

MINUTES OF WORKSHOP MEETING

DOWNERS GROVE, ILLINOIS

FEBRUARY 11, 2003

Mayor Krajewski called the Workshop meeting of the Village Council of the Village of Downers Grove to order at 6:30 p.m. in the Council Chambers of the Village Hall.

Present: Mayor Brian Krajewski; Commissioners Marilyn Schnell, Thomas Sisul, Michael Gilbert (arr. 6:50 p.m.), Sue McConnell, Martin Tully, Mark Zabloudil; Village Manager Riccardo Ginex; Village Attorney Enza Petrarca; Village Clerk April Holden

Absent: None

Visitors: **Press:** Kevin Stahr, Downers Grove Reporter; Colt Foutz, The Sun
Residents: Liz Chalberg, EDC and Chamber of Commerce; Christine Fregeau, 1918 Elmore Avenue; Mike Kubes, 5538 Lyman Avenue; Alex DiMare, Downer Grove Youth Baseball – North League, 4431 Pershing Avenue; Roland Gartner, Aurora; Mike Kelch, EDC
Staff: Trisha Steele, Assistant Director of Financial Services; Mary Scalzetti, Director, Tourism & Events; Dave Van Vooren, Deputy Village Manager, Administration; Dave Hankes, Webmaster; Brian Pabst, Deputy Village Manager, Operations; Liangfu Wu, Director, Information Services; Jack Bajor, Director, Public Works; Steve Rockwell, Director, Economic Development Commission; Mike Baker, Assistant to the Village Manager

Mayor Krajewski explained that Council Workshop meetings are held the second and fourth Tuesdays at 6:30 p.m. The meetings are video taped live and for later cable-cast over cable channel 6.

The Workshop meeting is intended to provide Council and the public with an appropriate forum for informal discussion of any items intended for future Council consideration or just for general information. No formal action is taken at Workshop meetings.

The public is invited to attend and encouraged to comment or ask questions in an informal manner on any of the items being discussed or on any other subject. The agenda is created to provide a guideline for discussion.

ANNOUNCEMENTS

Mayor Krajewski read a Resolution of Appreciation recognizing the selection of Tom Sisul as the Downers Grove Chamber of Commerce 2002 Citizen of the Year. Commissioner Sisul will be honored on February 15 at the Chamber's annual dinner.

Mayor Krajewski invited Alex DiMare to discuss Downers Grove Youth Baseball.

Alex DiMare said there will be baseball in Downers Grove this summer. He said registration for new players is being held on Saturday, February 15 from 10:00 a.m. to 2:00 p.m. at the American Legion Hall at 40th and Saratoga. The website is www.dgyb.org. On-line registration closes on Saturday, February 15 at 9:00 a.m. The North league will play interleague games with the South league. March 1 is the last day to register.

Mayor Krajewski said that last year Downers Grove Youth Baseball honored local heroes at their games and invited a number of police and fire officers to throw out the first pitch.

MANAGER

1. **Astro Amusement Contract.** Manager Ginex said three contracts were received to consider as the vendor for the amusement rides at the 2003 Heritage Festival. The Tourism and Events Commission and staff recommend the continued use of Astro Amusements Co., Inc. They have proven they can handle an event of this magnitude, they have offered increased tiered revenue receipts, and they are involved in supporting the community. The Manager said prices for tickets will be increased across the board by \$1.00. A sheet of 40 pre-sale tickets will be \$20.00. The Thursday night pay-one-price will be \$15.00 and the Friday morning kiddie pay-one-price will be \$9.00. Individuals who do not want to purchase the \$15.00 pay-one-price for Thursday night may use presale tickets or individual tickets available that evening.

Commissioner Schnell asked for the breakdown of incentives offered by the other two vendors.

Mary Scalzetti, Director, Tourism and Events, said she would provide that information.

Mayor Krajewski asked if people could use last year's tickets.

Ms. Scalzetti said they could. She said individual tickets could be used for Thursday night as well.

2. **Collection Agency RFP.** The Manager asked Trisha Steele, Assistant Director, Financial Services, to address this item.

Trisha Steele, Assistant Director, Financial Services, said the Finance Department is reviewing accounts receivable procedures and implementing changes to the collection process. The use of a collection agency is necessary to address unsuccessful collections at the 90-days past due point. This has been presented to the Finance Committee, and an RFP was issued in December. Staff recommends contracting with Harvard Collection Services, Inc. Ms. Steele said Harvard has an excellent record and references, and provided an outline as to how to proceed.

Ms. Steele referenced a schedule of outstanding receivables. She said a routine of sending out notices has been developed on a 30-day cycle. She has seen improvements in the number of open accounts since October.

Mayor Krajewski recommended putting a high priority on current collectables rather than sending them to the collection agency.

Commissioner Zabloudil said some of the receivables go back to 1999. They are looking for a support mechanism as a back-up plan. He said some of the organizations are currently doing business with the Village and should be flagged. He said the more diligent the staff is, the greater the success will be.

Commissioner Schnell noted that many of the outstanding receivables have to do with alarms. She asked about the appeal process, particularly for alarms set off by the wind or weather.

Ms. Steele said the Finance Department is working with the departments to consider individual issues. She said there are outstanding receivables for false alarms with both Fire and Police. She will work with them to establish procedures.

The Mayor said that since the Council implemented stiff fines, repeat false alarm offenders are down 30-40%. He asked the Manager to provide numbers on this.

Commissioner Tully thanked the staff for looking at this matter. He asked what percent the Village can expect to collect. He noted that some of the entities that have outstanding accounts have come before the Village for other services. He asked if there was a policy regarding flagging these.

The Mayor said coordination between the departments is needed.

Commissioner Zabloudil asked about the grace period for false alarms. The Manager said he would verify it.

3. **Conservation 2000 Grant Application to the Illinois Department of Natural Resources to support the maintenance program of Lacey Creek.** The Manager said staff is recommending the submission of a grant application to the Illinois Department of Natural Resources Conservation 2000 Funding Program for financial support in the amount of \$10,000.00. The Conservation Foundation recommends that projects should have matching funds of at least 50% of the project costs. The grant will support Lacey Creek Restoration Management and Stewardship Activities, a project designed to preserve and enhance the overall stream corridor and wetland restoration of Lacey Creek.
4. **E-permit Presentation.** The Manager said Dr. Liangfu Wu, Director, Information Services, to address this item.

Liangfu Wu, Director, Information Services, said staff has been using the e-permit system internally since January 1, 2003. He will introduce it to the community in March. It is 100% web based. It is an e-government concept and is the most advanced e-permit system he has seen. Every permit is in the system and can be selected from a list. Dr. Wu said the system can be operated at any time. There is no difference in application for staff or residents. With the assistance of slides, he demonstrated the procedure for establishing an account and accessing the system. Applicants will be able to access information about their permit through the system. Where there are multiple permits involving more than one department, notes can be added. If a permit is denied, the reason would be on the system. For simple permits, such as fence permits, applicants can pay by credit card and print out the permit from their homes. Dr. Wu said the system is homegrown and does not cost the taxpayers additional dollars.

Commissioner Sisul said he was pleased to see this unveiled. He asked if this system will show an applicant all the approvals they will need.

Dr. Wu said it would and it will also include county and township information.

Commissioner Sisul reiterated and Dr. Wu confirmed that an applicant would see a listing of permits required for the work they are doing which would even include requirements from other governmental bodies.

Commissioner Sisul asked about other approvals, such as Fire Prevention.

Dr. Wu said the applicant's account will include necessary Fire Prevention approvals.

Commissioner Sisul asked if the Council will be able to access this system to answer builder's or resident's questions.

Dr. Wu said he will research providing an access code to the Council members for this purpose.

In response to the Mayor, Dr. Wu said a person who applies for a permit in person could check their status on-line.

Commissioner Zabloudil said this is a great example of resource allocation. He asked if the e-permit process will detail for an applicant all the permits needed for projects such as a six-story building or a single-family home.

Dr. Wu said it would. There is a list of steps that apply to each type of project.

Commissioner Zabloudil asked if there are situations whereby one could not get a permit off the web.

Dr. Wu said if drawings are required, they would have to be submitted in person; however, they could still get their permit off the web.

Commissioner Zabloudil asked if there were differences in charges on-line vs. in-person.

Dr. Wu said there are no differences as they are not separate systems.

Commissioner Zabloudil asked if stormwater is included in this system. Dr. Wu said it was.

In further response to Commissioner Zabloudil, Dr. Wu said the permit information is in a Village data warehouse connected to GIS. He said classes will be offered in March.

Commissioner Zabloudil said this is a tremendous tool.

Commissioner Schnell asked if the information is connected to a map, particularly for stormwater purposes. Dr. Wu said that connection has not yet been made.

Commissioner Schnell suggested including a statement indicating that fees could be higher if the property is in a stormwater special management area (SMA). She wants residents to understand there could be additional stormwater fees. Dr. Wu suggested putting this in the note area.

Commissioner Schnell said there may be tiers to fees. She asked if the system could accommodate changing fees. Dr. Wu said it could.

Commissioner McConnell thanked staff for this information. She said it increases the transparency of the Village. She asked about the involvement of the Technology Commission.

Dr. Wu said the Technology Commission reviewed the system a couple of times.

Commissioner McConnell asked how staff will know someone has applied on-line. Dr. Wu said staff will log onto the system every morning.

Commissioner McConnell suggested building in an aging process whereby staff will know how long an application has been pending. She asked about the purpose of the bar code.

Dr. Wu said the bar code is available but will not be used at the present time.

Commissioner Tully thanked Information Services for their work. Commissioner Tully said he reviewed an e-permit system at a conference. It was very expensive and did not offer the features of this system. He said this tool will have great value. He asked how it has been tested.

Dr. Wu said it has been tested internally.

Commissioner Tully suggested it might be useful to test it with a builder or contractor or resident. He agreed with Commissioner Schnell that wording be included regarding a disclaimer concerning stormwater and outside consultant fees. He suggested that Mr. Hall and Mr. Bajor could help with this.

Dr. Wu said he would look into linking the system to outstanding accounts receivables.

Dr. Wu thanked the staff for working on this.

Chris Fregeau, 1918 Elmore, asked if there was a way to flag those applicants with outstanding accounts.

The Mayor said this had been discussed.

5. **Saab Sales Tax Incentive Discussion.** The Manager asked Steve Rockwell, Director, Economic Development, to review this.

Steve Rockwell, Director, Economic Development, said Roland Gartner of Gartner Holdings and Gartner Saab is present tonight. Mr. Rockwell provided an artist's rendering of the Saab Dealership to be built in Downers Grove. The site is at 205-217 Ogden Avenue and currently houses the Downers Grove Motel and Hostess Bake Shoppe. The real estate agreements for the site close on February 18, 2003. This area has been identified as a redevelopment opportunity site.

Mr. Rockwell said the last sales tax revenue sharing agreement was in June 2001. He noted the make-up of the committee that reviewed the current proposal.

Mr. Rockwell said Saab projects that 25-35% of cars sold would be in the Downers Grove area. Mr. Garner anticipates selling 350 new Saabs at an average retail price of \$33,000 and an additional 300 used vehicles at an average price of \$22,000.00.

Mr. Rockwell said a special use was granted in January 2003 to repair automobiles in a business district.

Mr. Rockwell said Saab estimates selling 15 cars per month until their new facility is built. The new facility would be 18,000 to 20,000 square feet with 120 vehicles on the lot.

Mike Kelch, EDC Incentive Subcommittee, highlighted major benefits to the Village including an estimated seven-year incremental sales tax revenue of \$800,000.00. Current sales tax revenues

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of these properties is \$9,000 - \$10,000.00. Seven year incremental property tax revenue is estimated at \$300,000. There will be an initial business capital investment of \$8 million. The project is consistent with the Ogden Avenue Master Plan and will improve traffic patterns as four curb cuts will be reduced to one.

Mr. Kelch said the proposed incentive agreement is consistent and competitive. The term is limited to seven years. The tax revenue sharing will begin when the new facility is complete and operational. The incentive base is \$35,000. The Village will receive all sales tax revenue up to the incentive base after which Saab and the Village will share the sales tax revenue on a 50/50 basis. Further, the agreement includes a commitment to continue the dealership.

The Mayor asked Mr. Rockwell to summarize the incentive agreements to date.

Mr. Rockwell said Burpee's left Downers Grove after one year. No money was asked for and none was sent to them. The Village entered into an agreement with Max Madsen in 1999. It is for six years, expiring in 2004. Sales tax revenue is shared on a 50/50 basis, and the Village has collected \$273,000 to date. Luxury Motors also has a 50/50 sales tax revenue sharing agreement. They anticipate sales of \$150 million next year. Fry's has not yet opened. The agreement includes a cap of \$8 million in 12 years. The proposed agreement with Gartner is for \$3 ½ million in sales and 50/50 sales tax revenue sharing after the first \$35,000.00. They anticipate \$55,000 in sales before the new facility is built. Sales tax on that amount will not be split.

Commissioner Zabloudil thanked the EDC for their hard work. He said this is a well-balanced proposal. He said it is important to underscore that the current revenues on the properties is approximately \$10,000. The Council needs to seriously consider this agreement. Saab currently has limited models but will be expanding as it is part of General Motors. He complimented Saab on the layout. He said it is beneficial to reduce curb cuts and he said the layout addresses safety issues. He asked if there are plans for fencing.

Roland Gartner, President, Gartner Saab, said he has no plans for fencing as he feels it would be distracting. He will install a six-foot solid fence in the rear for privacy.

Commissioner Gilbert asked when the new facility would be open.

Mr. Gartner said he expects it to be by late fall 2003.

Commissioner Sisul said he would speak with Village Attorney Petrarca regarding the agreement.

Commissioner Schnell asked about the incentive base for both Max Madsen and Luxury Motors.

Mr. Rockwell said 1999 was the base year for Max Madsen. He said \$140,000 was the base; sales tax collected after that was split. Regarding Luxury Motors, \$350,000 was the base; sales tax was split after that amount.

Commissioner Schnell asked how the committee arrived at \$35,000 as the base for Saab.

Mr. Rockwell said this was a negotiated figure.

Commissioner Schnell asked for additional information regarding trucks going out on Cumnor. Mr. Rockwell said that would be addressed during the special use.

Commissioner McConnell congratulated the parties on their negotiations. She said she supports the fence ideas. She asked whether the dates for breaking ground and for opening are reasonable.

Mr. Rockwell said there are some concerns about the special use process. He said stormwater will be an issue. He said they put a date of June 2004 in the contract but hope to be open by October or November 2003.

Mr. Gartner said he would be amenable to the Council adding language to the contract extending the contract by 30-45 days.

Mayor Krajewski said, if necessary, the Council would address this at the time.

Mr. Gartner said he will have invested money into the property and will want to meet the deadlines.

Commissioner Tully thanked the committee for their work. He said this demonstrates the importance of planning. The Ogden Avenue Master Plan makes this an easy decision. He said it further demonstrates the importance of an objective incentive matrix which also makes the decision easy. He said the site plan will be reviewed by others before coming back to Council. He said the sales tax sharing should take place upon receipt of funds from the state.

Mayor Krajewski said this has major benefits to the Village. He thanked the EDC and staff for their work. He asked if the \$800,000 of sales tax revenue is cumulative over seven years and if that is the Village's share. Mr. Rockwell said it was.

The Mayor said the sales tax revenue is currently \$10,000.00. He asked if the \$300,000 property tax revenue is our share or the gross number. Mr. Rockwell said it was the gross number.

The Mayor said the property tax revenue is currently \$23,000.00. He asked for a breakdown as to the Village's share.

6. **Ordinance Prohibiting Parking in the Access Aisle of a Handicapped Parking Space.** The Manager said this ordinance clarifies prohibited parking provisions in Chapter 14-108 of the Municipal Code.
7. **Tax Abatement Ordinances.** The Manager said this has previously been presented to Council.

Mayor Krajewski said there are six abatement ordinances. The Council will abate the water bonds.

Commissioner Gilbert said he feels the abatements on the TIF related levies need to go forward as they are promises he would like to keep. He said he could agree not to abate the Fairview Avenue bonds.

Commissioner Schnell said a gasoline tax was put in place to help pay for the Fairview Avenue bonds. It is not covering all of the debt service. She said she would prefer a ½¢ gasoline tax. The plan was to tax those that use the road. She said she would not be in favor of not abating the Fairview Avenue bonds. She said she thinks the other bonds also should be abated as she would like to keep the promises made.

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Commissioner McConnell she also would like to abate the ordinances; however, the economic situation requires this to be reviewed. She said the Village cannot continue to provide the current level of services without increasing revenues. Not abating those things that do not have to be abated should be reviewed. Approximately \$300,000 has to be abated. She recommended abating only those bonds that have to be abated. She recommended not abating the others for a one-year period only.

Commissioner Tully said the Village is faced with the present economic realities. He said everyone on the Council wants to abate the ordinances, but he is not in favor of reducing services below expected minimums.

Commissioner Tully said the TIF bonds paid for reconstruction and replacement of the decrepit infrastructure. Those costs totaled between \$12 – 15 million. This would have normally been paid by the citizens through property taxes, which makes sense as everyone uses or benefits from the downtown. However, the CBD TIF was used to shift the cost of the debt service from property taxes to other revenues, hopefully, TIF revenues. The TIF will not generate enough revenues in the first years to cover that kind of debt service. Therefore, the debt service for the CBD TIF has been subsidized through the parking fund and the capital improvement fund. The sources of revenue for those funds are telecommunication taxes, gas, electric and others. When there are revenues from those sources that can shift the tax burden from property taxes to those funds, then the debt service should be abated. However, those funds do not exist right now. The alternative is either to make cuts he feels are unacceptable or to not abate. Economic realities dictate that abatement not be made. Over the last four years the debt service on the CBD TIF bonds has been paid by sources other than property taxes in the amount of \$2.7 million. The present reality is that those revenues that previously subsidized the debt service are not there. They are decreasing and not expected to increase anytime soon. He said there is no other alternative than not to abate at least that portion of the downtown TIF bonds that can be directly tied to the infrastructure. Staff has calculated the infrastructure portion of the CBD TIF bonds to be 61.6%. This does not include streetscape or redevelopment. This would amount to approximately \$822,000.00 and he would be in favor of not abating this amount. He reiterated that in the past the entire debt service would have been paid by property taxes. He recommended reviewing this again next year. It is not an easy or pleasant decision. Regarding Fairview Avenue, Commissioner Tully said the gas tax has not covered the debt service and has been subsidized from the general fund. Economic conditions do not allow for the abatement of this debt service. He recommended adjusting the gas tax.

Commissioner Zabloudil said he agreed with Commissioner Tully as to the TIF and Fairview Avenue abatements. He also recommended reviewing the gas tax. He said it is important to move forward and look at the revenue needs of the Village. The Council has been able to abate these taxes in the past but cannot continue to do this given the current economic climate. He said the Council does not take this lightly, but there are needs that have to be addressed. He would support reviewing this again next year. He said he would support not abating the TIF bonds related to the infrastructure as well as not abating Fairview Avenue bonds.

Commissioner Sisul said it is important not to lose sight of the fact that Councils have tried to keep taxes at a minimum. He said the Village cannot cut services because we have not had frills. He said the Council uses the money as wisely as possible and applies it where it is best served. When possible, the Council makes sure the taxpayers get their money back. The Village finds itself in a position of needing money and looking for revenue sources. He supports the positions of Commissioners McConnell, Tully and Zabloudil. He said he appreciates the concerns of Commissioners Schnell and Gilbert. He does not see that the Council is not being fair to the

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taxpayers. In the past when the Council has had the money, they have rebated it to the taxpayers. Taxpayers did not have to share in all the expenses of the infrastructure improvements. Regarding Fairview Avenue, the revenue source did not meet expectations. It is necessary to take steps to bring the budget in line. He said he is in favor of not abating Fairview Avenue nor that portion of the CBD TIF used for infrastructure improvements.

Mayor Krajewski said the Council is discussing general funds. Abating has nothing to do with Fairview Avenue or the downtown. He said he agrees that the Fairview Avenue issue should be addressed to make sure that the gas tax is covering what it should.

The Mayor said the general fund does not have the revenues to cover the services the Council want to offer to the community, such as police and fire. The cuts to make the general fund balance are unacceptable. The Council needs to get revenue to the general funds in order to adequately cover police, fire and the expected services. In December, Deputy Village Manager Dave Van Vooren told the Council the general fund was operating at a deficit and that the Village could not continue to provide the current level of services to the community without an increase in the property tax rate. If the Council had increased property taxes, they would have the necessary additional revenue and would have abated these taxes. Instead of raising taxes Council decided to wait on abating some of the debts until the staff could provide the necessary information for their review. The Mayor said the TIF will still be paid for with money from the parking fund and loans from the capital fund. The funds from not abating the debt services will subsidize the general funds for police, fire and other services. He said he was in favor of not abating Fairview Avenue and the downtown levies to some extent.

STANDING COMMITTEE REPORTS

There were no reports.

ATTORNEY'S REPORT

Village Attorney Enza Petrarca presented four items to the Council: 1) A resolution authorizing execution of an agreement between the Village of Downers Grove and Astro Amusement Company, Inc.; 2) A resolution authorizing submittal of grant application to the Illinois Department of Natural Resources; 3) A resolution authorizing execution of a sales tax rebate agreement between the Village of Downers Grove and Gartner Holdings, Inc.; and 4) An ordinance amending parking restrictions.

COUNCIL MEMBERS

Mayor Krajewski said the DuPage County Board has passed a resolution regarding the O'Hare Modernization Program. He asked that this be placed on a future workshop.

The Mayor said he visited Fairmount School recently and received thank you letters from the third grade students. He read some of the letters and thanked the students for inviting him to their school.

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There being no further discussion, the Workshop meeting was adjourned at 8:43 p.m.

April K. Holden
Village Clerk