



MINUTES

President and Board of Trustees
Village of Arlington Heights
Board Room

Arlington Heights Village Hall
33 S. Arlington Heights Road
Arlington Heights, IL 60005

August 6, 2018

8:00 PM

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL OF MEMBERS

President Hayes and the following Trustees responded to roll: Rosenberg, Scaletta, Sidor, Tinaglia, Baldino, Blackwood and LaBedz.

Trustee Glasgow was absent.

Also present were: Randy Recklaus, Robin Ward, Charles Perkins, Michael Mertes, Diana Mikula and Becky Hume.

IV. APPROVAL OF MINUTES

A. Committee of the Whole 07/16/2018 Approved

Trustee Carol Blackwood moved to approve. Trustee Robin LaBedz
Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Blackwood, Hayes, LaBedz, Rosenberg, Scaletta, Sidor,
Tinaglia

Absent: Glasgow

B. Village Board 07/16/2018 Approved

Trustee Carol Blackwood moved to approve. Trustee Bert Rosenberg
Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Blackwood, Hayes, LaBedz, Rosenberg, Scaletta, Sidor, Tinaglia

Absent: Glasgow

V. APPROVAL OF ACCOUNTS PAYABLE

A. Warrant Register 07/30/2018

Approved

Trustee Bert Rosenberg moved to approve the Warrant Register in the amount of \$7,538,978.35. Trustee Jim Tinaglia Seconded the Motion. The Motion: Passed

Ayes: Baldino, Blackwood, Hayes, LaBedz, Rosenberg, Scaletta, Sidor, Tinaglia

Absent: Glasgow

VI. RECOGNITIONS AND PRESENTATIONS

A. Arlington Heights Business Survey

Mr. Recklaus said in the fall of 2017 a business survey was developed by staff with input from the Arlington Economic Alliance. 79% of the responding businesses said they were satisfied or very satisfied with Arlington Heights as a place to do business.

Michael Mertes, Business Development Coordinator, explained the survey. The link to the online survey was disseminated with two postcard mailings, four email blasts, and emails through the Chamber of Commerce and Meet Chicago Northwest.

Mr. Mertes summarized the results. Less than 10% of businesses are not satisfied. Over 60% said they have been in the Village over 10 years, which means they weathered the recession and still operate locally. Two thirds employ eight or fewer employees. Sixty percent of respondents stated the overall health of their business has increased. Location was cited by 35% as the primary asset for their businesses. Support from residents was 18%. Taxes and parking were the two issues cited as the greatest detriment to businesses. The Village's cost on the tax bill is only 12%, school districts and other taxing bodies make up the other 88%. The Village is currently conducting a downtown parking study to address the parking issues. The respondents indicated they would like to see more retail, restaurants and industrial businesses. Respondents asked for a less restrictive sign code and streamlined processes. They also asked for more community events, retail events, and coordinated advertising.

President Hayes said this was a good report, but there is room to improve. He said it reflects the concept that a team effort is required to making

businesses successful.

Trustee Sidor noted that of the 5,000 businesses in town, only 143 responded and not everyone responded to all the questions. He said the survey gave a postage stamp view of what is happening. The participation was underwhelming so he did not think firm conclusions could be drawn.

Trustee Rosenberg asked if staff contacted businesses that asked for follow up. Mr. Mertes said yes, he reached out to all those who asked for contact and set up appointments with them. Trustee Rosenberg suggested working with the Chamber of Commerce next time.

Trustee Scaletta said the Village can always do better. He noted that the Executive Director of the Chamber is on the Arlington Economic Alliance, which helped develop the survey. He said he would like the Village to try harder to get more responses in the future.

B. Customer Relations Survey Results Presentation

Mr. Recklaus said staff hired Northern Illinois University's Center for Governmental Studies to conduct a Customer Relations survey last fall. A statistically valid sample of 511 households responded to the survey and these households matched the Village's actual demographics. The survey focused on the quality of services.

- 91% had their questions answered by the person who answered the phone without being transferred.
- 77% said their contact was very professional.
- 58% said contact with the Village was an excellent experience.
- 24% said contact with the Village was good.

Mr. Recklaus said there is room for improvement, but noted that staff is not always giving people the answer they want to hear. There was positive feedback on the new website. 89.5% were somewhat or very satisfied with Village communication. Overall, responses indicated satisfaction with Village services. Respondents liked the new website better than the old one. Residents are getting information from a variety of sources, and the sources vary based on the age of the resident. The Village is creating a new interdepartmental customer service team and is looking for new ways to communicate information to residents. Staff is discussing ways to increase the "overall experience" of residents and is making customer service a core performance measure.

President Hayes said it was good to identify areas to improve, and that he was happy to see high overall satisfaction numbers.

Trustee Sidor said he liked this survey. The service levels have increased from 5 years ago and the focus on customer service is paying off. Response times are excellent. He said he was happy that a customer service team is being formed.

Trustee Tinaglia said in his six years, tremendous work has been done by Mr. Recklaus and in every department. He said the compliments are many and the disappointments are few. He said the survey is a good example of how Village service affects everyone in town.

VII. PUBLIC HEARINGS

VIII. CITIZENS TO BE HEARD

Resident Lauree Harp said the 4-North Hickory apartment building was approved without any affordable housing units. Using this project as a model, 11% of the units should have been designated as affordable, which equals nine apartments. The developer should pay \$675,000 to waive building that number of affordable units. The developer negotiated it down to \$225,000. The opting out choice pays for itself within a few years. The Village needs people who work here to be able to live here. If we really want to say we support affordable housing, we need to educate the community. Staff needs to honor the numbers and develop new numbers.

President Hayes said it will take a team effort to enhance this policy. Mr. Recklaus said the Board gave very clear direction to staff. Staff has begun conversations with developers who are in process. There is room to grow and we are on our way.

IX. OLD BUSINESS

- A. Report of the Committee-of-the-Whole Meeting Approved of August 6, 2018

Interview of Scott Seyer for Appointment to the Design Commission - Term Ending: 4/30/20

President Hayes administered the Oath of Office to Mr. Seyer.

Trustee Jim Tinaglia moved to concur in the Mayor's appointment. Trustee John Scaletta Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Blackwood, Hayes, LaBedz, Rosenberg, Scaletta, Sidor, Tinaglia

Absent: Glasgow

- B. Report of the Committee-of-the-Whole Meeting Approved of August 6, 2018

Interview of Lynn Sakata for Appointment to the Bicycle & Pedestrian Advisory Commission - Term Ending: 4/30/19

President Hayes administered the Oath of Office to Ms. Sakata.

Trustee Robin LaBedz moved to concur in the Mayor's appointment. Trustee Richard Baldino Seconded the Motion.
The Motion: Passed

Absent: Glasgow

X. CONSENT AGENDA

CONSENT OLD BUSINESS

CONSENT APPROVAL OF BIDS

- A. Furnishing of Aggregate Materials & Trucking, Approved
 Disposal of Debris, and Hauling of Snow -
 Contract Extension

Trustee Robin LaBedz moved to approve. Trustee John Scaletta Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Blackwood, Hayes, LaBedz, Rosenberg, Scaletta, Sidor, Tinaglia

Absent: Glasgow

- B. Davis Street Beautification Approved

Trustee Robin LaBedz moved to approve. Trustee John Scaletta Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Blackwood, Hayes, LaBedz, Rosenberg, Scaletta, Sidor, Tinaglia

Absent: Glasgow

CONSENT LEGAL

- A. An Ordinance Approving a Preliminary Plat of Approved
 Subdivision and Granting Variations from
 Chapters 28 and 29 of the Arlington Heights
 Municipal Code
 (Christian Liberty, 502 W Euclid Ave)

Trustee Robin LaBedz moved to approve 18-025. Trustee John Scaletta Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Blackwood, Hayes, LaBedz, Rosenberg, Scaletta, Sidor, Tinaglia

Absent: Glasgow

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| B. | A Resolution Approving a Final Plat of Subdivision
(Christian Liberty, 502 W Euclid Ave) | Approved |
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Trustee Robin LaBedz moved to approve R18-012. Trustee John Scaletta Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Blackwood, Hayes, LaBedz, Rosenberg, Scaletta, Sidor, Tinaglia

Absent: Glasgow

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| C. | An Ordinance Approving a Planned Unit Development, Preliminary Plat of Subdivision and Granting Variations from Chapters 28 and 29 of the Arlington Heights Municipal Code
(4 N Hickory Ave) | Approved |
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Trustee Robin LaBedz moved to approve 18-026. Trustee John Scaletta Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Blackwood, Hayes, LaBedz, Rosenberg, Scaletta, Tinaglia
Nays: Sidor

Absent: Glasgow

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| D. | An Ordinance Amending Chapter 12 of the Arlington Heights Municipal Code
(Sections 12-201 and 12-207 - Electronic Smoking Devices) | Approved |
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Trustee Robin LaBedz moved to approve 18-027. Trustee John Scaletta Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Blackwood, Hayes, LaBedz, Rosenberg, Scaletta, Sidor, Tinaglia

Absent: Glasgow

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| E. | Resolution Approving a Township Bus Maintenance and Storage Agreement with | Approved |
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Wheeling Township
(PW Center, 222 N. Ridge Ave.)

Trustee Robin LaBedz moved to approve R18-013/A18-027. Trustee John Scaletta Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Blackwood, Hayes, LaBedz, Rosenberg, Scaletta, Sidor, Tinaglia

Absent: Glasgow

CONSENT REPORT OF THE VILLAGE MANAGER

- A. Settlement - Workers' Compensation Claim - Approved
Kalinowski

Trustee Robin LaBedz moved to approve a worker's compensation settlement of \$119,400.28 for Andrew Kalinowski. Trustee John Scaletta Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Blackwood, Hayes, LaBedz, Rosenberg, Scaletta, Sidor, Tinaglia

Absent: Glasgow

- B. Settlement - Workers' Compensation Claim - Approved
Palczynski

Trustee Robin LaBedz moved to approve a worker's compensation settlement of \$69,766.20 for Phillip Palczynski. Trustee John Scaletta Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Blackwood, Hayes, LaBedz, Rosenberg, Scaletta, Sidor, Tinaglia

Absent: Glasgow

CONSENT PETITIONS AND COMMUNICATIONS

- A. Permit Fee Waiver - Arlington Heights Memorial Library Approved

Trustee Robin LaBedz moved to approve. Trustee Mike Sidor Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Blackwood, Hayes, LaBedz, Rosenberg, Scaletta, Sidor,

Tinaglia

Absent: Glasgow

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| B. | Bond Waiver - Arlington Heights Park
Foundation Golf Outing | Approved |
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Trustee Robin LaBedz moved to approve. Trustee John Scaletta Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Blackwood, Hayes, LaBedz, Rosenberg, Scaletta, Sidor, Tinaglia

Absent: Glasgow

XI. APPROVAL OF BIDS

XII. NEW BUSINESS

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| A. | European Crystal Hotel - 519 W. Algonquin Rd.
- PC#18-013
Land Use Variation for Hotel, Variation from
Chapter 28 of the Municipal Code | Approved |
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James Cazares requested a variation to a build a hotel in a manufacturing district. He is also requesting a parking variation. He brought a proposal in November, which was voted down because of a significant parking deficit. This is a scaled down proposal with a positive recommendation from the Plan Commission. There is also a staff recommendation to move forward.

Mr. Cazares described the proposed hotel, which has 62 guest rooms and a three space-parking deficit. He thanked Mr. Hautzinger and Mr. Mertes for their help. The European Crystal Banquet Hall has been in the Village over 20 years. It hosts 160 events a year and only 10 of them have over 250 guests. He noted his success running the Ivy Hotel in a highly residential area. Thirty percent of new hotels built today are unaffiliated and are boutique/lifestyle hotels. There are no boutique operators in the Village now. He described the local connections he would make. His hotel would be refined and stylish with a high level of customer service. He would offer complimentary shuttle service to downtown Arlington Heights and to the airport. Bike rentals would be complimentary. He would like to offer an outdoor terrace for guests. European Crystal hosts four-star weddings, but those guests do not stay at hotels in the Village.

Mr. Cazares explained that their lot is empty most days. Their peak day is Saturday, when every other lot next to them is empty. They have not had one complaint from neighbors or patrons. A handful of times a year they have events at capacity. The hotel looks to bring \$750,000 – \$1,000,000 of

revenue to the Village. There are fewer cars at hotels these days as people use Uber/Lyft and Shuttle services. The Doubletree has an 184 spot deficit but there are no issues. Mr. Cazares has arranged for three offsite parking agreements giving them 472 available spots. In addition, they will have on site valet, luxury shuttle service, and a process/system for offsite parking. During peak events, employees will park at Brite-o-matic and will receive notification prior to arrival. A temporary sign will direct guests to the valet station. Next, guests can park at Hand Surgery directed by staff and signs. Option 3 is to have valets use the Pace lot across the street. Prima Power has 50 spots to the west. Hamilton partners has over 150 parking spots.

Mr. Arevalo, attorney for the project, said the property is 70% vacant during the week, and they believe this is the best use for the property.

President Hayes said he appreciated Mr. Cazares bringing the project back.

Trustee Scaletta said he appreciated Mr. Cazares' desire to be in Arlington Heights. He said Mr. Cazares listened to the Board and brought the neighbors forward to help with parking.

Trustee Tinaglia asked about the ballroom configuration. Mr. Cazares said they are keeping the grand ballroom; the smaller ones will be demolished. The ballroom holds 377 guests. Typically, there are 200-230 attendees. They may reduce that room's occupancy. Trustee Tinaglia said initially, there was a parking stall deficit and there were many amenities in the hotel. He said he could not see how it would work before, when drive aisles were being used for parking. This issue has been overcome by reaching out to the neighbors for parking agreements. Trustee Tinaglia asked why this was not done before. He worried that reducing the building and number of units might be a missed opportunity.

Mr. Cazares said that people do not drive to hotels as much anymore so he did not believe parking was going to be such an issue. He said he may add additional guest rooms down the road, but wants to take baby steps to make sure that everyone is comfortable. Trustee Tinaglia said he hoped Mr. Cazares comes back in the future, and that he had solved the issue he was worried about before.

Mr. Perkins said the storm water detention calculations have been done. The Landscape Plan was submitted and is acceptable. Instead of variation for drive aisle width, the project now needs a four-space parking variation because of fire lane. Staff has seen the letters of agreement for parking. They are revocable, but their agreement with Brite-o-matic is longstanding. These agreements do not allow overnight parking.

Trustee LaBedz said she appreciated their willingness to change their plan. Once there are studies to show they have the parking space, she hoped the amenities would be added.

Trustee Rosenberg said he took offence from the poster which was present

at the meeting. He said the Board was reasonable in their concerns with parking. When Mr. Cazares wanted a 138 parking variance without any agreements, he voted no. He noted that the Pace agreement he saw was for construction parking, he asked if Pace will accommodate their parking permanently. Mr. Cazares apologized if the poster created offense. He said he brought the sign to remind himself that the project needs flexibility. He explained that Pace has a bus stop in front of hotel, European Crystal allows them to use the utilities for their electronic sign and as compensation, the hotel can use their parking lot in perpetuity. Trustee Rosenberg said he would like to see this agreement.

Trustee Rosenberg asked about construction staging. Mr. Cazares said they have not booked any events in the smaller room in anticipation of demolishing it. There is a small section in their parking lot for staging. They will be using parking from their partnerships. Trustee Rosenberg asked about the top floor. Mr. Cazares said the ninth floor is now storage space and a portion would be outdoor terrace, but that is still pending. Tonight's vote does not have any bearing on that.

Trustee Sidor said he would love to see a rooftop terrace approved. Everyone wants to eat outside. A boutique hotel should have amenities.

Trustee Blackwood said the project is a perfect fit for the hotel district and the Village needs a special events location. It is the perfect piece of the puzzle by having a step up hotel in the area. She said she understood that parking places are not as much in demand as they used to be.

Trustee Baldino said this project fits in well with the southern corridor development. He said he was sorry to see terrace go, and would like it to come back. He said he would like to see a spa move forward too. Mr. Cazares said he was taking the incremental approach and he may try to add the amenities over time.

Resident James Hassenplug said the Cazares family has put together a fantastic project. They will not fail; they will make the village proud. They are remarkable people.

Trustee John Scaletta moved to approve a Land Use Variation to allow a 62 room hotel in the M-2 Zoning District and a Variation to Chapter 28, Section 10.4 to reduce the required on-site parking from 175 to 171 spaces. Trustee Mike Sidor Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Blackwood, Hayes, LaBedz, Rosenberg, Scaletta, Sidor, Tinaglia

Absent: Glasgow

XIII. LEGAL

XIV. REPORT OF THE VILLAGE MANAGER

XV. APPOINTMENTS

XVI. PETITIONS AND COMMUNICATIONS

- A. Request for Closed Session per 5 ILCS 120/2(c) (21): Discussion of minutes lawfully closed, whether for purposes of approval of the minutes or the semi-annual review of the minutes

- and -

5 ILCS 120/2(c)(1): Litigation, when an action against, affecting or on behalf of the Village has been filed and is pending before a court or administrative tribunal, or when the Board finds that an action is probable or imminent

XVII. ADJOURNMENT

Trustee Robin LaBedz moved to adjourn to Closed Session at 9:28 p.m.

Trustee John Scaletta Seconded the Motion.

The Motion: Passed

Ayes: Baldino, Blackwood, Hayes, LaBedz, Rosenberg, Scaletta, Sidor, Tinaglia

Absent: Glasgow