

UNAPPROVED MINUTES
VILLAGE OF LAKE ZURICH
Board of Trustees
70 East Main Street



AGENDA ITEM
6A

Monday, August 3, 2020 7:00 p.m.

1. **CALL TO ORDER** by Mayor Thomas M. Poynton at 7.00pm
2. **ROLL CALL:** Mayor Thomas Poynton, Trustee Jim Beaudoin, Trustee Mary Beth Euker, Trustee Janice Gannon, Trustee Marc Spacone, Trustee Jonathan Sprawka, Trustee Greg Weider. Also in attendance: Village Manager Ray Keller, Asst. Village Manager Roy Witherow, Village Atty. Scott Uhler, Dir. of Innovation Michael Duebner, Asst. to the Village Manager Kyle Kordell.
3. **PLEDGE OF ALLEGIANCE**
4. **PUBLIC COMMENT**
Marty Filson, 33, E. Harbor Dr., addressed the Board on Agenda item 8B as there had been no transparency on the proposal; and on Agenda item 8A expense of \$64,000 for infrastructure within the TIF #2 district.
5. **PRESIDENT'S REPORT / COMMUNITY UPDATE**
There was none.
6. **CONSENT AGENDA**
 - A. Approval of Minutes of the Village Board Meeting, July 20, 2020
 - B. Approval of Semi-Monthly Warrant Register Dated August 3, 2020 Totaling \$911,367.67
 - C. Ordinance Approving a Special Use Permit for Luxury Auto Hand Car Washing and Detailing, Inc. at 499 South Rand Road Ord. # 2020-08-374
Summary: JAS Development has filed a zoning application for the property at 499 South Rand Road seeking a Special Use Permit for the establishment of a car wash and detailing center. The subject property is currently within the B-3 Regional Shopping Zoning District. The building and its tenant spaces are currently operated as an auto service center within the Village Square Shopping Center. The Planning & Zoning Commission held a public hearing on July 15, 2020 and voted 6-0 in favor of recommending approval of this Special Use Permit.
 - D. Ordinance Approving the Lease by the Village of Lake Zurich for Property at 2 and 6 East Main Street to Craving Gyros, Inc. Ord. # 2020-08-375
Summary: The current lease holders of this village-owned property have been operating Craving Gyros since mid-2015 and have initiated a lease transfer to the new owners, Juan Hernandez and Gerardo Montes. The Illinois Tax Increment Financing Act requires lease agreements located with TIF districts to be adopted by Ordinance. The new lease is effective September 1, 2020 to August 31, 2025

and includes incremental automatic increases every 12 months starting September 1, 2021.

E. Intergovernmental Agreement between the Village of Lake Zurich and Lake County for COVID-19 Relief Funds

Summary: An intergovernmental agreement between Lake County and the Village of Lake Zurich for CARES Act reimbursement funds intended for municipal expenses related to the coronavirus pandemic. Lake County has received CARES Act funds from the federal government and has appropriated \$9 million of this for reimbursements to Lake County municipalities. The Village is applying for approximately \$47,000 of unbudgeted expenditures in 2020 related to COVID-19, including public health expenses, telework capabilities for public employees working mobile, and payroll for employees called in to cover shifts for other employees who were quarantined.

F. Waiver of Competitive Bid Process and Agreement with Concentric Integration Authorizing Phase 1 SCADA Improvements in the Amount Not-to-Exceed \$275,400

Summary: The 2020 budget includes \$300,000 in the Water and Sewer Fund for this planned expense. The SCADA system is critical for proper operation of the village's water and wastewater facilities and most components are now 16 years old. In 2019, the Village contracted with Concentric Integration (formerly B&W Control Systems) to conduct a comprehensive assessment of existing SCADA systems. Concentric Integration has provided the Village engineering, design, maintenance and repair of the existing SCADA system due to its qualifications specializing in automation infrastructure and staff has been pleased with its service, value, response and reliability. Concentric Integration is the sole source vendor for the specific work needed on existing systems, necessitating the waiver of the competitive bid process for these improvements.

G. Full Release of Letter of Credit in the Amount of \$27,739.15 to Somerset By The Lake at 40-60 West Main Street

Summary: Somerset By The Lake apartments at the corner of Main Street and Old Rand Road has requested full release of the remaining letter of credit that has been retained for a maintenance guarantee. Staff has reviewed the site and performed a final inspection, finding that there are no outstanding issues.

Trustee Gannon had questions about the warrant re: replacement boat and Breezewald Park expenses. Village Manager Ray Keller explained the boat expense.

Recommended Action: A motion was made by Mayor Poynton, seconded by Trustee Sprawka, to approve the Consent Agenda as presented.

AYES: 6 Trustees Beaudoin, Euker, Gannon, Spacone, Sprawka, Weider.

NAYS: 0

ABSENT: 0

MOTION CARRIED.

7. OLD BUSINESS

None at this time.

8. NEW BUSINESS**A. Ordinance Approving a Redevelopment Agreement by and Between the Village of Lake Zurich, Lake County, Illinois and Blue Ridge BBQ, Inc. Ord. # 2020-08-376**

Summary: Earlier this year, staff negotiated with the owners of Blue Ridge Korean BBQ of Park Ridge, Illinois, a redevelopment agreement for the purchase and redevelopment of the Village-owned property located at 133 West Main Street. Mr. and Mrs. Choe propose to acquire the building, upgrade the interior and exterior, and operate a Korean BBQ restaurant in Unit B of the building.

Mr. and Mrs. Choe will continue to rent Unit A to the current tenant while they establish a customer base for their restaurant in Unit B. They intend to build out the remaining portion of the building once this has been accomplished and either expand the restaurant or recruit another hospitality/retail business.

The Choes have offered to purchase the property for \$165,000. The village's engineers have also identified another \$64,000 in site and infrastructure improvements that will be needed to accommodate the proposed use. The Choes have requested financial assistance with the infrastructure improvements that they complete.

Through this agreement, the developers will pay the village \$100,000 at closing. The village will hold a promissory note and mortgage for the remaining \$65,000. This mortgage will be paid off through property taxes, which will generate sufficient TIF revenue to pay down the mortgage (\$4,333.33 annually) over the next 15 years.

The developers will be reimbursed for the actual costs of the infrastructure they complete, not to exceed the village engineers' opinion of cost of \$64,000. The developer will be reimbursed annually from the property's annual TIF increment in excess of the annual mortgage payment. This annual reimbursement from the property's TIF revenue will continue until the developer is reimbursed for their actual infrastructure costs.

As the new owners make their annual property tax payments, the mortgage and developer's infrastructure improvement costs would be paid off with the increased TIF revenue generated by the revitalized site over the next 15 years. The lien would be released once the Village has collected and paid out the \$65,000 in mortgage payments and actual developer infrastructure costs. If approved, the Choes intend to open their restaurant yet this year.

Asst. Village Manager Roy Witherow gave an overview of the proposal, including helping Mr. and Mrs. Choe in their search for a property for their restaurant. He introduced Mr. Choe who then gave a PowerPoint presentation of their proposal of purchasing the Village owned property for their Korean BBQ restaurant. Mr. Choe, Atty. Uhler and Staff answered the Board's questions which included explanation of a TIF, parking spots and infrastructure expenses

Recommended Action: A motion was made by Trustee Beaudoin, seconded by Trustee Spacone, to approve Ordinance #2020-08-376 Approving a Redevelopment Agreement by and Between the Village of Lake Zurich, Lake County, Illinois and Blue Ridge BBQ, Inc.

AYES: 6 Trustees Beaudoin, Euker, Gannon, Spacone, Sprawka, Weider.

NAYS: 0

ABSENT: 0

MOTION CARRIED.

B. Resolution Authorizing the Execution of Agreement between Prairieland Disposal Inc. of Lake Barrington and Village of Lake Zurich and Village of Wauconda for Solid Waste Hauling Collection Services Effective September 1, 2020 – August 31, 2025 Reso. # 2020-08-047

Summary: Lake Zurich's existing franchise agreement for solid waste hauling services with Waste Management expires on August 31, 2020 after an extension on the original contract from 2008. A multi-jurisdictional request for proposals was issued in early 2020, with Prairieland Disposal presenting the most competitive overall proposal.

As directed by the Village Board at the July 6, 2020 meeting, Prairieland has been finalizing the purchase of several new trucks for its expanding fleet, finalizing and mailing informational packets to every customer in Lake Zurich (and Wauconda), ordering extra-refuse stickers to be sold at Village Hall, and finalizing new collection routes.

After much review and discussion, the villages of Lake Zurich and Wauconda are recommending a joint-municipal contract with Prairieland Disposal. Lake Zurich and Wauconda anticipate future strategic advantages that come from a joint-contract between both towns, which together comprise over 11,000 housing units and a combined population of over 33,000 residents.

Prairieland Disposal is a family-owned company based out of Lake Barrington that services Lake, McHenry, Cook, and Boone counties. Prairieland is an active partner with the Solid Waste Agency of Lake County, which Lake Zurich and Wauconda are active members of.

The RFP process and proposed contract with Prairieland has allowed Lake Zurich to avoid a large increase in waste hauling costs that were anticipated absent the competitive RFP process. We have also been able to secure a few additional service enhancements for the Lake Zurich community, such as a new 10% senior discount, a backdoor service collection option, as well as access to more electronic waste recycling with a curbside e-waste collection event every July and year-round access to Prairieland's electronic waste recycling center on Pepper Road in Lake Barrington. The details of the service provisions and prices are outlined in the staff memo and contract.

Asst. to the Village Manager Kyle Kordell explained the RFP process, with five communities, resulting in four responses. Three communities left and the Village has a joint-municipal with the Village of Wauconda. Mr. Kordell answered the Board's questions which included prices/cost savings, franchise fee, one pass system, white goods pickup, disappointment in speed of contract without Board approval. Mayor Poynton stated that the process had been transparent and the Board had given consensus at the previous meeting.

Recommended Action: A motion was made by Trustee Spacone, seconded by Trustee Weider, to approve Resolution #2020-08-047 Authorizing the Execution of Agreement between Prairieland Disposal Inc. of Lake Barrington and Village of Lake Zurich and Village of Wauconda for Solid Waste Hauling Collection Services Effective September 1, 2020 – August 31, 2025.

AYES: 6 Trustees Beaudoin, Euker, Gannon, Spacone, Sprawka, Weider.

NAYS: 0

ABSENT: 0

MOTION CARRIED.

C. Presentation of Results and Highlights from Phase 3 Community Engagement Efforts on Future Lake Zurich Investment in the Paulus Park Barn and Fire Station #1

Summary: The Village has been working with the community for months to gather as much feedback as possible on the future of the Paulus Park Barn and Fire Station #1 on Buesching Road, both of which require big decisions about future use and investment. These are two of our oldest facilities, as the Barn was built in 1958 and Fire Station #1 was built in 1981 for a volunteer fire department. Even prior to the structure fire at the Barn in November 2019, both facilities have outgrown their existing physical space for a community the size of Lake Zurich. Several rounds of surveys and virtual meetings on the future of these facilities have occurred over four months from April to July 2020.

During July 2020, consultants at EO Sullivan conducted a statistically valid phone survey of the Lake Zurich community on various options for future investment. This survey was statistically valid, meaning the sample size proportionally represents Lake Zurich demographics in age and genders in order to provide the most accurate information possible. 503 residents completed this statistically valid phone survey between July 21 and July 27, 2020. EO Sullivan will present the results of Phase 3 engagement efforts and provide a summary of key highlights and next steps for the Village Board to consider.

Collin Corbett of E.O. Sullivan presented the results of the Phase 3 phone survey and summarized the data. 503 residents were surveyed plus the 29 on the community group. The Board asked Mr. Corbett questions regarding checking that all respondents were from Lake Zurich, author of the survey, was it necessary to request gender identity, age range. Board members requested information from staff on starting on the Barn rebuild and referendum on the upcoming elections. V.M. Keller stated that the Barn rebuild has started using the insurance monies. Mayor Poynton said that the new water line is proceeding. Atty. Uhler advised about a referendum question to be prepared which does not have to go into effect. This would be voted on at the August 17th VB meeting in time to be submitted to the County Clerk. Mr. Corbett requested guidance from the Board on the next step. Mayor Poynton polled the Board about preparing a referendum question for the August 17th meeting. The majority of the Board agreed on preparing a question.

Recommended Action: This is a non-voting item. Staff and consultants seek to engage the Board on feedback results and receive input on future direction regarding the Barn and the Fire Station.

Direction was given to E.O Sullivan Consultants.

9. TRUSTEE REPORTS AND COMMENTS

Trustee Spacone stated that Block A has become a hangout area during the quarantine and he suggested that the road should be moved behind Block A so that the area can be enhanced to a green space.

Trustee Gannon suggested that Block A should be all grass with lidded garbage cans as it is a popular place. She would like the For Sale signs which used to be on Village owned property be reinstated. Ms. Gannon asked about the Dogs in the Park topic which had been raised some time ago. Trustee Weider stated that he had attended two Park Advisory Board meetings and the topic was discussed and the recommendation had been to not change the current rules.

10. VILLAGE MANAGER'S REPORT

Village Manager Keller responded to the question on the Breezewald Park expense on the warrant was related to the new playground equipment.

11. DEPARTMENT HEAD REPORTS

There were none.

12. ADJOURNMENT

Motion to adjourn was made by Trustee Sprawka, seconded by Trustee Beaudoin.

AYES: 6 Trustees Beaudoin, Euker, Gannon, Spacone, Sprawka, Weider.

NAYS: 0

ABSENT: 0

MOTION CARRIED.

Meeting adjourned at 8.54pm

Respectfully Submitted by:

Kathleen Johnson, Village Clerk.

Approved by:

Thomas M. Poynton, Village Mayor

Date.