

Regular Meeting
WINNETKA VILLAGE COUNCIL
510 Green Bay Road
Winnetka, Illinois 60093
February 1, 2011
7:30 p.m.

Emails regarding any agenda item are welcomed. Please email LRosenthal@winnetka.org, and your email will be relayed to the Council members. Emails for the Tuesday Council meeting must be received by Monday at 4 p.m. Any email may be subject to disclosure under the Freedom of Information Act.

AGENDA

- 1) Call to Order
- 2) Pledge of Allegiance to the Flag
- 3) Quorum
 - a) February 8, 2011, Budget Meeting
 - b) February 15, 2011, Regular Meeting.
- 4) Approval of Agenda
- 5) Consent Agenda
 - a) Village Council Minutes. None.
 - b) Warrant Lists Nos. 1687 and 1688
- 6) Ordinances and Resolutions. None.
- 7) Public Comment and Questions.
- 8) Old Business
- 9) New Business
 - a) Winnetka (Elm Street) METRA Station – Commercial Tenant Options2
- 10) Reports
- 11) Appointments
- 12) Executive Session
- 13) Adjournment

NOTICE

All agenda materials are available at www.villageofwinnetka.org (click Council and then Current Agenda), the Reference Desk at the Winnetka Library, or in the Manager’s Office at Village Hall (2nd floor).

Videos of the Regular Village Council meetings are televised on Channel 10, Mondays, Wednesdays, and Fridays at 7:00 p.m. Videos of the meeting may also be viewed on the Internet via a link on the Village’s web site: www.villageofwinnetka.org.

The Village of Winnetka, in compliance with the Americans with Disabilities Act, requests that all persons with disabilities, who require certain accommodations to allow them to observe and/or participate in this meeting or have questions about the accessibility of the meeting or facilities, contact the Village ADA Coordinator – Liz Rosenthal, at 510 Green Bay Road, Winnetka, Illinois 60093, (Telephone (847) 716-3540; T.D.D. (847) 501-6041).

AGENDA REPORT

TO: Village Council
DATE: January 28, 2011
SUBJECT: Warrant Lists No. 1687 and 1688

Warrants Lists Nos. 1687 and 1688 are enclosed in each Council member's packet.

Recommendation: Consider approving Warrants Lists Nos. 1687 and 1688.

AGENDA REPORT

SUBJECT: Winnetka (Elm Street) METRA Station – Commercial Tenant Options

PREPARED BY: Brian Norkus, Assistant Director of Community Development

DATE: January 28, 2011

Metra and Union Pacific Railroad are nearing completion of construction activities at the Elm Street station, which includes reconstruction of platform level facilities, stairways and elevators. As a part of the project, Metra renovated the majority of the interior of the street-level station building to provide an upgraded passenger ticketing office and new restrooms as well as an expanded passenger waiting area.

The station building was originally built in the early 1940's to include areas for baggage storage and express ticket offices, which became unnecessary to the railroad's later operations. Village records indicate that Union Pacific has leased this surplus space to commercial tenants since the mid 1990's.

In 2002, Union Pacific and the Village began conversations regarding needed repairs and renovations to Winnetka's train stations and the Village's willingness to accept maintenance responsibilities for the buildings, as well as the leasing responsibility for any commercial entities in the buildings. Ultimately, the Village entered into lease agreements with the Union Pacific Railroad for the Elm Street and Hubbard Woods stations. These leases included the assumption of the leases with the existing tenants, Zengeler Cleaners and an independent coffee vendor within the Elm Street station lobby area. The Village received the right to all rental income for the commercial tenant space in exchange for accepting responsibility for periodic cleaning and maintenance of the station lobby and restrooms.

The Village's purpose of entering into this lease was threefold; (1) to maintain the station building's original architectural appearance and style, (2) to maintain and control commuter access to the station facilities, and (3) to preserve and develop commercial endeavors as an amenity or service to commuters. More importantly, the station's lobby and restrooms were in need of repairs at the time, and Union Pacific and Metra conditioned the completion of those improvements upon the Village's acceptance of leasing and maintenance responsibilities.

Discussions regarding station renovations began in 2003, prompting the Village to advise both tenants of the "upcoming" construction and modification of the lease to a month-to-month term. (Attachments A&B).

Following delays to Metra's construction schedule, the Village updated both tenants of impending construction again in 2009, and the termination of leases in September 2009 (Attachments C&D).

Prompted by the pending station renovation work, Village staff consulted with the Village's Business Community Development Commission in January 2009 regarding the best use of the railroad station's commercial space. In particular, staff sought guidance on whether it should explore different types of tenants either to increase rents or improve rider amenities.

In reviewing the matter, the BCDC considered the location of the space and rent levels. They stated that the existing tenant types were appropriate and a convenience to commuters and others and suggested that it was unlikely that the Village would see significant increases in rent for alternative uses given the type of location. The BCDC members suggested that small incidental improvements, such as the installation of an ATM machine in waiting room might provide the best option for commuters.

The two commercial tenant spaces within the Elm Street station have significantly different physical conditions, have differing lease terms, and have received differing levels of investment over the years. A description of each of the two commercial tenant spaces follows.

Space 1 (Zengeler Cleaners) – The space currently leased by Zengeler Cleaners measures 662 square feet has not been altered or improved to any significant measure through recent station work. However, the former freight elevator shown in yellow on Attachment E was abandoned as a part of the recent construction work, providing an additional 120 square feet of space.

No interior renovations have been completed as part of recent work, with Zengeler Cleaners having provided its own tenant improvements within the space, including remodeling of the customer service counter area.

Zengeler Cleaners has indicated their desire to return to the space they have occupied since at least 1996. Previously, they were on a month-to-month lease that called for a monthly payments of \$1,294.43 (\$15,533.16 annually), or \$24.16 per square foot.

Based upon (1) the lengthy tenure of the Zengeler occupancy, (2) a lease rate which was found by the BCDC to be consistent with the market, and (3) the lack of significant investment or alteration to their existing space, staff recommends that a new lease be negotiated with Zengeler Cleaners incorporating the additional 120 square feet. Applying the previous rate of \$24.16 per square foot to the enlarged 763 square foot premises, results in a new monthly rental of \$1,536, or \$18,434.08 annually. It is recommended further that a lease be drafted for a five year term with an option for a five year renewal with a 3% annual rate increase, compounded annually.

Space 2 (station lobby/vendor area) – Unlike the Zengeler space, significant alteration and expansion has been undertaken within the station's ticket and lobby area. Previous facilities for the coffee vendor operations were extremely limited, consisting largely of a single display cabinet / countertop unit. There was limited counter space, and food preparation areas, and food prep sinks or other fixtures were lacking. Absent these basic amenities and space, the lobby vendor area has commanded relatively limited rents and a similarly limited range of products and customer amenities. Most recently, the Village received rental income of \$1,550.42 for six months (\$258.40 per month), for a space that was approximately 50 to 60 square feet.

The recent station renovations result in a brand new larger space measuring 120 square feet that now includes food service grade floor and wall tiles, stainless steel countertops, and improved lighting. In addition, the space has been newly outfitted with a triple basin food prep sink and a separate, hand sink, allowing operators an increased range of food preparation options.

The previous operators of the station coffee service operation were notified of the termination of their lease, and since have expressed interest in resuming their operation in the station. At the same time, the Village also has been contacted by other vendors interested in providing different food and beverage service operations.

In light of the expanded vendor space, significant upgrades, and multiple interested parties, Staff recommends that a competitive proposal process be undertaken to solicit a detailed proposal from potential operators, both in order to provide a higher level of service to commuters, as well as to establish a market level rent appropriate to the new facilities.

It is anticipated that such a process would solicit proposals calling for detailed description of operation, with proposals evaluated based on the following factors:

Appropriateness of food, beverage and sundry items offered (25 percent)

- Detailed description of specific food and beverage items to be offered for sale and proposed prices.
- Detailed description of other sundry items (newspapers, etc.) to be offered and proposed prices.

Experience of operator (25 percent)

- Demonstrated background and experience of operator in the area of retail beverage / food service, including ability to comply with applicable food service sanitation codes.

Proposed hours of operation (25 percent)

- Station ticket office hours are 5:00 AM to 1:00 PM.

Proposed rental terms (25 percent)

- Suggested minimum rental rate of \$300 per month (\$30 sq.ft.), with a 3% annual increase.
- Suggested lease period of 2 years minimum, with consecutive 2 year renewal options.

Recommendation: Provide policy direction.

File

Attachment A



VILLAGE OF WINNETKA
Incorporated in 1869

Office of the Village Manager
(847) 716-3542
email: dwilliams@winnetka.org

November 12, 2003

A.W. Zengler Cleaners, Inc.
550 Dundee Road
Northbrook, IL 60062

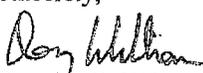
Re: Lease of Space in Winnetka Elm Street
Metra Train Station

Gentlemen:

As you know, your lease for the above-referenced property was assigned to the Village of Winnetka as part of an agreement between the Village and Metra for the lease of the train station. The purpose of this letter is to advise you that the Village is willing to extend your current lease on a month-to-month basis upon the expiration of your current term on December 20, 2003. The terms of the lease would remain the same except that the rental will increase by Three Percent (3%) to \$1,153.64 per month. Effective January 1, 2004, please submit this amount to the Village's Finance Director in accordance with current procedures.

As a part of the Village's agreement with Metra, the train station will be undergoing a major rehabilitation and renovation. Some of the exterior work has already commenced, and we expect that the remainder of the project will begin late in 2004. As a part of this process, the Village will be reevaluating the highest and best use for the rental space in the station, and it is anticipated that once the renovation is completed, the rates for rental of that space will be brought more in line with prevailing market rates. We will, of course, keep you informed as the renovation process progresses.

Please indicate your acceptance of the renewal of your lease by signing and returning the original of this letter. You may keep the other copy for your files. Your occupation of the premises beyond the renewal date will confirm that you have elected to continue your lease under the above terms. Should you have any questions, please feel free to call Ed McKee, Finance Director, (847) 716-3513.

Sincerely,

Douglas G. Williams, Village Manager

AGREED TO AND ACCEPTED:

A.W. ZENGLER CLEANERS, INC.

By: 

file



VILLAGE OF WINNETKA

Incorporated in 1869

Office of the Village Manager
(847) 716-3542
email: dwilliams@winnetka.org

January 19, 2004

Ms. Jocelyn Ledesma
6214 Troy St.
Chicago, 60659

Re: Lease of Space in Winnetka Elm Street
Metra Train Station

Dear Ms. Ledesma:

As you know, your lease for the above-referenced property was assigned to the Village of Winnetka as part of an agreement between the Village and Metra for the lease of the train station. The purpose of this letter is to advise you that the Village is willing to extend your current lease on a month-to-month basis upon the expiration of your current term on March 1, 2004. The terms of the lease would remain the same except that the rental will increase by Three Percent (3%) to \$1,120.05 every six months. Effective March 1, 2004, please submit this amount to the Village's Finance Director in accordance with current procedures.

As a part of the Village's agreement with Metra, the train station will be undergoing a major rehabilitation and renovation. Some of the exterior work has already commenced, and we expect that the remainder of the project will begin late in 2004. As a part of this process, the Village will be reevaluating the highest and best use for the rental space in the station, and it is anticipated that once the renovation is completed, the rates for rental of that space will be brought more in line with prevailing market rates. We will, of course, keep you informed as the renovation process progresses.

Please indicate your acceptance of the renewal of your lease by signing and returning the original of this letter. You may keep the other copy for your files. Your occupation of the premises beyond the renewal date will confirm that you have elected to continue your lease under the above terms. Should you have any questions please feel free to call me at (847) 716-3542.

Sincerely,

Douglas G. Williams, Village Manager

AGREED TO AND ACCEPTED:

Jocelyn Ledesma

By:

510 Green Bay Road, Winnetka, Illinois 60093



VILLAGE OF WINNETKA

Incorporated in 1869

Office of the Village Manager
(847) 716-3542
email: dwilliams@winnetka.org

February 2, 2009

Mr. Tom Zengeler
A.W. Zengeler Cleaners, Inc.
309 Dundee Road
Northbrook, IL 60062

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Re: Elm Street Train Station Renovation

Dear Mr. Zengeler:

In accordance with my letter to you of November 12, 2003 (copy enclosed), the purpose of this letter is to update you on the status of the Elm Street Station rehabilitation and renovation project. To the best of our knowledge Metra expects to begin this long-awaited project sometime during the upcoming construction season. We have been advised by Metra that when the project commences it will be necessary for you to relocate your operation for approximately six months. The Village will let you know of Metra's proposed start date as soon as it has been determined.

Although no interior changes to your space are planned at this time, there will be extensive work to the passenger side of the station, including new windows, doors, floors, and bathrooms, creating excessive dust. There also may be interruptions to power, water, and ventilation services. It is anticipated that the Station Master will be operating out of a trailer for a while. Should you wish to consider any renovations to your existing space, this might be a favorable time to make those changes. Our Assistant Community Development Director, Brian Norkus, would be happy to discuss this opportunity with you. Please understand, however, that if you undertake any renovations of your space, they will be at your expense.

I sincerely regret this unavoidable disruption to your daily business traffic and wish to express the Village's hope that once the project is completed, you will choose to move back into the Elm Street Station space with a new lease. I would appreciate your advising me of your intentions no later than March 15, 2009.

Sincerely,

Handwritten signature of Douglas G. Williams.

Douglas G. Williams, Village Manager

cc: Ed McKee, Finance Director
Michael D'Onofrio, Director of Community Development



VILLAGE OF WINNETKA

Incorporated in 1869

Office of the Village Manager
(847) 716-3542
email: dwilliams@winnetka.org

September 16, 2009

Ms. Jocelyn Ledesma
Milagros Semilla
6214 Troy Street
Chicago, IL 60659

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Re: Elm Street Train Station Renovation

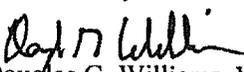
Dear Ms. Ledesma:

Further to my letter to you of February 2, 2009 (copy enclosed), I must advise you that Metra's Elm Street Station rehabilitation and renovation project is set to begin in early October. As mentioned in my previous letter, the commencement of this work means that it will be impossible for you to continue your operation as there will be extensive work done to the interior of the passenger side of the station, including asbestos abatement, the installation of new windows, doors, floors, and bathrooms, and the construction of a relocated coffee shop area. In addition there will be interruptions to power, water, and ventilation services. Therefore, it will be necessary for the Village to terminate your lease effective October 15, 2009.

The Finance Director, Ed McKee, has informed me that you already have paid your rent beyond your lease term, to February 28, 2010. Please let him know when you vacate your space, and he will see that any outstanding overpayment is refunded to you. He can be reached at (847) 716-3513

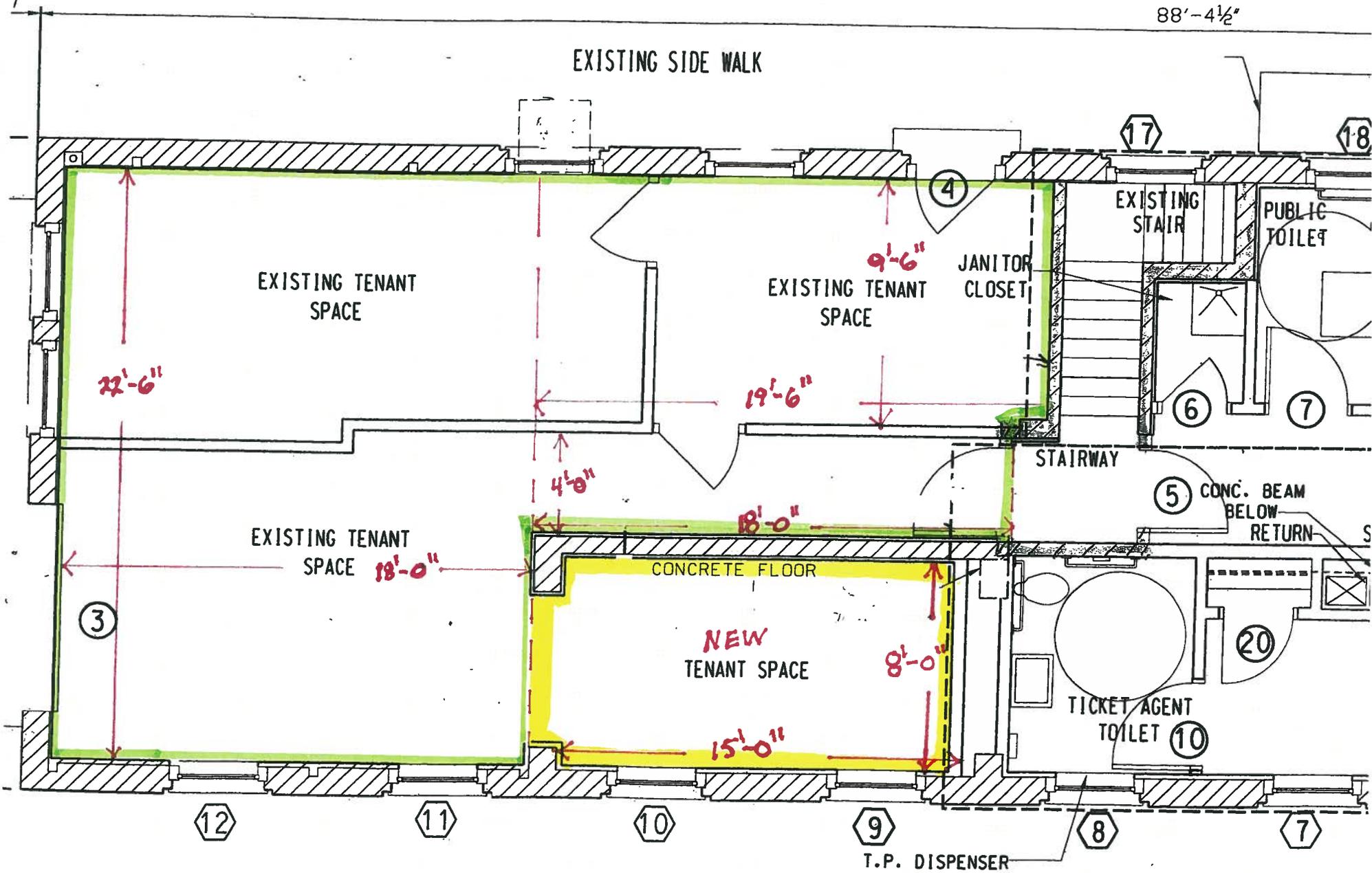
Again, I sincerely regret this unavoidable disruption to your daily business traffic and wish to express the Village's hope that you will choose to move back into the Elm Street Station space with a new lease once the work is completed. At this time Metra anticipates that the project will take one year to complete. If you are interested in negotiating a new lease with the Village for the renovated coffee shop space, please contact our Assistant Community Development Director, Brian Norkus. He can be reached at (847) 716-3522.

Sincerely,


Douglas G. Williams, Village Manager

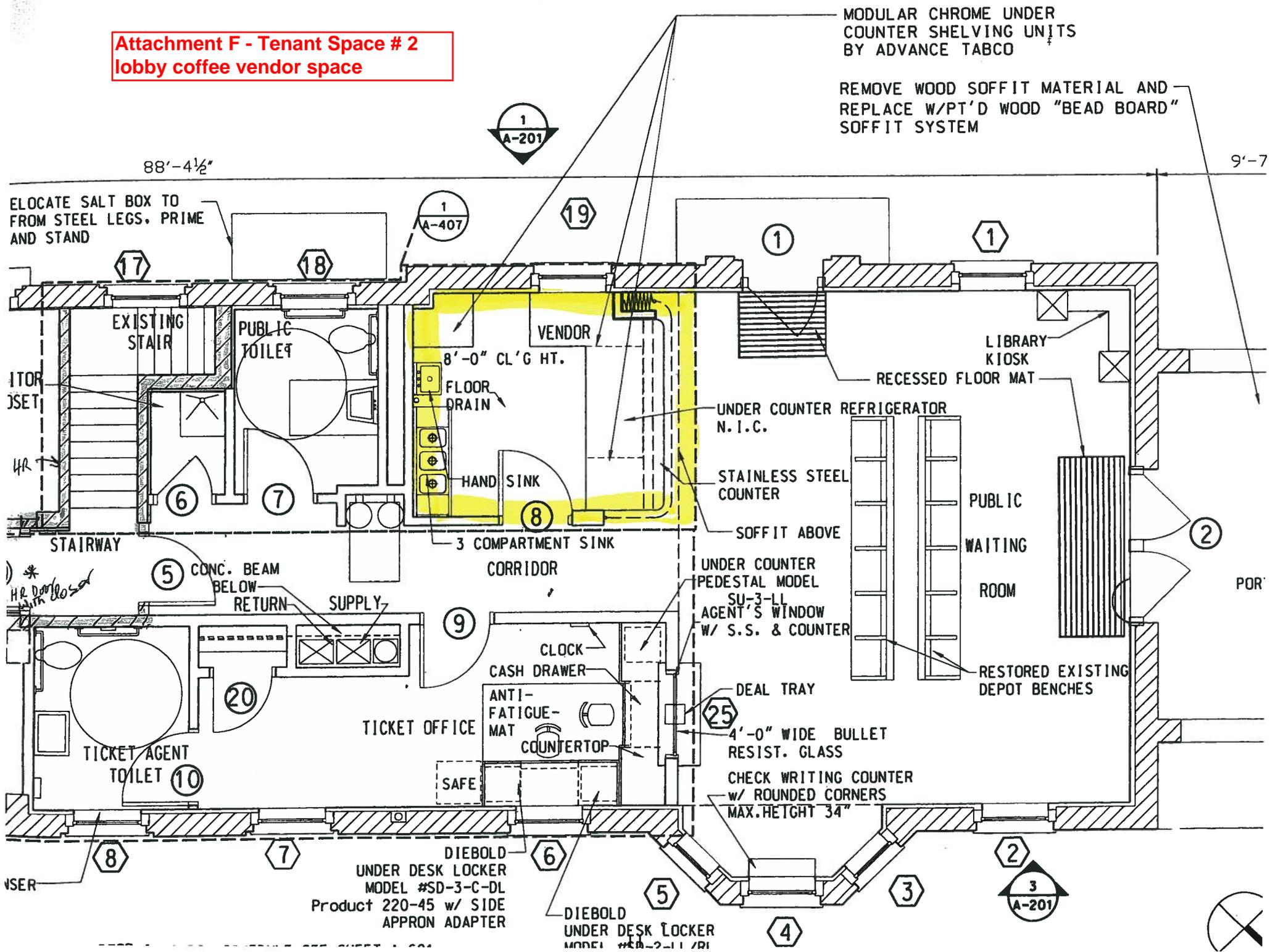
cc: Ed McKee, Finance Director
Michael D'Onofrio, Director of Community Development

**Attachment E - Tenant Space # 1
dry cleaner space**



2 STREET LEVEL DEPOT - FLOOR PLAN

**Attachment F - Tenant Space # 2
lobby coffee vendor space**



MODULAR CHROME UNDER COUNTER SHELVING UNITS BY ADVANCE TABCO

REMOVE WOOD SOFFIT MATERIAL AND REPLACE W/PT'D WOOD "BEAD BOARD" SOFFIT SYSTEM

88'-4 1/2"

9'-7"

ELOCATE SALT BOX TO FROM STEEL LEGS, PRIME AND STAND

1
A-201

1
A-407

EXISTING STAIR

PUBLIC TOILET

VENDOR

8'-0" CL'G HT.

FLOOR DRAIN

HAND SINK

3 COMPARTMENT SINK

CORRIDOR

UNDER COUNTER REFRIGERATOR N.I.C.

STAINLESS STEEL COUNTER

SOFFIT ABOVE

UNDER COUNTER PEDESTAL MODEL

SU-3-LL AGENT'S WINDOW W/ S.S. & COUNTER

DEAL TRAY

4'-0" WIDE BULLET RESIST. GLASS

CHECK WRITING COUNTER W/ ROUNDED CORNERS MAX. HEIGHT 34"

LIBRARY KIOSK

RECESSED FLOOR MAT

PUBLIC WAITING ROOM

RESTORED EXISTING DEPOT BENCHES

5 CONC. BEAM BELOW RETURN

SUPPLY

CLOCK

CASH DRAWER

ANTI-FATIGUE-MAT

COUNTERTOP

SAFE

TICKET OFFICE

TICKET AGENT TOILET

DIEBOLD UNDER DESK LOCKER MODEL #SD-3-C-DL Product 220-45 w/ SIDE APRON ADAPTER

DIEBOLD UNDER DESK LOCKER MODEL #SD-2-11 / RI

3
A-201

USER

POR

BUSINESS COMMUNITY DEVELOPMENT COMMISSION
JANUARY 22, 2008 MEETING MINUTES

Members Present: Bill Johnson, Chair
Peggy Swartchild
Cicely Michalak
Louise Holland
Arthur Braun
Paul Dunn

Members Absent: Betty Skalski
Roberta Rubin

Village Staff: Michael D’Onofrio
Jillian Morgan

Call to Order

The meeting was called to order at approximately 7:30 AM.

Approval of previous meeting minutes

Chair Johnson clarified his statement on page 2.

Ms. Holland corrected her statement on page 5.

Chair Johnson clarified his statement on page 3 regarding streetscape and the Post Office project.

Mr. Braun corrected his statement on page 4.

Ms. Swartchild moved to approve the minutes as amended. Mr. Braun seconded, and the minutes were approved as amended.

Discussion of Business District Goals/Plan

Chair Johnson noted that there was an article in the Pioneer Press that said Multiple Choices would be closing soon. He said that the store is not actually closing, only changing ownership and business name. He suggested that the Chamber of Commerce chide the Pioneer Press about it.

Ms. Michalak said that it would be more appropriate for Pat Horne [the previous owner] to correct the Pioneer Press.

Chair Johnson asked Ms. Michalak to suggest that to Ms. Horne.

Ms. Swartchild asked if it was possible she’d already spoken to the Press.

Chair Johnson said that his idea was to expand into a vocal pitch for the area.

Chair Johnson moved onto the Business District Goals/Plan.

Mr. Dunn suggested that #3 under values and goals, “provide adequate parking”. He suggested that the Village doesn’t provide parking, but are advocates for it.

Ms. Michalak suggested changing that item to read “advocate for adequate parking”.

Mr. Dunn suggested doing the same for the infrastructure item.

Mr. D’Onofrio said that parking and infrastructure are really two separate things.

Chair Johnson said that he had taken it upon himself to meet with Rich Lally, from DOTI. He said that Mr. Lally had told him there was a parking study done that said you could find parking within five minutes. He said that the parking item should be left in there, but he found that interesting.

A motion was made and seconded to approve the document as amended. The motion passed unanimously.

Chair Johnson said that he would take the document up to the Council level.

Ms. Michalak said that she would make the changes as accepted and send everyone a copy.

Discussion of Train Station Rental Property

Chair Johnson said that staff had written up a memo describing the discussion that the BCDC had about the train station rental. He said that it covered everything that he could see, and asked if this memo was supposed to go to the Village Council.

Mr. D’Onofrio said that the request had come from the Village Manager’s office, so the information will be passed through the Village Manager.

Chair Johnson said that he would make the Council aware as well.

Mr. Braun asked if the purpose of the memo was to summarize the BCDC discussion. He said that nothing was said about the fact that the BCDC had said the current tenant was acceptable.

Mr. D’Onofrio noted the section of the memo that said “keep existing tenants”.

Chair Johnson said that while the first line summarized the recommendation. He suggested changing the language a bit to clear it up.

Mr. D’Onofrio said that the BCDC could make a motion on the recommendations, and that’s what would go to the Village Manager. He said that the memo was just a summary of the discussion.

Chair Johnson suggested that the language could be adjusted. He asked the group if they wanted to move ahead with this.

Mr. D’Onofrio said that BCDC should pass the recommendation.

Chair Johnson asked for a motion to approve the recommendation and forward it to the Village Manager.

Ms. Swartchild moved to approve the recommendation.

Mr. Dunn seconded the motion.

The motion was passed unanimously.

Mr. Dunn asked when the train station work would start.

Mr. D'Onofrio said that it would be in front of the Council next month, but he wasn't sure when construction would start.

Mr. Dunn asked if there was a contractor lined up.

Mr. D'Onofrio said that it was all being handled through Metra.

Mr. Dunn said that he assumed that the station would be closed down.

Mr. D'Onofrio said that he assumed that Metra would have to provide some sort of ticket agent, but he wasn't sure of how they would manage the process, exactly.

Chair Johnson noted that there used to be a coffee shop at Indian Hill.

Mr. Braun asked if anyone had discussed this with Zengler's yet.

Mr. D'Onofrio said that the Village Manager didn't want to approach them until the BCDC and the Council weighed in on it.

Mr. Braun asked if there would be a lease negotiated with them, and asked who does that.

Mr. D'Onofrio said that the lease would be negotiated through the Village Manager's office and the Finance Department.

Mr. Braun said that he would hope that Zengler's knows what is being discussed.

Mr. D'Onofrio said that this has been going on for several years, and that Zengler's knows that Metra plans to remodel the building. He noted that they've been on a month-to-month lease for some time now, so this was not going to come as a surprise to them.

Chair Johnson said that everyone likes to know what's going on.

Ms. Michalak gave a summary of the Caucus candidates' discussion from the Town meeting. She said that Jessica Tucker talked about a partnership of the Village and the Business Districts, which is very much a part of the spirit of this plan. She said that in the future, Ms. Tucker would like to see a part-time staff person to concentrate on getting businesses into the Village.

Ms. Michalak said that Dick Kates talked about an exit strategy for businesses, and expressed a desire to get feedback from the businesses that leave town. She said that he also advocated marketing Winnetka.

Ms. Michalak said that the Chamber monthly meeting, Mr. Johnson had asked the Chamber to weigh in on what their priorities are. She said that the board had recommended that the focus or strategy was to streamline the permit process. She suggested a brochure as an information guide to help people through the permit process.

Chair Johnson asked if we had anything like that.

Mr. D'Onofrio said that the Village had lots of things like that. He said that staff would provide the BCDC with the information they had available. He cautioned the BCDC that the Community Development (CD) Department is not necessarily an ombudsman for the business community. Rather, the CD department is a regulatory body. He said that the CD department requires people to follow laws, codes, etc. that the Village Council passes down. He said that when people want to streamline the process, he has to caution because the CD department is not trying to slow the process down. They are simply following the laws and processes handed down by the Village Council. He said that at the end of the day, it's not just the CD department involved in the permit process- it also involves landlords, tenants, architects, fire protection companies. He said that there are a lot of actors involved, and each permit is unique, and his time would be much better spent explaining that to the commission than trying to come up with a handout.

Mr. D'Onofrio suggested that at the next meeting, he give a summary of some of these processes.

Chair Johnson said that this also goes back to the presentation that Mr. Braun had discussed a while back.

Ms. Michalak said that she wanted Mr. D'Onofrio to know that the spirit of the discussion wasn't to change the rules and regulations, but rather to help people through the process. She said that the Chamber doesn't want to change the rules and regulations, but rather they want to market Winnetka and give people an idea of what they're in for when they apply for a permit.

Mr. Braun said that the individual bodies are all bound by the rules they have to follow. He said that there is no negotiating body for the businesses to go to.

Chair Johnson asked Mr. D'Onofrio to put together an update on all the projects that the BCDC has commented on, for the next meeting.

Adjournment

The meeting was adjourned at approximately 9:00 AM.