



Village of Lombard

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

Minutes

Economic & Community Development Committee

Bill Johnston, Chairperson
Reid Foltyniewicz, Alternate Chairperson
Dennis McNicholas, Garrick Nielsen, Matthew Pike, Brian
LaVaque, Paula Dillon, Laine Vant Hoff, Gregory Ladle and
Alan Bennett
Staff Liaison: William Heniff

Monday, October 8, 2018

7:00 PM

Village Hall

1.0 Call to Order and Pledge of Allegiance

Trustee Johnston called the meeting to order at 7:00 p.m.

The Pledge of Allegiance was recited.

2.0 Roll Call

Present 8 - Bill Johnston, Dennis McNicholas, Brian LaVaque, Matthew Pike, Paula Dillon, Laine Vant Hoff, Gregory Ladle, and Alan Bennett
Absent 1 - Garrick Nielsen

Also present: William Heniff, AICP, Director of Community Development;
Jennifer Ganser, AICP, Assistant Director of Community Development

3.0 Public Participation

None

4.0 Approval of Minutes

On a motion by Mr. Pike, and seconded by Mr. LaVaque, the minutes of the August 13, 2018 meeting were approved by the members with noted corrections.

5.0 Unfinished Business

[170188](#)

101 - 109 S. Main Street - Request for Proposals (RFP)

Review and recommendations of submitted Request for Proposals (RFP) pertaining to the sale and redevelopment of the 101 - 109 S. Main Street

property owned by the Village of Lombard. (DISTRICT #4)

Trustee Johnston thanked everyone for attending. Ms. Ganser reviewed the order of the discussion.

Mr. Heniff reviewed the staff memo and said there are still unanswered questions; therefore staff is recommending a continuance to the November meeting. He reminded the ECDC that their role is to recommend an entity to enter into negotiations with the Village Board. He said KMA had a meeting conflict but he will follow up with them. Mr. Heniff noted that the Village's incentive policy state that 10 years is preferred and therefore analysis was does on a 10 year window. He said property taxes are more certain than places for eating taxes. He answered some questions from the previous meeting, such as noting that the most recent parking study was 2012 and that the West Hammerschmidt lot was expanded in 2015 to account for the parking spaces at 101 S. Main Street. He referred to the enclosed tables on incentives. He said Luxica changed their sales price and incentive, and Holladay changed the building design. He discussed the TIF ending date and why our TIF is for 34 years. He noted this may change the proformas and that staff needs to discuss TIF eligible expenses with both parties.

Mr. Chris Czarnowski spoke on behalf of Luxica. He reviewed a PowerPoint and his development that is mixed-use with Prairie Food Co-op. He said they doubled their equity to 20% and reduced the upfront need by over 80% to \$400,000. That request would come from the TIF. The reduced land price will help with project costs. He reviewed the sales and food/beverage tax incentive and said it has a cap of \$1.7 million. He discussed their TIF funding. He said Luxica would be willing to covenant the property that if revenue is high they can reduce TIF or sales tax sharing support. He discussed that the benefits will go beyond 10 years and that every three years they bring \$3 million in benefits. He reached out to Baum Realty and asked them to review the project. They said the project is well suited for national retailers. He discussed the Mariano's deal for 19 years and noted how the 101 land has been idle for 20 years. He reviewed a non-binding Village Board motion that asked for common space on the property as well as the 2014 Comprehensive Plan and Downtown Revitalization Guidebook. He said their plan is in alignment with those documents. He mentioned a letter from Studio 630 that supports their plan.

Mr. Drew Mitchell spoke on behalf of Holladay. He said they reflected on staff and public comments. They are offering \$1.5 million for the

land and asking for \$450,000 in TIF. He noted that both projects will pay taxes after the 10 year period, but Holladay is a \$30 million development that will make Lombard more exciting. Their project is low risk and they have a history of financing and filling buildings. The amount of money put in the TIF is exceeding what is coming out for their incentive. Mr. Chris Walsh of Tandem Architects reviewed a PowerPoint and noted that the building was turned so the open space faces east. Retail was extended an additional 3,000 square feet. He reviewed how the building steps back and the floor plans. He discussed the added open space in front of Prairie Food Co-op. He showed pics of the lobby and amenities. He noted many younger renters stay and buy homes in the community.

Trustee Johnston opened the meeting to public comment.

Ms. Linda Russo said she lives on Eugenia Street and has seen the downtown be revitalized with restaurants, a coffee shop, and more people. She believes we have plenty of residential but need a sense of community.

Mr. Jason Nelson said he lives within walking distance and moved here seven years ago. He feels the downtown focus has started and we need more restaurants and shops to help attract people off the train. He said there are other residential projects at Yorktown or on Finley. He said the entire community should have a say.

Ms. Joan Rye of 136 S. Charlotte asked Holladay if there will be balconies on the east. Mr. Walsh said they haven't decided on balcony placement yet but they don't have to be on the east side. Mr. Mitchell said their Downers Grove project is similar and the balconies face the open space not the adjacent property.

Ms. Donna Urlaub on Main Street said we have enough apartments and condos. She said everyone is excited about the Luxica project and it gives a sense of community.

Mr. Bob Griffith of 324 W. Taylor said he moved to Lombard in 1995 and he loves the downtown. He said it makes sense for more retail and national tenants would be great.

Ms. Deb Dynako of 125 S. Craig discussed a trip to Wisconsin and the towns were reinvented with additional retail. She said the Village was given the property for the benefit of the community. She feels

millennials aren't ready to leave the City yet. The site should be a catalyst for the downtown.

Ms. Jessica Hatton of 133 S. Charlotte said she has lived here for five years and is a millennial. When she first moved to Chicagoland she had a difficult time finding an apartment that would allow dogs and would have liked to live in a building like Holladay is proposing. She said we already have commercial property but we don't have nice apartments in the downtown. She noted that change can be scary; however, the Village needs more residential. Growth occurs with risk and she asked that we encourage apartment growth.

Ms. Sarah Richardt of 300 N. Edgewood asked if any of Holladay's buildings have turned into condos. Mr. Mitchell said they have never taken a property designed as apartments and turned it to condos. She asked staff what covers art and culture in these proposals. Mr. Heniff said it is a Village Board policy on how to allocate funds from the sale of land. He said both proposals have a civic/public space.

Mr. Andy Lynch of 142 S. Charlotte said Holladay made some improvements. He said it was short sided to only consider a 10 year window. He said people make decisions on where to live because of their family and families look at long term time frames. He said the Village should look at the promises it made when it was gifted the property and now is the time to act on those promises.

Trustee Johnston said public comments are now closed and the meeting is open to the Commissioners.

Commissioner Dillon said the Luxica plan shows it pays for itself in 10 years; however that is a long time especially for a retailer and asked how long the leases will be. She also asked if Luxica did any studies on who would use the retailers and would it draw people from other suburbs. Mr. Czarnowski said a larger retailer usually looks for a 5 year lease, with an option to 10. That is what Prairie Food Co-op will have. Though they have not done a formal study, his group did start with homegrown retail and review nearby income and traffic. There are retailers interested in downtown Lombard that hasn't found a modern space suitable for their needs.

Ms. Vant Hoff said she is a millennial also. She asked if Luxica could add more residential units. Mr. Czarnowski said would like to keep their development in character and have enough parking. He said food and

beverage come first and then the residential follows. She asked if Holladay could add more retail. Mr. Mitchell said they have 15,000 square feet of retail which is 50% of the Luxica proposal. Though they can consider more, the first floor of their building needs space for cars and pedestrians. He feels it's the right amount. Mr. Walsh said he has seen a developer add more retail and if it's not leased in five years it's turned to apartments. Mr. Mitchell said he doesn't want a glut of retail and said the Village has a fiduciary responsibility.

Mr. Bennett said he believes KMA should do an analysis out to 20 years and look at the tax revenue of other taxing bodies. He said the Luxica proposal didn't account for cannibalism. The Village gave large scale grants to current downtown businesses and these new businesses could be competitors.

Mr. Pike asked if the promise of a civic space was legally binding and also if staff could discuss a previous study on the property by Tracy Cross. He asked Luxica to explain their TIF incentive. Mr. Czarnowski said it is \$400,000 upfront when the project is complete and then \$200,000 a year. Mr. Czarnowski asked to address the comment on cannibalism and said his project is 60% committed with letters of intent and that there is no grocery store downtown. He doesn't believe his tenants would cannibalize the existing businesses nor would a national tenant. Mr. Heniff said in 2007 the Village Board decided not to renovate the DuPage Theatre and the development project was not approved. In a companion vote to demolish the building, Trustee Tross said the Village should pursue an RFP for a civic use. That action did not occur and it is not legally binding. Also, Tracy Cross did a market analysis for the site and said that residential apartments would be the most viable.

Mr. McNicholas said many new businesses fail, if Prairie Food Co-op fails can the project still make it as they are a substantial part of the income. Mr. Czarnowski said he reviewed their numbers and believes in their success. They do have the lowest lease rate and therefore if no longer a tenant they could get someone that could pay more. Mr. McNicholas asked about their retirement of debt and Mr. Czarnowski showed a spreadsheet with that information. Debt Service is 1.3 and anything above 1 is considered good. Mr. McNicholas asked about their projected assessed value with a property sale price of \$1 and the land worth more. He also asked how this would affect the TIF and potential incentives. Mr. Czarnowski said it shouldn't affect their project. Mr. McNicholas asked Holladay what the east setback would be and

how wide the building arms are. Mr. Walsh said the garages would go the property line but only be five feet above grade, the building arms would be approximately 120' and the common area is 100' wide.

Mr. Ladle asked if Holladay could reduce their unit count. Mr. Mitchell said from the Tracy Cross study 120-140 units is viable. They can look at reducing units, but need 75-80 units for their product type. The average unit is 900 square feet.

Mr. LaVaque said he had no questions but commended Holladay for their changes. He asked staff if they could prepare a map of property zoned for commercial versus residential from the Walgreens and up and down Main Street. He said both projects would be catalysts.

Mr. McNicholas said in his 45 years of practicing law he has seen success and failure. He said the property will appraise for a lot and if something goes wrong a bank will have a lien and get Lombard's share. If a project fails we won't have a say and if the TIF account is left without funds that could present another issue.

Mr. Ladle asked if Lombard Town Centre has made any comments. Mr. Heniff said they have received the information but we have not heard any comments.

On a motion by Ms. Vant Hoff and a second by Ms. Dillon, the ECDC unanimously voted to continue the matter to the November 12, 2018 ECDC meeting for further discussion

6.0 New Business

7.0 Other Business

8.0 Information Only

9.0 Adjournment

On a motion by Mr. Pike and a second by Ms. Ladle, the meeting adjourned at 9:00 p.m.