

Meeting Minutes

Village of Downers Grove - Council Meeting

Council Chambers

9/18/2018

7:00 PM

In order to give as many visitors as possible an opportunity to speak and in the interest of adjourning the meeting by 9:00 p.m., please limit your comments to 5 minutes in length, unless further time is granted by Council. Thank you.

1. Call to Order

Mayor Martin Tully called the regular meeting of the Village Council of the Village of Downers Grove to order at 7:00 p.m. in the Council Chambers of the Downers Grove Village Hall.

Pledge of Allegiance to the Flag

Mayor Tully asked the Scouts from Pack 54 to help lead those present in the Pledge of Allegiance to the Flag.

2. Roll Call

Council Attendance (Present): Commissioner Walus, Commissioner Earl, Commissioner Waldack, Commissioner White, Commissioner Hosé; Mayor Tully

Absent: Commissioner Barnett

Non-Voting: Village Manager David Fieldman, Village Attorney Enza Petrarca, Village Clerk April Holden

The Council meeting is broadcast over the local FM radio station, WDGC. In addition, a tape recording and videotape of the meeting are being made using Village-owned equipment. The videotape of the meeting will be used for later rebroadcast of the Council meeting over the Village cable television Channel 6.

The Council will follow the rules of conduct for this meeting as provided in Sec. 2.5 of the Downers Grove Municipal Code. These offer the public the opportunity to comment at several points in the meeting. First, immediately following approval of the minutes of past meetings, an opportunity will be given for public comments and questions of a general nature. If a public hearing is scheduled for this meeting, an opportunity is given for public comments and questions related to the subject of the hearing. Finally, an opportunity is given for public comments and questions on items appearing on the Consent Agenda, the Active Agenda and the First Reading.

The Mayor stated that at the appropriate time the presiding officers will ask if there are any comments from the public. Individuals wishing to speak should raise their hand to be recognized and, after acknowledgment from the presiding officer, approach the microphone and state their name. Remarks should be limited to five minutes, and individuals are asked to refrain from making repetitive statements.

Mayor Tully said there are agendas located on either side of the Council Chambers, and he invited the audience to pick up an agenda and follow the progress of the Council meeting.

3. Minutes of Council Meetings

MIN 2018-79082 — A. Minutes: Council Minutes – September 11, 2018

Motion: Commissioner White moved to approve the minutes as presented. Commissioner Waldack seconded the motion.

Council Meeting

Village of Downers Grove

September 18, 2018

Mayor Tully declared the motion carried by voice vote.

4. Presentations

Economic Development Corporation Quarterly Report

Michael Cassa, President and CEO of the Downers Grove Economic Development Corporation (EDC), 5159 Mochel Drive, presented the quarterly report for the EDC. He began with the Home Rule Sales Tax, which as of June 2018 showed a 1.65% increase over June 2017. The Municipal Sales Tax for the same period showed an increase of 3.24%. He said the State has not reported the second quarter information as yet. Hotel Tax revenue for January-July 2018 showed an increase of .08% over the same period last year. He said the Doubletree and Holiday Inn Express are either undergoing or are about to undergo major renovations resulting in millions of dollars in upgrades.

Mr. Cassa then reported on the EDC's current projects. Hobby Lobby is opened at Downers Grove Market and Aldi's is scheduled to open there soon. Carlotz had a grand opening on September 12. The Lincoln pre-owned dealership is also open for business. Zeigler Automotive Group has two facilities in Downers Grove and is proposing to expand its location at Ogden and Cross.

Restaurants in Downers Grove have become a significant target industry for the Village because of the food and beverage tax. The Vequity real estate development at the corner of Ogden and Main has four restaurants including Panda Express, Mod Pizza, Core Life Eatery and City Barbeque that are open or will open soon. In the downtown area, Cadence Kitchen is open as is Pierce Tavern and Great Harvest Bread. That Burger Joint, owned by Oberweis, is open next to Oberweis Dairy. Grand Duke's is an American-Lithuanian cuisine restaurant scheduled to open on in the former Bohemian Garden Restaurant on 75th Street.

Industrial projects include Rexnord's new facility, Green Bay Packaging which will break ground on October 16, Bridgepoint at Lacey and Finley, and NEC Display Solutions Development.

As to marketing, Mr. Cassa discussed the EDC's participation in the International Council of Shopping Centers. Target markets include corporate real estate managers, commercial brokers, commercial developers and site consultants.

Mr. Cassa announced that the EDC will hold its third annual "Deals Are Brewing" in Downers Grove on October 10 at 5:00 p.m. at Alter Brewing. He thanked the Village for its support and partnership.

Proclamation

Mayor Tully proclaimed the week of September 17-23, 2018, as Constitution Week. He presented the proclamation to Carol Wandschneider, the 2017 Historian of the Year representing the Downers Grove Chapter of the Daughters of the Revolution.

Ms. Wandschneider spoke of the rules of order of the Constitutional Convention. She thanked the Council for the proclamation.

5. Public Comments

This is the opportunity for public comments.

There were no public comments

Council Meeting

Village of Downers Grove

September 18, 2018

6. Consent Agenda

COR 2018-7901 — A. Claims Ordinance: No. 6281, Payroll, August 31, 2018

BIL 2018-7899 — B. Bills Payable: No. 6414, September 18, 2018

MIN 2018-7867 — C. Minutes: Note Receipt of Minutes of Boards and Commissions

Summary: Plan Commission – July 23, 2018

Motion: Commissioner White moved to approve the Consent Agenda as presented. Commissioner Waldack seconded the motion.

Votes: Yea: Commissioners White, Waldack, Walus, Earl, José; Mayor Tully

Nay: None

Mayor Tully declared the motion carried.

7. Active Agenda

ORD 2018-7867 — A. Ordinance: Establish Special Service Area #10 for Bridgepoint Downers Grove Subdivision

Summary: This adopts SSA #10 for the Bridgepoint Downers Grove Subdivision.

**AN ORDINANCE ESTABLISHING SPECIAL SERVICE AREA NUMBER 10 IN THE VILLAGE OF
DOWNERS GROVE, ILLINOIS**

ORDINANCE NO. 5712

Motion: Commissioner White moved to adopt "An Ordinance Establishing Special Service Area Number 10 in the Village of Downers Grove, Illinois," as presented. Commissioner Waldack seconded the motion.

Votes: Yea: Commissioners White, Waldack, Walus, Earl, José; Mayor Tully

Nay: None

Mayor Tully declared the motion carried.

Council Meeting

Village of Downers Grove

September 18, 2018

8. First Reading

9. Mayor's Report

10. Attorney's Report

11. Council Member Reports

12. Manager's Report - Committee Room

Mayor Tully asked for a motion to recess to the Committee Room to discuss the plan regarding the future of the downtown.

Motion: Commissioner White moved to recess. Commissioner Waldack seconded the motion.

The Mayor declared the motion carried by voice vote and the Council recessed at 7:29 p.m.

INF 2018-7897 — A. Information: Plan regarding the Future of the Downtown

Mayor Tully reconvened the meeting at 7:33 p.m. He welcomed everyone to this portion of the Council meeting. He said this is the first public discussion of the Village Council regarding the future of the downtown. He noted that no votes are to be taken tonight. This plan will lay the groundwork and, as a result of this plan, the next Village Council will be in a better place to make decisions. He then introduced Deputy Manager Village Mike Baker to make the presentation.

Mike Baker, Deputy Village Manager, started his presentation with a video prepared by the Village's Communications Department entitled, "The History of Downtown Downers Grove." It chronicled the history of the downtown area and changes in the last 20 years.

Following the video, Mr. Baker said the changes over the past 20 years have come about as a result of deliberate planning that occurred in the 1990s. The reinvestment is also the product of partnerships among several organizations committed to the success of the downtown, along with financial tools that were put into place to support downtown revitalization. Planning, partnerships and financial tools are the essential factors key to the redevelopment of the downtown. In order to ensure continued vitality of the downtown, these factors will need to be reassessed and renewed.

Mr. Baker said continued discussions will lead to decisions on what those future plans, partnerships and tools will ultimately look like. Tonight's meeting is intended to maintain a focus at the 20,000-foot level, as described in our flight analogy.

Mr. Baker said he would emphasize the recommended actions and strategies, which lay out the roadmap by which this process will move forward.

Mr. Baker said December 2020 marks the month and year when the two financial tools essential to the downtown's redevelopment will expire. One is the Tax Increment Financing (TIF) District; the other is the Special Service Area (SSA). The TIF district has supported the Village's public improvements and facilitation of private redevelopment. Nearly all of the revenue generated from the TIF is used to make debt service payments. These payments will be fully paid off in 2021 when the final year of TIF revenue is received. The revenue source goes away at the time the debt obligation is fully paid off.

Council Meeting

Village of Downers Grove

September 18, 2018

The SSA is a property tax paid only by property owners in the downtown. In 1997, a majority of property and business owners requested this tax to fund the Downtown Management Corporation. The Downtown Management Corporation is a key partner organization that is responsible for business attraction and retention, events coordination, and serves as an advocate for business and property owners in the downtown. When the SSA expires in 2020, the Downtown Management Corporation will be left without a primary funding source.

Mr. Baker then noted that the Village's Comprehensive Plan, updated in 2017, contains many recommendations to enhance and improve the downtown area. Funding sources do not exist for the major recommended improvements, which is the heart of the issue. Upon expiration of the TIF and the SSA, there will be no available resources to support ongoing and additional expenses. This planning process will allow the Village Council to decide how large that gap is and how to select the funding sources that will bridge that gap.

Mr. Baker said the timeline for the plan is intended to allow the process to unfold. It allows the Village to work closely with the Downtown Management Corporation and its board. For the first time, the board now includes resident property owners. The timeline also reflects the completion of a parking study update to provide useful information and guidance on how to proceed with future parking improvements. The results of these efforts will come to the Village Council seated in May 2019, allowing for Council action between 2019 and 2020.

Mr. Baker then acknowledged the work of the Ad Hoc Committee convened by the Downtown Management Corporation and the Village. The purpose of the Committee was to engage in open dialogue involving the future of the downtown. Residential and commercial property owners, business owners and residents who depend on the downtown were part of this group. The group emphasized and affirmed three key concepts: The importance of accessibility into and around the downtown, specifically parking; the importance of the functions performed by the Downtown Management Corporation, most notably business attraction and retention; and the importance of ensuring that residents within the downtown have the opportunity to provide input into discussions and decision making as future plans are developed and acted upon.

Mr. Baker said the efforts of this group shows how diverse perspectives can be brought together. He thanked all the participants and members of the public who attended the meetings for their time and contributions.

Mr. Baker then turned to the recommended actions and strategies. The Village has an operating agreement with the Downtown Management Corporation that will need to be reviewed and updated. Any changes would require Council action. The 2011 parking study will need to be updated. The Comprehensive Plan recommendations will need to be revisited. The downtown infrastructure, including the parking deck, must be maintained. Finally, multiple funding sources should be considered in terms of closing the funding gap.

In terms of next steps, Mr. Baker said the first is to seek Council support for the recommended actions and strategies. Once that approval is obtained, staff will work with the Downtown Management Corporation to carry out a process that includes the preparation of a draft, updated operating agreement. Further, the schedule and approach for the parking study update will be developed, and allow for the work to proceed in a timely manner based on new building occupancy.

Mayor Tully thanked Mr. Baker for his presentation. He then opened the discussion for questions and comments from the Council and the public.

Commissioner José asked whether the TIF revenues are expected to be sufficient to retire the debt.

Mr. Baker responded that revenues are expected to be sufficient and there is a possibility of a surplus.

Commissioner Waldack thanked the Ad Hoc Committee, saying they did a good job of assessing the situation. The downtown benefits the entire community and makes the entire Village more desirable. It caused a lot of angst to initially put this together and it caused a lot of anxiety. He said that the Village has to continue to invest and keep the investment in downtown going. They have a good foundation for continuing the conversation.

Commissioner White said this was a thorough and well-done report. He is comfortable that major issues are identified. It is important to get the maximum consensus from all major stakeholders before making any final decisions.

Council Meeting

Village of Downers Grove

September 18, 2018

Commissioner Walus thanked the Committee members. She agreed it was a thorough report with good community representation on the Committee. She noted the work of the Downtown Management Corporation in terms of the near zero vacancy rate among downtown businesses. Parking issues are an ongoing problem. She is curious to see what the residents have to say.

Commissioner Earl said that there weren't always compliments about the downtown area and now that is happening. She said it was by design and it was a lot of work by a lot of people. The Village is on the upside and it is thanks to those living and working downtown, the Downtown Management Corporation, and those who have worked on this project. She said that the plan is to stay ahead of the issues, and she agrees with the direction they are going.

Commissioner José commented that the Plan presented is the right thing to do. Everything will come down to how they are going to pay for this, and he is glad they are beginning the discussions now. The downtown has really become the vibrant beating heart of Downers Grove.

Mayor Tully spoke about the boundaries of the SSA, which was an issue in the past in terms of who is included. The boundaries need to be fair and equitable.

1. A resident living in Building 1 of Acadia on the Green since 2007 said they are very happy living in the downtown area. With regard to the SSA, their taxes went up 19% in one year. He asked, with the expiration of the SSA, whether that tax will go away.

Mayor Tully replied that if the SSA expires the tax will go away. If the tax goes away the services will also go away. He said he was curious as to why their taxes went up 19%. The Mayor said they can look at the financial impact of the SSA historically.

2. Another resident referenced the taxes as well. He asked if the commercial or residential people are subsidizing the rest of the Village.

The Mayor responded that was not the case. The TIF freezes property values for 23 years and delivers the taxes to the TIF district. TIF funds were used to improve the downtown area and the tax was used to pay off the debt. When the TIF expires the increment will go to the entire Village. He explained that TIF funds come from the property taxes in the downtown area. He said that you do not pay more to be in a TIF, but you do pay to be in the SSA.

Commissioner White said that in 1997 the downtown assessed value was \$16.1 million. In 2018 the assessed value increased to \$64.8 million.

Mr. Fieldman responded to the earlier question regarding the increase in taxes. He said that the property values in the downtown increased by 19.9% according to the Assessor's Office. Taxes went up 17%.

The Mayor said the Village does not establish the assessed valuation. That comes from the Township Assessor's Office.

3. A resident said that all residents benefit from the downtown area. He asked if the tax could be distributed to all residents in the Village. Mayor Tully said it could. The question is should they have a Downtown Management Corporation, events, special services, snow shoveling, etc. By paying more than others you deserve some autonomy, which comes through the Downtown Management Corporation. But it could be extended to the whole Village.

4. Rich Kulovany asked as to who would pay the shortfall if the TIF were underwater. The Mayor said it would be the entire Village.

5. Steve Frost, 945 Burlington, said he appreciates the work that was done to put this together. The SSA is about 20% of his tax bill. He said that they all want a strong and vibrant downtown area. He wants to know what they need a levy for and how it would be paid. He said that the residential property owners should not be pitted against the commercial owners. A larger project such as parking includes the entire community. He said that residential property owners are going to be participating in this process.

Council Meeting

Village of Downers Grove

September 18, 2018

Mayor Tully replied that the Village is cognizant of the fact that the dynamics of the downtown area have changed dramatically over the last 20 years, and they are working hard to involve everyone and get their participation in the process. They are seeking a balance in equities. He understands the benefit of the SSA. What is needed is discussion regarding what amounts are needed and how to distribute them. With more properties on line, the cost may be spread over many properties.

Mr. Frost then discussed the overlap of the Chamber 630, Downtown Management Corporation, the Economic Development Corporation and the Village. Mayor Tully said that is a fair question. He said the Chamber is not focused as much on attraction or retention of businesses as they are to services to their members.

Commissioner White asked if the SSA has a fixed number of years.

Village Attorney Enza Petrarca replied that the current SSA expires with the TIF but the SSA terms are flexible.

6. Mr. Kulovany asked about a new Police Department and Village Hall.

Mr. Fieldman said that staff has been working on Village facilities for a couple of decades. It would be a separate conversation as it benefits the entire community.

Mr. Kulovany then said they spoke about the benefit of clearing the snow, and the question is whether that is an individual benefit or a value to the overall community.

7. Bill Marshall, 930 Curtiss, said he is in the SSA. The cost of the SSA was thought to be \$180 a year but thanks to Mr. Baker and the Ad Hoc Committee it was made clear that it is \$1800 per year. He asked whether this affects one's ability to sell their property. He also asked whether the Village is pricing themselves out of the market.

8. A woman asked what the extra money goes for in terms of the increase in the EAV.

Mr. Fieldman said that the extra money goes to the TIF district. The TIF district pays off bonds, and the debt service was small at first and has gone up over the years.

A resident noted that the Downtown Management Corporation has been on a fixed budget for a very long time, and that is not understood throughout the community.

Mr. Fieldman said with the debt service paid off, the obligations go away. When the TIF goes away, what residents pay stays the same and the money goes to all the taxing bodies. Regarding the SSA, the question is whether or not there will be an SSA.

Attorney Petrarca said a proposed SSA is established by Ordinance but residents can object and then the Ordinance fails. It is not placed on a ballot. A public hearing is held with a 60 day window for objections to the proposed SSA.

The Mayor said that an SSA is related to a localized area with identified boundaries that will pay an additional amount for a prescribed reason, such as maintaining retention ponds, specific streets, etc.

9. Todd Paradis asked a question about the operating agreement with the Downtown Management Corporation, and the initial projections of the TIF.

Mr. Fieldman said staff would get that information to him.

Commissioner Waldack asked if under the TIF regulations, the area has to be declared blighted in order to start a new TIF.

Ms. Petrarca said the area would have to qualify.

Mayor Tully thanked everyone for attending the meeting. He noted that there is no right or wrong answer to some of the questions. They have to determine what the Village community wants for the future.

Council Meeting

Village of Downers Grove

September 18, 2018

13. Adjournment

Mayor Tully asked for a motion to adjourn.

Motion: Commissioner White moved to adjourn. Commissioner Waldack seconded the motion.

Mayor Tully declared the motion carried by voice vote and the meeting adjourned at 8:45 p.m.

Respectfully submitted,

April Holden

Village Clerk