

**September 20, 2011
Village of Sugar Grove
Regular Board Meeting
6:00 PM**

President Michels opened the meeting at 6:00 PM and asked that Scout Phil lead the Pledge. President Michels then asked that the roll be called.

Present: President Michels, Trustee Paluch, Trustee Renk, Trustee Johnson, Trustee Montalto, Trustee Geary and Trustee Bohler.

Quorum Established.

Also Present:

Administrator Brent Eichelberger, Finance Director Justin VanVooren, Police Chief Brad Sauer, Attorney Steve Andersson, Community Development Director Richard Young, Clerk Cynthia Galbreath, and Director of Public Works Anthony Speciale.

PUBLIC HEARINGS

Proposal to Sell Alternate Revenue Source / General Obligations Bonds in the Amount of \$1,500,000 for the Replacement of Water Meters (Per the Bond Hearing Notification Act)

APPOINTMENTS AND PRESENTATIONS

None.

PUBLIC COMMENTS ON ITEMS SCHEDULED FOR ACTION

President Michels called for any public comments on items scheduled for action (as read by President Michels) and hearing none, closed this portion of the agenda.

CONSENT AGENDA

- a. Approval: Minutes of the September 06, 2011 Meeting
- b. Approval: Vouchers
- c. Approval: Treasurer's Report

Trustee Johnson moved **to approve the consent agenda as presented**. Trustee Renk seconded the motion. President Michels then called for a roll call vote.

AYE:	Paluch	NAY:	None	ABSENT:	None
	Renk				
	Bohler				
	Geary				
	Johnson				
	Montalto				

Motion Carried.

GENERAL BUSINESS

Approval of Liquor and Tobacco License for Sugar Grove Express Lane – fka/Sugar Grove Food Shop
Trustee Johnson moved to **Approve a Liquor and a Tobacco License for the Sugar Grove Expresslane Gas and Food Mart, subject to attorney review and clarification of sales tax.** Trustee Montalto seconded the motion. Administrator Eichelberger explained that the reason the clarification of sales tax was added to the motion was because of the recent news articles regarding companies that are purportedly using addresses other than the one that their building is housed in to report sales tax for. Having this issue in Sugar Grove would be a detriment. Staff does not feel that this new owner of this location poses a problem it is just something that needs to be address. Hearing no further discussion President Michels called for a roll call vote.

AYE:	Bohler	NAY:	None	ABSENT:	None
	Renk				
	Paluch				
	Johnson				
	Geary				
	Montalto				

Motion Carried.

Discussion of Light Industrial Zoning

Community Development Director Richard Young explained that as part of continuing efforts to improve Sugar Grove’s Zoning Ordinance, staff is working on text for a new I-1 Zoning District. This is also in response to questions raised during the TIF public hearings regarding potential uses abutting residential areas. Landscape buffering and setback could provide the performance standards needed to address most concerns, however a new I-1 District may provide additional protection for a compatible transition from district to district.

The primary issue is the list of what should or should not be included as permitted and special uses within the proposed district. Uses generally associated with a Light Industrial Districts in other communities include; office and administrative buildings, corporate headquarter, office parks and planned developments, retail and wholesale display rooms, research laboratories, contractor’s offices and shops, union halls, training facilities, indoor equipment and machinery sales and service operations, indoor sports facilities and limited indoor production and storage facilities. More intense uses would be are generally called out as special uses and must be approved by the Village Board following a public hearing before the Plan Commission.

Director Young asked for comments on the provided a matrix of all uses generally associated with Business Park, Office and Research and Industrial Uses.

Trustee Geary stated that he did not like to see as many Special Use’s as they are not perceived as being business friendly and some business owners don’t like to have to ask for a special use because of the time and money involved. Administrator Eichelberger stated that the Board has generally been very forthcoming in a consensus when a business owner’s inquires if a special use is likely to be granted. Director Young further stated that within the current zoning ordinance any land over 4 acres is a PUD necessitating that a use be granted anyway. This would cover existing zoning. Trustee Geary asked if sales were allowed in an M-1 or if that would be a special use and how it would affect exisiting businesses in M-1 which have sales. It was answered that those that already sell already have a special use and if anyone in M-1 were to add on sales it would require a special use. President Michels also stated that sales are not allowed in M-1 for the protection of businesses. As at times businesses

would like to reside in an M-1 district but then do not have the visibility needed for a sales type businesses and their customers are likely to encounter parking and traffic problem with delivery trucks.

Administrator Eichelberger interjected that the proposal is to fix a maybe problem in the future with a pending annexation, and will not affect current businesses.

Trustee Geary asked staff to let him know what type of zoning medical uses are in.

The Board also discussed landscaping, setbacks and the possibility of adding that office parks be used as a buffer between existing residential and areas that are designated as M-1 or I-1.

This item will come back to the Board for further discussion.

Discussion of an Extension of the Residential Development Fees Stimulus Program

Community Development Director Richard Young stated that the residential development stimulus which was enacted in October of 2009 is set to expire on October 31, 2011.

The program provides for a rebate on Transition Fees of 100% of the applicable fee (or fees), regardless of designated entity to receive said fee (or fees) and up to \$5,000 to be allocated by staff between the various applicable impact fees in staff's discretion. It is suggested that the extension dates of this program be amended as follows: to be eligible a building permit must be applied for and paid for by October 31, 2012 and a Certificate of Occupancy (CO) must be applied for and paid for by October 31, 2013. As in the past, the program will include up to 35 new units per year. Also as in the past, the program will allow for the deferral of the payment of some fees from the time of permit issuance to the time a CO is issued. The Board agreed to the extension of the program and directed staff to proceed and place it on the October 4, 2011 consent agenda for approval.

The Board also asked staff to send a letter to builders outlining the actual fees and the programs in place for building permits in light of the current misinformation that has been distributed.

Discussion of a Kaneland Impact Fee Agreement

Administrator Eichelberger stated that the Village of Sugar Grove has always been and should continue to be a supporter of a strong school system. This has been evidenced by the Village's leadership in implementing appropriate school impact fees on new development. Further evidence includes the Village's financial contributions toward extending utilities to the Harter Road school site.

The seven municipalities within the District itself entered into a three-year IGA with the District in 2007 to standardize school impact fees for new annexations. That agreement was extended with modifications in late 2010 and the current agreement expires December 31, 2011. During the 2010 renewal process, several concerns were raised that led to the one year extension. Primary concerns revolved around the current and anticipated economy and housing market and the appropriateness of locking in a fee schedule for one taxing body when all taxing bodies have needs.

Representatives of the signatories held several meetings during 2011 to discuss renewing the IGA. The attached draft revised IGA is the result of those meetings. It should be noted that no formal vote was held and the proposal is the result of a consensus decision. Village of Sugar Grove representatives, as well as those of other entities, did express various concerns.

The following outline was followed by the Village Board for discussion. This outline was an agenda of IGA Representatives and is italicized. The recommendations listed are those proposed by Kaneland School District or as by the IGA Representatives Group. The comments of the Board follow the discussion item .

I. Discussion regarding floor/ceiling values - Recommendation: Floor values will be eliminated. Ceiling values will remain at the current level.

Further amending the ceiling values was briefly discussed and the Board will compare other districts and developers requests as the further review the IGA.

II. Discussion regarding Land Cash Variables (value per acre, school site size, students per school) - Recommendation: That the variables currently included in the Kane County Ordinance remain. The current IGA has language that allows a municipality to work with a developer if the current value per improved acre does not seem accurate. Erin is asking Kane County about the history behind the current variables.

The Board would like to see clear language regarding the value per acre and how to override if need be.

III. Discussion affirming language on age-restricted housing - Recommendation: The language on age-restricted housing will remain as they have no impact on services in the school district.

The Board agreed that age-restricted housing should be exempted.

IV. Length of time of agreement and trigger for development of new tables - Recommendation: A five year agreement has been proposed with an annual review meeting.

The Board in general was not in agreement with 5-years, however, had no suggestion at this time. This will be discussed at a later date.

V. Discussion regarding when fees are applied (time of annexation or time of permit) - Recommendation: Applicable fee tables in place at the time of permit will be used.

The Board would like to see consistency to be used in annexation agreements.

VI. Discussion regarding transition (tax lag) payment. - Recommendation: The transition payment will remain in place as a part of the model. During the life of this agreement, the transition payment will not be applied based on current housing permits and lack of enrollment growth in the district. The model, however, will remain in place so that it could be phased back in when above statistics suggest it is appropriate.

Trustee Montalto asked for an explanation of the "lag period". Administrator Eichelberger explained that tax assessment process with a new home that is tax at a builder/model rate and the cut off to when it transitioned to the regular tax role and the possibility of a home staying at a lower tax rate, yet occupied, because of the cut off dates.

Additional discussion items of on the IGA.

Concern was rained with the data /information cited as the dates are older and it is unknown f they reflect the current economic conditions. The Board also stated that they would like to see a list of a list of positives of new homes as it is know there are many, new homes are not just a burden on society.

Some Board indicated that as the school district already gets a large chunk of property tax they are not feeling the current economic crunch as much as other entities. This needs to be considered as the Village is looking at instituting programs that aid builders yet lessens the returns to the Village.

President Michels asked that the Board read the agreement and the staff report and be prepared to talk about the IGA in more depth at an upcoming meeting.

NEW BUSINESS

None.

REPORTS

Trustee Johnson gave a Chamber of Commerce and Kaneland Sports Booster update.

Trustee Geary informed the Board that the Lions Club would be holding a pig roast on October 1st at the pavilion. There will be entertain and refreshments.

Trustee Renk stated he had the met the new director for the Aurora Area Convention and Toursim Board and he will be a great addition.

President Michels urged the Board to attend the upcoming meeting on 10-6 for the Kane County Forest Preserve and let them know that Sugar Grove is behind the purchase of the former Sportsmen's Club. He also stated is great to see the bridge over the Gilman Trail up. He also stated that the township approached him about the Village cost sharing some drive repairs at the community house. He has asked staff to review the quote and asked for consensus to approve if the cost is within the Village Administrator Authority. Consensus was reached.

President Michels then asked the Board for support of his opinion that the Village has an obligation to the residents of Settlers Ridge to insure that their community is not affected adversely by building of small homes and that the Village should ask that the current lots be built before any decisions is made on the additional 300 acres. The Board discussed this and agreed. They felt that a certain level of hone architecture and square footage should be maintained and that it would not be wise to have the possibility of extending roadways and other infrastructure that the Village would need to maintain.

All Trustees expressed their support of President Michels, Engineering Enterprises Inc. (EEI) and Mr. James Michels in light of the recent press regarding a perceived conflict of interest. All noted that the press should have informed the public as well that state statutes prohibit bidding of certain types of contract, engineering be one of them and that a majority of the fees paid to EEI were pass through, meaning that others paid for them, and that yes in some years payments were high however so was building and there were many roadway construction projections completed.

PUBLIC COMMENTS

Mr. Dan Olsem, Crown Development as that the Board give consideration to the plight of developers when debating that Kaneland IGA. The market is not better and the not expected to improve in the next few years. He further asked that the Board review the examples provided by Crown Development for school fees and encouraged people to talk to their legislators regarding school finances. It was suggested that a cap of \$3,000.00 be considered and zero transition fees.

Mr. Joe Wolf, airport liaison, informed by board that Honda Jet had not yet been issued a permit. They are hoping to open the end of 2012 beginning of 2013.

CLOSED SESSION

Trustee Bohler moved **to Adjourn to Closed Session to discuss Personnel, Land Acquisition and Litigation, as Per the Exceptions to the Open Meetings Act, taking no action and to adjourn therefrom.** Trustee Paluch seconded the motion. President Michels then called for a roll call vote.

AYE:	Bohler	NAY:	None	ABSENT:	None
	Renk				
	Paluch				
	Johnson				
	Geary				
	Montalto				

Motion Carried.

Adjournment

As there was no further business meeting adjourned at 8:45 p.m.