

Village of Peoria Heights  
Board of Trustees  
November 1, 2022

The meeting was called to order at 5:30p.m.

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

Upon calling roll, the following Trustees were present: Sarah DeVore, Jeff Goett, Elizabeth Khazzam, Mark Gauf, Matthew Wigginton, and Brandon Wisenburg. Others present included Mayor Michael Phelan, Village Administrator and Chief of Police Dustin Sutton, Village Clerk Stephanie Turner, and Village Counsel Mark Walton.

Trustee Goett made a motion to approve the minutes from the Board of Trustees meeting on October 18, 2022. Trustee Khazzam seconded the motion. The Board approved the minutes 6-0.

Mayor Phelan opened the meeting to public comment.

Ms. Cathy Stevenson, 4536 N Miller Ave, commented the wide sidewalks and small store fronts of the downtown were important to its success. She urged the Board not to settle. She spoke of retail stores being converted to offices over the last few years and expressed store fronts should be for retail noting the importance of foot traffic. She said the proposed project doesn't reflect the Village's vision.

Mr. Paul Couri, 215 S Davenport, Metamora, came forward as the architect for the project. He stated he had documents available to share with the Board during their discussion.

Mr. Mick O'Neal, 1401 E Kelly Ave, stated he is a member of the ZBA. He explained there was a lot of confusion during the ZBA hearing regarding requirements of the overlay district. He stressed that his vote would have changed had he understood what he does now.

Ms. Barb Chernauski, 607 E Sciota Ave, came forward to request a front yard fence. Mayor Phelan thanked her for her comments and noted she'll be allowed to speak during her agenda item.

Clerk Turner read a letter from Ms. Laurie Pearl and Mr. Dave Williams regarding proposed development along Prospect Rd. They expressed they had made substantial investments in residential properties after being excited about proposed development discussed in the comprehensive plan. They noted that the developments haven't happened and they are questioning renovating their properties further. They thanked the Board for their hard work to improve the Village and hoped a hotel would still happen.

Mr. Alexis Khazzam, 4831 N. Grandview Drive, noted that a lot of the development which had been promised hadn't been realized. He spoke about the importance of sales tax and stated he hoped there would be a way to develop a hotel on the property.

Hearing no additional public comment, Mayor Phelan closed the meeting to public comments.

Mayor Phelan called for old business. Director of Community Development, Mr. Wayne Aldrich, provided an update on the PH Samuel development agreement. He explained the development was

meant to be done in two phases. The homes in the second phase have been sold off by the developer, and the agreement will need an amendment because of this change. He explained the design on the first phase has been finished, and the TIF consultant, The Economic Development Group, has stated the project could support a portion of the cost for the first phase public projects. Director Aldrich suggested the Board gather additional information and alternate options rather than bonding. Trustee Wigginton asked if the Village could borrow from other TIF funds, and Director Aldrich agreed but cautioned against that option. Chief Sutton noted the project had changed multiple times.

Hearing no additional old business, the Board moved on to new business.

Trustee DeVore made a motion to deny the appeal for variance application filed by Brad and Barb Chernauski seeking approval of a variance to allow construction of a front yard fence on a corner lot and to locate the fence within the 10-foot setback required by section 10-4-7(D)(1)(a), (b), for the property located at 607 E. Sciota Avenue. Trustee Khazzam seconded the motion. Trustee DeVore explained the ZBA didn't find a hardship to grant the variance for a front yard fence. Mayor Phelan asked Ms. Chernauski to come forward to speak. Ms. Chernauski explained she had two little dogs and bad legs. She stated the fence didn't interfere with anything. Trustee Wisenburg asked about the type of fencing. Ms. Chernauski replied it was chain link. Trustee Wisenburg disagreed with the ZBA's findings that Ms. Chernauski had no hardships. Trustee DeVore noted the zoning code didn't allow for front yard fences unless there was no other place. She explained the property could accommodate a back yard fence and spoke of the importance of upholding the zoning code. Trustee Khazzam agreed noting that an electric fence was also an option and the Village discouraged chain link fences. Trustee Wigginton noted he tended to favor personal property rights, but he considered a front yard fence on a corner lot to be a safety issue. Trustee Gauf asked for clarity if there was an option for a fence in the back yard. Ms. Chernauski stated she didn't have a door in the back. The appeal was denied with a vote of 4-2. Trustee Goett and Trustee Wisenburg voted against the motion to deny the appeal.

Trustee DeVore made a motion to approve Ordinance 2022-1689: an Ordinance abating the General Obligation Taxes Levied for Year 2022 to Pay Debt Service on Taxable General Obligation Bonds, Series 2022 of the Village of Peoria Heights. Trustee Khazzam seconded the motion. Trustee DeVore noted the two ordinances were related to the development agreement with Trefzger's and were abated annually. Trustee Wigginton complimented Mayor Phelan and Chief Sutton for acting quickly last year to reduce the interest rates on the bonds. The Board approved Ordinance 2022-1689 by a vote of 6-0.

Trustee DeVore made a motion to approve Ordinance 2022-1690: an Ordinance Abating Special Service Area No. 1 Taxes for the Year 2022 to Pay Debt Service on Taxable General Obligation Bonds, Series 2022 of the Village of Peoria Heights. Trustee Khazzam seconded the motion. Trustee DeVore reiterated it was a different part of the same thing. Attorney Walton explained there were two separate forms of bonding so it required two ordinances. The Board voted 6-0 to approve Ordinance 2022-1690.

Trustee DeVore explained she had the honor to attend the Peoria Journal Star's Best of the Best Banquet last week. She complimented the many local Heights businesses that won awards at the event. She also stated she had met with the Peoria Area Visitor and Convention Bureau last week. The PACVB is working to bring in local tourism with a US ice skating event.

Trustee Khazzam made a motion to approve Ordinance 2022-1688: an Ordinance Amending Title 10, Chapter 2, Section 1 of the Village Code of the Village of Peoria Heights Regarding the Definition of Massage and Massage Therapy Services. Trustee Gauf seconded the motion. Trustee Khazzam

explained the State didn't license professional massage therapists when the code was written. The ordinance amendment will update the code to allow such businesses to come to the Village. Attorney Walton emphasized that every practitioner in the business must be licensed. Trustee Wisenburg asked about State licensing requirements, and Attorney Walton noted there were exceptions. He explained the ordinance attempts to close loopholes allowed by the State. Trustee Wigginton asked if the ordinance would affect businesses already in operation. Attorney Walton stated operating businesses would already be in compliance with the zoning requirements. Ordinance 2022-1688 was approved 6-0.

Trustee Khazzam made a motion to approve the site plan application filed by KDB Group, LLC seeking approval of a site plan for the development of office space for the property located at 4615 North Prospect Road, which property is currently zoned B-1. Trustee Goett seconded the motion. Trustee Khazzam noted that the ZBA had approved 6 of the 7 standards for the project, but the site plan must pass all standards. Trustee Khazzam stated she'd like to uphold the ZBA's findings of fact. She noted the Village had been working with the KDB Group for many years but had seen very little progress despite multiple offers of incentives. Mayor Phelan asked Attorney Walton to comment on the motion. Attorney Walton explained the ZBA voted to approve the site plan, though one standard failed, but the ordinance requires that the site plan automatically fails if one standard fails. The recommendation from the ZBA is then considered denial of the site plan. Attorney Walton clarified the motion is to approve the ZBA's recommendation to approve the site plan. Mayor Phelan invited forward the KDB Group. Mr. Greg Birkland, President of the KDB Group, explained the intended use was always in flux. He stated the difference from the original design was there would no longer be an atrium over the top, but the project remained similar. He noted the KDB Group was working to put tenants in the building, while many businesses were still recovering from the pandemic, and still planned on a future hotel at the property. Mr. Paul Couri, architect for the KDB Group, explained KDB Group was going to approach development in phases due to the pandemic. The two existing buildings would remain, a basement would be dug underneath, and there will be an occupiable roof to provide additional space. He stated the KDB Group wanted to honor the original architecture to retain its eclectic feel. Mr. Couri noted in Phase II KDB Group would decouple the hotel building and develop the rest of the property. Trustee Khazzam questioned the size of the hotel planned in Phase II. Mr. Birkland first stated it would be 54 – 57 rooms then after additional questions stated it could be up to 100 rooms by adding another story. Trustee DeVore asked about operating partners and was assured KDB Group had one in mind. Trustee DeVore questioned the reason for the parking variance. A representative of KDB Group explained the specific technicalities of the Village's code relating to parking depth for angled parking. Trustee DeVore asked if both buildings would be updated in Phase I and was told the exteriors would be renovated. Trustee DeVore asked the timeline, and Mr. Birkland replied Phase I would be completed in August 2023, but he was unable to commit to a timeline for Phase II. Mayor Phelan noted in meetings with the Village KDB Group was advised not to enter a lease because it would inhibit an RFP. Mr. Couri stated he believed separating the hotel tower from the other two buildings made the projects more viable. Trustee Wigginton asked when the tenant of the building would take possession, and Mr. Couri stated January 2024. Trustee Wigginton asked if Farnsworth was still meeting with a hotelier on KDB Group's behalf. Mr. Couri stated those conversations ceased during the pandemic when the project was put on hold. Trustee Wigginton spoke to Attorney Walton regarding the motion on the floor for clarification. Attorney Walton reiterated the motion was to approve the recommendation of the ZBA but noted the motion could be subject to an amendment for clarification. There was brief discussion of what would happen if the motion didn't pass. Mr. Couri asked if a reason would be provided. Mayor Phelan noted he didn't have a vote, but he expressed the site plan was in conflict with the comprehensive plan. He also stated the Village relies heavily on sales tax, and it was best practice to emphasize development increasing sales tax. He also noted the Village had a streetscape for Prospect Road which included a

hotel. Trustee Wigginton noted the Board had previously approved supporting BDD grants to businesses which didn't generate BDD sales tax under the theory that a rising tide serves all boats. He questioned if a vacant building was a rising tide expressing development could generate additional development. He also noted the development didn't foreclose the construction of a hotel and stated he viewed KDB Group as a willing partner. Trustee Wisenburg asked for clarification of the ZBA's recommendation. Trustee Wigginton and Attorney Walton discussed the Village's code and the ZBA's status as an advisory board. Trustee Khazzam expressed disappointment settling for some development as better than nothing. Trustee Khazzam stated the Board operated on trust, but the decisions didn't reflect the intention to act as stated. She doubted the hotel would be built citing decisions which inhibit an RFP. Trustee DeVore noted the overlay district was very important, and this was the first major development in the overlay district. She expressed disappointment that the Board would immediately make concessions on requirements. She spoke of defending KDB Group in the public based on promises from KDB Group which hadn't been fulfilled. She also expressed concern the hotel would ever be built. She expressed the site plan doesn't follow the overlay district, the comprehensive plan, or the need for sales tax generating development. Trustee Goett stated the Village needed development in order to progress to the point of construction of a hotel. He noted the community is uneasy and stated he wanted to move forward with progress on the project. Trustee Wisenburg agreed with Trustee DeVore's frustration. He noted the project broke ground four years ago. Trustee Gauf agreed asking if the Board had any assurance that the project would be completed in August 2023. Mr. Couri stated that wasn't possible in the current market. Trustee Gauf noted he saw other construction projects being completed. He noted there was no progress and no assurances of progress. Mr. Couri acknowledged the Village's frustration but defended the KDB Group citing their projects in other communities. He stated he believes KDB Group has done more than any other developer in the area within the time frame. Mr. Couri asked Trustee DeVore about the overlay district requirements. Trustee DeVore noted the variance request for glass on the front of the building as well as the lack of awnings which were highly suggested. She also stated she doesn't think the style and look of the building fit with the district. Mr. Couri expressed his support for improving the looks of the Village while expressing frustration trying to meet rules which aren't listed. Trustee DeVore and Mr. Couri discussed the variance for glass with Mr. Couri insisting it wasn't economically feasible. Trustee Wigginton shared he had doubts that the hotel would be built as well but expressed concern the Board would deny development because of doubts over future development. Trustee Wigginton cited the difficult economic situation when noting the Board should approve the site plan. He noted the comprehensive plan was a plan and should be goals the Village was striving to achieve. He stated he didn't want to chase away reality because of a plan. Trustee Wigginton asked if the site plan failed if that was the end of remedies for the petitioner. Attorney Walton stated the petitioner could always go to court. The petitioner can also address the reason for the failure and come back with a new request. Trustee Khazzam noted she encouraged development, and she didn't want to discourage KDB Group from development. After additional discussion attempting to clarify the motion, Attorney Walton asked for an amendment to clarify the motion. Trustee Khazzam withdrew her original motion. Trustee Goett withdrew his second of the motion. Trustee Khazzam made a motion to deny the site plan filed by KDB Group, LLC. Trustee DeVore seconded the motion to deny the site plan. Trustee Wigginton made a motion to defer the motion to November 15, 2022. Trustee Khazzam seconded the motion to defer. The motion to defer is not debatable. The motion to defer passed 5-1. Trustee Goett voted nay.

Trustee Gauf made a motion to approve authorization of 2022 PPUATS dues in the amount of \$2,780. Trustee Wigginton seconded the motion. Trustee Gauf noted it was a standard payment, and PPUATS helps with grants and MFT projects. The dues were approved 6-0. Superintendent of Public Works, Mr. Chris Chandler, announced the trail was open again.

The Board moved on to miscellaneous business.

Trustee Wisenburg noted the Village had created a capital improvement budget line last year. He stated the sidewalk on Marietta was unlevel and in need of repairs. He requested that project be considered during budgeting for the next year. Mayor Phelan asked Trustee Wisenburg to follow up with Trustee Gauf, Chief Sutton, and Mr. Chandler.

Trustee DeVore requested the requirements for the overlay district be handed out at the next meeting. Trustee DeVore asked where the requirement for 75% glass front came from. Mayor Phelan suggested she speak to Ms. Stevenson and Ms. Buckler for an answer.

Trustee Goett made a motion to adjourn, and Trustee Khazzam seconded the motion. The Board of Trustees voted 6-0 to adjourn at 7:39 pm.

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Michael Phelan, Mayor

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Stephanie Turner, Village Clerk