

**MINUTES OF A REGULAR MEETING OF THE
OSWEGO VILLAGE PRESIDENT AND BOARD OF TRUSTEES
OSWEGO VILLAGE HALL
100 PARKERS MILL, OSWEGO, ILLINOIS
March 19, 2018**

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

President Gail Johnson called the meeting to order at 7:13 p.m. and led the Pledge of Allegiance to the Flag of the United States of America.

ROLL CALL

Physically Present: President Gail Johnson and Trustees Ryan Kauffman, Karin McCarthy-Lange, Pam Parr, Luis Perez, Judy Sollinger and Joe West.

Staff Present: Dan Di Santo, Village Administrator; Christina Burns, AVA/HR Director; Tina Touchette, Village Clerk; Jeff Burgner, Police Chief; Mark Horton, Finance Director; Jennifer Hughes, Public Works Director; Rod Zenner, Community Development Director; Corinna Cole, Economic Development Director; Julie Hoffman, Community Engagement- Special Events; and David Silverman, Village Attorney.

CONSIDERATION OF AND POSSIBLE ACTIONS ON ANY REQUESTS FOR ELECTRONIC PARTICIPATION IN MEETING

There was no one who requested to attend electronically.

RECOGNITIONS/APPOINTMENTS

D.1. Oath of Office

a. Christopher A. Jordan- Patrol Officer

Chief Burgner briefly spoke about Christopher Jordan's schooling and background. Ron Elvin, Police Commission Board Chairperson, and Carrie Niesman, Police Commission Board Member, were present. President Johnson administered the oath and swore him in.

PUBLIC FORUM

The Public Forum was opened at 7:17 p.m.

Renee Leighner addressed the Board regarding the allowance of signs for home based businesses. She lives on Route 34 next to Fox Bend. She previously asked for a sign in her front yard; no signs are allowed currently; signage is important for her business.

There was no one else who requested to speak; the Public Forum was closed at 7:21p.m.

STAFF REPORTS

There was no Staff Reports.

CONSENT AGENDA

- G.1. March 3, 2018 Special Committee of the Whole Minutes
- G.2. March 6, 2018 Committee of the Whole Minutes
- G.3. March 6, 2018 Regular Village Board Meeting Minutes
- G.4. Ordinance Adopting the Official Village of Oswego Zoning Map (First Read of Ordinance, Waiver of Second Read) **Ordinance No. 18-13**
- G.5. Resolution Authorizing The Participation In The Illinois Joint Purchase For 1,200 Tons Of Bulk Rock Salt With An Option To Purchase Up To An Additional 20% Of The Contract Amount For The 2018-2019 Season. **Resolution No. 18-R-15**

A motion was made by Trustee Kauffman and seconded by Trustee Sollinger to approve the Consent Agenda; Approving the March 3, 2018 Special Committee of the Whole Meeting Minutes; Approving the March 6, 2018 Committee of the Whole Meeting Minutes; Approving the March 6, 2018 Regular Village Board Minutes; and approving the following ordinance and resolution:

Ordinance No. 18-13; Ordinance Adopting the Official Village of Oswego Zoning Map.

Resolution No. 18-R-15; Resolution Authorizing The Participation In The Illinois Joint Purchase For 1,200 Tons Of Bulk Rock Salt With An Option To Purchase Up To An Additional 20% Of The Contract Amount For The 2018-2019 Season.

Aye: Ryan Kauffman Karin McCarthy-Lange
 Pam Parr Luis Perez
 Judy Sollinger Joe West

Nay: None

The motion was declared carried by omnibus roll call vote with six (6) aye votes and zero (0) nay votes.

BILL LIST

H.1. Approve Bill List Dated March 19, 2018 in the Amount of \$737,770.70.

A motion was made by Trustee Sollinger and seconded by Trustee Perez to approve the Bill List Dated March 19, 2018 in the Amount of \$737,770.70.

Aye: Ryan Kauffman Karin McCarthy-Lange
 Pam Parr Luis Perez
 Judy Sollinger Joe West

Nay: None

The motion was declared carried by a roll call vote with six (6) aye votes and zero (0) nay votes.

OLD BUSINESS

There was no Old Business.

NEW BUSINESS

J.1. Resolution Approving an Intergovernmental Agreement for the Sharing of Services between the Village of Oswego and the Oswego Fire Protection District. **Resolution No. 18-R-16**

Director Hughes addressed the Board regarding the sharing of services with the Oswego Fire Protection District. Staff recently began discussions with Chief Veseling regarding the viability and benefits of mowing the fire station at the same time as the police station under the same contract. The Village will be issuing bids for a landscape contract in the next few months. The shared services agreement with the United City of Yorkville serves as the template for the intergovernmental agreement with the Fire District. Staff believes both agencies will benefit. The Fire District Board of Trustees approved the agreement on March 12, 2018. There was no further discussion.

A motion was made by Trustee Kauffman and seconded by Trustee Parr to approve a Resolution Approving an Intergovernmental Agreement for the Sharing of Services between the Village of Oswego and the Oswego Fire Protection District.

Aye: Ryan Kauffman Karin McCarthy-Lange
 Pam Parr Luis Perez
 Judy Sollinger Joe West

Nay: None

The motion was declared carried by a roll call vote with six (6) aye votes and zero (0) nay votes.

J.2. Ordinance Amending Section 10.04 Home Occupations and Section 11.04 Permit Exempt Signs of the Village of Oswego's Zoning Ordinance. (First Read of Ordinance, Waiver of Second Read)
Ordinance No. 18-14

Director Zenner addressed the Board regarding storage of merchandise and signage regulations for home based businesses. Home occupation regulations are intended to maintain the residential character of a neighborhood and to ensure any permitted business uses are accessory to the residential use of the property. The Community Development Department has received requests to allow signage for home occupations. Additionally, the Zoning Ordinance does not allow for the storage of any merchandise or inventory for home occupations, which has created some conflicts with the operations of some types of permitted home businesses.

Storage of Merchandise and Sales

The Zoning Ordinance currently does not allow for the storage of any merchandise or inventory for home occupations. These provisions conflict with the operations of some types of home businesses. On July 19, 2016, the Village Board approved a Zoning Ordinance text amendment that allowed for home kitchen operations to be classified as a permitted home occupation. As part of this update, food must be sold directly to the customer and must be stored in the residence where it is produced. Additionally, home offices for direct sales product distribution services typically entail the temporary storage of products and merchandise prior to the distribution to customers. These types of businesses may also involve incidental sales. Some communities have adopted regulations that allow home businesses to have limited storage and incidental sales. The text amendments to Section 10.04.E would allow for limited on-site storage of merchandise, or inventory and incidental sales. The intent is to continue to restrict retail or wholesale transactions and protect the character of the residential neighborhood, but allow for additional flexibility for certain types of home businesses.

Staff has also included additional provisions to ensure the proposed changes to the zoning regulations for home occupations will not alter the character of a residential neighborhood:

- Text added to strengthen existing provisions on outdoor storage and prohibit any on-site storage of hazardous materials
- Text added related to deliveries and shipping operations that is intended to strictly prohibit any deliveries and shipments to home occupations by semi-trailer trucks

Signage

Section 10.04.E.3 of the Zoning Ordinance prohibits signage for home occupations. Staff received requests to allow signage for home occupations and has reviewed the zoning regulations of several surrounding communities. In general, these communities allow for one (1) non-illuminated, wall-mounted sign ranging from one (1) square foot to five (5) square feet in size. The proposed text amendments would allow for the following changes:

- Amend Section 10.04.E to allow home occupations one (1) non-illuminated wall sign, or one (1) non-illuminated ground sign, not to exceed four (4) square feet in area. Language has also been added to ensure home occupation signage would also be required to meet additional regulations set forth in Section 11; such as permitted locations, setbacks, permit requirements, penalties, and violations.
- Amend Section 11.04 to allow home occupation signage to be classified as permit exempt signs. Signage would not require a permit, but must comply with the established regulations in the Zoning Ordinance.

At the March 8, 2018 Planning and Zoning Commission meeting, the Commissioners expressed concerns that ground signs may negatively impact the residential character of a neighborhood. The Commissioners recommended removing language for grounds signs from the proposed text amendment, but suggested that any requests for ground signs by a home occupation business could be considered through the variance process.

Board and staff discussion focused on requiring a variance for ground signage; variance could take three months to process and approve; HOA's could supercede the Village; almost all subdivisions have HOA's; unsure which HOA's would allow signage; downtown area was previously rezoned to business; signs allowed on the walls or in the yard; location on Route 34 is perfect for this amendment, but not in subdivisions; reaching out to the HOA's first before voting at the Board level; would not need a permit to have signage; allowing the signs and if it becomes a problem, the Board could address it; why the P&Z Commission said no to ground signage; ground signage takes away from the feel of a residential area; HOA's have restrictions; being business friendly with reasonable signage; struggling with signage in the front yard; Naperville, Yorkville, Montgomery, Joliet, Downers Grove, Glen Ellyn, Lockport, Romeoville and West Chicago allow signage at homes; staff can let the HOA's know of the amendment; delaying the implementation of the text amendment. There was no further discussion.

A motion was made by Trustee Sollinger and seconded by Trustee Kauffman to approve an Ordinance Amending Section 10.04 Home Occupations and Section 11.04 Permit Exempt Signs of the Village of Oswego's Zoning Ordinance. (First Read of Ordinance, Waiver of Second Read)

Aye: Ryan Kauffman
Pam Parr
Joe West

Karin McCarthy-Lange
Judy Sollinger

Nay: Luis Perez

The motion was declared carried by a roll call vote with five (5) aye votes and one (1) nay vote.

J.3. Resolution Approving an Economic Incentive Agreement with the Oswego Brewing Company.

Resolution No. 18-R-17

Director Cole addressed the Board regarding an incentive agreement with Oswego Brewing Company. Oswego's downtown will soon be able to boast of its own production brewery. Mr. Chris Heinen, Mr. Peter Rzeminski II, and Mr. Punit Patel, the owners of the new Oswego Brewing Company (OBC), have over 22 years of combined experience in home brewing. In 2016, they approached the Village with the brewery concept. Since that time, staff has partnered with OBC to help them realize their vision. In early 2017, staff assisted with the introduction of OBC to the owners of 61 Main Street. OBC is in the middle of construction with a targeted opening of late April 2018. OBC will be a production brewery with a 3-vessel, 15 barrel brewhouse and four 30 barrel fermenters. Their initial targeted annual production is approximately 60,000 gallons of beer.

During its early financing stage in 2017, OBC approached the Village with a request for incentives to fill a modest gap in their total sources. Village staff reviewed a variety of incentive methods, particularly the current façade grant program, and concluded that the incentive award should be flexible enough to accommodate not only OBC's circumstances, but also to attract and incentivize small business investment in the Village's TIF district. The Economic Development Incentive Award is designed to achieve those strategic goals through OBC's new brewery, which is precisely the type of development targeted by the Village's 2015 Comprehensive Plan and the Downtown TIF District.

Award Terms

- OBC demonstrated that it required financial assistance in order to successfully open and operate
- OBC underwent a thorough due diligence review conducted by Finance Director, Mark Horton, and Economic Development Director, Corinna Cole
- OBC demonstrated that it is investing an amount greater than the Village's portion of the award in real property improvements; approximately \$600,000 in real property improvements and \$400,000 in capital equipment purchases
- OBC demonstrated that the Village will receive a return on investment via sales taxes and TIF increment in approximately two years of operation
- OBC demonstrated its plans to create at least three new full time jobs and additional part-time jobs

- OBC demonstrated that its project meets all applicable zoning and use restrictions
- OBC committed to a graduated claw back provision should it close or relocate within three years of receipt of the Award
- OBC has secured SBA financing for a significant portion of their project, which involves a robust underwriting process.

Staff believes that the proposed Economic Development Incentive Award is both a reasonable amount relative to outside investment and necessary for OBC to open and operate their facility. OBC has also requested the Village waive the permit review fees typically charged for new development and signage. In conjunction with the Award request, OBC has indicated that this waiver is necessary for the project’s viability. The fees that are proposed to be waived include plan and signage review fees and Village inspections. Fees for outside agencies or fees that have a direct cost to the Village are not being waived. Staff estimates that the total amount that the Village could waive for this project is approximately \$10,000. Staff believes that the fees waiver should be approved to facilitate the successful development of the downtown project.

Board and staff discussion focused on bids on the façade; needing to fill the gap; ok to distribute funds from the façade account; refreshing to see people investing; \$1 million is impressive; space will be 6,400 square feet; not open on Mondays and Tuesdays; happy to see the graduated claw back provision; it takes investors; thrilled for OBC. Administrator Di Santo thanked staff for all their work. There was no further discussion

A motion was made by Trustee Kauffman and seconded by Trustee West Approving a Resolution Approving an Economic Incentive Agreement with the Oswego Brewing Company.

Aye: Ryan Kauffman	Karin McCarthy-Lange
Pam Parr	Luis Perez
Judy Sollinger	Joe West
Nay: None	

The motion was declared carried by a roll call vote with six (6) aye votes and zero (0) nay votes.

J.4. A Resolution Approving the 2018 Beats And Eats Festival Series Contract. **Resolution No. 18-R-18**

Director Cole addressed the Board regarding a contract for the 2018 Beats and Eats festival. The Village has partnered with Mr. Brooks since 2012 in bringing the Beats and Eats concert series to Oswego. In 2018, Mr. Brooks and the Village agreed that Beats and Eats will be a two concert series. The concerts would take place on July 28 and August 25. In past years, the Village’s support of Beats and Eats was not reimbursable. Contractually, Mr. Brooks retained all potential profits coming from the event. Because the Village Board has expressed interest in improving the financial sustainability and transparency of special events, staff has approached Mr. Brooks with a new method for 2018. The new contract represents a new partnership with the Village and Mr. Brooks (Oswego Beats and Eats, LTD); splitting both the expenses and revenues arising from the events.

Contract Summary

- Oswego Beats and Eats, LTD. will expend 40% of costs and receive 40% of revenue until the event is revenue neutral, or has “broken even”
- Village will expend 60% of costs and receive 60% of revenue until the event is revenue neutral
- Additional profits, after the event has broken even, will be split 80% towards Oswego Beats and Eats LTD with 20% to the Village after a 2.5% of profits are donated to a nonprofit or cause approved by the Village
- Oswego Beats and Eats, LTD. and the Village will share in the organizational responsibilities
- Oswego Beats and Eats, LTD. will provide a \$5,000 cash flow contribution, to the Village, towards its 40% share of costs

- The difference between the 40% share of costs and the cash flow contribution will either be paid out of event revenues or reimbursed by Oswego Beats and Eats, LTD after the conclusion of the events

Board and staff discussion focused on the Village taking a greater role by acting as the event host; Village will hold the liquor license, contract with vendors and act as the primary cash flow mechanism; finally having a plan. There was no further discussion

A motion was made by Trustee Kauffman and seconded by Trustee McCarthy-Lange Approving a Resolution Approving the 2018 Beats And Eats Festival Series Contract.

Aye: Ryan Kauffman Karin McCarthy-Lange
 Pam Parr Luis Perez
 Judy Sollinger Joe West

Nay: None

The motion was declared carried by a roll call vote with six (6) aye votes and zero (0) nay votes.

PRESIDENT’S REPORT

K.1. Proclamation- Earth Hour, 8:30 PM - 9:30 PM, March 25, 2017. Village is transitioning towards 100% renewable energy. The date noted on the agenda is incorrect. The date is March 24, 2018; 8:30pm-9:30pm.

K.2. Proclamation- Mayors Day of Recognition for National Service, April 3, 2018. President Johnson, along with other Mayors, will be volunteering at the Kendall County Food Pantry as part of National Service.

President Johnson asked everyone to vote tomorrow; it is important.

TRUSTEE REPORTS

Trustee Kauffman- residents can contact ComEd and they will give free LED bulbs. They can also do an energy audit for residents and change bulbs.

CLOSED SESSION

There was no Closed Session held.

ADJOURNMENT

A motion was made by Trustee Kauffman and seconded by Trustee Parr to adjourn the meeting; upon a voice vote with all remaining members present voting aye, the meeting was adjourned at 7:56 p.m.

Tina Touchette
Village Clerk