



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

May 13, 2019

7:00 PM

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL OF MEMBERS

President Hayes and the following Trustees responded to roll: Rosenberg, Padovani, Schwingbeck, Tinaglia, Baldino, LaBedz, Scaletta and Canty.

Also present were: Randy Recklaus, Robin Ward, Bill Enright, Charles Witherington-Perkins and Becky Hume.

IV. APPROVAL OF MINUTES

A. Village Board 05/06/2019

Approved

Trustee Jim Tinaglia moved to approve. Trustee Tom Schwingbeck
Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Canty, Hayes, LaBedz, Padovani, Scaletta, Schwingbeck,
Tinaglia

Abstain: Rosenberg

V. APPROVAL OF ACCOUNTS PAYABLE

VI. RECOGNITIONS AND PRESENTATIONS

VII. PUBLIC HEARINGS

VIII. CITIZENS TO BE HEARD

IX. OLD BUSINESS

X. CONSENT AGENDA

CONSENT OLD BUSINESS

CONSENT REPORT OF THE VILLAGE MANAGER

XI. APPROVAL OF BIDS

XII. NEW BUSINESS

- A. Election of President Pro Tem Approved

Trustee John Scaletta moved to concur in the President's appointment of Bert Rosenberg to President Pro-Tem. Trustee Jim Tinaglia Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Canty, Hayes, LaBedz, Padovani, Rosenberg, Scaletta, Schwingbeck, Tinaglia

- B. Arlington 425 - Highland/Campbell/Chestnut - Approved
PC#19-001
Planned Unit Development, Preliminary Plat of
Subdivision, Rezoning from R-3 to B-5, Land
Use Variation to allow a Multi-Family use within
B-5 District, Variations

Trustee Tinaglia said his firm is the architect on record for this project so recused himself and left the room.

President Hayes explained this project was scheduled for a vote on May 6, but because of the Housing Commission's call for a second meeting, the discussion was pushed over to today. Because of some planned absences by staff and the Board, it was better to address the project now versus late in June. The meeting notification meets the legal notice requirements. In addition to this meeting, there have been ten public meetings on this project prior to this evening. All the details have been published on the website beginning in October of 2018 and there have been 9 social media posts regarding this project.

Project Overview

Bruce Adreani, of CCH LLC, said he purchased the property in 2000. He

had hoped to bring something forward sooner, but there were economic and market challenges. The downtown has evolved as has this project. The objective is to continue the spirit of downtown.

Mike Frisel, attorney for the project, explained the project encompasses three buildings, with a 565 space parking garage. It's a mixed use development. The Master Plan calls for a B-5 development which is what they are requesting the Board to approve. There are 17 lots that they wish to consolidate into one. They are not seeking any variances for density, height or parking. They are providing 111 extra parking spaces over what is required. This costs \$3.1 million. They are also absorbing the \$750,000 cost of ensuring the integrity of the Vail Street garage. They are fully in accord with all of staff's recommendations.

Rob Losselyoung of Tinaglia Architects reviewed the Arlington 425 site plan and buildings. All three buildings have rooftop amenities. There is an underground tunnel connecting the Highland and Campbell buildings. There is a dog walking area at the south end of the Highland building. The parking in the Chestnut building is separate from the parking garage on Highland.

Deb Smart from Briarwood Management explained it was unique for property managers to be involved before a project is built. Resident parking will be on the top three floors of the Highland garage with a separate entrance/exit. The remaining 160 spaces on the lower level will be for guest, employees, office tenants and valet parking. There will be fobs for access to resident floors and parking floors and a full time parking attendant in the garage. Licensing of all autos and dogs will be required. There will be firm move-out/in schedules. All new tenants will have a building and site orientation. There is a loading dock off of Highland and complete off street move-in/move-out capabilities. All deliveries will be off street with three loading zones for deliveries. There are passenger pick up spaces as well.

KOLA preformed the traffic analysis. They propose a 4 way stop at Highland and Sigwalt and a three way stop at Highland and Campbell. The study results said stop signs at Chestnut/Campbell and Chestnut/Sigwalt were not warranted.

The goal is to make this a LEED Certified project. There will be green spaces on the roofs, multiple trees and a full landscape plan. All utilities will be underground. Utilities required on the surface will be screened. They will use permeable pavers that are strength certified for fire trucks. They are using non-glare glass on the Highland building. There will be charging stations in the garages.

The economic projections were given with an expected \$5.2 million in generated spending. Staff estimates the real estate taxes will be approximately \$1.5 million. The project includes office space to help provide lunch customers to the downtown restaurants. They are courting a

high-end dining restaurant.

Phase one includes site development work and the Highland building/parking garage. The Campbell building would begin next. The Chestnut building will be last. The start would probably not be until spring of 2020.

Mr. Perkins said one of the Board's strategic priorities was to develop Block 425. This would have a positive long-term economic impact. Through the many public meetings, staff listened to the residents and business community to incorporate as many recommendations as possible. There is underground storm water detention.

Variations

The variations are: allow dwelling units below the second floor on Chestnut, allow a 7' setback on Chestnut, allow a 12.2' set back on Chestnut, allow a 12.9' setback on the southern lot line, waive the requirement for a 6' solid screen along the southern property line and allow a 50' right of way for a local street.

Parking & Traffic

Eighteen on street parking spaces will be lost. The intersections have a variety of recommended improvements including bump outs and the relocation of a fire hydrant to make pedestrians safer. The Village can always reevaluate its traffic control and has complete control over these streets.

Affordable Housing

Please note that Staff recommends 18 affordable units with a payment in lieu of 9 additional units. Also, Staff recommends that preference be given to current Arlington Heights Residents and/or veterans of the United States Military for the affordable units. In 2003, the State of Illinois passed an Affordable Housing Act to keep 10% of the Village housing mix of its units as affordable. The latest count reveals that 19% of the available housing is affordable in the village.

Village Impacts

Arlington 425 has underground water storage for 40,000 cubic ft. of storage. The Village is currently putting in a \$3.5 million dollar storm water improvement project which will benefit this block and the neighboring blocks. Sewer line capacity is being vastly increased for the entire area.

Staff has met with ComEd and the existing grid can handle this development. The population will not impact the Village's emergency response as the increase in residents will be less than half of a percent of our population. The beat structure does not need to increase.

Some of these buildings are higher than the Downtown Master Plan calls for. Eight story buildings were recommended, however, in order to make the Chestnut building smaller and more of a transition to the neighborhood,

the other buildings got bigger. The extra parking added height to the Highland building. The Board was clear that this project could not place an undue burden on parking, so trade offs were made.

Using data and census information it is predicted the development will house approximately 523 residents. The development meets the density or building height requirements. Based on the school district's formula, it is estimated that there would be 32 children, but in looking at actual examples like Dunton Tower it may not have anywhere near that number. There will be 100 plus construction people working in the Village for 3-4 years. There will be 50 full-time jobs and 75 part-time jobs created in the businesses in the project.

Resident Response

Residents Arlen Gould, Jon Ridler, Ted Eckhardt, Lauree Harp, JoAnne Gunderson and Jerry King asked the Board to support the project. They cited the increase in Downtown excitement, tax dollars for schools, increased customers for Downtown businesses, sustainable materials being used, thoughtfulness of Boards and Commissions' reviews, consideration of parking and loading issues, the need to fill the vacant lot with something vibrant, and the benefits of the previous developments.

Concern was expressed that if the project didn't move forward, Downtown development could be further delayed by future economic struggles. There was opposition when the Downtown was initially Developed, and now the Village is a model for other communities. Prior to the Downtown development the Village was not the shining star it is today.

It was also stated that the affordable housing requirement is a mandated tax. This tax will mean less development. It was suggested that if the community wants affordable housing, the residents should put up the money. The question should be put to the residents. It was pointed out that the Village doesn't require any other businesses to accommodate people who qualify for affordable housing.

Dawn Frenzel, Geri Wasserman and Judith Royal asked the Board to require the developer to provide 27 affordable housing units per the Village's policy. They were not against the development, but advocated to help those who need affordable housing saying brick and mortar is always more important than the money. Affordable housing is important for seniors, public servants, and those with disabilities to live in the community they know and love.

Kari Dwyer and Dolores Georg asked the Board to reject the project saying it was too dense and too tall. They asked for the Board to follow the Comprehensive Plan for this block which had a limit of 8 stories to truly create a transitional block. There was a petition with 300 signatures in objection to the current proposal. Concern was expressed that the intersection of Campbell and Chestnut was unsafe already, so won't be safer later. There was concern that the project was never reviewed for

harmony with the neighborhood by the Plan or Design Commissions.

Robert Schmidt agreed that the proposal was too tall. He asked that delivery trucks keep the sidewalks and streets clear for traffic.

Board Discussion

President Hayes said the Housing Commission accepted the staff recommendation of 18 affordable units with a payment in lieu of 9 additional units but also send a motion with a preference for more affordable units. He said all of us would prefer the project to have more affordable units, but the developer has come forward with a reasonable proposal. It is not the Board's job to put the entire burden on affordable housing on the developer. The Village wouldn't have what it has Downtown without the vision and forethought of those who came before. It took political courage. There was opposition to Dunton Tower, Hancock Square, North Vail, the Metropolis Condominiums, Village Green and Evergreen. The Board needs to keep the best interest of the community in mind regardless of the political consequences.

Trustee Canty recommended that the developer and staff continue to work with Comed to make sure they do work in the area if it needs it. Affordable Housing is an issue important to her. She said what came back from the Housing Commission was confusing. She said the project was a great development that could do wonderful things for the Village. That being said, she needs to know she has done everything she can. She asked if the developer was open to including one parking space to those who need affordable housing who might not be able to afford the cost of the parking space. Mr. Frisel said the cost of the parking garage is in excess of \$15 million. They have to include revenue for the parking in the income stream for the project in order to build it. He said they discussed a concession as it relates to the parking. Up to 18 units those living in affordable housing would be charged 60% of what the normal parking rate would be. That will not cover the cost, but to have someone pay \$900 for a unit and \$120 for parking defeats the purpose.

Trustee Scaletta said the Board needs to keep Downtown vibrant and he was supportive of the development. He said he would like the Village to be more proactive in coming up with a traffic plan instead of reacting to it. He said he can't agree with every request from the neighborhood, the ones key to keeping harmony will help their acceptance of the overall development. He asked how the developer will monitor parking and enforce employee parking in the garage. Mr. Frisel said it was their intent to make it a part of every lease that the employees are required to park in the garage. Cars will be stickered and watched. The rates will be attractive so it won't be cheaper to park anywhere else. Trustee Scaletta said they should have it be in their rent. Trustee Scaletta said he needs to make sure they are where they are supposed to be. Mr. Frisel said they agree and want to lessen any congestion. They want to make sure the employees park there too. Employee parking will not exceed the cost at the Vail garage. Trustee Scaletta asked how long can customers be in the parking after dinner. Mr.

Frisel said the only entrance to non-residence spaces will be through the roundabout. There will be a gate, there is a ticket. The ticket will come with a fee unless you have a stamp from a retailer or employer or coupon that will get you out. People will pay more if they are not going to a business where they can get a stamp. These stamps will not have a time limit. It will either be free or paid for by the business. The plan is for valet but the market will drive it. Parking is mostly included in overhead of the business. Mr. Recklaus said its staff's condition that customer parking shall be free and it's the petitioner's obligation to enforce. Mr. Frisel agreed. They are just trying to make sure there is no commuter parking in the garage, so have set a limit of 4 hours.

Trustee Scaletta liked that the development is LEED Certified. He asked how we can be sure the 3rd building gets built with the economy fluctuations. Mr. Frisel said they cannot guarantee it but unless they build that building the project loses money. They are upfront paying for the parking for the entire project and 100% of the infrastructure and utilities. The incentive to complete it is to break even.

Trustee Scaletta said when the affordable housing guidelines were created, he was not on the Board. Over the years it has come up several times. He said when asked why the units can't be provided, the reason has been because of bank financing. Banks have a difficult time going into things without anything. It is hard to lock a rate, let alone secure financing for a major development. Affordable Housing is an important goal to strive for. He said he knows a teacher that bought an affordable unit. They are great for people starting out and those downsizing. It's important. No community around the Village has any guidelines or an ordinance on Affordable Housing. Because that doesn't exist, we have to do everything we can do to have developers come here at all. It creates hurdles when dealing with the banks. If developers make 5% of the units affordable, the other 95% of the renters are paying the difference. That is not going to be realistic in this market place. He said he was supportive of the 5% and 2.5% fee in lieu of. He said the Village needs to be more firm on our goals. Housing stock is improving. We as a Board have struggled over and over again. Affordable Housing is important but it's hard to get the message out there.

Trustee Scaletta addressed the character of the neighborhood and said although residents don't specifically say those words, he thinks they are talking about the traditional look. He said the development transitions to more modern and it doesn't have to match, but needs to compliment the area. Some don't like the look of the glass, but he thinks it is appealing. The project is traditional in nature, but be a little more contemporary. Not everyone wants of the same thing. He said he was supportive of it and willing to make the motion.

Trustee LaBedz asked about recycling. Ms. Smart said they have a comprehensive recycling plan. Every floor has a trash chute and segregated buckets. Trash is taken by waste contractor to a recycling plant. They report

yearly to the Village. Trustee LaBedz asked if the colored glass will help to keep birds from running into it. Mr. Frisel said with the bronzing on the building, there will be no sun reflection and it doesn't appear as if it is nothing there. Mr. Adreani said the tinted glass will help. Trustee LaBedz recommended that they not plant the trees too deeply. Plant them so they will succeed. Mr. Baldwin of Hitchcock Designs Landscape said they will plant correctly. Trustee LaBedz said she remembered the opposition to the Downtown redevelopment. She said it was time to fill this block in. She said all three of these buildings could be 8 stories high. The development is not ideally the step down residents might want but it does step down somewhat. It's a good project, it's not perfect. She said she appreciated the parking solutions. She appreciated Trustee Canty's suggestion for the reduced rates for those 18 units. Trustee LaBedz said affordable housing is important. Because the development is not publicly funded, it is more difficult to have an ideal amount. She said she would rather have 18 than none. More would be nice. She said she was okay with the staff proposal and is in favor of the project.

Trustee Schwingbeck said he wants to do what is in the best interest in the Village. The project will be wonderful for the Downtown and the Village. As far as traffic goes, people find the streets that don't have signs. Residents avoid intersections by driving through neighborhoods. Once you pass Ridge on Sigwalt or Campbell, there is no stopping until you get to Vail. He thinks it is a very good idea to slow people down before they get Downtown to Chestnut or Highland. He liked the preference for Village residents and veterans for the affordable units. Trustee Schwingbeck asked if someone comes in and meets the guidelines, what if someone moves in with them, and the second person makes a good living? How will that be managed? Ms. Smart said there is language put in the lease agreement that requires them to comply based on their salary or household average wage. The resident is not allowed to bring in another person. It will disqualify them. Trustee Schwingbeck said he was in favor of the project.

Trustee Baldino said he was in favor of the stop signs on Highland and Chestnut. Mr. Recklaus said staff is not recommending a 4 way stop at Chestnut/Campbell based on the traffic study. The level of service doesn't warrant it. Trustee Baldino said the development was right sized, and he liked the developer's commitment to affordable housing. He said his initial concern was the 5 and a half stories on Chestnut, now it is down to 4. He said he was willing to have that building come down knowing the other buildings might get bigger. He said the project was well designed, and a great concept. He said he was disappointed in number of affordable housing units and really wanted to see more. Based on the discussions here, 18 units is more than we've seen in some of the recent projects and its 18 more than we would have if it doesn't move forward. He said he was happy about the break in the parking fees. Trustee Baldino said he was supportive of the project.

Trustee Rosenberg asked if 1.3 or 1.5 parking spaces was the standard used. Mr. Perkins said studies show a 1.3 parking to unit ratio. There are

160 nonresidential spaces which cover weekday commercial demand. Based on the developer's parking study and what is happening in other communities, staff thinks this is manageable. There are more, smaller units in this development than we've seen in others. The Staff Report was written before some changes, so the revised plans added 21 more spaces.

Trustee Rosenberg asked what happens if the Chestnut building goes condo. Mr. Perkins said if it changes to condos, parking is a concern. Condition number 26 in the recommendation requires a PUD amendment if they wish to convert. The office parkers during the day will share their spaces in the evening. 7,500 square feet of commercial space is office. Some of the parking can be used for either office or retail. The spaces might be signed office parking 9-5 so in the evening, the shared parking is open. It can be adjusted based on need and usage. Mr. Frisel said they will monitor it and make sure and adjust as needed.

Trustee Rosenberg said the apartment size mix changed. Mr. Frisel said yes, after a market study they changed the mix and unit sizes. They don't see the unit numbers going up because of the limitations on density. Mr. Frisel said they will comply with Village requirements. Trustee Rosenberg said it was a good project. He said he didn't have an issue with the 13 stories, because the parking causes it and it's necessary. He said it was a great design and the Village needs this. Trustee Rosenberg said he appreciated the neighbors' disdain but the Board represents the Village as a whole, not just the Downtown, and looks at what's best for the Village.

Trustee Padovani said the project was well designed. He said the developer listened. Making those adjustments brought the project far. He said he had concerns with pedestrian safety on Sigwalt. Stop signs are a start. Is there anything more that can be done, so that kids can cross in safety? Mr. Recklaus said a lot of steps have been taken, bump outs make it safer, they signal to motorists that they are entering a more pedestrian area. Additional stop signs slow down traffic, however, sometimes people find routes in other areas. We will have to give a second look for a definitive answer. Sometimes when you have too many signs, people accelerate faster. Staff will look at it scientifically. Trustee Padovani asked staff to look at speed on Highland going into town. Mr. Recklaus said staff can do a speed study there.

Trustee Padovani asked if the requirement for developments to be self-parked was new. Mr. Perkins said yes. Metro Lofts paid a fee in addition to their monthly permits and paid some of the cost of the expansion of the Vail garage. Every new project coming forward now has to be self-parked. There are no other opportunities to add public parking. Trustee Padovani said having Affordable Housing in this development for veterans was really important and appreciated. He said the Village needs big projects like this. It needs underused properties to bring in more real estate tax to try to take off some of the tax pressure on our residents. By doing this some of that may be relieved. He said he was in favor of the project.

Trustee Canty said there needs to be a concrete strategy on Affordable Housing so it's clear to staff and developers.

Mr. Recklaus said staff has heard the Board that our current guidelines are inadequate. This is a front burner issue.

Mr. Adreani offered his time and staff time to assist the Village in developing new affordable housing guidelines.

Trustee John Scaletta moved to concur with the recommendation of the Plan Commission for the Arlington 425 project and the Staff recommendation for the affordable housing component. Trustee Bert Rosenberg Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Canty, Hayes, LaBedz, Padovani, Rosenberg, Scaletta, Schwingbeck

XIII. LEGAL

XIV. REPORT OF THE VILLAGE MANAGER

XV. APPOINTMENTS

XVI. PETITIONS AND COMMUNICATIONS

XVII. ADJOURNMENT

Trustee Greg Padovani moved to adjourn at 10:18. Trustee Robin LaBedz Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Canty, Hayes, LaBedz, Padovani, Rosenberg, Scaletta, Schwingbeck