

**MINUTES
COMMITTEE OF THE WHOLE MEETING
VILLAGE OF VERNON HILLS
NOVEMBER 16, 2010**

IN ATTENDANCE: President Byrne called the meeting to order at 8:17 p.m. The following Trustees were present: Trustee Williams, Koch, Marquardt, Schwartz, Schultz and Hebda

Also present were Village Manager Allison, Assistant Village Manager Kalmar, Police Chief Fleischhauer, Public Works Director Brown, Building Commissioner Atkinson, Attorney Wolfberg and Recording Secretary Fischbach

1. APPROVAL OF 11/3/2010 COMMITTEE OF THE WHOLE MINUTES.

Motion by Trustee Hebda, second by Trustee Marquardt to approve the 11/3/2010 Committee of the Whole Minutes.

Roll call vote:

AYES: 6 Marquardt, Williams, Schwartz, Schultz, Koch, Hebda

NAYS: 0 None

ABSENT AND NOT VOTING: 0 None

Motion carried.

2. CORE RETAIL AREA PLANNING & ZONING COMMISSION REPORT AND RECOMMENDATION

Assistant Village Manager Kalmar provided the following information to the Village Board. The Planning and Zoning Commission conducted a public hearing on October 20, 2010 to consider various amendments to the Zoning Ordinance regarding the regulation of commercial properties within the Core Retail Area of the Village. The proposed amendments were shared with the major commercial property owners along Milwaukee Avenue and Townline Road. No one appeared at the public hearing to speak either for or against the proposed amendments. Comments were received from Westfield requesting that entertainment type uses such as theaters and bowling alleys be exempted from the requirements of the Ordinance. Inland Commercial Property Management felt the ordinance was "...fairly written and appeared to be reasonable in its approach". They further commended the Village for creating an ordinance which was "...a fair compromise for all."

Staff has been working with RCCA on the zoning regulations to address ways for the Village to protect and preserve its largest source of operating revenue, being sales tax, while also working with the property owners to maintain a viable tenant mix. With the financial challenges of the current economy coupled with pressures from the State of Illinois, the Village must find ways to preserve and enhance this source of revenue into the future.

The amendment of Article 4 to add Section 4.14 is summarized as follows:

- The draft ordinance amends Article 4 of the Zoning Ordinance to create a new Section 4.14 called Commercial Building and Use Review within the Core Retail Area.
- The amendment creates a Core Retail Area Overlay District (CRA) which is placed on the Zoning Map. The CRA excludes the Loyola/Cuneo Museum property.
- New Section 4.14 will be applicable to properties in the B-1, and BP zoning districts which are covered by the CRA overlay district.
- For properties in the B-1 District and located within the CRA, this would include: (North of Rt 60 and east of Milwaukee Avenue)

- Westfield Hawthorn Mall
- Rivertree Court
- Hawthorn Hills Square
- Marketplace
- Hawthorn Village Commons
- Gregg's Landing commercial properties.
- For properties in the BP District and located within the CRA, the properties would include: (South of Route 60)
 - Townline Commons
 - Target
 - Sports Authority.
- The basis for the amendment is recognizing that, pursuant to the RCCA report, buildings within 300 feet of the road rights-of-way (Route 60 & Milwaukee Avenue) are the primary locations for non-sales tax generating uses.
- The buildings within the 300 foot area are typically less than 20,000 sq ft in size and contain single or multiple uses within each building.
- The total square footage for all of these building (20K sq ft or less) is approximately 215,586 sq ft or 6% of the total GLA within the Village.
- The proposed ordinance provides for the following:
 1. Definition of Retail Sales Establishments (RSE) i.e. sales tax generating uses
 2. Buildings which are less than 20,000 sq ft are exempt from the provisions of the Ordinance. Most of the Outlots along the Route 60 and Milwaukee Avenue would be exempted from the provisions of this proposed amendment.
 3. The ordinance exempts properties and space when one non-RSE is replaced by another non-RSE (when it's the same size and location). This is currently in the moratorium ordinance.
 4. For buildings greater than 20,000 sq ft, it requires that for any change of use from a Retail Sales Establishment (RSE) to a non-RSE, a Certificate of Building and Use Conversion must be approved by the Board's Committee of the Whole, except as noted below.
 5. Provides specific provisions for Westfield Hawthorn Mall due to the concentration of retail space on one property. For anchor tenant, a conversion of a minimum of 100K sq ft. For a non-anchor tenant, for a combined space of a minimum of 20,000 sq ft within the mall to comply with ordinance.
 6. Requires that effected buildings must maintain a minimum of 80% of the floor area for RSE's.
 7. Any proposed conversion of an RSE which exceeds 80% to a non-RSE and, when said conversion is completed, and the effected building will still exceed 80%, does not need a Certificate of Building and Use Conversion.
 8. Provides that the Board can approve the conversion request based on four (NOTE: if combined it may be less) different standards, deny the request outright or postpone the issuance of a building permit for up to one-year to allow for re-marketing of the building/space to find a RSE. It further provides that at the end of the one-year period, the building permit will be issued subject to compliance to all Village Codes.
 9. Reduces the number of effected properties to those directly adjacent to the intersection of Milwaukee Avenue and Route 60 and the Gregg's Landing Commercial properties. The overlay district excludes the following properties:
 - TIF District properties
 - Evergreen, Vernon and Butterfield Plazas
 - Aspen Pointe
 - Woodbine Commercial properties – Walter Smithe
 - Oaks of Vernon Hills commercial area
 - American Hotel Register commercial area and vacant property east of Milwaukee Avenue

- o CDW retail space
 - o Apple Orchard Square
 - o Ernie's Shell and Peacock Oil
 - o Restaurants at Lakeview/Hawthorn Parkways – OPA and Salerno's
10. Provides that if an owner wants to convert the RSE to non-RSE in less than 1 years time, than the Board may consider an offer of a payment in lieu of taxes (PILOT) from the property owner or applicant for conversion of RSE to a non-RSE.

The Commission did not recommend a specific formula for the PILOT. In discussions with the Village Attorney, we are suggesting a formula based on a 5 year payment agreement that requires payment of 100% of the most recent annual average sales per square foot as setforth in Section 4.14.5.4. The formula would include a gradual reduction in the annual payment amount by 20% over the next 5 years.

P&Z Recommendation:

The Commission voted unanimously 5-0 to recommend the following amendments to Appendix C of the Code of Ordinance, being the Vernon Hills Zoning Ordinance:

1. To approve the amendment Article 4 to add a new Section 4.14, Commercial Building and Use Review within Core Retail; and
2. To amend Articles 13 and 16 to reference the new Section 4.14 and its applicability within the B-1 General Business District, BP Business Park District and related planned use developments; and
3. To amend the Zoning District Map to place the boundaries of the Core Retail Area Overlay District on the map.
4. Any other amendments to the Zoning Ordinance deemed necessary and appropriate by the Board of Trustees as they may relate to the proposed amendments.

Motion by Trustee Schultz, second by Trustee Hebda directing staff to prepare the necessary document granting approval of the proposed amendments to the Zoning Ordinance.

Roll call vote:

AYES: 6 - Schultz, Schwartz, Williams, Hebda, Marquardt Hebda

NAYS: 0 - None

ABSENT AND NOT VOTING: 0 None

Motion carried.

3. RIVERTREE COURT SHOPPING CENTER, CONCEPT PLAN PRESENTATION FOR PROPOSED GORDMANS STORE AND RELATED SIGNAGE IMPROVEMENTS

Representatives from Inland Commercial Property Management appeared before the COW to discuss plans for conversion of the former Rivertree Theater into a Gordman's store. Gordman's is a chain of mid-western department stores founded and headquartered in Omaha, Nebraska and operates 66 stores in 16 states with the closest store is in Algonquin. Inland plans to renovate the interior of the building, construct an addition on the south side of the building and a loading dock at the rear of the building, relocate the entrance to the middle of the west elevation and remodel the west elevation. Inland is also proposing to perform extensive repair work on the entire parking lot and landscaping areas.

Inland is proposing to replace the theater's marquee sign located between TJ Maxx and the Avenue stores to a single sign for Gordman's as well as installing a pylon sign at the entrances on Milwaukee Ave an Townline road.. The existing sign structure will remain but the marquee sign panel would be replaced. To develop the site as proposed will require approval of the building expansion and elevations by the

Planning and Zoning Commission and Village Board. The new signs may also require variations being granted. Because of its location near the Des Plaines River, Engineering will closely review whether the property is impacted by the regulatory floodplain. All members of the Board expressed concerns with the elevations and color of the building. Mr. Kalmar requested sample boards and photos of other stores since the elevations did not appear to accurately reflect the colors.

It was the consensus of the Committee of the Whole was that Gordman's should proceed with the review process but needed to address the color and elevations of the building to make it more appealing. Mr. Kalmar indicated he will work closely with the Inland to ensure a quality building.

4. PROPOSED STEINHAFELS FURNITURE SUPERSTORE – 569 NORTH MILWAUKEE AVENUE - CONCEPT PRESENTATION:

Representatives from Steinhafel's appeared before the COW to present their plans for renovation of the former EXPO Design Center. Steinhafel's is under contract with Home Depot to purchase the property and is in a 60 day due diligence period to finalize their contract. They are looking to close on the property before January 1st. Staff has met with their team and discussed the proposed renovation plans for the building. They expect to spend between \$350,000-\$500,000 on the exterior of the building to install windows and improve the overall appearance of the building per the concept plans. They also intend to spend between \$4-\$5 million on interior remodeling/renovation and hope to be open in August 2011.

Representatives of Steinhafel's asked the Village to provide a sales tax rebate over 5 to 10 years to assist with the renovation costs. They are projecting that the store will do approximately \$25-\$30 million in sales the first year and generate between \$250,000 and \$300,000 in annual sales tax revenue for the Village.

It was the consensus of the Committee of the Whole that Steinhafel's should proceed with the review process and Staff should be directed to prepare the necessary economic incentive agreement that would authorize the sharing of sales tax revenue with Steinhafels.

5. POLICE STRATEGIC CAPITAL

Police Chief Fleischhauer stated that over the past several years, the Police Department budgets have been developed with the local economy in mind and little discretionary funding has been requested. For the past few years the department has not budgeted any capital items or equipment, except for those items absolutely necessary to carry out our duties.

With the FY 2011/12 budget process underway, Chief Fleischhauer wanted to make the Board aware of items that need to be considered in this budget year. One item is the federal mandate for all public safety agencies to abandon their current frequencies and switch to narrow-banding. The other items are equipment related, such the 10 Year Enhanced 9-1-1 Network Contract, the Positron telephone system, the Media/Voice Recorder system known as Mirra which records all radio, telephone and 911 communications. In addition the Village telephone system is in dire need of upgrading. Chief Fleischhauer indicated that no action was needed and it was his intent to make the Board aware of these concerns as they will be addressed in our budget discussions.

Public Works Director Brown also stated that the HVAC system on the Communications Center was also on its last leg and will be in the budget.

6. PACE BUSS ROUTE 572 – REDUCTION IN ROUTE

Village Manager Allison provided the Board with information on the Vernon Township and Libertyville Township Dial a Bus services which both have limitations. He indicated Libertyville is limited to seniors and disabled and Vernon Township has one bus with a relatively full schedule. The Village's service operates Monday through Friday with first pick up at 8:30 AM and last pick up 2:30 PM. The observations of our assistants who handle scheduling are that we have conflicts now with schedules for the seniors only. Also our hours are more limited than even Libertyville and Vernon Townships. This would cause conflicts for persons wanting to use the service for work. The total cost for our senior bus service annually is approximately \$42,000. Mr. Allison indicated he spoke with Supervisor Bill Peterson who operates the Vernon Township Dial-A-Ride and suggested we advertise this to those who may need a ride. PACE will stop service to the Westmoreland Area on December 13, 2010.

7. ADJOURN THE COMMITTEE OF THE WHOLE

On a motion by Trustee Schultz and second by Trustee Marquardt- the Committee of the Whole was adjourned Roll call vote:

AYES: 6 Marquardt, Schultz, Schwartz, Williams, Hebda, Koch

NAYS: 0 None

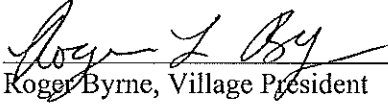
ABSENT AND NOT VOTING: 0 None

Motion carried.

Meeting adjourned at 9:43 p.m.



Michael S. Allison, Village Manager/Clerk



Roger Byrne, Village President

MSA/LLF

Approved this 7th day of December.