

# CITY OF WEST CHICAGO

WHERE HISTORY & PROGRESS MEET

Approved with changes August 9, 2021

## MINUTES

### DEVELOPMENT COMMITTEE

July 12, 2021 7:00 P.M.

#### 1. Call to Order, Roll Call, and Establishment of a Quorum.

Alderman Stout called the meeting to order at 7:00 p.m.

Roll call found Aldermen James Beifuss, Melissa Birch Ferguson, Christine Dettmann, Matt Garling, John Jakabscin, Jayme Sheahan and Rebecca Stout present.

Also in attendance was Community Development Director, Tom Dabareiner.

#### 2. Approval of Minutes.

##### A. May 10, 2021.

Alderman Beifuss moved and Alderman Dettman seconded a motion to approve the minutes. Voting Aye: Aldermen Beifuss, Birch Ferguson, Dettman, Jakabscin, Sheahan and Stout. Voting to Abstain: Alderman Garling. Voting Nay: 0.

#### 3. Public Participation. None.

#### 4. Items for Consent.

A. **Zoning Text Amendment** – Creates a use that allows for non-profit/religious food trucks with the purpose of delivering healthy food options to people and areas of town where it may be challenging to acquire such food.

Alderman Birch Ferguson moved, and Alderman Sheahan seconded the motion to approve Item 4. A. Voting Aye: Aldermen Beifuss, Birch Ferguson, Dettmann, Garling, Jakabscin, Sheahan and Stout. Voting Nay: 0.

#### 5. Items for Discussion.

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- A. **Aspen Ventures Townhouses** – On January 11 this year, Development Committee members were given the chance to review and discuss the desirability of townhomes on Block Two, consistent with the Central-Main Street Redevelopment Plan Update. Since then staff and attorneys have worked on a sales agreement and redevelopment agreement. Also, a parking alignment to satisfy St. Vincent de Paul was achieved and already approved by City Council. The agreements need to be reviewed and recommended for City Council approval.

A staff update was provided by Tom Dabareiner. This item was first presented to the Committee on January 11, 2021 by Aspen Ventures Group where it was well received. The proposal includes the construction of 8 townhomes on Block Two at the corner of High Street and Center Street. This is the first step in bringing the City's Central-Main Street Redevelopment Plan to fruition. A development agreement was prepared to manage the land sale and development. Two of the main components are that 1) the land is provided to the developer at no charge and 2) \$175,000 will be paid to the developer to cover the gap in development costs. This is an eligible TIF expense. Legal notice needs to be published 10 days in advance of the City Council meeting. This would mean the item would not be discussed until the Council's August meeting.

Alderman Garling asked if the 10 days are required because the land is being given at no charge, and Mr. Dabareiner confirmed this is why. Alderman Dettman asked if anyone from the public objected to the project. Mr. Dabareiner replied that no one has. At that time the project was first proposed, the meeting took place online due to pandemic restrictions. The developer has provided three pages of renderings of the project design elements in tonight's packet. The City is making the design part of the agreement so as to have a say in the final design. The townhomes planned for this area are consistent with what was proposed in the Central-Main Street Redevelopment Plan. Aspen Ventures is working on detailed plans for submittal.

Alderman Stout stated that this project is in keeping with what they asked for, and it is going to start the ball rolling in garnering more interest in downtown redevelopment. This is a step in the right direction.

Alderman Beifuss stated the elevations look good. He asked about the current price point and square footage. Tom Dabareiner stated they would run from \$325 K to \$350 K. He did not recall the square footage, but stated the townhomes will have quality finishes. Alderman Beifuss asked about the parking spaces for St. Vincent DePaul, and Mr. Dabareiner said they met with them and agreed to four spaces, which would allow for parallel parking along the north side of the alley.

Alderman Garling stated that he is still hesitant to use TIF funds for this project. He said he believes the money should be saved for a time other than now when it is a "hot housing market." Tom Dabareiner stated that Aspen Ventures has been good about keeping their

price point the same even though the price of lumber has gone up significantly. The financial gap relates to what is considered to be a reasonable range for return on investment, which is between 7.5% to 8%.

Alderman Jakabscin indicated that at a previous meeting with the developer, they stated they had some movement on price and can lower it if needed to move inventory. Mr. Dabareiner commented that the developer has indicated they believe all the townhomes will be sold before the first unit has been built.

Alderman Beifuss stated that he lives in this neighborhood and his neighbors are concerned they build something of high quality to retain property values and to visually enhance the area. He said he thinks these look like nice townhomes. However, he shares some of the concerns about using the TIF money. He asked if there are provisions in this agreement that would protect the City if not completed. Tom Dabareiner replied that this is included in the agreement and a letter of credit will also be required as standard procedure. Alderman Stout pointed out which section of the agreement provides for protection against developer default and she added she does not have concerns about using TIF funds as this project will spur even more development, which will, in turn, earn them even more money back on their initial investment. They have been waiting many years to get this project going. It is not such a substantial amount, and it will set the tone for the rest of the development. Tom Dabareiner indicated staff is working with an apartment developer at this time as well, and a financial gap exists for that project, too. No developer wants to do the work and not meet his or her rate of return. Alderman Beifuss stated that they should move forward with this, but reiterated his concern about use of the TIF funds.

**Alderman Birch Ferguson moved, and Alderman Dettman seconded a motion to approve Item for Discussion A. Voting Aye: Aldermen Beifuss, Birch Ferguson, Dettman, Jakabscin, Sheahan and Stout. Voting Nay: Garling.**

**B. De-TIF/Re-TIF of Downtown TIF District** – With the Aspen Ventures Group townhouse agreements being processed and financing discussions concluding on a downtown apartment building (to be presented first to Finance Committee before the conceptual plans are presented to Development Committee), Kane McKenna and Associates proposed to conduct the needed study to De-TIF and Re-TIF portions of the existing Downtown TIF. The costs are estimated at a not-to-exceed amount of \$45,500.00. Resolution No. 21-R-0056 would authorize the Mayor to sign the contract.

Tom Dabareiner updated the members about this Item. He explained the City is nearing the end of the current downtown TIF, and given what is planned for the downtown redevelopment, they have an opportunity to start fresh with a new TIF and to capture the increment year after year for the 23-year life of the TIF. Alderman Stout asked Mr. Dabareiner to explain what a TIF is, and Mr. Dabareiner did so.

Alderman Jakabscin asked about Kane McKenna and Associates. Mr. Dabareiner replied that they are one of the premiere three companies in the State that do this type of work. They are a well-known firm that has been advising the City throughout the process of the townhome and apartment developments. Alderman Beifuss asked about the addresses given in the written Agreement sent by Kane McKenna to the City. Discussion ensued between Mr. Dabareiner and Aldermen Beifuss and Stout as to the boundaries of the TIF area, and it was determined the streets identified in the Letter of Agreement need to be updated to the correct street names *as E. Washington St. was cited instead of Main St.* Mr. Dabareiner stated it is important to begin the De-TIF/Re-TIF as soon as possible to prevent loss of the tax increment they could be gaining.

Alderman Garling asked about the Rte. 59 boundary of the TIF area, and Mr. Dabareiner stated the Agreement attempts to only outline the area in question, but the ultimate boundaries will be defined once the new TIF is established. Alderman Garling asked which boundaries they are considering, and Mr. Dabareiner replied that that will be determined in the study performed by the consultant. However, the areas to be redeveloped with new townhomes and apartments need to be included. Once redevelopment happens, there will be a ripple effect as there will be more people shopping, more businesses, etc. The consultant has to do the calculations to make sure the new TIF meets State law, and then they will propose the boundaries.

Alderman Jakabscin stated the consultant needs to revise the Agreement and bring it back for approval. Alderman Stout said that they should not hold this up for another month if they are going to green light new development and then lose the potential for tax increment. Mr. Dabareiner indicated they need to have the new TIF in place before the developer can begin. There are two changes that need to be made to the Agreement and that can happen quickly and before the next City Council meeting.

Alderman Garling stated he does not understand the sense of urgency if they have been waiting for four years already. Mr. Dabareiner replied that what is different is that the developer is ready to start. Alderman Garling stated that as a council member he has a responsibility to his constituents to spend their money wisely. His concern is that the Agreement seems to state a new TIF is a foregone conclusion that the conclusion will be a new TIF versus the other local financing options outlined in step 5 of the Agreement. He does not think it is prudent to spend taxpayer money without taking it step by step. He would rather have them redraft the Agreement and complete Task 1 first and then come back to see if a new TIF is economically viable. Discussion followed by Aldermen Garling and Stout and Mr. Dabareiner about the TIF, including State requirements for analysis and the pressing timeframe.

Alderman Dettman stated that you could lose money by delaying things. She pointed to the example of the West Chicago business park where it was delayed for a long time but now it is finally booming. She is new to this and she does not disagree with some of the previous



points made, but she would like to see this move forward.

Alderman Beifuss asked how many years the TIF would run. Tom Dabareiner stated that it is 23 years, but they would not need all of that time to reimburse themselves for the townhomes. One of the things they try to balance is if the TIF will generate enough money for the projects. Alderman Beifuss asked what area they foresee for the TIF, and if it would start at Rte. 59. Mr. Dabareiner replied that he does not know the specifics but that it seems to him everything east of City Hall has already been built. However, the consultant needs to make that determination. Alderman Beifuss asked at what points the consultant would report. Mr. Dabareiner replied that they would be reporting to staff throughout. Staff could bring reports to this Committee as they proceed through the process. Alderman Beifuss stated the members like to be informed about the scope of projects and how they are progressing. Mr. Dabareiner agreed.

Alderman Jakabscin stated that based on the expertise of staff and the changes already agreed upon to be made to the Agreement, he sees no reason to not move this forward to Council. Alderman Garling asked if the TIF study needs to be completed in the next 3 to 4 months if the developers want to break ground this fall, and Mr. Dabareiner said yes.

Alderman Birch Ferguson stated that this is something they need to spend money on, which is a task that they cannot perform themselves. As examples, the City hired experts to perform the Strategic Plan and the Comprehensive Plan. The price seems appropriate for the work this consultant will be doing. She indicated they need to get started as soon as possible.

Alderman Garling asked if a timeline could be added to the Agreement to ensure the work gets done by fall. Mr. Dabareiner stated Kane McKenna could probably estimate a timeframe. Alderman Beifuss asked if the different taxing bodies would need to approve a new TIF plan, and Mr. Dabareiner said yes. Alderman Beifuss stated they will need to have a finance tool in place before any development is to begin and to continue façade grants, etc. He expressed concern about the consultant incorrectly identifying the area to be studied. He asked more questions regarding the area. Alderman Stout said that the purpose of the study is to identify the new area of the TIF. Once the minor changes to the Letter of Agreement are made, and with the understanding that they will provide regular reports on the process, the City needs to move forward. Alderman Jakabscin agreed. Alderman Beifuss stated that Kane McKenna knows what they are doing as they have worked with them before.

**Alderman Birch Ferguson moved, and Alderman Jakabscin seconded a motion to approve Item for Discussion B. Voting Aye: Aldermen Beifuss, Birch Ferguson, Dettman, Jakabscin, Sheahan and Stout. Voting Nay: Garling.**

## **6. Unfinished Business.**

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Alderman Beifuss asked for an update on regular checking of potential lighting glare, especially at commercial properties usually in the fall & winter. Tom Dabareiner reported that the inspectors worked one evening to assess this last winter, and they will do the same for this upcoming season. The businesses contacted were very cooperative in rectifying the lighting violations as needed.

7. **New Business.** None.
8. **Reports from Staff.** None.
9. **Adjournment.**

**Alderman Birch Ferguson moved, and Alderman Beifuss seconded the motion to adjourn the Development Committee meeting at 7:53 p.m. Voting Aye: Aldermen Beifuss, Birch Ferguson, Dettman, Garling, Jakabscin, Sheahan and Stout. Voting Nay: 0.**

Respectfully submitted,

Jane Burke

