

Village of Lombard

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



Minutes

Monday, September 12, 2022

7:00 PM

Village Hall

Economic & Community Development Committee

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

1.0 Call to Order and Pledge of Allegiance

The meeting was called to order by Trustee Puccio at 7:00 p.m.

2.0 Roll Call

Present 6 - Anthony Puccio, Matthew Pike, Paula Dillon, Laine Vant Hoff, Gregory Ladle, and Alan Bennett

Absent 3 - Dennis McNicholas, Garrick Nielsen, and Patrick Kennedy

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

3.0 Public Participation

None

4.0 Approval of Minutes

On a motion by Mr. Pike, and seconded by Ms. Vant Hoff, the minutes of the May 23, 2022 meeting were approved. The motion carried the following vote:

Aye: 6 - Anthony Puccio, Matthew Pike, Paula Dillon, Laine Vant Hoff, Gregory Ladle, and Alan Bennett

Absent: 3 - Dennis McNicholas, Garrick Nielsen, and Patrick Kennedy

5.0 New Business

[220281](#)

D.R. Horton, Inc. Midwest (Summit at Yorktown) Economic Incentive Agreement

Introduction, discussion and consideration of an Economic Incentive request in an amount of up to \$1,900,000 in Butterfield Road/Yorktown Tax Increment Financing (TIF) funds to cover eligible costs and associated with the redevelopment of the property at 4-44 Yorktown Convenience Center. The ECDC will be requested to make a recommendation to direct staff and Village Counsel to draft an incentive agreement for Village Board consideration.

William Heniff, Community Development Director, introduced a PowerPoint presentation which noted the development parameters and an overview of the funding request. The presentation started with an overview of the Yorktown history and the past actions of the Plan Commission relative to the Yorktown Commons planned development and Horton's Summit at Yorktown 90-unit townhome development. He

summarized the development elements associated with the \$34,000,000 project cost.

Regarding the incentive request, the funding source would be solely from generated project increment through the Yorktown/Butterfield Road TIF District. The request would need to meet the parameters within the Village's Economic Incentive Policy (EIP). He noted the proposed eligible costs that comprise the \$1,900,000 incentive request, including but not limited to demolition, remediation, and a portion of the purchase price. Many of the costs are incurred at the front end of the project, so Horton is seeking consideration of an up to 75% reimbursement of eligible costs at the front end of the reimbursement process - a deviation from the EIP. The project will still provide over 75% of the generated increment to the Village. They are seeking approval of the agreement in October, 2022 so they can start demolition this year. The project construction is anticipated to be completed by the end of 2025.

The ECDC offered questions. Paula Dillon asked about the past zoning approvals associated with property and the reduction of proposed units in the Horton project relative to the overall number of possible dwelling units in the original zoning approval. Heniff noted that the 2016 approval did provide for either townhomes or apartments, to be flexible to future market conditions. An apartment project was approved on the site in 2019, but it did not proceed.

Alan Bennett stated that the Village is fortunate to have developers to bring a project of this nature forward, noting the changing nature of retail. It is an appropriate use of TIF funds and a project like this is why the TIF District was created.

On a motion by Bennett, second by Pike, to direct staff to work with Village Counsel and Horton to finalize the terms of an incentive agreement based upon the parameters set forth within the staff report and the Kane McKenna review.

The motion carried by the following vote:

Aye: 5 - Matthew Pike, Paula Dillon, Laine Vant Hoff, Gregory Ladle, and Alan Bennett

Absent: 3 - Dennis McNicholas, Garrick Nielsen, and Patrick Kennedy

6.0 Unfinished Business

[220185](#)

Synergy Construction (Yorktown Reserve) and Pacific Retail Capital Partners (PRCP) Economic Incentive Agreement

Status update and further discussion and consideration of an Economic Incentive request to provide performance based funding, based upon the following funding sources and eligible costs:

1. Butterfield Road/Yorktown Tax Increment Financing (TIF) funds to cover eligible performance based costs associated with the redevelopment of the property at 175 and 230 Yorktown Shopping Center (former Carson's anchor retail store and a portion of the existing JCPenney parking lot) for a two Phase multiple-family residential (apartment) redevelopment project, as provided through the Village of Lombard Economic Incentive Policy; and
2. Butterfield Road Yorktown Business District #2 funds to provide funding for the demolition and redevelopment of the existing Carson's anchor retail store with common area greenspace improvements and with associated parking and pedestrian enhancements, as well as requisite exterior mall construction activities, as provided for by the Village's Business Retention Economic Incentive Policy.

The ECDC will be requested to make a recommendation to direct staff and Village Counsel to draft an incentive agreement for Village Board consideration.

William Heniff introduced another PowerPoint presentation which noted the development parameters contemplated through a Synergy Development and Pacific Retail Capital Partners (PRCP), mall ownership entity, to redevelop the former Carson's anchor store property at Yorktown. The latest effort is intended to update the ECDC on actions which occurred since the introductory presentation was made to the ECDC. He discussed the funding request and a concurrence from the ECDC to continue to proceed on working on economic incentive agreement.

The presentation started with a review of the changes since last May, including a shift on the proposed apartment development further north and onto a portion of the JCPenney parcel. The shift is intended to maintain visibility for selected exterior tenants in the mall and recognizing private government agreements. The actual unit counts are over 700, but it will likely be reduced based upon market conditions. The overall project cost is about \$210,000,000. It will still be a two-phased project. Much of the proposed private improvements is intended to be a transformative catalyst to the existing Yorktown Center.

Incentive funding will be through two sources, and Village General Funds will not be used. First, the eligible costs associated with the Synergy project will be from the Butterfield Road/Yorktown TIF fund. For the project, incented categories include land acquisition, selected infrastructure and site preparation costs, project administrative soft costs and land development financing costs for the two phases. New business construction costs are not TIF eligible. In total, the \$20,756,301 incentive figure computes to 10.3% of the overall project costs. As this project includes housing units, statutory payments to school and library districts will be required.

Second, the Butterfield Road Yorktown Business District (BD2) fund will be the funding source associated with the commercial open space. Synergy seeks BD2 sales tax incentives totaling \$8,295,282 for the improvements. Synergy provided the Village with a detailed itemization of anticipated costs to include eligible elements such as mall demolition site work and commercial Open Space work including Carson's demolition, asbestos removal, earthwork, fill, asphalt paving and pavers, site utility modifications, concrete, electrical and mechanicals; and soft costs including general contractor, contingencies, design and permit fees.

He noted that the EIP and the Business Retention Economic Incentive Policy (BREIP) will be applied toward this project. Policy deviations sought from the EIP include a time extension beyond the 10-year period (17 years is contemplated) as well as a deviation from the maximum fifty percent (50%) of the incremental property taxes during the life of the Agreement to seventy-five percent (75%) of such applicable taxes. Regarding BD2 funds, funds that are currently within the account and which would be generated in the BD2 area would be applied. These fund reserves can only be used within the BD2 geographical area. Some potential costs currently projected from the BD2 fund could be transferred to the TIF fund, subject to Finance Department review.

Synergy is slated to close on the property in September, 2022. To that end, they were seeking an additional comfort level from the ECDC on the funding request concept before the closing. Heniff noted that the zoning entitlement process could start within the next 30 to 60 days. He closed by noting that Phil Domenico of Synergy Construction, Josh Dean of PRCP and Zoran Milutinovic were in the audience if there were questions.

No public comments were offered. The presentation was opened for comment among the ECDC members.

Greg Ladle asked about additional studio units of 500-600 sq. ft. in floor area and if there was an analysis undertaken and how this would affect properties and rents in the area. Phil Domenico, stated that their apartment studies respond to market demand and mix in unit type. The building footprints will stay the same, but the unit count may change. He also stated that work from home desires are also affecting unit design.

Laine Vant Hoff asked about price points. Domenico noted that actual rents are still fluid at this time, but they are projecting square footage rates at \$2.50-2.60 sq. ft..

Bennett suggested that a Village communication fact sheet that should be prepared to denote the specific economic benefits which would occur through the population increase, various use taxes, and the EAV increase that can benefit the overall levy. This project has some large figures associated with it and having a fact sheet would help the economic incentive justification effort. Heniff stated that staff can do that, as one was prepared for the Mariano's and Lilac Station projects.

On a motion by Bennett, second by Vant Hoff, the ECDC directed staff to continue to work with Village Counsel finalize the terms of an incentive agreement.

The motion carried by the following vote:

Aye: 5 - Matthew Pike, Paula Dillon, Laine Vant Hoff, Gregory Ladle, and Alan Bennett

Absent: 3 - Dennis McNicholas, Garrick Nielsen, and Patrick Kennedy

7.0 Other Business

8.0 Information Only

None

9.0 Adjournment

On a motion by Mr. Ladle and a second by Mr. Pike, the meeting adjourned at 7:43 p.m.