

Village of Lombard

*Village Hall
255 East Wilson Ave.
Lombard, IL 60148
villageoflombard.org*



Minutes

Monday, December 14, 2020

7:00 PM

Village Hall - Board Room

Economic & Community Development Committee

*Anthony Puccio, Chairperson
Reid Foltyniewicz, Alternate Chairperson
Dennis McNicholas, Garrick Nielsen,
Matthew Pike, Paula Dillon, Laine Vant Hoff, Gregory Ladle, Alan Bennett and Patrick
Kennedy
Staff Liaison: William Heniff*

NOTICE OF MEETING MODIFICATION DUE TO COVID-19

In light of the Disaster Declaration issued by the Governor of the State of Illinois relative to the COVID-19 pandemic, and pursuant to Public Act 101-0640, the Chairperson of the Economic & Community Development Committee has determined that an in-person meeting of the Economic & Community Development Committee, or a meeting conducted under the Open Meetings Act requirements, relative to a quorum of the members of the Economic & Community Development Committee being physically present at a meeting when some members of the Economic & Community Development Committee are participating remotely, is not practical or prudent because of the disaster.

Pursuant to Governor Pritzker's Executive Order 2020-07, as extended by Executive Orders 2020-18, 2020-33 and 2020-39, 2020-44, 2020-52, 2020-55, 2020-59, 2020-71 and pursuant to Public Act 101-0640, Economic & Community Development Committee members may attend and participate in the meeting remotely, and physical attendance at this meeting will be restricted solely to specified Village officials, staff and consultants. Residents may view the meeting live on television, at Comcast Channel 6 or AT&T Channel 99, or on online at www.villageoflombard.org/220/view-meetings-live.

All interested persons will be given the opportunity to participate in the public hearing via telephone or submission of public comments or evidence in advance of the meeting

All interested persons will be given the opportunity to participate in the public hearing via telephone or submission of public comments or evidence in advance of the meeting

- **email to communitydevelopment@villageoflombard.org**
- **calling and leaving a voicemail at 630-620-5760**
- **letter mail to:**

Community Development Department

**Attn: Economic & Community Development Committee
Village of Lombard
255 E. Wilson Avenue
Lombard IL 60148**

Persons interested in participating in the hearing via telephone shall contact the Village in advance by any of the above methods to obtain information necessary for telephonic participation in the hearing. The Village requests that comments be submitted to the Village by 4:00 p.m. on Monday December 14, 2020.

Notwithstanding this request, all comments received before the public comment portion of the public hearing will be read into the public meeting record. The physical attendance restrictions in place for this meeting have been adopted to comply with Governor Pritzker's Executive Orders regarding social distancing and the need to maximize residential self-isolation to slow the spread of COVID-19 to the greatest extent possible.

1.0 Call to Order and Pledge of Allegiance

The meeting was called to order by Trustee Puccio at 7:01 p.m.

The Pledge of Allegiance was recited

2.0 Roll Call

Present 9 - Anthony Puccio, Dennis McNicholas, Garrick Nielsen, Matthew Pike, Paula Dillon, Laine Vant Hoff, Gregory Ladle, Alan Bennett, and Patrick Kennedy

Also present: William Heniff, AICP, Director of Community Development.

Jennifer Ganser, AICP, Assistant Director of Community Development, Jennifer LaSota and Johnny Terzakis, Hoffmann Group, Aaron Gruen, Gruen Gruen & Associates, Zoran Milutinovic, Robert Rychlicki, Nina Coppola from Kane McKenna & Associates, Inc. attended remotely.

Anthony Puccio, Dennis McNicholas, Garrick Nielsen, Greg Ladle, Mathew Pike, Paula Dillon, Laine Vant Hoff, Alan Bennett, and Patrick

Kennedy attended the meeting remotely.

3.0 Public Participation

None

4.0 Approval of Minutes

On a motion by Mr. Mathew Pike, and seconded by Ms. Vant Hoff, the minutes of the November 9th, 2020 meeting were approved by the members present.

Aye: 6 - Anthony Puccio, Garrick Nielsen, Matthew Pike, Laine Vant Hoff, Gregory Ladle, and Patrick Kennedy

Abstain: 3 - Dennis McNicholas, Paula Dillon, and Alan Bennett

5.0 Unfinished Business

None

6.0 New Business

[200403](#)

600-690 E. Butterfield Road (Hoffmann 600 Lombard LLC Economic Incentive Agreement):

Review and offer a recommendation pertaining to the financial parameters of an economic incentive agreement between the Village of Lombard and Hoffmann 600 Lombard LLC as it relates to the proposed redevelopment of the subject property for a mixed-use commercial/residential development.

Mr. Heniff introduced the economic incentive request. He said this project received a recommendation of approval from the Plan Commission in November.

Ms. LaSota introduced herself and Mr. Gruen. She said Northern Baptist moved in 2017 and the property is vacant. There are challenges to redevelop the site. It is infill development between Yorktown Mall, Waste Management offices, Fountain Square, and additional office on 22nd Street. 4.3 acres is floodplain and wetland. The property is very deep and has limited visibility. She discussed a new roadway connecting from Butterfield Road to Target. Hoffmann Group will need to spend money to get the site construction ready; they will need to demolish the buildings, remove soils, fill in the pond, replace old infrastructure, and add underground detention. The traffic study said work will need to be completed off site on Butterfield Road to

improve the intersection. The project will cost approximately \$120 million and they are requesting \$31.5 million. Ms. LaSota said all costs are TIF eligible and will be pay as you go. They are offering the Village a construction cost true up which could reduce the actual incentive.

Mr. Heniff said the Gruen report is included in the packet. He reviewed the staff memo and referred to the October ECDC presentation. He discussed the five sources of the incentive: places for eating tax, amusement tax, sales tax, the TIF, and Business District 2. He said the Village will get paid first. Mr. Heniff said the property was tax exempt due to the use and ownership of a Seminary.

Mr. Rychlicki said this is a large multi-component project. He referred to the appendix in the report. The incentive was adjusted from \$23 million to \$27.5 million. Mr. Heniff said staff is seeking a recommendation to work with Village Counsel and Hoffmann Group to finalize the economic incentive agreement not to exceed \$27.5 million in eligible reimbursement costs. He said the request is for 16 years.

Trustee Puccio opened it up for ECDC member comments.

Mr. Bennett said many of the numbers are estimates. He would add a fourth point of requesting appraisals as noted on page 14 of the KMA report and the recommendations on page 19 of the KMA report. Mr. Heniff said these can added to the economic incentive and noted the Village's engineering consulting firm did a preliminary cost review.

Ms. Dillon asked is there more risk with a longer incentive and are there any concerns about viability with the pandemic. Mr. Heniff said the extra time is to be more realistic so that the developer may need more time to hit the \$27.5 million number. Ms. LaSota said Mr. Hoffmann has been in the restaurant business for many years and own A La Carte Entertainment which is performing well. She noted Top Golf is still open and is a mostly outside activity. Mr. Heniff said even with Covid, the Village still has projects in the pipeline. Ms. LaSota said they hope to break ground in summer 2021 and complete construction in late 2023. Mr. Gruen said with a large project like this a small change in valuation can swing the numbers and added it's hard to predict was life will be like in the future. He discussed when the 16 years should start: when the agreement is signed or when construction is done. He said flexibility is needed.

Mr. McNicholas said he is encouraged by the development. He asked if all the phases are not completed, would KMA still recommend the incentive. Mr. Rychlicki said this is a ceiling. As it is all performance based, if only one phase was completed less money would be received. He said the Village Attorney can place provisions like an end date or penalties in the agreement.

Mr. Nielsen said he is encouraged as well by the development. He suggested not adding a fourth point as appraisals are estimates and to leave it up to staff to determine the true ups.

Mr. Pike said he echoes others and his questions were answered.

Ms. Vant Hoff said she believes the site should be redeveloped. She asked how long the Sam's and Mariano's incentives were for. Mr. Heniff said Sam's was 10 years with sales tax, Mariano's was 19 years with sales tax starting when the CO was issued. Ms. Vant Hoff asked if we want to start the 16 years right away. Ms. LaSota said they would like to tie the start to occupancy otherwise they may lose 2 to 3 years during construction. Ms. Vant Hoff said then the incentive is for approximately 19 years.

Mr. Kennedy said he echoes others.

Mr. Ladle said he appreciates the property getting on the tax rolls and being developed. He is ok with the economic incentive as there is little cannibalism with the uses.

Mr. McNicholas said that Mariano's has one CO but this development has many buildings. He asked if the incentive would start when one or all the buildings had their CO. Mr. Heniff said this hasn't been decided yet and would need to be put in the agreement.

Mr. Bennett asked if the addition of the fourth point would delay the negotiation. Mr. Heniff said it shouldn't. Mr. Bennett said considering Mr. Nielsen's comments, point two could be expanded by adding "as well as any true-up of all construction costs".

On a motion by Mr. Bennett and a second by Mr. Nielsen, the ECDC recommended that staff work with Village Counsel and Hoffmann Group to finalize the terms of an incentive agreement based upon the parameters set forth within the staff report and the Kane McKenna review. The ECDC further recommend that an economic incentive, should address the following conditions offered by Village staff and amended by the ECDC at the meeting:

- 1. Shall be in an amount not to exceed \$27,500,000 in eligible reimbursement**

- costs to be derived over a sixteen (16) year period, whichever comes first;
2. The Agreement shall be a performance-based incentive based upon eligible and documented expenses as well as any true-up of all construction costs; and
 3. The reimbursements anticipated by the development shall be performance based and the maximum amount of the reimbursement shall not be a guaranteed, if in event the maximum revenues are not achieved

Aye: 8 - Dennis McNicholas, Garrick Nielsen, Matthew Pike, Paula Dillon, Laine Vant Hoff, Gregory Ladle, Alan Bennett, and Patrick Kennedy

7.0 Other Business

None

8.0 Information Only

None

9.0 Adjournment

On a motion by Ms. Vant Hoff and a second by Ms. Dillon, the meeting adjourned at 8:16 p.m.