he would rather the Board allow free market forces to work. He suggested that if the Board is unable to vote it down, that the vote could be postponed until a transition plan could be put forth.

Winifred Heller, 1512 N. Lincoln Ct, said 8 years ago upon the death of her husband she became the owner of Heller Lumber. Her children are the fourth generation to run the business. It has been in this location for 91 years. She said Heller Lumber has always supported the Village whenever asked. It has given to the Historical Society, District 25, District 214, Frontier Days, The United Way and the Boy Scouts. In 91 years Heller Lumber has survived two recessions, they are still recovering from this last one and the business does not have the means to relocate at this time. A move would jeopardize her livelihood, her children's livelihood and that of their 14 employees. After almost a century of support of the Village, she asked the Board to please support Heller Lumber and vote no for this TIF.

John Garb, 77 S. Evergreen, is an architect. He said he has worked on numerous TIF projects in Chicago. He recommended that the Village let the site develop organically. He said that cities which adopt TIF's grow more slowly than those that do not. Mr. Garb asked for a study by Richard Dye and David Merriman on the effects of Tax Increment Financing on Economic Development to be entered into the record (Exhibit B). There are also over 180 signatures on an online petition in opposition to this TIF.

Bob Arnold, 625 S. Newbury Pl. said he has been a resident since 1967 and is here to support Bob Heller. He cited court case-*Fellow vs City of New London*. He said the property was planned to be a Phizer Corporation Research Lab. Properties were condemned in 2000. A court cased on Eminent domain was decided in 2005. Today the land is vacant and used as a temporary dump. He said there is a risk with a TIF District of this magnitude. He said he was not questioning the intentions of that Board nor this one, but rather suggested that the risk of change could derail this plan. He asked for the Board to allow market conditions to dictate the redevelopment of this area.

Keith Moens 636 S. Cleveland asked the Board to vote no on the proposed TIF. He said that granting TIFs subsidizes the developer crowd, and then the taxes then come back onto the backs of the citizens. He noted that the Village's tax percentage on tax bills is now 12% where it used to be 10%. Homeowners are 65% of the EAV and they need the tax relief. He asked if the open market is not developing the area how is a tax break to the developer crowd going to make a difference. He said let the market develop the area. He said there is a difference between tax breaks and another "build it and they will come" project. There are excessive vacancies in the Downtown and this could be more of the same. He said he believes downtown Arlington Heights would have developed without a TIF. There are a lot of studies that show that even though the EAV within the district grows under a TIF the overall municipality EAV is slower.

John Ciffone, 814 E. Wing Street, said he is a Board member of Arlington Crossings townhome development of 60 homes and a resident since 1957. The Arlington Crossings Board is in support of the TIF. He asked for the Board to vote yes and jump-start some new development in the area. He said it is a high profile area that is pretty much blighted. He said the area does not represent what Arlington Heights could be. He said the Arlington Crossings Board would like to see the Dryden Apartments remodeled. The residents should be able to stay but they should not have to live in a slum. Beverly Lanes could use a facelift.

Steve Pollard 325 S. Wilshire Lane a 51 year resident, said he is in opposition to the TIF plan. He said it will have a negative and devastating affect on the businesses in the district. The Village will also experience a loss of sales tax revenue by moving the businesses out. He said he was not in favor of using Village tax revenues to fund speculative development, as this was better left to market forces.

Dan Hidding 77 S. Evergreen & 4 N. Hickory the former site of Dana Molding Products said the real question is; what will a TIF do for the community. Years ago the

Village wouldn't let the Charles Bruning Company put their plant in Arlington Heights so it went to Mt. Prospect. He is in favor of a TIF for this area. Last week he had one offer for this vacant property and another group contacted him to ask about it. The potential of TIF is what brought these buyers forward because a TIF brings people who are willing to come in and start doing something. A TIF encourages development. He said he would benefit under a TIF. They are good for attracting what you want to attract and increasing profits. Taxes are still paid and most of the tax money really goes to the schools. If the Village puts in residents there, there will be a lot more tax dollars coming in which ultimately alleviates tax pressures. A lot of questions still have to be answer, but look friendly on the TIF. The area needs the infrastructure and redevelopment.

President Hayes said the Board values resident input on everything they decide. This is not a referendum on Heller Lumber or any business in the proposed district. The Board is in the position to attract and retain businesses. The last thing the Board wants to see is the loss of Heller Lumber or any existing business. The Village values Heller Lumber as a strong community partner. The Board's obligation is to put land to its highest and best use. Hopefully, a win/win situation can be put together.

Trustee Rosenberg asked how existing businesses can stay. **Mr. Enright** said the Master Plan references relocation and redevelopment. It shows a mixed use development with 3-5 story buildings. Some would be residential only. The intent is to relocate a lot of the businesses. Some may be able to be incorporated in a new development project like the bowling alley or Cassidy Tires. There have already been preliminary discussions and sites visited. Some business will be retained. With redevelopment, structures need to be taken down for redevelopment to occur. The intent of the Plan is not for most businesses to stay. There is $12 million budgeted for relocation. The Budget is rough and the numbers put forth are estimates. Most of the money goes to extensive public improvements like water detention, sewers, and rebuilding roads. Each business will be handled on a case by case basis. When a developer comes forward, then the exact costs can be determined. The existing rail line would be removed.

Trustee Rosenberg cited the report number which showed that the Village's overall EAV has gone down 16%, but the Hickory Kensington area has gone down over 40%. So, over the past 5 years it has experienced over twice the decline over other areas in the Village. This is what's happening as this area has been "redeveloping on its own." This decline is the reason the Village is looking at redevelopment. The Board is business friendly and will help to relocate and rehabilitate to keep businesses in the area. The overall goal is to create a more business friendly environment and shore up the tax structure within the Village, rather than have buildings sit empty year after year. Ultimately, this would get taxes to a lower level. TIF is a good tool to use, eminent domain is rarely used.

Trustee Blackwood said that relocation and eminent domain seem to be the main concerns of the speakers. The Village rarely uses eminent domain and if it is invoked, the Village does not take property at a deeply discounted value. Two appraised values are put forth, one from each party and a discussion occurs to make sure something is equally agreed upon. She restated that $12 million is devoted to relocation. She asked what locations had been looked at for the lumber yard. **Mr. Perkins** said that there was one that seemed a possibility. The goal is to primarily look for a site by the rail because of the monthly deliveries. He said he would like to have a win/win and keep Heller Lumber here, the business generates good sales taxes and the Village would like to keep that.

Trustee Blackwood said the third phase is when relocation would occur. Each site would be worked on a project by project basis. **Mr. Perkins** said it will take several years for a developer to put a plan together. Along Arthur there is 42,000 square feet available for small businesses. There are some larger spaces that can accommodate 30,000 square feet. The rollout timing hinges on developer interest and tax increases over time, there is no predicted schedule. This is a long term vision and could take many years.

Trustee Farwell said the New London case, was really a case specific to eminent domain. There is relocation here, but eminent domain has not been spoken of in respect to this plan. Instead, the Village is trying to create an environment in which free market development can thrive. He noted a number of local businesses that stayed and thrived in the Downtown TIF Districts. It is not a forgone conclusion that the Board is going to bulldoze buildings and take property with eminent domain. The Village doesn't build the buildings, the developers do, so the "build it and they will come" phrase does not apply. He asked Mr. Rychlicki to review how the area qualified as a TIF.

Mr. Rychlicki said the structures were evaluated and 100% of the structures in this area are 35 years old or greater which makes the area eligible under the conservation criteria. The area also qualified for the TIF under the following criteria: deterioration of structures and site improvements, obsolescence (like the Dana Molding plant), inadequate utilities, lack of community planning, stagnant EAV, and deleterious layout. The area is in absolute decline based on the threshold factors. There have also been many cases for tax reduction made to the County from property owners in this area. Site surveys were conducted and each parcel was evaluated.

Trustee Sidor asked which properties need to be redeveloped for the success of the project. **Mr. Perkins** replied that the former Dana Molding site, the Mariano's parking lot and the Heller Lumber site are the most logical to redevelop. Heller Lumber is the most critical businesses to retain and also the most challenging to relocate. The Mariano's parking challenge also needs to be addressed. That block is ripe for redevelopment but will also have the highest cost to deal with. The triangle piece would be second. **Trustee Sidor** clarified that 24 businesses would be affected (130-135 employees) and asked if new homes can be found for all of them. **Mr. Perkins** explained that Dana Molding wanted a larger facility with access to the expressway and got it in a Carpentersville TIF District. Mr. Perkins said that new locations will be found for these businesses once a developer is interested and makes a proposal, at that time the current inventory of locations is assessed for suitability. These changes are predicated on a proposal from a developer and that may be years away, so it is difficult to predict. **Trustee Sidor** asked how Heller Lumber would be accommodated. **Mr. Perkins** said the Village will try very hard to find a way to keep them in Arlington Heights. It is important that the business stays close to the rail. Heller Lumber has been here 91 years and it is important to find a home for them. **Trustee Sidor** said he likes the plan for the area and hoped that the Village would not use eminent domain. He would like to see a win/win situation. Redevelopment would be good, but he wants ensure that TIF monies are used to relocate the businesses.

Trustee Scaletta said that when Lattof closed, it was a huge concern. Fortunately Mariano's came in and sparked development of the area. Some have said "wait and see what happens," but all these buildings and infrastructure are 35 years old or more. It's been said this is a tax break for developers but TIFs are used for utilities, to clean up the land and business relocation. The Village needs to take care of the soil, as many things have gone into it and end up in the groundwater. Has the Village rushed into this? Back in July of 2013 the Board was asked to approve Phase 1 and 2 at the same time, but out of caution the Board chose to fund Phase 1 only. After the Board had the opportunity to review Phase 1, which demonstrated that the area qualified for a TIF, Phase 2 was approved. There was no rush. There were no objections from Mr. Heller during this process. Trustee Scaletta said he understood that more information sometimes changes opinions. Eminent domain is not for taking away property, it's there for the one guy who ups the price of his property thinking he won the jackpot and is holding up the development. Many meetings have been held; some of them lasting several hours, and all questions have been answered. After these meetings, the Plan Commission reviewed the TIF and the taxing bodies approved. There have been objections to other TIF Districts from taxing bodies in the Northwest Suburbs. Getting all the taxing bodies to agree is no small thing. The State Legislature agreed. The Village has been prudent, and there has been no rush to judgment, some of the comments received have not been fair. No developer is getting rich. Developers have to use their money to pay to upgrade the area to provide for the development they are creating. No one is going to develop this property as it is today because of the cost to redevelop the infrastructure.

Trustee Tinaglia said he would never vote for eminent domain unless the property owner thinks they are a lottery winner. He said the Village works hard at retaining and bringing businesses in. This area has had a Bank, a Jewel food store, a Browns Chicken; this is a property that has changed from time to time. It's a poorly laid out area surrounded by residential properties with some long term outstanding businesses. Because of the talk of a potential TIF, these property owners will be in a position to get out of properties they have been unable to sell if they want to. It is not the Board's purview to kick businesses out. Change is hard to embrace, but is often very good and the Downtown is a good example. It wouldn't be what it is today without a TIF. The issue is not about Heller, which could probably go another 91 years; it's about the rest of the area. Think of all that could be lost if the village doesn't do this, it could be so much more exciting than it is right now. He said he hated the idea that something could be negative toward a family or a business. The Board, as a group, need to help these businesses in every way possible. Some property owners want out, and this is their exit strategy. For those that don't want out, we will do everything we can to help you.

Trustee Labedz said this may be difficult for those who have just become aware of the Redevelopment Plan. She said the Village did not rush into this process and she was on the Plan Commission when they saw the beginnings of this process years ago. Many hours have been spent at meetings in these past two years and there has been no rush to review this. Some comments were made saying the Downtown development would have happened without a TIF. She noted that downtown used to be empty and except for train activity, there was not much happening. Now, every weekend night is bustling. That would not have occurred without a TIF. Many people were against the Downtown TIF, and many of those same people are now some of its most ardent supporters. She said the Board is committed to helping the existing businesses in the best possible way. There is a strong pro-business environment in the Village these days. Eminent domain has never been a big part of the discussion, but in the event it is invoked, a public hearing process would have to occur. It would not be something that happened behind the scenes. **Mr. Perkins** said that eminent domain is not being considered, but it is an available tool, so the Village was being transparent by disclosing it as it would be allowed under the Statute. But at no time has it been considered.

Trustee Glasgow said with the numbers put forth the plan makes common sense, is logical and a good idea.

Trustee Scaletta asked Mr. Enright to review the boundaries of the TIF Distrct. Mr. Enright explained that the TIF District had different/smaller boundaries than the Hickory Kensington Area Plan and stated that the Park District property was included in the TIF District as it may be used for underground storm water detention.

President Hayes said he was committed to keeping all of the businesses. He said the Village will continue to work with them and was looking for a win/win situation. He said it can be achieved with the property owner's help. He thanked the residents for their attendance and input, and said he took their concerns seriously.

Trustee Thomas Glasgow moved to approve. Trustee John Scaletta Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .

XIII. LEGAL

A. An Ordinance Amending Chapter 13 of the Arlington Heights Municipal Code (Making available Class "B" and "T" liquor licenses) — Approved

Trustee John Scaletta moved to approve 14-032. Trustee Thomas Glasgow Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .

XIV. APPOINTMENTS

XV. PETITIONS AND COMMUNICATIONS

XVI. REPORT OF THE VILLAGE MANAGER

XVII. ADJOURNMENT

Trustee John Scaletta moved to adjourn. Trustee Jim Tinaglia Seconded the Motion.
The Motion: Passed
Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact David Robb, Disability Services Coordinator, at 33 S. Arlington Heights Road, Arlington Heights, Illinois 60005, (847)368-5793 (Voice), (847)368-5980 (Fax) or drobb@vah.com.