MINUTES
President and Board of Trustees
Village of Arlington Heights
Board Room

Arlington Heights Village
Hall 33 S. Arlington Heights Road
Arlington Heights, IL 60007
October 21, 2024
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: Richard Baldino, James Bertucci, Wendy Dunnington, Nicolle Grasse, Robin LaBedz, Tom Schwingbeck, Scott Shirley, and Jim Tinaglia.
Also present were: Randy Recklaus, Diana Mikula, Charles Perkins, Tom Kuehne, Hart Passman, Michael Mertes and Becky Hume.

IV. APPROVAL OF MINUTES

A. 10/7/2024 Village Board Meeting Minutes

Trustee Grasse moved to approve. Trustee Schwingbeck Seconded the Motion.
The Motion: Passed
Ayes: President Hayes, Trustee Baldino, Trustee Bertucci, Trustee Dunnington, Trustee Grasse, Trustee LaBedz, Trustee Schwingbeck, Trustee Shirley, Trustee Tinaglia
Nays: None

V. APPROVAL OF ACCOUNTS PAYABLE

A.
10/15/2024 Warrant Register

Trustee Bertucci moved to Approve in the amount of $4,720,491. Trustee Tinaglia Seconded the Motion.
The Motion: Passed
Ayes: President Hayes, Trustee Baldino, Trustee Bertucci, Trustee Dunnington, Trustee

Grasse, Trustee LaBedz, Trustee Schwingbeck, Trustee Shirley, Trustee Tinaglia
Nays: None

VI. RECOGNITIONS AND COMMUNICATIONS

A. Presentation of Proclamation for World Polio Day

President Hayes introduced a special proclamation recognizing World Polio Day, October 24th. Our Rotary Club has been very active in addressing this issue not just in our community, but around the world. The Village appreciates the involvement of our Rotary Club and its members and trying to eradicate polio in our time. Trustee Bertucci and Village Manager Recklaus are members and President Hayes is an Honorary Rotarian. The Annual Rotary Santa Run is December 7th and is their primary fundraiser. All are encouraged to participate.

VII. PUBLIC HEARINGS

VIII. CITIZENS TO BE HEARD

Anyone wishing to speak on a subject not on the Agenda should fill out a card, located in the back of the room, and hand it to the Village Clerk. Please limit your comments to three minutes.

IX. CONSENT AGENDA

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 request that the Board remove any item from this Consent Agenda for separate consideration after adoption of the Consent Agenda.

4. One roll call vote will be taken and will cover all remaining Consent Agenda items.

Trustee Tinaglia moved to Approve. Trustee LaBedz Seconded the Motion.
The Motion: Passed
Ayes: President Hayes, Trustee Baldino, Trustee Bertucci, Trustee Dunnington, Trustee Grasse, Trustee LaBedz, Trustee Schwingbeck, Trustee Shirley, Trustee Tinaglia
Nays: None

A. Resolution Authorizing the Village President to Execute an Agreement with Performing Arts at Metropolis

R2024-59 / A2024-60

B. Bond Waiver - Shelter Academy of Light

C. Resolution Approving Contract for Improvements to the Public Works Wash Bay

R2024-60 / A2024-61

X. NEW BUSINESS

D. Resolution Approving the 2025 Water Main Replacement Program Engineering Design, Bid, and Construction Observation Services

Trustee LaBedz pulled the Resolutions regarding Water Main Replacement off the Consent Agenda. Mr. Recklaus said this will be a two-year project where approximately 2 miles worth of water main on Euclid will be replaced. Water main replacement has been a big priority of the Village as our water mains are aging, and we want to eliminate and prevent water main breaks. The plan is to replace the water mains in 2025 and have the road work completed in 2026. This takes coordination with IDOT and the County. Driveway access, parking suggestions, road closures and construction schedules will all be communicated via mail, the website, and social media. Trustee LaBedz noted the project will significantly impact a lot of people, so she wanted to make sure that the residents know about it.

Trustee Tinaglia asked if there were lead lines along the route. Mr. Recklaus said there are about 100 lead water service lines along Euclid as this is the older part of town. The Village will be combining efforts between our water main program and our lead service line replacement program.

Trustee LaBedz moved to Approve R2024-61. Trustee Grasse Seconded the Motion.
The Motion: Passed
Ayes: President Hayes, Trustee Baldino, Trustee Bertucci, Trustee Dunnington, Trustee Grasse, Trustee LaBedz, Trustee Schwingbeck, Trustee Shirley, Trustee Tinaglia
Nays: None

E. Resolution Approving Professional Services Master Agreement for Engineering Design and Oversight Services related to the Annual Water Main Replacement Program - Multiple Years - Public Works

Trustee Grasse moved to approve R2024-62 / A2024-62. Trustee Baldino Seconded the Motion.
The Motion: Passed
Ayes: President Hayes, Trustee Baldino, Trustee Bertucci, Trustee Dunnington, Trustee Grasse, Trustee LaBedz, Trustee Schwingbeck, Trustee Shirley, Trustee Tinaglia
Nays: None

A. Arlington 425 - Sigwalt/Chestnut/Highland - PC#21-002
Extension of PUD and Preliminary Plat of Resubdivision Approvals

Trustee Tinaglia recused himself from the discussion and vote as the petitioner is a client of his.

Attorney Stephen Messutta presented the request for an extension for the Arlington 425 PUD. Developer Bruce Adreani was also present. Mr. Messutta noted that they have allowed the Rotary Club to use their property to stage the Santa Run as an example of their support for the Village's civic community.

Since they first applied for permits in March of this year, they thought they would be able to obtain all three permits, the final plan approval, and several other agreements in order to begin work. Since that time, many things have happened and more time is needed.

Staff has suggested May 6 because they agree that it could take that long to work through some of the final issues. Because this site is constricted by being Downtown, it's complicated. As an example of the complexities, he noted they originally planned to have a gateway sign on the northwest corner, but there are so many utilities underground, we can't put it there. There has been back and forth on that issue for at least a month. He said they're probably 85% to 90% there.

Mr. Messutta described the process of reviewing the permit correction reports from the Building Department. They're down to a miniscule number of comments regarding things like waiting for the MWRD permit. There are also some remaining issues with the siting of the parking garage as it is married to the Vail Street Garage. How the garages interact and function together has yet to be resolved. This issue affects the final plan and still needs to come together.

President Hayes said he appreciates the use of the property for the Santa Run, but the property has a higher and better purpose that he would like to see happen.

Mr. Perkins said the project was approved in April 2021. That approval was an amendment to the original 2019 plan. It was approved for a two-year period. They've had two extensions. The first one was in April 2023 which granted a 1-year extension, and the second was in April of this year, which granted a six-month extension to November 2nd. Staff suggested they request another extension because the projects and approvals would not be completed in time. They have 4 applications pending right now; the plat of subdivision (submitted in February and in round five of the review process), three building permits for site development, the Highland Garage, and the Campbell St. building (submitted in March/April and in the fourth round of review). In June, they provided responses regarding the garage, which was essentially a complete rewrite. Staff said they would not work off of that rewrite, but we are willing to discuss any areas of major concern. That still needs to get worked out and is very complex. The Village has had structural and engineering reviews performed and has suggested ways to make some adjustments to the plan to negate some of the potential impacts on the garage.

President Hayes said the developer has demonstrated good progress on this project, so he's inclined to grant the request with the promise that we will see continued demonstrated progress in the weeks and months ahead.

Trustee LaBedz said again she really wished we weren't here talking about this. She didn't realize how extensive the complexities were, so she would have liked to have known more. She cautioned that come May 6th there will be a different Board because that's the day people who get elected in in April will get sworn in. If there are different people who are not as familiar with what's going on, they may have different points of view. She said she would like to be kept apprised of the steps as it goes along. She asked about financing. Mr. Messutta said they are working with JLL Capital Markets in tandem with their construction development in order to get the appropriate funding.

Trustee Shirley asked if they could really start in 6 months. Mr. Messutta said yes, that is their goal, to get the permits approved within that time frame. Trustee Shirley said he understands the review process and is trying to figure out what is realistic to getting this permit approved so that we can then add on the six months and we'll see shovels in the ground by a certain time. Mr. Perkins said the Village is looking for the six-month extension because we believe it can be developed within those six months. To characterize it as difficult is accurate. We're hopeful that within that six-month time period everything would be lined up: license agreement, building permits, and the final plan. They would have to pay for the permits as well which will be $1.5 Million to $2 Million. Once the permits are issued, they will no longer need to receive extensions.

Trustee Bertucci asked who is more responsible for the delay? Is it our staffing issues or the developer's? Mr. Perkins said it's both sides, it's complex, we have a big stack of plans for each permit and that takes time for staff to review. There's a set of comments which detail some of the prior comments which the developers team have addressed. Sometimes they come back with a different solution or answer that is not agreed upon, sometimes it is, and then there's a lot of back and forth. We've tried to shortcut the process by having meetings to talk through the outstanding issues. The proximity of the proposed Highland Garage to the Vail Garage has concerns, so we've made some suggestions about slightly shifting it, that's being evaluated. That shift affects all of their plans. Every project is a little bit different; this location makes this project different in terms of complexity. Downtown projects are always more complicated. There are issues with utilities and the license agreement that aren't elements in other projects. It's hard to say who's responsible, but I think we all would agree that this site is unique and there are challenges here.

Trustee Bertucci asked if the Village shared some of the responsibility for the delays. Mr. Recklaus said there's always things in hindsight where we see we could have done things differently, and we did have a transition to a new Building Director. We're not here to point the finger, we're trying to look forward. On the flip side, we've made other projects go fast, so it's not for lack of trying. We are trying to synergize with the applicant to make sure that we're all swimming in the same direction. Trustee Bertucci said the Trustees have received emails from residents asking them to pull the plug and blaming the developer for the delays. Other residents are questioning if the Village is doing all it can to move forward. It sounds like there were delays on both sides over this last six months. He said there are residents saying Village staff and the Village Board are allowing this property to just sit like this. He said he wants it known that if we're doing another six months, we're expecting to see shovels in the ground by then.

Trustee Schwingbeck said he re-watched the last meeting where the extension was given. The Developer was very optimistic that six months was an ample amount of time and that they really expected to have it done by July. This project started back in 2018 and there have been anywhere from three to eight meetings with this Board, Plan Commission, Design Commission and everybody else. He has the same reservations that his colleagues have. He wondered if we are really going to get this thing off the ground or are you going to be asking for another extension? Mr. Messutta said of the six months that are about to expire, three to four were caught up in situations that neither staff nor they would have been able to resolve internally, so we've actually only had a couple of months of really hard work. There are just some final things that have to be put together. They have spent hundreds of thousands of dollars to move this along. They would not spend the money if they didn't believe this was going to happen. They believe that the date is fair.

The Village has spent about $30,000 out of pocket, not including staff time. Trustee Schwingbeck said he really struggled with the last extension and would feel a lot better if the Village could tie in the expenditures. Mr. Messutta said to send them the bills and they would pay them. Mr. Recklaus said the motion could include reimbursing the Village for costs not to exceed $30,000. Invoices could be sent and payment required within 30 days. The $30,000 does not include staff time, but is for the various consultants required for reviews and evaluations. The permitting fees would then be reduced by the amount already paid.

Trustee Grasse said the Board has been receiving emails from residents saying they don't want this. She asked for monthly updates on the project. Mr. Recklaus said staff would keep the Board apprised. Trustee Grasse said she is especially concerned that there is not a final decision regarding the garage placement. It was explained that the Village hired consultants to evaluate parking and structural issues. Feedback was provided, but the developer had concerns. Both teams are reviewing options and the garage could shift. There are different ways of building it, but our main concern is to make sure that the Vail Garage is not compromised. We will be doing testing and there will be vibration monitors on the garage during construction to make sure nothing happens to that garage. There are ways to mitigate the impact by shifting the building so you don't have to underpin the footing or foundation. That's what's being explored right now. Trustee Grasse asked if the delay in MWRD approval is something that is specific to the spot, or is it because the plans have been delayed for so long? Mr. Recklaus said the timing seemed par for the course. The plans could not be submitted sooner because the final engineering was just approved. MWRD has provided their first round of comments and Norwood's engineers are working on a response. That permit could be finished by the end of the year.

Trustee Grasse said she was really sad to see there was another extension required and is ready for the project to move forward. She asked about the ugly little parking lot that's sitting across the street. Are there improvements planned? Mr. Messutta said that will be used for staging during construction. There are no other plans for it at this time.

Trustee Shirley clarified that we're asking for these folks to pay upfront for the fees that they would otherwise pay for once the permit was issued. Then we will credit their permit fees for this amount. Mr. Recklaus said that was correct. Trustee Shirley asked if we could have a not-to-exceed contract for these reviews or bill as we go? Mr. Recklaus said that might be a challenge, as we don't know about other issues that could come up. It may be best to arrive at the dollar figure based on what expenditures have occurred up to this point.

Trustee Dunnington said the Norwood Builders website says there are two current developments, 425 and 105 S. Main St. in Mount Prospect. She asked how much time you are putting into this project. Mr. Messutta said 100%. They are not moving ahead with Main St. until we get this completed.

Trustee Baldino reminded everyone that this hasn't been going on for six months, it's been going on for quite a while, which was the impetus for his critical comments back in April, and his desire to push this forward. Coming into the meeting tonight, he was not favorably inclined to vote yes for another extension. He's still not sure which way he's going to vote. He understands the progress made, but he wants the developer to understand that it will be a different Board in May. He said he hopes the unforeseen obstacles are overcome.

President Hayes said he understood the Board's concerns and thinks we owe it to the community to try to get this property developed. We've been put in a tough place because if we don't grant this extension, and they walk away, it's going to be another 5-6 years before anything else will come.

Trustee Schwingbeck moved to approve an extension to the PUD and Preliminary Plat of Resubdivision expiration deadline from November 3, 2024 to May 6, 2025 for PC #21-002 with the condition that costs not to exceed $30,000 incurred by the Village be reimbursed within 30 days after receipt of invoice. Trustee Bertucci Seconded the Motion.
The Motion: Passed
Ayes: President Hayes, Trustee Baldino, Trustee Bertucci, Trustee Dunnington, Trustee

Grasse, Trustee LaBedz, Trustee Schwingbeck, Trustee Shirley
Nays: None
Abstain: Tinaglia

B. An Ordinance Amending the Comprehensive Plan Map and 2007 Downtown Master Plan

Mr. Perkins explained that in December last year the Board approved a Red Flag Ordinance. Tonight, staff is proposing an amendment to the Comprehensive Plan Map which was created in 2007. This action is in response to concerns about the density and height and the types of redevelopment that potentially could occur in and around the Northwest Highway corridor in the Vail-Walnut-Ridge area. There are no proposed zoning code changes tonight. Public Hearings occurred and meetings were conducted with the neighborhood and the property owners. Six specific locations were studied.

The first property is 234 W. Northwest Highway, Village Bank. The Bank has recently made some significant investments and improvements in the building, and they indicated they have no immediate plans to move. If it were to redevelop, we recommend inserting 3 pages with 11 recommendations into the Downtown Master Plan. Mr. Perkins described the recommendations:

1. Change the setback on Saint James to 20 ft. There's no required setback on Chestnut so it is suggested that it be at least a 10 ft.
2. Larger setbacks for upper stories stepping down from Saint James. 35-foot setback for the 4th level. 95-foot setback for the 5th level.
3. Encourage a three-story row home or stacked coach unit development on the frontage of Saint James with a rear auto court, access, or even a parking garage.
4. Limit the maximum building height to 100 feet.
5. Restrict access to Chestnut and Highland.
6. Traditional architecture recommended.
7. Encourages focal points at the intersections of Northwest Highway/Highland and Northwest Highway/Chestnut.
8. Sidewalks along Highland and Northwest Highway are to the Downtown AH standards, so they would be wider and more pedestrian friendly.
9. The site should be cohesively developed so it's not divided up.
10. Identifies ideal uses to activate the streetscape along Northwest Highway, Highland, and Eastman.
11. Accommodate the parking needs within the building.

There were multiple public hearings and meetings regarding the redevelopment on Eastman between the neighborhood and the developer. In order to not repeat the same scenario, these recommendations were created.

There are a series of properties which front Park Place and Highland which are currently zoned R7 and are designated high density multifamily. For the most part, they're one or four-story units except one building, which is an 11-unit building. What's proposed is changing the area from high density to moderate density residential, which would allow buildings up to about 40 feet.

The next review was for 400, 424 and 380 W Northwest Highway. These lots have auto-related uses with garage doors. Rezoning would be very difficult. So, we looked at the back half of the property. Half of it is currently designated high density multifamily and the other half is designated commercial. The recommendation is to change these designations to moderate density multifamily.

The 5th property is designated as a duplex single-family, so we're recommending changing that to an institutional classification. The last property is the parking lot at the southwest corner of Campbell and Chestnut. Next to it is a single-family house. Currently, both properties are zoned R6, but the Comprehensive Plan designates them for high-density multi-family. The proposal here is to change that designation to moderate density to more accurately reflect the existing zoning. The Plan Commission voted 5 to 0 in favor of these changes.

Trustee Bertucci asked if the Comprehensive Plan says something different from the zoning, and if somebody wants to do something within the current zoning, do they have to apply for any changes? He was specifically referring to the lot on Walnut. Mr. Perkins said no, if they have a code-compliant B-3 plan, or they wanted to re-tenant their building. If they want to do something different, then a variation might be necessary. Staff would then look to the Comprehensive Plan. Right now, the back half of that property is part commercial and part high density multifamily, and the suggestion is to change that mix to moderate density multifamily. Trustee Bertucci asked if the Comprehensive Plan just gives guidance. Mr. Perkins replied yes, the Comprehensive Plan is a guide. It's a tool that the Village Staff and the Village Board look to when looking to redevelop properties or changes are proposed. It doesn't change the underlying zoning, so this could be a first step or a last step for some of these properties.

Mr. Passman explained the Comprehensive Plan is a long-range aspirational tool which typically reflects what a community would like to see going forward. It's a snapshot in time. There are occasions where something might be in a Comprehensive Plan but a developer or property owner comes forward with a different idea, and some things don't always go as planned. You might change a plan as part of an application for zoning relief because there's a realization that the plan was a good idea at the time but not the reality of today. From a legal perspective, these kinds of exercises are important because under Illinois zoning law, if there was a challenge to the zoning denial, one of the factors that courts traditionally look at is the care with which the Village has engaged in Comprehensive Planning. So, these kinds of discussions are important and something you would highlight, is that this is a community that does try to engage in planning.

Mr. Recklaus said this is a statement of what the Village wants to see happen, and it’s important to developers who will come to the staff and ask for what is possible on a site. We want staff to be able to point to something hard and fast where the Board took action to make a policy decision saying this is what we would like here as a community. While there is some nuance, the zoning should follow comprehensive planning at some point.

Trustee Grasse asked if there were any historical notes about the two single family homes on Park Place. Mr. Perkins said he did not know. Currently, the lots are zoned R7, which is high density multifamily. We're proposing to change the designation to moderate density so you know that would limit how many units could be put in if it were redeveloped. It wouldn't necessarily preserve the home itself. That would be another conversation. Mathematically, 307 Park Place could get 7 units and 309 could get 9 units under the R6. Under R7 they could get 14 units. At 402-404 Chestnut, there are two units. Under R7 they could potentially get 11 units, under the R6 you could get 2 so that would not be impacted by rezoning. Rezoning requires proper public notice and then discussions would have to take place with the property owners and the neighborhood. The first step is to change the Comprehensive Plan Map to change from high density multifamily to moderate density multifamily. Trustee Grasse said she is in support of the change and would be in favor of keeping the single family homes across from Memorial Park.

Trustee Dunnington said high density is really important as it is the most environmentally friendly and is great for affordability. She thinks that this is a good plan, but would like to go as high as we can. She thinks that as the bank and AT&T lots are on Northwest Highway, it wouldn't be a burden on the neighborhood. She asked about the impact difference between 100 ft and 140 ft. Mr. Perkins said Dunton Tower is around 140 feet. A 100-foot building would be about nine stories. In 2007, the thought was that this is a big site, and you could get a significant number of units here, which is part of the goal of the Downtown Master Plan as more density supports the businesses. The new proposal tries to do this in a way that softens the impact, which is why it has step backs and 11 recommendations. Any potential development would have to go through the PUD process and be vetted, but this sets forth more specific standards and ideas to try to soften the impact on the neighborhoods.

Trustee LaBedz said she was concerned about the recommendation for 100 feet on the Village Bank site, especially since the Eastman building would be 77 feet. To her, it seemed kind of weird because the buildings would get higher going west when intuitively they should get lower. She said she appreciated the recommendation for the townhomes on St. James but expressed concern about the buildings next to them. She said she appreciated the comment about the virtues of density but this is a pretty small, weirdly shaped neighborhood. Trustee LaBedz reiterated her concern for the maximum height of 100 feet even though it's with bonuses and setbacks. She noted that things have changed since 2007, when she was on the Downtown Master Plan Task Force. She said her preference would be to retain the single-family homes in the neighborhood. She believed there may be some historical value to 402 N. Chestnut in regard to the founding of the Lutheran Home.

Trustee LaBedz asked about the car storage on Walnut and wondered if it was permissible. Some vehicles have been there for a very long time, and appear to be used for parts. The Village has restricted other businesses from storing cars. How does this fit? Mr. Perkins said the property is zoned B3 so it can be used for vehicle storage in association with the business. There are certain state requirements to hold a vehicle for a certain time if it's been in an accident, so there are some complexities there. We'd have to take a closer look at that and see what's happening.

Trustee Tinaglia said every good community has this picture of what it sees itself as and this is a snapshot of what we think is a good idea today. This is just another step in having a road map. Because of his work with other communities, when there is something like this, it makes it a lot easier to develop properties. He said he was in support of the changes. He agreed that the parking lot on Walnut was a problem. There are no parking stalls, it's just cars piled in that don't ever move. The neighbors would really like this to be addressed. We've put some pretty heavy restrictions on a car dealership on the north end of town for this kind of situation.

Tom Gaynor appreciated the top-down approach towards a comprehensive look at the triangle next to the central business district. He was glad that future developments would not have to go through the bottom-up approach that was done for Eastman. This plan has been well received by the neighborhood. He believes we're doing a good job of working together and trying to figure out how to make the best of this unique situation. We should celebrate our historical properties. Why don't we have a master plan that celebrates history? Most of us in the neighborhood are concerned about the 100-foot problem for Village Bank because of the density. It doesn't pass the sniff test. Leaving town, the buildings would get taller. You go from AT&T to Eastman at 77 feet and then go up to 100 feet. This doesn't feel right. If AT&T, Eastman and Village Bank all get built per what they could do, this little stretch would be the densest part of the entire town.

Mr. Messutta said he was curious about the Sigwalt lot. The R6 ends at 307 and doesn't extend to the next street. In looking at what they might want to be able to do there, they're concerned that somehow it doesn't complement some of the other blocks that are all one district. Mr. Perkins said typically zoning is based on lot lines. He thinks it was set up this way so the downtown didn't incur further into the residential neighborhood. Many years ago, multi-family was planned to go all the way to Ridge and up from there to Euclid. Over the years, that vision has contracted.

Sarah McKinney asked how many units might actually be on Village Bank or AT&T sites in the future. Mr. Perkins said the number of units is based upon land area and square footage per unit, so it's complicated. It depends on the type of unit mix. If the bank parcel were 100% two-bedroom units it could be over 200 units. Usually, it's a mix of 1-2- and three-bedroom units. Each unit requires a different land area. These developments are very difficult to finance and build, they are based on market needs. That does change over time. For example, Hancock Square has much larger units that would not be built today. It is unknown what will happen in 10 years' time.

Bob Whisler said in February 2017 they had meetings with the Planning Department to redevelop the 400 Northwest Highway property and progressed to having an early review of their project. They requested R7 zoning which was consistent with the Arlington Gardens Apartments across the street and the adjacent property. It seemed the Village staff and neighborhood were negative about the project. They listened and moved on. Since that time, apartments have been approved on Eastman St., 1/3 of a mile away from their property. Now there is this amendment proposal which down zones his properties. He feels like his property is suffering from collateral damage from the Eastman project. He asked the Village not to hurt his properties and his investment. These changes hurt his properties as there are fewer uses and units, meaning less property value. The Red Flag Resolution is only in the best interest of the adjacent neighbors. Developers pay attention to these changes and are aware of red flags, which by definition means danger. They have lost two tenants since the Red Flag Resolution with no current prospects. This is not a coincidence. The 1948 former car dealer at a stoplight corner on Route 14 at the gateway to downtown Arlington Heights needs to be redeveloped. These changes will hurt that potential. It's obvious their company has been singled out, and he asked the Board not to approve the proposed amendment, or at least remove their properties from consideration. They are good owners and have always cooperated with the staff.

Elena Coughlin said the Eastman project was an uphill battle to protect their neighborhood. They spent many days fighting and going through the process of trying to amend an enormous building that was going to be planted in the middle of the neighborhood. The neighborhood is tired. We are the few left fighting for the Arlington Heights that we love so dearly. They are asking you to please get creative and protect our neighborhood. She appreciated the suggestions for the Eastman project and the real changes that were made. She asked the Board to please help them find a way to decrease the heights and add more green space. Decrease the density, so our tiny little neighborhood doesn't sink. The density is not just traffic and affordable housing, its pets, people, trash, beer bottles, empty alcohol containers, and bags of dog food that she cleans out of the next-door parking lot.

Trustee Bertucci asked for clarification regarding the zoning. There is no change in zoning, what the amendment does is change the Comprehensive Plan. He heard Mr. Whisler and say that we're changing the zoning. Mr. Perkins said no, there's no change in the zoning. The piece at Fremont and Walnut (the back of the property) would be reclassified on the Comprehensive Plan from commercial to moderate density multifamily. The frontage on Northwest Highway is staying B3. The commercial designation on the Comprehensive Plan is most appropriate for now. If and when that site redevelops, then it will be reviewed.

Mr. Whisler said part of his property goes from commercial and high density residential multifamily to moderate density multifamily. He asked what he could build on the front? Mr. Perkins said keeping this property commercial makes the most sense because of all the overhead doors as it's set up now. If it redevelops, no matter what the zoning is, or the designation, there will be an application and a petition to go before the Board and variations will probably be needed.

President Hayes said these are in fact guidelines. We're not making any zoning changes whatsoever, so a developer can come forward, and we'll use the Comprehensive plan as a guideline.

Trustee Baldino moved to Approve Ordinance 2024-64. Trustee Dunnington Seconded the Motion.
The Motion: Passed
Ayes: President Hayes, Trustee Baldino, Trustee Bertucci, Trustee Dunnington, Trustee Grasse, Trustee LaBedz, Trustee Schwingbeck, Trustee Shirley, Trustee Tinaglia
Nays: None

Trustee Shirley left the meeting at this time.

C. Modifications to the Zero Interest Loan Program

Michael Mertes presented the proposed modifications to the Zero Interest Loan Program. The intent is to open two new pathways for property and business owners which have not met eligibility criteria in the past despite their interest in the program. The program was initiated by staff and the Arlington Economic Alliance as an opportunity to attract new businesses and support existing businesses in the community. In 2013, the original maximum loan amount was $10,000 for five years. This was increased to $20,000 in 2015. To help support our business community during COVID, a relief version was temporarily used, and 15 businesses took advantage of it.

From 2020 to 2022, only two standard applications were approved, so staff went back to the Economic Alliance to request additional changes to reinvigorate interest in the program. That resulted in an increase for a loan amount up to $25,000 and in an increase of the loan coverage amount to 75%. The update also included a forgivable provision. This had a positive impact.

The loan program is funded primarily through rebates and application fees from the Cook County Class 6 (industrial) and Class 7 (commercial) property tax abatement programs. The Village strikes agreements with the properties in Arlington Heights that are approved for those programs to rebate, over a period of time, 10% of the property tax savings those businesses receive. The fund also receives revenue from the repayment of existing loans and interest. Loan applications are reviewed and approved by staff and a loan committee is made-up of staff from the Planning and Finance Departments, and the Economic Alliance Finance and Commercial Real Estate appointees. Agreements are filed with the County and the lien lifted once the loan is repaid in full.

Today the program has a maximum loan amount of $25,000 for tangible improvements to business or property that can be repaid up to five years or the duration of lease whichever is less in quarterly invoices. We require collateral, typically a lien on real estate. Loan coverage is up to 75% of the project costs. An Arlington Heights business, which has been operating within the community for at least three years, repays the 1st 80% of the loan on time, would be eligible to have that final 20% forgiven.

Since its inception, we've had 18 different businesses approved for loans. Of those, 2/3 were Arlington Heights businesses already operating within the community. Examples of uses are: an interior build out for a medical office, a restaurant for the development of an outdoor patio area, and the replacement of HVAC system.

Two additional options are being presented to address recurring issues that have come up over the past 10–11 years. A business owner has not had property on which we could place a lien, and therefore would not be eligible, because they did not have adequate collateral. Another issue is the $25,000 maximum amount for larger projects is a drop in the bucket, it just doesn't adequately cover what the business is improving, so it's not worth the effort to apply for the program. These new options seek to alleviate these issues and open up this program to more applicants.

The first is a micro-loan concept for smaller projects - think new signage, awnings or conversion to ADA washrooms. The big change here is security, like with the COVID relief loan program. Security would be in the form of a personal guarantee instead of collateral. This change would open the program up to those smaller businesses that otherwise could not previously apply, and then the loan would cover up to 50% of project costs. There would not be a forgivable provision.

The second option is for large scale projects like internal demolition/build out of an industrial property, or energy efficiency improvements like a white or green roof, or installation E.V. charging stations. The maximum loan in this instance would be $100,000, but the minimum cost of the entire project would be $250,000. We would ensure that the applicant has financing lined up for the bulk of the project and also so that the Village is not taking on the bulk of the risk and responsibility for repayment. Collateral in the form of a lien on real estate would be required. The loan committee would review and recommend approval or rejection to the Village Board, and it would be up to the Board's discretion whether to formally approve or reject the request. If an applicant has been operating within the community for over three years and the 1st 80% has been repaid on time, the occupancy rate meets or exceeds 85% of GLA, the occupancy rate exceeds the rate at the time of disbursement, and the municipal share of sales tax revenues + food & beverage tax revenues exceed such revenues at the time of loan disbursement, then 20% can be forgiven. Village staff and the Arlington Economic Alliance support these updates.

President Hayes said it was important to have the Economic Alliance weigh in. He said this is a great use of the available funds. This year we have $1.4 million in the fund. It's a great way to increase participation in the program.

Trustee Bertucci asked who was on the loan committee. Mr. Mertes said it's typically the Finance Assistant Director, Mary Ellen Juarez and whoever at the time on the Economic Alliance are the Financial and Commercial Real Estate representatives. Today, it is Michael Mulder and John Toliopoulos. Trustee Bertucci asked if, under the so-called loan underwriting scenario, we got credit reports. Mr. Mertes said yes, we actually get credit reports on anyone who has a 20% or more stake in ownership of the business, and we also look at business debt net worth and financials. Trustee Bertucci said if we have a banker around, he assumed we're following protocol from a bank underwriting procedure. He asked if the Board would receive a packet or a summary on the mega loans. Mr. Mertes said it would be a summary. The committee would have already done the bulk of the background work.

Trustee Grasse asked if the Covid loans were different from the PPE loans. Mr. Mertes there were 15 COVID relief loans that were not PPE loans. These are different things. She asked if staff anticipated there would be more loans or is this a unique request? Mr. Mertes said he thinks there will be more, especially since these were recurring themes. In both the micro and mega loans there are specific instances where he’s been in communication with business owners that have not been able to qualify previously. Hopefully, they will be able to take advantage of this program right off the bat.

Trustee Schwingbeck asked if we have ever turned anyone down, and if so, why. Mr. Mertes said yes, there was one that was turned down because there were concerns about their credit history. Otherwise, the rest of them have been approved. Trustee Schwingbeck said it's obvious that we're trying to help more businesses to take advantage of the program. He asked if we risk losing businesses that want to come to Arlington without it. Mr. Mertes said he doesn't think a business won't come unless they get the loan, but more that businesses would like to reinvest and do something tangible to improve. Trustee Schwingbeck asked if this might take care of some of our vacancies. Mr. Mertes said it can if a property owner reinvests in their tenant spaces or improves how their shopping center looks.

Trustee LaBedz said it's a great idea and I look forward to hearing some reports on the businesses that have been able to expand or redo.

Trustee Tinaglia said it makes a lot of sense. The mega loan would address projects up to $400,000. That's substantial. This could be used for facade rehab. There's a funding gap that will be covered. Project use examples are: technology upgrades (like a membership system), hard construction, and air conditioning. We don't want the loan fund to be used for payroll, taxes, insurance payments or marketing fees.

Trustee Grasse moved to concur with the staff recommendation and the Arlington Economic Alliance's motion to create the Micro-loan capped at $5,000 and the Mega Loan capped at $100,000 options for the Zero Interest Loan program and authorize staff to implement the loan's program. Trustee Schwingbeck Seconded the Motion.
The Motion: Passed
Ayes: President Hayes, Trustee Baldino, Trustee Bertucci, Trustee Dunnington, Trustee Grasse, Trustee LaBedz, Trustee Schwingbeck, Trustee Tinaglia
Nays: None
Absent: Shirley

Rod Bajic appeared with questions for the Citizens to Be Heard portion of the meeting but was late. President Hayes allowed him to speak. Mr. Bajic made statements regarding property leasing, water rate increases, social security, Medicare Part B, and firefighter’s overtime.

XI. ADJOURNMENT

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact Erin Mercado, at 33 S. Arlington Heights Road, Arlington Heights, IL 60005, emercado@vah.com or 847/368-5793.

Trustee LaBedz moved to Adjourn at 10:08. Trustee Schwingbeck Seconded the Motion.
The Motion: Passed
Ayes: President Hayes, Trustee Baldino, Trustee Bertucci, Trustee Dunnington, Trustee Grasse, Trustee LaBedz, Trustee Schwingbeck, Trustee Tinaglia
Nays: None
Absent: Trustee Shirley

Becky Hume
Village Clerk