

**MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL
OF THE UNITED CITY OF YORKVILLE, KENDALL COUNTY, ILLINOIS,
HELD IN THE CITY COUNCIL CHAMBERS,
800 GAME FARM ROAD ON
TUESDAY, JUNE 25, 2019**

Mayor Purcell called the meeting to order at 7:03 p.m. and led the Council in the Pledge of Allegiance.

ROLL CALL

City Clerk Pickering called the roll.

Ward I	Koch	Present
	Transier	Absent
Ward II	Milschewski	Present
	Plocher	Present
Ward III	Funkhouser	Present
	Frieders	Present
Ward IV	Tarulis	Present
	Peterson	Present

Staff present: City Administrator Olson, City Clerk Pickering, Deputy Chief of Police Mikolasek, Deputy Chief of Police Pfizenmaier, Public Works Director Dhuse, Community Development Director Barksdale-Noble, Finance Director Fredrickson, Parks and Recreation Director Evans, Assistant City Administrator Willrett, Building Code Official Ratos, Facilities Manager Raasch, Attorney Orr, and EEI Engineer Sanderson.

QUORUM

A quorum was established.

AMENDMENTS TO THE AGENDA

None.

PRESENTATIONS

Mayor Purcell swore in new patrol officer Nicholas Mertes.

PUBLIC HEARINGS

None.

CITIZEN COMMENTS ON AGENDA ITEMS

Lisa Wolancevich informed the City Council that one of the entities that would be speaking about the jail proposals was running late and would arrive around 7:45 p.m.

Todd Milliron, unincorporated Yorkville resident, congratulated the new officer being sworn in. Mr. Milliron also spoke about the Governor signing new legislation that might entail some additional training for the Police Department.

CONSENT AGENDA

None.

MINUTES FOR APPROVAL

Mayor Purcell entertained a motion to approve the minutes of the regular City Council meeting of June 11, 2019 as presented. So moved by Alderman Peterson; seconded by Alderman Koch.

Motion unanimously approved by a viva voce vote.

BILLS FOR PAYMENT

Mayor Purcell entertained a motion to approve the bill list in the amount of \$4,018.79 (vendors – FY 19); \$536,877.62 (vendors – FY 20); \$341,160.82 (payroll period ending 6/14/19); for a total of \$882,057.23. So moved by Alderman Milschewski; seconded by Alderman Funkhouser.

Motion approved by a roll call vote. Ayes-7 Nays-0
Funkhouser-aye, Tarulis-aye, Plocher-aye, Frieders-aye,
Peterson-aye, Koch-aye, Milschewski-aye

REPORTS

MAYOR'S REPORT

Mayor Purcell asked Parks and Recreation Director Evans to report on upcoming events.

Wine'd Down Wednesday Event

Director Evans reported that the Wine'd Down Wednesday event would be held on June 26th from 6:00 p.m. to 9:00 p.m. at Town Square Park. The city is co-hosting this event with Fox Valley Winery.

4th of July Events

Director Evans also reported that the 65th Annual 4th of July Celebration would be held on the 4th of July with the parade starting at 9:00 a.m. Anyone who would like to participate in the parade should line up by 8:45 a.m. at the high school. After the parade ends, there will be activities in Town Square Park until 1:00 p.m. The fireworks display will be held south of Menards on Countryside Parkway at 9:30 p.m.

PUBLIC WORKS COMMITTEE REPORT

**Public Works Material Storage Shed – Invitation to Bid
(PW 2019-36)**

Alderman Plocher made a motion to authorize staff to issue an Invitation to Bid (ITB) for the construction of the Public Works material storage shed; seconded by Alderman Koch.

Motion approved by a roll call vote. Ayes-7 Nays-0
Tarulis-aye, Plocher-aye, Frieders-aye, Peterson-aye,
Koch-aye, Milschewski-aye, Funkhouser-aye

**Well No. 7 Water Treatment Plant Standby Generator – Engineering Agreement
(PW 2019-39)**

Alderman Plocher made a motion to approve the Well No. 7 Water Treatment Plant Standby Generator Professional Services Agreement for Design and Construction Engineering and authorize the Mayor and City Clerk to execute; seconded by Alderman Tarulis.

Motion approved by a roll call vote. Ayes-7 Nays-0
Plocher-aye, Frieders-aye, Peterson-aye, Koch-aye,
Milschewski-aye, Funkhouser-aye, Tarulis-aye

**Elizabeth Street Water Main Improvements – Engineering Agreement
(PW 2019-40)**

Alderman Plocher made a motion to approve the Elizabeth Street Water Main Replacement Professional Services Agreement for Design Engineering and authorize the Mayor and City Clerk to execute; seconded by Alderman Milschewski.

Motion approved by a roll call vote. Ayes-7 Nays-0
Plocher-aye, Frieders-aye, Peterson-aye, Koch-aye,
Milschewski-aye, Funkhouser-aye, Tarulis-aye

**Chemical Feed Systems – Supply Purchase and Engineering Agreement
(PW 2019-41)**

Alderman Plocher made a motion to approve the Ora-Cle Chemical Feed Systems Additions at Water Treatment Plants Professional Services Agreement for Design Engineering and permit assistance and authorize the Mayor and City Clerk to execute; seconded by Alderman Tarulis.

Motion approved by a roll call vote. Ayes-7 Nays-0
Frieders-aye, Peterson-aye, Koch-aye, Milschewski-aye,
Funkhouser-aye, Tarulis-aye, Plocher-aye

Alderman Plocher made a motion to authorize the purchase of the necessary equipment and chemicals to implement the Ora-Cle Feed System; seconded by Alderman Koch.

Motion approved by a roll call vote. Ayes-7 Nays-0
Tarulis-aye, Plocher-aye, Frieders-aye, Peterson-aye,
Koch-aye, Milschewski-aye, Funkhouser-aye

Blackberry Woods – Phase B Completion of Improvements Status
(PW 2019-42)

City Administrator Olson reported that there were five items that were still outstanding for this development. Staff has been in contact with the developer to get these items resolved. The five outstanding items are relatively minor. Staff has not received the record drawings yet. There is also a burn test on the streetlights that still needs to be completed with ComEd. This testing is dependent on ComEd's schedule and is out of the developer's hands, so it could take several weeks to complete. Additionally, there are four misaligned sump pump tabs as well as miscellaneous restoration such as landscaping and grass seeding. The pavement turnaround at the west end of Purcell Street also needs to be completed.

**2018 Road to Better Roads Program – Request for Change in Plans
and Engineer's Final Payment Estimate**
(PW 2019-43)

Alderman Plocher made a motion to approve the 2018 Road to Better Roads Program – Request for Change in Plans and Engineer's Final Payment Estimate and authorize the Mayor to execute; seconded by Alderman Funkhouser.

Motion approved by a roll call vote. Ayes-7 Nays-0
Koch-aye, Milschewski-aye, Funkhouser-aye, Tarulis-aye,
Plocher-aye, Frieders-aye, Peterson-aye

ECONOMIC DEVELOPMENT COMMITTEE REPORT

No Report.

PUBLIC SAFETY COMMITTEE REPORT

No Report.

ADMINISTRATION COMMITTEE REPORT

Monthly Treasurer's Report for May 2019
(ADM 2019-26)

Alderman Funkhouser made a motion to approve the monthly Treasurer's Report for May 2019; seconded by Alderman Peterson.

Motion unanimously approved by a viva voce vote.

Resolution 2019-19

**Approving an Amendment to the United City of Yorkville
Employee Manual (Nepotism Policy)**
(ADM 2019-32)

Alderman Funkhouser made a motion to approve a Resolution Approving an Amendment to the United City of Yorkville Employee Manual (Nepotism Policy) and authorize the Mayor and City Clerk to execute; seconded by Alderman Koch.

Motion approved by a roll call vote. Ayes-7 Nays-0
Funkhouser-aye, Tarulis-aye, Plocher-aye, Frieders-aye,
Peterson-aye, Koch-aye, Milschewski-aye

PARK BOARD

No report.

PLANNING AND ZONING COMMISSION

No report.

CITY COUNCIL REPORT

Sale of 111 W. Madison Street (Old Jail)
(ADM 2018-88)

Presentation by Imperfect Angels Organization
Jetara Perry

Jetara Perry, president and founder of Imperfect Angels, spoke regarding their proposal. Their plan for the building after renovation is to open a community center on the second floor of the main building for youth and young adults. At the community center they would provide resources, educational seminars, and workshops, as well as providing guidance to these young adults to help them to be able to sustain themselves after high school. Ms. Perry said they plan to renovate the area above the garage and convert it into a residential unit that can be rented out at an affordable rate. They would like to create commercial suites for small business owners on the first floor of the main building. They also plan to remove the garage door and replace it with glass to create a retail business space.

The first phase of their proposal is to remove the roofing and damaged framing, and to complete the demolition of the area that connects the buildings currently. This will result in two separate structures. The second phase is to upgrade the utilities to both buildings. Phase three is the renovation of the apartment and the garage. Phase 4 will involve the renovation of the main building. Phase 5 renovation includes the community center which will be located on the second floor of the main building.

Ms. Perry estimates that it will cost one million dollars to complete the proposed renovations. The organization is requesting \$250,000.00 in TIF assistance from the city. Ms. Perry has spoken with the assessor's office and was told that with the limited information that is available, the current estimated value of the Old Jail is \$130,000.00. After the building is renovated, the estimated end value after all five phases of renovation are completed is \$500,000.00. Ms. Perry is basing her request for TIF assistance on the following figures: she took the difference between \$500,000.00 estimated end value from the \$130,000.00 estimated current value and divided this dollar amount by the proposed phases. By her calculations, this will leave them with an estimated \$80,000.00 increase in value per phase. At the end of phase one the building's estimated value would be \$210,000.00 with taxes generated of \$6,644.00, at the end of phase two the estimated value of the building is \$290,000.00 with taxes generated of \$9,175.89, at the end of phase three the estimated value of the building is \$370,000.00 with taxes generated of \$11,707.17, and at the end of phase four the estimated value of the building is \$450,000.00 with taxes generated of \$14,238.45. Ms. Perry noted that these figures are all estimated amounts based on the limited information available.

Ms. Perry said that in regard to the \$250,000.00 TIF assistance, they are requesting an 80/20 split for the first three phases and then a 70/30 split starting in phase four, until the \$250,000.00 in TIF assistance is received. Administrator Olson asked if the group was requesting any money up front. Ms. Perry stated that they were requesting a minimum of \$50,000.00 up front since the city had already estimated that it would cost the city \$78,000 if the city decided to move forward with the demolition of the building.

Mayor Purcell commented that he was concerned about the condition of the roof. He asked what assurances the city would have that the roof would be repaired. Ms. Perry stated that the roof was their number one concern. They are going to start with the demolition of the connected area of the building first and then repair the roof next. She believes that they will have the roof repairs completed within 60 days after they take ownership of the property. Ms. Perry said that if her organization purchases the property, they do not expect the City to have any further involvement with the property other than the TIF assistance that the City would provide.

**Presentation by KCJ Restoration LLC
Peter McKnight
Cary Coles**

Peter McKnight and Cary Coles with KCJ Restoration spoke about their proposal. Mr. McKnight said that their plan is to create five residential units. These units will be market rate units with higher end finishes. There is also an estimate of 2,000 to 4,200 square feet of commercial space in the old historic portion of the building. An additional consideration is to use the entire building as a high-end boutique hotel or hospitality concept. They are estimating that they will generate \$12,000.00 per year in new property tax revenue. They are proposing to remove the sally port portion of the building because that is where the most damage to the roof is located. Mr. Coles thinks the construction on this project will be just under \$900,000.00. They are estimating that when they are finished with the renovations, they will generate \$6,600.00 per month in rental income from the residential units and will also have \$1,200.00 in new taxes that are created just on the property tax side. They are looking into financing in the amount of \$450,000.00, which is the maximum amount of debt this property can hold. They will use some of their own money as well because they feel that long term this will be a good investment and the property will increase in value.

Mr. Coles said that the construction will be broken into phases. Within a week after the closing they will start the first phase. Phase one will include stabilizing the site, putting up barricades, insuring the property, roof repairs, and demolition of the sally port. They are estimating that phase one will cost them \$106,000.00. Mr. Coles said that after the first phase is complete, they would like to request a reimbursement in the amount of \$78,000 from the city as the city had previously planned on spending that amount on the demolition of the building. Mr. Coles said they are confident that they will be able to complete the project within their budgeted amount of \$840,000.00. He said if it costs more they will be personally guaranteed on the notes and financing. Mr. Coles said the project is going to cost them \$842,000.00, with \$78,000.00 coming from the city after phase one is completed. They are looking for an additional \$228,000.00 in TIF Funds, which will be needed within the first 24 months. They are also looking for an outside lender to supply \$380,000.00. Mr. Coles said that they are personally going to provide funding in the amount of \$156,000.00. Mr. McKnight emphasized that they will complete the first phase which is estimated to cost \$106,000 which includes repair of the roof, asbestos abatement and lead based paint encapsulation, demolition of the sally port, and preparation of the site prior to receiving a disbursement from the city in the amount of \$78,000.00.

Mayor Purcell asked what assurances the city would have that the roof will be repaired. Mr. McKnight and Mr. Coles said that they will be spending their money to fix the roof, complete the asbestos and lead-based paint encapsulation, and a few other repairs prior to asking the city for the first reimbursement of \$78,000.00 and they expect the first phase to be completed in ninety days.

City Administrator Olson clarified that they are asking for the second TIF disbursement to take place in the first 24 months of construction in the amount of \$228,000.00. Additionally, if the project is completed and generating property taxes, they are asking for an additional TIF incentive to be paid out over the next twenty years. Mr. Coles said that some of their request will be lender driven. The market and the lenders might come back with financial requirements that are needed to make this project viable until the property is fully leased.

City Administrator Olson was asked to explain how the TIF would work in both proposals that were presented. Administrator Olson explained that the Imperfect Angels proposal is asking for \$50,000 at the time of completion of the roof repairs and then they are asking in general for an additional \$200,000 to be paid out over the next twenty years of the TIF which may result in a payment of approximately \$11,000.00 per year throughout the life of the TIF and would cap at \$200,000.00. If the project fails or they don't generate enough property taxes the city does not pay. The city would be at risk only for the \$50,000.00 that will be paid at the time of the roof repair. The McKnight/Coles proposal is asking for \$78,000.00 for the roof and a few other repairs after they spend \$106,000, along with a phased payment over the next twenty-four months which is to be determined later. They are additionally asking for \$228,000.00 in TIF funds to be paid out after the project is finished. The city would be risking \$306,000.00 if the project fails.

It was mentioned that parking for this project would need to be considered as the parking lot located on the north side of the parcel was a city parking lot. Administrator Olson said it might be more economical for both parties to negotiate parking elsewhere.

CITY CLERK'S REPORT

No report.

COMMUNITY & LIAISON REPORT

Golf Outing

Alderman Funkhouser reported on the joint golf outing held last week by the school district and the parks and recreation department. He said it was a great outing and they were fortunate to have great weather. He felt it was a good partnership between the city and the school district and he mentioned that city staff did a great job on the event.

Summer Solstice Festival

Alderman Frieders reported on the Summer Solstice Festival held last weekend. Attendance at the event was up and there were a lot more food vendors than previous years. Alderman Frieders said that the city staff was great to work with.

No Parking Signs on Mill Street and Heustis Street

Alderman Milschewski asked if staff can please remove the no parking signs that are still up on Mill and Heustis streets from the festival.

STAFF REPORT

None.

ADDITIONAL BUSINESS

None.

CITIZEN COMMENTS

Todd Milliron commented on a revenue stream that was not brought up during the Old Jail presentations. Mr. Milliron said if there is short term housing proposed, it would generate lodging taxes as soon as it was ready for occupancy.

EXECUTIVE SESSION

Mayor Purcell entertained a motion to go into executive session for pending litigation and for the setting of a price for the sale of real estate. So moved by Alderman Milschewski; seconded by Alderman Funkhouser.

Motion approved by a roll call vote. Ayes-7 Nays-0
Koch-aye, Milschewski-aye, Funkhouser-aye, Tarulis-aye,
Plocher-aye, Frieders-aye, Peterson-aye

The City Council entered executive session at 8:53 p.m.

The City Council returned to regular session at 10:02 p.m.

CITY COUNCIL REPORT (cont'd):

**Sale of 111 W. Madison Street (Old Jail)
(ADM 2018-88)**

After the City Council returned to regular session, discussion took place on the proposals received for the Old Jail. Administrator Olson said that staff was looking for general direction as to whether the City Council wanted staff to negotiate with one of the proposers. He noted that this item would return to the City Council for final approval. Concerns were raised about the amount of TIF reimbursement that is being requested. Consensus was for staff to begin negotiations with Peter McKnight and Cary Coles.

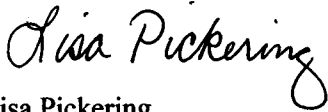
ADJOURNMENT

Mayor Purcell entertained a motion to adjourn the City Council meeting. So moved by Alderman Peterson; seconded by Alderman Koch.

Motion unanimously approved by a viva voce vote.

Meeting adjourned at 10:23 p.m.

Minutes submitted by:



Lisa Pickering,
City Clerk, City of Yorkville, Illinois

