

Village of Peoria Heights
Departmental Committee Meeting
June 23, 2020

The meeting was called to order at 6:00 p.m.

Everyone stood for a moment of silence and the Pledge to the Flag.

Upon calling roll, the following Trustees were present: Sherryl Carter, Diane Mariscal, Beth Khazzam, Jeff Goett, Brandon Wisenburg, and Sarah DeVore. Others present included Mayor Michael Phelan, Village Administrator and Chief of Police Dustin Sutton, Village Clerk Stephanie Turner, and Village Counsel Attorney Mark Walton.

Trustee Goett made a motion to approve the minutes from the Departmental Committee Meeting held on June 2, 2020, and it was seconded by Trustee Khazzam. The Board voted 6-0 to approve the minutes.

Mayor Phelan opened the meeting to public comment. Hearing no public comments, Mayor Phelan closed the meeting to public comment. Mayor Phelan noted the event proposal on the agenda had been withdrawn by the event planner Ms. Honegger. Hearing no old business, Mayor Phelan moved on to new business.

Trustee Carter made a motion to approve a MFT spray patching contract with Midstate Asphalt Repair in the amount of \$24,810.50. Trustee DeVore seconded the motion. Trustee Carter explained Ace in the Hole had originally bid the project, but was unable to complete it so the engineers reduced the scope of the project and solicited new quotes. Trustee Wisenburg asked if Ace in the Hole had bid for the reduced scale project. Superintendent of Streets, Mr. Michael Casey, stated they had not. Trustee Wisenburg asked if the Village had used Midstate Asphalt Repair previously, and Mr. Casey replied the Village had. The Board voted 6-0 to approve the spray patching contract with Midstate Asphalt.

Trustee Carter asked Mr. Casey to introduce the discussion of the Village Hall and Public Works garage grant lighting project. Mr. Casey explained the Village had solicited the quotes in order to take advantage of an energy savings grant program. A representative from Titan CC Lighting explained the company was a program ally that worked with Ameren to match companies with incentive programs. The program being considered included a portion funded by Ameren, and the Village could expect to see its portion made back in energy savings within 18 months. Trustee Khazzam asked about deadlines and was told that the deadline was December but funds typically ran out around October. Chief Sutton shared that the police station had taken advantage of a similar program several years ago. Trustee Wisenburg asked if street lighting was eligible. The representative explained it would be a separate program. Trustee Mariscal stated that Ameren was replacing street lights with LEDs as they burned out.

Trustee Carter asked Attorney Walton to speak about the ordinance providing for the vacation of an alley between Glen Avenue and Samuel Avenue. Attorney Walton stated the property in question was already in use as a driveway, and the owners owned the lots on either side to the north and south. They requested the alley be vacated to them as the Village is not using it. The neighbors to the east have offered no objections. Attorney Walton noted that typically the Village asks for a token payment, but the owners had paid for the survey of the land. Chief Sutton explained the Village had requested the cost of the survey and attorney's fees the last time it vacated property. Attorney Walton noted \$500 would be

sufficient to cover attorney's fees. Trustee Carter asked if the Village should retain the property for access to utilities. Mr. Casey and Attorney Walton discussed the utilities nearby, and Attorney Walton stated he would clarify that the Village retained access as part of the ordinance.

Trustee Khazzam deferred to Attorney Walton to explain the Ordinance Amending Title 3, Chapter 3 of the Village Code of the Village of Peoria Heights, for the Purpose of Amending the Hotel and Motel Room Renting Tax. Attorney Walton noted that the ordinance had been requested by Azavar who was hired to audit Village tax receipts to ensure it was capturing all available taxes. Attorney Walton noted that the Village's current ordinance was a template, and the proposed ordinance was to help make sure that all hotel tax was collected from all forms of short term rentals. Trustee Wisenburg asked about enforcement of hotel tax on short term rentals. Clerk Turner explained that Azavar had had success with collections directly from the companies once the presented ordinance had been passed. Trustee Wisenburg asked about the overlap between the landlord registration program and short term home rentals. Attorney Walton stated he would review the landlord ordinance to see if there needs to be any clarification. Trustee Khazzam shared she'd received comments from residents that there should be a higher fee for people who are using properties solely as short term rental properties. Mayor Phelan asked her to investigate the idea further.

Trustee Khazzam spoke about both the site plan approval application filed by KDB Group, LLC and Atrium Hotel, LLC as well as the requested variances for building height, storefront glass requirements, decks and wall that project onto Village right-of-way, and sidewalk width, for development of a hotel on the property located at 4615 North Prospect Road. Trustee Khazzam noted that the property had been discussed previously and was beautiful. She noted that plans were for a unique boutique hotel that would reflect the architecture of the Village. Mr. Greg Birkland, of the KDB Group, came forward to explain that the preexisting structure would be left intact, but four stories of hotel rooms would be built in the back. Trustee Carter asked about the height, and Mr. Birkland explained that the height would be level with the apartment building nearby on Duryea. Trustee Khazzam noted that having the two tall buildings near each other might provide balance. Trustee Carter asked about parking, and Mr. Birkland explained it would be behind the building. Trustee Carter asked about a parking deck, and Mr. Birkland stated they wouldn't be building a parking deck. Trustee DeVore asked what would be in the existing structure. Mr. Birkland stated the restaurant and possibly a spa which would connect to the hotel. Trustee Carter noted the project was exciting. Trustee Wisenburg asked about green space, and Mr. Birkland stated there would be green space in the front, a herb garden inside, and landscaping in the parking lot. Attorney Walton explained that the Zoning Board of Appeals had voted unanimously to recommend the site plan and voted unanimously to grant all the requested variances. Attorney Walton explained the Village would need to address a retaining wall on the Village's right of way which was needed because of the grade of the property. He stated there was no agreement currently on record so it should be formalized. Attorney Walton also stated there would be a balcony 12 ft above that sidewalk that would stick 2.5 ft over the sidewalk. Attorney Walton noted that the walkability would not be affected, but since there was a structure in the right away then the Village would need to approve an agreement. Trustee Khazzam noted that the balcony would be no different than a canopy which was encouraged in the area. Trustee Khazzam asked about the glass requirement variance. Mr. Birkland said although there was a lot of glass in the design because of restrictions on what was calculated and the unique architecture of the building the site plan didn't meet requirements. Trustee DeVore noted the amount of glass in the design complied with the spirit if not the letter of the requirements. Attorney Walton noted because of the grade of the property one side exceeded the building height requirements by 2 ft. He stated he considered it immaterial. The final variance request related to a minor variance of the sidewalk width relating to the design required by the outdoor dining and the property grade.

Attorney Walton noted that the variances had been approved by the ZBA so they would not be before the Board of Trustees for a vote later.

Trustee Khazzam began the discussion of the amended lease agreement between the Village of Peoria Height and KDB Group, LLC by noting that the previous lease was for a restaurant. Attorney Walton explained he had drawn up changes as had previously been discussed by the Board of Trustees. Attorney Walton noted it was a good opportunity to clean up any lingering questions regarding the lease. The first change to the lease clearly defines the property being leased. It notes it is a new lease and nullifies the previous lease. It also includes a waiver of any defaults from the previous lease. The lease commences this year and clarifies the term is from February 2019 through January 2029. The lease also states that KDB Group is the tenant with Popcorn Works & Sweet Shop as a sublettor. Trustee Mariscal asked about property taxes. Attorney Walton stated once the building is used for profit then the building can be assessed for property taxes, and payment is the responsibility of the tenant. Attorney Walton explained that the section discussing improvements is updated to reflect that the ZBA has approved site plans in order to strengthen the lease. Another change includes a section on use which once again states the property can only be used for a candy store and acknowledges conditions put in place by the ZBA relating to parking. Finally, the last changed section contains both a section on right of first refusal as well as a purchase option. Attorney Walton noted the lease includes a site plan which shows what part of the property is being leased. Trustee Khazzam asked if there had been a request to reduce the rent. Attorney Walton stated it had been requested, but there wasn't an agreement. Trustee Khazzam asked Mr. Birkland if he was requesting a reduction, and he stated he was. She asked what his request was, and Mr. Birkland spoke about the length of time necessary to recoup construction costs at rates of both \$1,500 per month and \$1,000 per month. Trustee Khazzam asked if he would like the rent below \$1,000, and he stated he would appreciate it. Trustee Khazzam noted it was clearly a good will project. Trustee DeVore asked about cost projections if the rent was reduced to \$500 per month, and Mr. Birkland estimated it'd take 14 years to recoup costs. Trustee Wisenburg noted the building was only leased for 10 years, and Mr. Birkland stated there were up to 20 years of extensions. Trustee Wisenburg noted that he wanted to see the business succeed and asked Mr. Birkland to make a request for rent reduction. Trustee Khazzam noted that the property would generate property and sales tax in addition to the rental income. Mr. Birkland asked for the rent to be reduced to \$250 per month. Trustee DeVore noted the Village would never have been able to make similar improvements to the property. She stated she supported the reduction in rent to \$250. Mayor Phelan asked Attorney Walton to amend the rent to be \$250 so long as the candy store is a tenant. Trustee Khazzam noted that the lease also includes the waiver of all defaults. Trustee Khazzam asked Attorney Walton if a good attorney could get their client out of the defaults without the clause. Attorney Walton noted that the Village has exposure because of the cost of improvements that KDB Group had made with expectation that the lease was valid. Since the cost of their improvements exceed the defaulted rent, it was unlikely the Village could collect. Trustee Khazzam noted that the rent was lower than she anticipated. Mr. Birkland stated it was to the sublettor's benefit. Trustee Khazzam stated she agreed. Attorney Walton asked if the purchase option was necessary. Mr. Birkland stated that KDB Group wasn't interested in purchasing. Trustee DeVore asked about the business hour conditions relating to events, and Attorney Walton noted that it couldn't be changed because of the ZBA parking variance. The Board of Trustees briefly discussed tying the rent to sales tax figures, but instead agreed to increase the rent to \$500 if the first lease extension of 5 years was exercised. Trustee Wisenburg noted that the original rental fee was based on the idea of a restaurant or bar that would have alcohol sales and that rate wasn't reasonable for a candy store. The Board also requested Attorney Walton clarify language in the lease regarding construction work to state that work must be done by a responsible bidder just as would be required if the Village were to perform the work.

Trustee Wisenburg began the discussion of the Peoria Heights Fire Department by updating the Board of Trustees that Fire Chief Greg Walters would be retiring in November 2020. Trustee Wisenburg noted that the Village had three options: a paid duty crew with a part-time fire chief, outsourcing to the City of Peoria, and forming a fire protection district to fund a paid fire department. Trustee DeVore asked about the last option, and it was explained that the Village could add another line to the property tax bill which would fund a Fire Department. Attorney Walton noted that option couldn't be accomplished by November. Trustee Wisenburg noted he had numbers from Fire Chief Walters to cover a paid first shift, but he was waiting on numbers from the City of Peoria to contract the service. Trustee DeVore asked if the Village would have to pay for training the first shift staff, and Chief Sutton noted that requirements for the Fire Department would change. Trustee DeVore stated that if there was a new Fire Chief then the situation could be maintained as it is. Trustee Wisenburg noted that Fire Chief Walters is responding to most day time calls, and it would be difficult to find someone to replace him. Trustee Carter questioned if the Board of Trustees even had authority to choose the Fire Department Chief. Chief Sutton stated historically the previous administrations had approved the individual recommended by the Fire Department. Chief Sutton noted that timing for finding a Fire Chief might be difficult. Mayor Phelan stated that the question of funding was the most important consideration. Chief Sutton stated interviews couldn't be completed until there was a clear job description. Mayor Phelan asked the Board to start considering the issue and provide him with their thoughts. Chief Sutton stated he'd work to get some definite numbers from the City of Peoria by July. Mayor Phelan noted he was, at the moment, in favor of a paid duty crew pending a discussion of funding.

Mayor Phelan asked if any of the Trustees had any miscellaneous business. Chief Sutton noted that staff was currently working on a program that would provide residents with a \$20 credit on their water bill. The program will be discussed at the next meeting and voting would be at the following meeting. The program is based on the idea of the RIPPLE programs adopted by other municipalities. Trustee Wisenburg asked if there were any government funding programs the Village could explore. Chief Sutton noted that he, Trustee Khazzam, and Mayor Phelan had had conversations about opportunities. Trustee Khazzam shared she's working with Superintendent of Water, Mr. David Marfell, on some possibilities to take advantage of grant programs that are opening up, but it was difficult to meet the requirements of a lot of the programs. She noted that there have been conversations about getting a grant writer or grant consultant on staff so the Village would be better positioned to take advantage of such opportunities. Trustee Khazzam explained she is working with the Peoria County Rural Residential Recycling Program to establish a green initiative for composting. KDB Group has offered to provide a location, and Better Earth Logistics provides kiosks for composting.

Trustee Goett made a motion to adjourn, and Trustee Wisenburg seconded. The Board voted 6-0 to adjourn the meeting at 7:23 pm.

Michael Phelan, Mayor

Stephanie Turner, Village Clerk