Community Development Committee

McHenry Municipal Center
333 S Green Street
McHenry, IL 60050

October 22, 2018
7:30 PM

AGENDA

1. Call to Order

2. Public Comment: Any person wishing to address the Committee will be asked to identify themselves for the record and will be asked but are not required to provide their address. Public comment may be restricted to three-minutes for each individual speaker. Order and decorum shall be maintained at public meetings.

3. Motion to approve the August 29, 2018 Community Development Meeting Minutes

4. Discussion on Political Signs

5. Department Updates

6. Motion to adjourn the meeting
Community Development Committee  
Meeting Minutes  
August 29, 2018

Call to Order
Alderwoman Condon called the meeting to order at 7:00 p.m. Deputy Clerk Meadows called the roll. Roll call: Members present: Alderman Santi, Alderman Devine and Alderwoman Condon. Others present: Mayor Jett and Director of Community Development Polerecky.

Public Comment
Alderwoman Condon asked those in attendance if they had any questions or comments regarding any topic that is not listed on the agenda. Those in the audience offered no comments.

A Motion to approve the June 11, 2018 Committee Development Meeting Report  
A Motion was made by Alderman Santi and seconded by Alderman Devine to approve the June 11, 2018 minutes as presented. Roll call: Vote: 3-ayes by unanimous voice vote. 0-nays, 0-abstained. Motion carried.

Impact fee reduction discussion
Director Polerecky reported that the guests in attendance had a vested interest in the topic under discussion as they are the potential developer and builder of a certain partially completed subdivision in town. Alderwoman Condon stated that this meeting is open and informal and they are welcome to speak after the Committee’s discussion has concluded.

Director Polerecky discussed the past decline in the economy and the impact the slowdown had on the housing market, which left several uncompleted subdivisions in town. The City is fortunate that the majority of the uncompleted subdivisions have the infrastructure improvements in place which makes the lots buildable and desirable to developers. He continued on to report that developers are now expressing an interest in developing the empty lots. However, their biggest concern is the City’s impact fee structure. Staff has taken on the task of reviewing the existing fee structures.

Director Polerecky commented on a recent City Council meeting in which D.R. Horton was presenting a development proposal when a conservation arose with respect to reducing impact fees and the Council Members questioned what was the methodology used in calculating impact fees. Director Polerecky reported that the impact fees are based on the fair market home value of a home on a one acre lot. However, the City does not have any one acre lots so the City’s fair market home value is based on a ¼ acre lot. In addition, the annexation agreements’ impact fees vary due to separate negotiations. He recommends Council along with Staff review the fair market value trends every two years.

Director Polerecky continued on to report that the School Districts’ enrollment numbers are down by 10%. In addition, McHenry County, Sugar Grove and Richmond have reduced their impact fees by 100%.
Alderwoman Condon asked what the surrounding communities’ positions were such as Woodstock, Crystal Lake, Johnsburg and Cary.

Director Polerecky reported that Woodstock had reduced their impact fees by 30%. However, he was uncertain about the other communities. Alderman Santi asked if Staff was aware of what Huntley’s position was regarding impact fees. Mr. Hoffman [D.R. Horton representative] reported that he believes Huntley is considering reducing their impact fees by 30-35%. Alderwoman Condon suggested Staff draft a list of all the surrounding communities’ impact fees and any reductions of those fees prior to bringing this matter before the full City Council. Alderwoman Condon noted that although what the other communities’ positions are will have no impact on the outcome it would be beneficial to know their positions prior to voting on this matter.

Director Polerecky stated that his concern if the City is not proactive regarding the impact fee reduction the City may lose out on residential growth which in his opinion drives the local economy.

Director Polerecky discussed in detail his proposal regarding the reduction in impact fees. He is recommending a 50% reduction in impact fees for a two year period with an option to pay the impact fees upfront. The upfront payment would allow for the developer to extend the completion date of the build-out if necessary. In addition, if the developer chooses not to pay the impact fees upfront after two years the impact fees for that particular development would be subject to review. He noted that this reduction only applies to active annexation agreements consisting of platted lots.

Alderwoman Condon inquired at what point in the process are the impact fees paid. Director Polerecky reported that the impact fees are paid at the time of permit.

Alderman Devine asked if this impact fee incentive program would also apply to stand alone lots. Director Polerecky reported yes, the proposed impact fee reduction would also applied to the standard impact fees.

Director Polerecky reported that currently the City has 350 undeveloped platted residential lots which would be sufficiently supported by the current infrastructure systems. In fact, the current water and wastewater infrastructure systems has more than enough capacity to support these additional residential homes and the benefits to the City includes additional system users along with an increase in the tax rolls.

Alderman Santi asked if the permit fees would also be reduced. Director Polerecky reported that the permit fees will remain the same.

Alderwoman Condon commented on the fact that she would like to see the residential developments completed. Director Polerecky noted that the undeveloped lots drive existing property values down. In addition, the current housing market trends shows new housing is attracting the empty nesters which would have very little impact on the school districts.
Mayor Jett stated that he supported the impact fee reduction incentive program. In his opinion, the incentive program would spark residential development which in turn would have a positive impact on commercial growth.

Alderman Santi discussed at length his uncertainty if a 50% reduction was the correct percentage to offer developers.

Alderwoman Condo opened the discussion to the members in the audience.

Avanti Group representative Dean Edmeier addressed the Committee. Mr. Edmeier reported that he supports the impact fee reduction limited to a two year period along with the optional prepayment incentive.

Mr. Roger Gerstad (Gerstad Builders) reported that he is an owner of a small local home construction company and in today’s housing market the actual home construction cost and the home’s appraised value leaves a small profit margin. He supports the impact fee reduction and commended the Council Members for taking a leadership role regarding this matter.

Mr. Hoffman (D.R. Horton representative) also commented on the proposed impact fee reduction. He stated that he appreciates the thoughtful conversation regarding this matter. If the City Council approves the annexation agreement amendments D.R. Horton would complete the Oak at Irish Prairie Subdivision. Which in return would increase the property values and enhance the neighborhoods within that subdivision.

Director Polerecky provided the Committee Members with an overview of the annexation agreement amendment process. He reported on September 10th the Council would conduct a public hearing on all the existing annexation agreements. After the public hearing is concluded the Council Members will consider the annexation agreement amendments by separate ordinances.

Alderman Santi once again expressed his concerns with the proposed impact fee reduction percentage. He reported that he would abstain from a formal Committee vote. He recommended bringing this matter to the full City Council for discussion.

Alderwoman Condon noted that she also would prefer a 30% reduction. However, when you compare the positions of the surrounding communities and the current economic trends the 50% appears to be a reasonable percentage and will spark local economic growth.

A Motion was made by Alderman Devine and seconded by Alderman Santi to recommend to the full City Council approval of a 50% impact fee reduction for all platted lots within the City Limits for a period of two years with an option to prepay the impact fees. Roll call: Vote: 2-ayes: Alderwoman Condon and Alderman Devine, 1-abstained: Alderman Santi. 0-nays. Motion carried.
Department Updates
Director Polerecky provided the Committee Members with an update of the Community Development Department's activities. He reported that the Centegra Hospital complex expansion is proceeding as planned. Jexal’s exterior walls have been constructed and they still intend on opening within 60 days. He continued on to report that Moe’s On Main has completed the façade improvements and will be adding a new addition to the back of the building. Cuant Builders continue to construct single family homes. The Community Development Department continues to make big strides with property maintenance compliance by knocking on doors and educating the community.

Director Polerecky commented on other developments. He reported that J.A. Frate is in the process of constructing a 40,000’ expansion and a new Butcher/Deli will be opening by the theater. In addition, the Hidden Pearl’s remodeling project is moving slowly and Planet Fitness will be opening in a portion of what was once Best Buy. Director Polerecky concluded his updates by reporting that Ricky Rockets is still in negotiations with Thornton’s.

Alderwoman Condon ask if there was any progress regarding the implementation of a Community Involvement Program. Director Polerecky reported that he has been working with the City’s Attorney on how to proceed with this matter.

Alderman Devine asked how the newly established restaurant Unrooted was doing. Director Polerecky reported that they are having a hard time staffing the restaurant.

Alderman Santi asked if the Community Development Department could investigate the front porch furniture located on some of the properties along Front Street. Director Polerecky will investigate this matter.

Motion to adjourn
A Motion was made by Alderman Devine and seconded by Alderman Santi to adjourn from the public meeting at 8:25 p.m. Roll call: Vote: 3-ayes by unanimous voice vote. 0-nays, 0-abstained. Motion carried.

Respectfully submitted,

Debra Meadows

Approved this _____day of ____________, 2018

_________________  
Alderwoman Condon
City of McHenry
Committee Agenda Item
Submittal Form

Meeting Date: October 22, 2018

Agenda Item Name:

Submittal Date: October 17, 2018

Draft: Yes

Final:

Approved: 

The City of McHenry is dedicated to providing the citizens, businesses and visitors of McHenry with the highest quality of programs and services in a customer-oriented, efficient and fiscally responsible manner.
Community Development Committee
Agenda Supplement

DATE: October 22, 2018

TO: Community Development Committee

FROM: Ross Polerecky, Director of Community Development

RE: Discussion on political sign ordinance

Attachments: Current Sign Ordinance,

Political signs have always been a topic of discussion and enforcement in the City of McHenry, especially during political seasons. The topics of discussion revolve around how many signs a parcel can have, how large of a sign can be placed on a parcel and how long can a sign be posted on a property. Community Development Staff has always played a key role in enforcement of political signs and for many reasons, CED staff travels most of the City in a single day, CED staff enforces ordinances on all other types of signs and CED staff handles all violations minus vehicular and criminal. Currently the City of McHenry sign ordinance defines an election/ campaign sign as a non-permanent sign posted on private property to show support of a political candidate or item. With this definition the ordinance also exempts a political sign from a permit, however it does limit the signs to one per street frontage per lot and it must not be illuminated. An email below from the city attorney’s office explains how are current ordinance is out of date with legislation passed within the last 10 years.

McHenry’s ordinance, limiting political signs to one, not only violates a state statute—in residential districts, but also, in commercial districts, may violate the Supreme Court’s ruling in Reed v. Town of Gilbert.

Residential: Pursuant to 65 ILCS 5/11-13-1(12), “other than reasonable restrictions as to size, no home rule or non-home rule municipality may prohibit the display of outdoor political campaign signs on
residential property during any period of time.” As such, any ordinance limiting the number of political signs on a residential property violates this law.

Commercial: Although regulating the number of signs in the commercial districts of the City may not violate state law, above, such a regulation may constitute a “content-based law – one that targets speech based on its communicative content – which are presumably unconstitutional and may be justified only if the government proves that they are narrowly tailored to serve compelling state interests.” Reed v. Town of Gilbert, 135 S. Ct. 2218, 2226 (2015). Additionally, “government regulation of speech is content based if a law applies to particular speech because of the topic discussed or the idea or message expressed. This commonsense meaning of the phrase ‘content based’ requires a court to consider whether a regulation of speech ‘on its face’ draws distinctions based on the message a speaker conveys.” Id. at 2227.

Here, the City’s regulation of “Election Campaign Signs” may be challenged as unconstitutionally regulating the content of the signs (i.e. you are only able to know that it is an election sign because you looked at the content of the sign). It would take a court ruling on the City’s specific situation to know for certain. However, the trend in the law is to expand free speech/political speech not to restrict it.

Current enforcement policies on political signs:

- Signs on private property, residential or commercial, are left alone
- Signs located in the city right of way or on any other city owned property are collected by CED staff
- Signs are placed at public works and candidates are notified they can be picked up there.
- City hall is a polling place, during early voting and on election day, signs may be placed on City Hall property no closer than 100 feet from the entrance to the polling area (court entrance)
- A form letter is sent to all candidates in the area explaining that no signs may be posted in the right of way within the City of McHenry’s jurisdiction.

These policies, although sometimes hard to explain to candidates generally work and follow all state laws. It is recommended that the restrictions on the number of signs per lot and the restriction of illumination be removed from the ordinance in order to fall back to within the state statues per the city attorney.
Sign Ordinance

B. Exempt Signs.
The types of signs listed below and any change thereto that does not convert them into non-exempt signs, shall be exempt from:

- the requirement for a Sign Permit; and
- the Sign Standards provided in Table 1.

All other provisions shall apply to the following signs except as otherwise provided herein:

1) City-Sponsored Event Signs.
   Not to exceed 3 square feet in area. Such signs may be located in the public right-of-way.

2) Election Campaign Signs.
   One per street frontage per lot that:
   a. is not illuminated

3) Garage Sale Signs.
   Not exceeding 2 square feet in area displayed for no more than 4 consecutive days and no more than 4 days in any 90-day period.
Permit Updates

- Jexals
- Hidden Pearl
- Starbucks
- Hospital
- Speedway North/South
- BP Crystal Lake Road and Bull Valley
- Hub Market
- JA Frate
- D.R. Horton
- Legend Lakes
- CED Move to downstairs
- Planner Position