

**VILLAGE OF JOHNSBURG
JANUARY 15, 2019 REGULAR MEETING
OF THE PRESIDENT AND BOARD OF TRUSTEES**

President Edwin Hettermann called the meeting to order at 7:01 p.m. in the Village Hall.

Attendees

Trustee Kevin McEvoy
Trustee Greg Klemstein
Trustee Kyle Frost
Trustee Tom Curry
Trustee Mary Lou Hutchinson
Trustee Josh Hagen
Village Engineer Tim Hartnett
Special Project Assistant Rick Quinn
Chief Keith VonAllmen

FROM THE FLOOR - The following public input was provided regarding General Capital Group's proposal to develop the former Bush School property into an active adult community serving persons 55 years of age and older.

Walter Steffens of 2110 Church Street expressed that he would like to see some independent figures regarding what the development will cost the Village and what the Village will get from it. He questioned if other alternatives were considered for the property

Steve A. Serio of 2108 Church stated that he resides across the street from Bush School and he does not want to see a three-story building across from his home for individuals with low income. Mr. Serio stated that a fire rated water system is not available to the site and opined that the development will not meet the fire code. He stated that he is a former fire fighter and added that residents do not want to walk down three flights of stairs in the event of fire.

Len Keil of 4211 Jay Street questioned why the stack on the existing building was retained in the proposed design. Architect Dave Gillespie explained that the idea is to retain it as an architectural feature. He added that with regards to the water system, several options are being looked at and it will need to meet code. Mr. Keil questioned the construction of the carports. Mr. Strautmanis stated that they are likely to be constructed of a galvanized metal which they have had good experience utilizing. Mr. Keil commented that a section of the building looks like a motel. Mr. Strautmanis stated that they are still finalizing details of the design which will still need to be brought before the Architectural Review Committee and Village Board for approval.

Matt Walters stated that when driving down Johnsburg Road, he often wondered how the former school site would be development and expressed that he does not want to see it become a three-story building. He explained that he admires other towns through which he travels that have nicely developed downtowns and he would rather see the site developed with local businesses.

Charles Ravenscraft of 2818 Grey Heron Court stated that he does not want to see three-story apartment building in the downtown area, especially one serving lower income individuals as it will not do much for property values.

Judy Smith - 2120 Church Street questioned if the value of her home will go down and whether or not she will be forced to have city water and city sewer as she questions if it will be feasible if their property values go down. Mrs. Smith stated that if she is satisfied with her well and septic, she does not want to be required to connect to the Village's system. She added that she hopes the Village has its eyes open

Austin Vanderstappen of 4925 Roger Street stated that he feels the Village should be trying to attract younger residents. He remarked that school enrollment is down since he graduated in 2010 and he doesn't feel enough is being done to attract younger couples with children. Mr. Vanderstappen stated that he does not believe the development will attract other developments along Chapel Hill Road and Johnsburg Road and opined that if you live in Johnsburg you make more than \$35,000-\$40,000 and can afford to live here.

- Move to approve the minutes of the December 18, 2018 Regular Meeting of the President and Board of Trustees
- Move to approve Pay Request #1 to Shoreline Creations in the amount of \$12,060 for pier improvements to the Alfred May Boat Launch
- Move to approve Resolution in support of School Choice Week
- Move to approve Resolution recognizing February as Children's Dental Health Month

• General Fund	\$669,898.04
• MFT	
• Waterworks & Sewage Fund	11,120.01
• Debt Service/SSA Fund	
• Total All Funds	\$681,018.05

GENERAL CAPITAL GROUP - Sig Strautmanis was in attendance on behalf of General Capital Group. He stated that he appreciates the comments from the residents. He explained that they do consider the comments when making improvements to the plan, which has been done throughout the process. Mr. Strautmanis reinforced that they do not want problems and want to be good neighbors. He explained that everything that is a problem for their neighbors is a problem for the company as owners of the development. Mr. Strautmanis stated that General Capital Group is not a major national developer. They look at each community and development and try to understand the community when designing their projects.

Mr. Strautmanis reviewed all meetings held to date and stated that they have presented twice to the Development and Governmental Affairs Committee, held one neighborhood meeting, and presented twice to the Planning and Zoning Commission after which a recommendation for approval was provided.

Mr. Strautmanis stated that the location being right in the heart of Johnsburg is perfect for active seniors who get out and walk, visit businesses and frequent the downtown area. He remarked that he believes the

development is consistent with what the downtown plan anticipates for the area and reviewed the general details of the development. Mr. Strautmanis added that to characterize this as low-income housing is not accurate. He explained that it is actually middle market housing which targets residents at 60% of the area's median income level or below and explained that low-income housing actually anticipates incomes below 30% of median.

Mr. Strautmanis reviewed the site plan and pointed out that they are maintaining the existing footprint of the school and adding a two story addition on the south wing for a building with an overall height of three stories. He stated that they have determined that two parking spaces per unit is not necessary so they are proposing one space per unit plus additional spaces for guests as their plan is to remove some hardscape and add more green space. Mr. Strautmanis reported that they are working with a landscape architect make enhancements to the landscaping on the site, adding walking paths and more green space. He explained the desire to include heavy landscaping along property lines as a buffer and stated that they will be planting more evergreens as requested by a resident. He expressed his understanding that there is special meaning to the existing sign and trees in front of the building and will retain both and further enhance the landscaping. Mr. Strautmanis pointed out that they brought in a local architect, Dave Gillespie to incorporate architectural details to reflect more of what the community wants.

He reviewed the architectural design and stated that the color scheme was lightened up and they are trying to enhance the residential character of the building. The entrance was re-worked for a more traditional look and they are trying to retain some of the existing details of the building while incorporating upgrades.

Mr. Strautmanis stated that residents must be 55 years of age and older and children cannot reside on the property regardless of age, but age limitations can be placed on spouses. He explained that visitors are allowed but guests must be registered and regular inspections occur to insure that regulations are not being violated. Mr. Strautmanis explained that typically two groups of residents are attracted to their active adult facilities. The first are local residents who wish to stay in the community, moving from a single -family home, which frees up the housing stock for younger families. The others are residents who want to move back to Johnsburg to be closer to their children and grandchildren. He explained that the market study area is typically very small and it will be shared when it is finalized.

Mr. Strautmanis stated that some units will be made available to persons with earnings at 30% of median income level, which will be approximately \$405 per month using project-based vouchers but rents for the other units are anticipated to be \$858 per month for a one bedroom unit and \$1033 for a two bedroom unit. He explained that the term for all leases must be one year and once residents move in, they typically like to stay.

Mr. Strautmanis stated that there will be a full-time manager, part-time maintenance staff and a resident key holder. He added that a local individual is typically sought for those jobs. In closing, Mr. Strautmanis summarized that the application deadline for IDHA tax credits is February 15th and awards are announced in May. He explained that provided they receive the tax credits for the project, they plan to close on the property by the end of the year and move forward with construction in an effort to open by the end of 2020.

Trustee McEvoy questioned how income is verified. Mr. Strautmanis stated that they have a management company that handles the screening process and candidates have to submit documentation to support income levels.

Trustee Curry moved to approve Ordinance 18-19-35 Granting R-4 zoning with a Conditional Use Permit for Planned Development to Accommodate an Active Adult Community – Age 55 and Older on the Property Commonly Known as the Bush School Property, 2117 W. Church Street, Johnsburg, Illinois. Trustee Hagen seconded the motion. Trustee Frost questioned if disabled individuals and veterans are those that typically qualify for the project based vouchers. Mr. Strautmanis stated that the McHenry County Housing Authority determines the project base vouchers, which would go to disabled individuals, veterans and others with

incomes level less than 30% of the median income level. Trustee Frost questioned if they do not receive the project based vouchers, would the remaining units be rented to individuals qualifying at the 60% income levels. Josh Hafron of General Capital Group stated that if they do not receive the vouchers, the project will not likely move forward as it will not meet IDHA scoring requirements. He pointed out however that in no case will the number of units receiving project based vouchers be greater than 25%. He explained that you have to identify how units will be allocated at time of application and their application reflects 25% of the units with vouchers and 75% without.

Trustee Klemstein questioned when pursuing financing through major banks do they consider local banks as well. Mr. Hafron explained that there are typically two types of financing, that which receives the credits that are typically sought by major banks and the financing needed on the construction side which local banks do get involved in. Trustee Klemstein stated that the Village has adopted a Crime Free Rental Policy, with which he would like to see the property comply. Mr. Strautmanis expressed his willingness to do so and added that their rental requirements are very strict and enforced.

Trustee Frost questioned if they have looked at the potential tax revenues. Mr. Strautmanis stated that they have been given an estimated property tax value of \$130,000 per year on the high end based the McHenry County Assessor.

Trustee Klemstein expressed the he felt the presentation was well done and that it appears they are working hard to accommodate feedback received at the meetings.

Trustee Hutchinson stated that she feels it is a great project but not in the proposed location. She referenced an alternative property located further north on Johnsborg Road that she believes to be more ideal and stated that she does support housing opportunities for our aging demographics. Trustee Hutchinson added that young people are looking for downtown amenities and we need to provide more to attract the younger demographic. She stated that she believes the active adults will frequent the local businesses but the development will not attract the younger individuals that are instead flocking to the cities for amenities. She added that it is a challenge to attract young people and it will continue to be a challenge as our population gets older. Trustee Hutchinson expressed that she has some concerns with the voucher system and the architectural design but emphasized her biggest concern is that we are not attracting the younger population – adding that all other concerns can be worked out. She suggested that a development of apartments with retail on the first floor might be better suited for the area.

Mr. Strautmanis expressed appreciation for the feedback and stated that he feels the ideal environment consists of a mix of incomes, uses, and demographics. He pointed out that an Outlot was reserved on Johnsborg Road which he believes is an ideal location for a mixed use development. Mr. Strautmanis stated that he understands the desire to attract the younger demographic but the campus site of the school is ideal for active adults who will get out and about in the community. He explained that the younger demographics typically do not shop in small downtown shops, as they typically prefer busier retail areas. He opined that more activity will occur in the downtown area from an active senior population and added that seniors do not want to live in rural cornfields or remote areas surrounded by woods. They want to be in an area where they can get to places by walking.

Trustee Hutchinson maintained that we need to attract a younger population and that she would like to see the two types of developments occur concurrently. She added that younger people have the money to pay the rents.

Trustee Curry stated that he had the opportunity to visit one of the petitioner's facilities in Milwaukee and was impressed. He stated that he found the facility to be very clean and it included nice amenities. He questioned how typical the Milwaukee facility is as compared with their other facilities. Mr. Strautmanis stressed the importance of good management and stated that what was experienced in Milwaukee is consistent

with all of their other facilities. He pointed out that General Capital Investors are the owners of the facilities for at least 15 years and are responsible to the equity investors and IDHA.

Trustee Curry stated that he likes architectural changes and all of the changes have greatly improved the development. He stated that he shares some of the concerns expressed by Trustee Hutchinson but explained that he oftentimes works downtown in Chicago, building commercial amenities and understands what is being sought by the younger crowd. He remarked that if a commercial development occurred on the site, it would result in more traffic on Church Street and he does not believe the residents would like that either.

Mr. Hafron stated that they have been working with the school on this development who has been trying to market the property and if there was an opportunity for it to be a market rate development or commercial development it would have occurred already. He added that by developing this \$20 million dollar project, it will help to spur on additional development in the area and pointed out that the School District will experience some financial benefit from the sale of the property.

Trustee Klemstein stated that he is in the real estate field and understands the challenges. He added that it is a difficult situation as adjacent residents always thought it would be a school and it is now a blighted property, which is difficult to develop because of remediation impacts. Trustee Klemstein remarked that people are losing their homes and need alternative housing. He questioned if not this development, then what can occur on the property as it has already sat vacant for 3-4 years and the school has been unsuccessful in selling it. Trustee Klemstein stated that we need to serve all of the demographic needs of our community and remarked that \$20 million is a lot to put into a development. He pointed out that tearing down the existing structure will cost millions too because of abatement issues. Trustee Curry concurred and remarked that many people are in need of this type of housing but not willing to admit it publically. Trustee Hutchinson stated that she is not convinced and feels the development is more appropriate in another location. Trustee McEvoy concurred.

Trustee Curry stated that alternative properties often come up in conversation and people say that the development is more appropriate on another parcel, but they need to understand those parcels are owned by someone and they have plans for their property. He added that he has heard people state that they do not want a three-story building on the site but he has not heard any better solutions. Some have expressed the desire for a recreation center on the site, but no one wants an increase in their taxes to pay for it. He added that he does not believe single-family homes on the site are feasible with commercial development on Johnsbury Road.

President Hettermann stated that he understands the need for housing to attract younger people as well and remarked that everyone has raised good points but added that we do need affordable housing.

Trustee Hagen stated that the property is appealing but the difficulty is that you are dealing with a structure on the property that will cost millions of dollars to address. Trustee Curry concurred and emphasized that the numbers stated are not random as the Village has looked into it and determined it would cost millions of dollars to renovate the building for a Village Hall. He questioned if the proposal was approved and it was later determined that water provisions were challenging, is there an out. Mr. Strautmanis stated that any problem can be engineered and addressed, it just a question of cost. If once the costs are finalized and if it is determined to be not feasible, the project would not move forward. Mr. Hartnett emphasized that if they are unable to meet the requirements, they cannot proceed. He pointed out that they are aware of all of the rules, regulations and requirements.

Motion carried with Trustees Klemstein, Frost, Hagen and Curry voting aye and Trustees Hutchinson and McEvoy voting nay.

COMMITTEE REPORTS - Trustee Hutchinson reported that the Ordinance Committee is meeting this week and Ms. Peters will be attending to discuss the Ordinance process. Trustee McEvoy reported that the Public Works Department has been cutting down trees at the golf course. Trustee Curry reported that the

Family Skate Night is being rescheduled to another date. Trustee Hagen reported that the Economic Development Committee is continuing its work on website improvements and on a marketing flier that will be handed out at the JABA Expo being held on February 23rd. Trustee Frost reported that the Development and Governmental Affairs Committee reviewed the development proposal by the General Capital Group at a couple of meetings and are discussing a survey for the website, which they plan to finalize at the next meeting. Trustee Klemstein reported that the Finance Committee is gearing up for budget review and a representative of Waste Management will be appearing before the Village Board at an upcoming meeting to discuss rates.

ADJOURNMENT – Trustee Curry moved to adjourn the meeting. Trustee Frost seconded the motion. All Trustees voted aye on the roll. Motion carried at 8:32 p.m.

Respectfully Submitted

*Claudett Peters
Village Administrator*