Village of Winnetka

Village Council Study Session & Special Meeting

July 8, 2025 at 7:00 PM
Village Hall
510 Green Bay Road

AGENDA

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Public Comments**
4. **Establishment of Consent Agenda**
5. **Approval of Consent Agenda**
   a. Approval of Village Council Minutes
   i. June 3, 2025 Special Meeting
   ii. June 3, 2025 Regular Meeting
   iii. June 10, 2025 Study Session
   b. Approval of Warrant List Dated June 13, 2025 - June 26, 2025
   c. Resolution No. R-57-2025: Approving a Sixth Amendment to a Lease Agreement Between the Village of Winnetka and the United States Postal Service (Adoption)
6. **Discussion**
   a. Budget Overview (Alternate Forms of Revenue for the Business District Revitalization Fund)
7. **Closed Session**
8. **Adjournment**

NOTICE

Village Council meetings are video recorded. All agenda materials are available at villageofwinnetka.org *(Governance > Agendas & Minutes); the Reference Desk at the Winnetka Library; or in the Manager's Office at Village Hall (2nd floor).* 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, 510 Green Bay Road, Winnetka, Illinois 60093, 847-716-3543; T.D.D. 847-501-6041.

MINUTES
WINNETKA VILLAGE COUNCIL
SPECIAL MEETING
June 3, 2025

(Approved: xx)

A record of a legally convened special meeting of the Council of the Village of Winnetka, which was held in the 2nd floor Conference Room on Tuesday, June 3, 2025 at 6:00 PM.

1) Call to Order. President Dearborn called the meeting to order at 6:00 PM. Village Attorney Peter Friedman called the roll of the Village Council. Present: Trustees Kirk Albinson, Rob Apatoff, Kim Handler, Scott Myers, and Bridget Orsic. Absent: Trustee Tina Dalman. No persons were present in the audience.

2) Public Comment. No public comment.

3) Closed Session for the Purpose of Discussing Specific Employees and Utility Contracts Pursuant to Sections 2(c)(1) and 2(c)(23) of the Open Meetings Act.

   Trustee Orsic, seconded by Trustee Albinson, moved to adjourn to Closed Session for the purpose of discussing specific employees and utility contracts pursuant to Section 2(c)(1) and 2(c)(23) of the Open Meetings Act and to adjourn the Open Meeting automatically and immediately upon the conclusion of the Closed Session without the conduct of any further business or comments. By roll call vote, the motion carried. Ayes: Trustees Albinson, Apatoff, Handler, Myers, and Orsic. Nays: None. Absent: Trustee Dalman.

   The Council adjourned into Closed Session at 6:06 p.m.

4) Adjournment. The Closed Session meeting ended at 6:54 pm.

Recording Secretary

MINUTES
WINNETKA VILLAGE COUNCIL
REGULAR MEETING
June 3, 2025

(Approved: xx)

A record of a legally convened regular meeting of the Council of the Village of Winnetka, which was held at the Council Chambers on Tuesday, June 3, 2025, at 7:00 PM.

1) Call to Order. President Dearborn called the meeting to order at 7:01 PM. Village Manager Rob Bahan called the roll. Present: Trustees Kirk Albinson, Rob Apatoff, Kim Handler, Scott Myers, Bridget Orsic. Absent: Trustee Tina Dalman. Also present: Deputy Village Manager Kristin Kazenas, Deputy Village Clerk Berina Gradjan, Village Attorney Peter Friedman, Finance Director Tim Sloth, Sustainability Coordinator Elyse Steiner, Water & Electric Director Nick Narhi, Assistant Water & Electric Director Sam Carrasco, Community Development Director Scott Mangum, and Assistant Community Development Director Ann Klaassen and approximately 80 persons in the audience.

2) Pledge of Allegiance. Trustee Myers led the group in the Pledge of Allegiance.

3) Quorum.

   a) June 10, 2025 Study Session All of the Council members present said they expect to attend with the exception of Trustee Albinson.

   b) June 17, 2025 Regular Meeting All of the Council members present said they expect to attend with the exception of Trustee Apatoff who plans to participate remotely.

   c) July 1, 2025 Regular Meeting This meeting will be canceled.

   d) July 8, 2025 Study Session All of the Council members present said they expect to attend.

4) Public Comment:

   a) Terry Dason addresses matters related to the Farmers' Market first day was a success 55 vendors, 2,500 shoppers opening day.

   b) Ted Wynnychenko addresses matters related to lakefront access.

5) Reports:

   a) Trustees. No report.

   b) Attorney. No report.

   c) Manager. No report.

   d) Village President. No report.

6) Establishment of the Consent Agenda.

   Trustee Myers seconded by Trustee Apatoff moved to approve the Establishment of the Consent Agenda. By voice vote, the motion carried.

7) Approval of the Consent Agenda

   a) Approval of Village Council Minutes

i. May 6, 2025 Regular Meeting

ii. May 13, 2025 Study Session

b) Approval of the Warrant List Dated May 16, 2025 – May 29, 2025 in the amount of $1,762,768.29

c) Ordinance No. MC-04-2025: Amending the Winnetka Village Code to Rename the Environmental and Forestry Commission to the Environmental, Forestry, and Sustainability Commission (Introduction/Adoption)

d) Resolution No. R-51-2025: Approving a Multi-Year Contract with Schroeder Asphalt Services for Asphalt Patching Services (Adoption)

Trustee Myers seconded by Trustee Apatoff, moved to approve the foregoing items on the Consent Agenda by omnibus vote. By roll call vote, the motion carried. Ayes: Trustees Albinson, Apatoff, Handler, Myers, and Orsic. Nays: None. Absent: Trustee Dalman.

8) Ordinances and Resolutions.

a) Ordinance No. M-06-2025: Approving a Final Plat of Subdivision, Granting a Special Use Permit, an Amendment to a Special Use Permit, Variations from the Winnetka Zoning Ordinance and a Certificate of Appropriateness for the Construction of Additions to an Existing Church Within the R-5 Single-Family Residential District (440 Ridge Avenue and 760 Cherry Street) (Introduction/Adoption)

Assistant Community Development Director Ann Klaassen advises Council of an application submitted by Grace Presbyterian Church of the North Shore proposing to demolish the existing residence and detached garage located at 760 Cherry Street, consolidate 760 Cherry Street and 440 Ridge Avenue into a single lot, and construct additions to the existing church.

Ann Klaassen provides information regarding property zoning, proposed consolidation, zoning standards, zoning nonconformities, special use standards, proposed site plan, landscaping plans, and zoning relief.

Pastor Marshall Brown advises Council of the need to enhance security, accessibility, and functionality.

Council discusses concerns about stormwater concerns and proposed drainage conditions.

Pastor Brown affirms the congregation has no plans to open a preschool or daycare.

Public Comment

Nancy Riddle, 761 Cherry Street, previously expressed concerns for safety and security of children, noting that her concern was addressed, and she now supports the project. She recommends additional lighting and security cameras.

President Dearborn notes the lengthy process and commends the plan revisions. Council discusses the landscaping plans, installation of mature trees, neighbor feedback, safety enhancements, and the opportunity to tour the church.

Trustee Dalman enters the meeting at 7:45 PM.

Trustee Albinson, seconded by Trustee Handler, moved to waive introduction of

Ordinance No. M-06-2025.

Trustee Albinson, seconded by Trustee Orsic, moved to adopt Ordinance No. M-06-2025. By roll call vote, the motion carried. Ayes: Trustees Albinson, Apatoff, Dalman, Dearborn, Handler and Myers. Nays: None. Absent: None.

b) Ordinance No. M-05-2025: Authorizing the Execution of a New Power Sales Contract and a New Capacity Purchase Agreement with the Illinois Municipal Electric Agency for the Delivery Period Commencing October 1, 2035 (Introduction)

Water & Electric Director Nick Narhi provides information regarding the IMEA contract extension concerning the cost of power, municipal PJM participation comparables, potential impacts of Naperville deciding not to renew with IMEA, Winnetka sustainability measures, IMEA's sustainability plan, and renewal energy credits (RECS). Mark Pruitt, consultant with the Power Bureau, presents a retail cost of power analysis comparing ComEd to Winnetka.

Trustee Meyers asks Director Narhi to clarify behind the meter – residential solar and New Trier's solar project which are within local control. IMEA has meters to determine the power usage within the Village, and bills the Village for only the power that is used. There was discussion about future costs, the debt payments, the current generation assets, limitations on the operation of the plant, limitations on MDR, RECS, market hedging, legal review of the IMEA contracts, retirement of the debt service on Prairie State, market volatility, future supply versus demand considerations, and power marketer considerations.

Public Comments

a) Susie Schraeder on Woodland Avenue, addresses reliance on coal power plants and the negative environmental impacts of coal.
b) Ted Wynnychenko addresses net metering and solar power RECS.
c) Brian Scullion addresses Bob Zabors letter that was sent to Council.
d) Terri Cross addresses energy conservation in Winnetka to reduce electricity consumption in the Village.
e) Tom Berens addresses power marketer options and community priorities.
f) Katie Scullion addresses contract terms, power market outlook, and alternate consultants.
g) Colin Cross addresses benefits of Winnetka owning the electric distribution system, and further study on alternatives.
h) Roger Hothschild addresses rapidly evolving energy market, and Naperville's analysis.
i) Marcus Wedner addresses contract performance, peak shaving, and decommissioning costs.
j) Derek Vendervorst, 847 Ash, addresses community solar, and battery storage.
k) Laith Amin addresses carbon dioxide emissions from the Prairie State plant, and an energy plan.
l) Anne Wedner addresses matters related to solar on the landfill.

Council formally acknowledges that while coal and fossil fuels are not sustainable long-term energy solutions, IMEA continues to deliver reliable and affordable energy for the residents while moving towards a cleaner and more sustainable energy future. As a member of the IMEA board, the Village will continue to represent and have a say in decisions regarding energy generation and the agency's transition to cleaner sources.

President Dearborn states that Council and Village staff will collectively take proactive steps to improve on its responsibility to the environment while remaining committed to resident services.

Trustee Myers, seconded by Trustee Albinson, moved to introduce Ordinance No. M-05-2025. By voice vote, the motion carried.

9) Old Business. None.

10) New Business. None.

11) Appointments:

a) Re-appoint Layla Danley as Chairperson of the Plan Commission – her term will expire on May 1, 2027.

b) Re-appoint Jonathan Alt to a full term on the Plan Commission – his term will expire on May 1, 2027.

c) Re-appoint Mamie Case to a full term on the Plan Commission – her term will expire on May 1, 2026.

d) Appoint Christopher Blum to a full term on the Plan Commission (Christopher is filling a current vacancy) – his term will expire on May 1, 2028.

e) Appoint Kate Van Vlack to a full term on the Plan Commission – (Kate is filling a current vacancy) – her term will expire on May 1, 2028.

f) Appoint Stephen Dewart to a full term on the Police Pension Board of Trustees. (Stephen is filling a current vacancy) – his term will expire on May 1, 2027.

Trustee Dalman seconded by Trustee Apatoff, moved to appoint, and re-appoint, the said chairperson, commissioners, and members to their respective boards as set forth by appointments a – f, by omnibus vote.

12) Closed Session for the Purpose of Discussing Probable or Imminent Litigation, Response to Danger to Employees, and Criminal Investigations Pursuant to Sections 2(c)(8), 2(c)(11), and 2(c)(14) of the Open Meetings Act.

Trustee Albinson, seconded by Trustee Apatoff, moved to adjourn to Closed Session for the purpose of discussing probable or imminent litigation, response to danger to employees, and criminal investigations pursuant to sections 2(c)(8), 2(c)(11), and 2(c)(14) of the Open Meetings Act and to adjourn the Open Meeting automatically and immediately upon the conclusion of the Closed Session without the conduct of any further business or comments. By roll call vote, the motion carried. Ayes: Trustees Albinson, Apatoff, Dalman, Handler, Myers, and Orsic. Nays: None. Absent: None.

The Council adjourned into Closed Session at 10:34 p.m.

13) Adjournment. The Closed Session meeting ended at 11:09 p.m.

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Recording Secretary

MINUTES
WINNETKA VILLAGE COUNCIL
STUDY SESSION
June 10, 2025

(Approved: xx)

A record of a legally convened meeting of the Council of the Village of Winnetka, which was held at the Council Chambers on Tuesday, June 10, 2025 at 7:00 PM.

1) Call to Order. President Dearborn called the meeting to order at 7:01 PM. Deputy Village Manager Kristin Kazenas called the roll of the Village Council. Present: Trustees Tina Dalman, Kim Handler, Scott Myers, and Bridget Orsic. Absent: Trustees Kirk Albinson and Rob Apatoff. Also present: Deputy Village Clerk Berina Gradjan, Village Attorney Courtney Willits, and approximately 3 persons in the audience.

2) Public Comment.
   i) Ted Wynnychenko expresses concerns regarding legal correspondence received by the Village as it relates to 205 Sheridan Road.

3) General Village Council Discussion Regarding Policy Matters for Future Agendas.

Trustee Apatoff enters 7:06 pm

President Dearborn states that Council will be reviewing current Village projects, initiatives and discussing suggestions for policy matters for 2025 and beyond. The discussion provides guidance for Council members, and the community, regarding Village related agenda items, emerging topics, actionable items, and aids in providing a better sense of direction with upcoming matters within the Village.

Village Council reviews the 2025 ongoing projects including the west side stormwater conveyance design & build, Willow Road reconstruction, IDOT jurisdictional transfer, east side stormwater planning, Hibbard Preserve wetland grow-in, advanced metering infrastructure, lead service line replacement, AT&T and electric underground and future planning. Council further reviews the Hubbard Woods streetscape plan, Village facilities plan and project updates, Green Bay Road corridor plan, IMEA power contract extension, Elder outfall pipe repair, Tower Road pier and bluff restoration, Park District Centennial and Elder special use permit, and electric generation study. Additionally, ongoing Village projects include the Hubbard Woods train station improvements, affordable housing plan, Spruce Street outlet access engineering and design, water rate study, emergency operations plan, fiscal planning, THC/Kratom policy, and customer relationship management system.

The Village's committed redevelopment projects consist of the Chase Bank development, Engel & Volkers, One Winnetka, former Killian Plumbing property (933 Gren Bay Road), 808 Oak residential project, and the Walden residential project.

Previously identified policies and projects include the post office planning project, zoning ordinance review and updates, zoning entitlement and public review process, Green Bay Trail project, and the Indian Hill commuter parking redevelopment.

New Policy initiatives entail the sustainability initiatives, open space context and evaluation, and transportation and mobility issues.

Council discusses progress updates regarding ongoing projects, various project deadlines, staffing, evaluation on new policy initiatives, implementation of future projects, and addressing key priorities.

Public Comment.

a) Christina Codo addresses Council regarding Village and Park District collaborative projects and initiatives.

4) Adjournment. Trustee Orsic, seconded by Trustee Dalman moved to adjourn the meeting. By voice vote, the motion carried. The meeting adjourned at 8:43 pm.

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Recording Secretary

Village of
WINNETKA, IL

Agenda Item Executive Summary

TITLE: Approval of Warrant List Dated June 13, 2025 - June 26, 2025

PRESENTER: Robert M. Bahan

AGENDA DATE: July 8, 2025

CONSENT: Yes

ITEM TYPE: Consent Agenda

ITEM HISTORY:
None.

EXECUTIVE SUMMARY:
The Warrant List Dated June 13, 2025 - June 26, 2025.

RECOMMENDATION:
Consider Approving the Warrant List Dated June 13, 2025 - June 26, 2025.

ATTACHMENTS:
None

Village of
WINNETKA, IL

Agenda Item Executive Summary

TITLE: Resolution No. R-57-2025: Approving a Sixth Amendment to a Lease Agreement Between the Village of Winnetka and the United States Postal Service (Adoption)

PRESENTER: Kristin Kazenas

AGENDA DATE: July 8, 2025

CONSENT: Yes

ITEM TYPE: Consent Agenda

ITEM HISTORY:

April 1, 2014 - The Council approves a new month-to-month lease with the United States Postal Service (USPS) for 512 Chestnut Street.
July 20, 2022 - The Village provides the USPS with the required 12-month termination notice, effectively ending the lease agreement on July 21, 2023.
July 6, 2023 - The Council approves the first amendment to the lease, extending the end of the lease to January 31, 2024.
December 5, 2023 - The Council approves the second amendment to the lease, extending the end of the lease to June 30, 2024.
May 21, 2024 - The Council approves the third amendment to the lease, extending the end of the lease to January 31, 2025.
December 3, 2024 - The Council approves the fourth amendment to the lease, extending the end of the lease to April 30, 2025.
April 3, 2025 - The Council approves the fifth amendment to the lease, extending the end of the lease to July 31, 2025.

EXECUTIVE SUMMARY:

The Village of Winnetka has had a lease agreement with the United States Postal Service (USPS) for the facility located at 512 Chestnut Street for many years. The current lease was approved by the Council on April 1, 2014 for a month to month period, with a 12 month termination notice requirement. In the summer of 2022, USPS contacted the Village staff and expressed interest in re-locating the post office to another location in Winnetka. The Village provided the USPS with the required 12 month termination notice on July 20, 2022; therefore, the original lease agreement terminated on July 21, 2023.

On July 6, 2023, the Council approved the first amendment to the lease agreement, extending the term of the lease to January 31, 2024. The USPS requested an additional extension to the lease in December 2023, because they needed additional time to finalize the lease on the new location. On December 5, 2023, the Council approved a second amendment to the lease agreement, extending the term to June 30, 2024, and adding an option for the USPS to terminate the lease early with 30 days written notice to the Village. On May 21, 2024, the Council approved a third amendment to the lease agreement, extending the term to January 31, 2025. On December 3, 2024, the Council approved a fourth amendment to the lease agreement, extending the term to April 30, 2025. On April 3, 2025, the Council approved a fifth amendment to the lease agreement, extending the term to July 31, 2025.

The USPS has requested additional time to remodel their new location on Lincoln Avenue, due to continued construction delays and supply chain issues.

Given the importance of having the USPS located in downtown Winnetka for the benefit of residents and activity in the commercial district, Council is asked to consider extending the lease. The terms of the sixth amendment to the lease are unchanged except for the expiration date - the lease now expires August 31, 2025, rather than July 31, 2025.

RECOMMENDATION:

Consider approval of Resolution No. R-57-2025: Approving a Sixth Amendment to a Lease Agreement Between the Village of Winnetka and the United States Postal Service.

ATTACHMENTS:

1. Resolution No. R-57-2025: Approving a Sixth Amendment to a Lease Agreement Between the Village of Winnetka and the United States Postal Service

RESOLUTION NO. R-57-2025

A RESOLUTION APPROVING A SIXTH AMENDMENT TO A LEASE AGREEMENT BETWEEN THE VILLAGE OF WINNETKA AND THE UNITED STATES POSTAL SERVICE

WHEREAS, Article VII, Section 10 of the 1970 Illinois Constitution authorizes the Village of Winnetka (***"Village"***) to contract with individuals, associations, and corporations in any manner not prohibited by law or ordinance; and

WHEREAS, the Village previously entered into a Lease Agreement (***"Lease"***), pursuant to which the Village leased to the United States Postal Service (***"Tenant"***) a portion of the property commonly known as 512 Chestnut Street, Winnetka, Illinois to provide Tenant the use for a post office; and

WHEREAS, the Lease is a month-to-month lease, provided that, according to Section 6 of the Lease, the Lease may be terminated by either party with 365 days' written notice; and

WHEREAS, due to the Village's development plans, the Village provided notice to the Tenant (***"Termination Notice"***) under Section 6 of the Lease that the Village would be terminating the Lease effective on July 21, 2023 (***"Termination Date"),*** which Termination Notice was received by Tenant in a timely manner; and

WHEREAS, because Tenant was not yet ready to occupy another property in the Village, the Village extended the Lease pursuant to that certain "First Amendment to Lease Agreement" dated July 6, 2023 (***"First Amendment"***); that certain "Second Amendment to Lease Agreement" (***"Second Amendment"***); that certain "Third Amendment to Lease Agreement" (***"Third Amendment"***); that certain "Fourth Amendment to Lease Agreement" (***"Fourth Amendment"***); and that certain "Fifth Amendment to Lease Agreement" (***"Fifth Amendment"***); and

WHEREAS, the Village and Tenant now desire to further extend the term of the Lease to August 31, 2025, pursuant to a Sixth Amendment to Lease Agreement (***"Sixth Amendment"***); and

WHEREAS, pursuant to the Village's home rule authority, the Village Council has determined that it is in the best interests of the Village and its residents to enter into the Sixth Amendment with the Tenant pursuant to this Resolution;

NOW, THEREFORE, BE IT RESOLVED, by the Council of the Village of Winnetka, Cook County, Illinois, as follows:

SECTION 1: RECITALS. The Village Council hereby adopts the foregoing recitals as its findings, as if fully set forth herein.

SECTION 2: APPROVAL OF SIXTH AMENDMENT. The Village Council hereby approves the Sixth Amendment in substantially the form attached to this Resolution as **Exhibit A** and in a final form approved by the Village Attorney.

SECTION 3: AUTHORIZATION TO EXECUTE SIXTH AMENDMENT. The Village Council hereby authorizes and directs the Village President and the Village Clerk to execute and attest, respectively, on behalf of the Village, the final Sixth Amendment.

SECTION 4: EFFECTIVE DATE. This Resolution shall be in full force and effect from and after its passage and approval according to law.

ADOPTED this 8th day of July, 2025, pursuant to the following roll call vote:

AYES: ____________________
NAYS: ____________________
ABSENT: ____________________
ABSTAIN: ____________________

Signed:

____
Village President

Countersigned:

____
Village Clerk

EXHIBIT A

SITH AMENDMENT TO LEASE AGREEMENT

<u>SIXTH AMENDMENT TO LEASE AGREEMENT</u>

This **SIXTH AMENDMENT TO LEASE AGREEMENT** (***"Sixth Amendment"***) made this 8th day of June, 2025 ("**Execution Date**"), by and between **VILLAGE OF WINNETKA**, an Illinois home rule municipal corporation ("**VILLAGE**"), and the **UNITED STATES POSTAL SERVICE** ("**Tenant**").

WHEREAS, the Village owns the property commonly known as 512 Chestnut Street, Winnetka, Illinois (***"Property"***); and

WHEREAS, the Village and Tenant entered into that certain lease known as Lease J00000406397 (***"Lease"***) for the Tenant to lease a portion of the Property to use for a post office (***"Premises"***); and

WHEREAS, the Lease is a month-to-month lease, provided that, according to Section 6 of the Lease, the Lease may be terminated by either party with 365 days' written notice; and

WHEREAS, the Village has plans to develop the Property; and

WHEREAS, due to the Village's development plans, the Village provided notice to the Tenant (***"Termination Notice"***) under Section 6 of the Lease that the Village would be terminating the Lease effective on January 31, 2024 (***"Termination Date"***), which Termination Notice was received by Tenant in a timely manner; and

WHEREAS, Tenant negotiated a lease for use of another property in the Village to you that property as a post office; and

WHEREAS, because Tenant was not yet ready to occupy another property in the Village, the Village extended the Lease pursuant to that certain "First Amendment to Lease Agreement" dated July 6, 2023 (***"First Amendment"***); that certain "Second Amendment to Lease Agreement" (***"Second Amendment"***); that certain "Third Amendment to Lease Agreement" (***"Third Amendment"***); that certain "Fourth Amendment to Lease Agreement" (***"Fourth Amendment"***); and that certain "Fifth Amendment to Lease Agreement" (***"Fifth Amendment"***); and

WHEREAS, because Tenant is still ready to occupy another property in the Village, Tenant has once again requested that the Village extend the Lease pursuant to this Sixth Amendment until August 31, 2025; and

WHEREAS, the Village and Tenant desire to provide for an extension of the Lease as more particularly set forth in this Sixth Amendment.

NOW, THEREFORE, in consideration of the mutual agreements herein set forth, the mutual agreements set forth in the Lease, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Village and Tenant have agreed, and hereby agree that the Lease is amended as follows:

1. **<u>Recitals Incorporated</u>**. The Recitals set forth above are hereby incorporated by this reference and shall be deemed terms and provisions hereof with the same force and effect as if fully set forth in this Section 1.

2. **Extension of Lease**. The term of the Lease is hereby extended to August 31, 2025 (***"Extended Termination Date"***). Tenant agrees: (i) it will vacate the Premises by no later than 11:59 p.m. on August 31, 2025 unless the Village and Tenant extend the Lease; and (ii) no further notices or other actions are needed to be taken by the Village for the Lease to terminate on the Extended Termination Date. Notwithstanding anything in the Lease to the contrary, Tenant shall have the right to terminate the Lease at any time upon thirty (30) days prior written notice.

3. **Condition of Premises**. Tenant is in possession of the Premises and accepts the same "as is" without any representations or warranties of any kind. No agreement of the Village to alter, remodel, decorate, repair or improve the Premises (or to provide Tenant with any credit or allowance for the same), and no representation regarding the condition of the Premises have been made by or on behalf of the Village or relied upon by Tenant in connection with this Sixth Amendment.

4. **Brokers**. The Village and Tenant represent and warrant to each other that they have had no dealings with any real estate broker, finder, commissions or other person entitled to compensation for services rendered in connection with the negotiation or execution of this Sixth Amendment, and the Village and Tenant each agree to defend, indemnify and hold harmless the other from and against any claim for broker's or finder's fees or commissions made by any entity, asserting such claim by, through or under it.

5. **Time is of the Essence**. Time is of the essence of this Sixth Amendment and the Lease and each provision hereof and thereof.

6. **Submission of Sixth Amendment**. Submission of this instrument for examination shall not bind Landlord and no duty or obligation on Landlord shall arise under this instrument until this instrument is approved by and signed and delivered by the Village and Tenant.

7. **Entire Agreement**. This Sixth Amendment, the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, and Lease contain the entire agreement between the Village and Tenant with respect to Tenant's leasing of the Premises.

8. **Severability**. If any provision of this Sixth Amendment or the application thereof to any person or circumstance is or shall be deemed illegal, invalid or unenforceable, the remaining provisions hereof shall remain in full force and effect and this Sixth Amendment shall be interpreted as if such illegal, invalid or unenforceable provision did not exist herein.

9. **Lease In Full Force and Effect**. Except as modified by this Sixth Amendment, all of the terms, conditions, agreements, covenants, representations, warranties and indemnities contained in the Lease and First Amendment remain in full force and effect.

10. **Integration of the Sixth Amendment and Lease**. This Sixth Amendment, the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, and Lease shall be deemed to be, for all purposes, one instrument. In the event of any conflict between the terms and provisions of this Sixth Amendment and the terms and provisions of the Lease and any of the amendments, the terms and provisions of this Sixth Amendment shall, in all instances, control and prevail.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Sixth Amendment as of the day and year first above written.

LANDLORD:

VILLAGE OF WINNETKA
an Illinois home rule municipal corporation

By: ___________________________
Name: Robert M. Bahan
Title: Village Manager

TENANT:

UNITED STATES POSTAL SERVICE

By: ___________________________

Its: ___________________________

Village of
WINNETKA, IL

Agenda Item Executive Summary

TITLE: Budget Overview (Alternate Forms of Revenue for the Business District Revitalization Fund)

PRESENTER: Tim Sloth

AGENDA DATE: July 8, 2025

CONSENT: No

ITEM TYPE: Presentation

ITEM HISTORY:
On August 5, 2024, Governor Pritzker signed into law Public Act 103-0781 which repealed the 1% statewide grocery tax as part of the State Fiscal Year 2025 budget package. This repeal is set to take effect on January 1, 2026, and is estimated to reduce Village sales taxes by $205,000, or approximately 10% of the annual sales tax revenue collected. The approved legislation permits municipalities the ability to adopt the same 1% grocery tax as a local tax.

Last fall, staff presented the proposed 2025 Annual Budget to Council on November 1, 2025. At that meeting staff proposed implementing a 1% Home Rule Sales Tax that would be used as a funding source for the Business District Revitalization Fund and alleviate pressure on the General Fund. Council elected not to move forward as part of the 2025 budget and directed staff to bring the item back to Council in a study session in advance of the 2026 annual budget planning process. Staff also committed to reviewing other available revenue sources as part of this discussion.

EXECUTIVE SUMMARY:
In advance of the 2026 Annual Budget preparation, staff has prepared a presentation and seeks policy feedback from Council on three items:

- Implementing a 1% local grocery tax to replace the existing state grocery tax. The local tax will not generate additional revenue and simply replaces the existing grocery tax while continuing to be collected and distributed by the State.
- Implementing a 1% home rule sales tax dedicated 100% to the Business District Revitalization Fund and eliminating a $1.1 Million transfer from the General Fund. This will generate an additional $400,000 in revenue for the Business District Revitalization Fund and free up $1.1 Million in available funding for the General Fund.
- Staff will also be requesting policy feedback from Council on other additional revenue sources available to the VIllage in FY2026 or future years.

The attached memo to Council provides more information on each of these items.

RECOMMENDATION:
Provide policy direction on the three items presented in advance of the 2026 Annual Budget Presentation.

ATTACHMENTS:
1. Staff Memo

VILLAGE OF WINNETKA

MEMORANDUM

TO: VILLAGE COUNCIL

CC: ROB BAHAN, VILLAGE MANAGER
KRISTIN KAZENAS, DEPUTY VILLAGE MANAGER

FROM: TIMOTHY J. SLOTH, CHIEF FINANCIAL OFFICER

DATE: JULY 2, 2025

SUBJECT: STAFF REQUEST FOR POLICY FEEDBACK ON VILLAGE REVENUES IN ADVANCE OF THE 2026 ANNUAL BUDGET

In advance of the 2026 Annual Budget preparation, staff is seeking policy feedback on three issues that could have a significant impact on Village revenues.

- **Policy Feedback Item #1 – Local Grocery Tax: Staff seeks policy feedback on implementing a 1% local grocery tax to replace lost revenue as a result of the State of Illinois repealing the statewide grocery tax.**

- **Policy Feedback Item #2 – Home Rule Sales Tax: Staff seeks policy feedback on implementing a 1% Home Rule Sales Tax dedicated 100% to the Business District Revitalization Fund and eliminate the $1.1 Million transfer from the General Fund.**

- **Policy Feedback Item #3 – Staff will also be requesting policy feedback from Council on other additional revenue sources available to the Village in FY2026 or future years.**

The remainder of this memo is divided into separate sections presenting each of these policy feedback items in more detail for Council review.

Policy Feedback Item #1 – Local Grocery Tax: Staff seeks policy feedback on implementing a 1% local grocery tax to replace lost revenue as a result of the State of Illinois repealing the statewide grocery tax.

Background

The State of Illinois currently charges a 1% tax on groceries which applies to "food for human consumption that is to be consumed off the premises where it is sold." This tax generally applies to most grocery items like packaged food, fruits, and vegetables but excludes items like candy, soft drinks, alcohol as well as food prepared for immediate consumption. The State remits 100% of the grocery tax it collects back to the local municipalities.

On August 5, 2024, Governor Pritzker signed into law Public Act 103-0781 which repealed the 1% statewide grocery tax as part of the State FY2025 budget package. This repeal is set to take effect on January 1, 2026, and is estimated to reduce Village sales taxes by $205,000, or approximately 10% of the annual sales tax revenue collected. The approved legislation permits municipalities the ability to adopt the same 1% grocery tax as a local tax. The local tax would replace the existing grocery tax while continuing to be collected and distributed by the State.

Policy Proposal

The proposed policy is to implement a local grocery tax to replace the lost revenue. The new tax would be applied to all grocery purchases currently subject to the State grocery tax. No additional revenue would be generated by the proposed new tax as it simply replaces the state grocery tax. In absence of the local tax, the Village would need to address the revenue shortfall by either raising other taxes such as the property tax, implementing a new tax, or reducing expenses. The estimated revenue provided by the Grocery Tax is $205,000.

Over 200 Illinois communities have implemented this tax including 44 communities in Cook County. On the North Shore, Glencoe has passed an ordinance, and Staff has confirmed the following local communities are strongly considering or already in the process of adopting the local ordinance: Highland Park, Lake Forest, Northbrook, Glenview, Northfield, Wilmette and Deerfield.

Implementing a local grocery tax simply maintains existing revenue levels and does not generate additional revenue. The tax would continue to be collected and distributed by the State with no local cost of collection or administrative overhead.

Communities seeking no interruption in collection of these taxes must adopt an ordinance imposing a local grocery tax and filing a certified copy with the Illinois Department of Revenue (IDOR) no later than October 1, 2025, for collection to begin on January 1, 2026.

Policy Feedback Item #2 – Home Rule Sales Tax: Staff seeks policy feedback on implementing a 1% Home Rule Sales Tax dedicated 100% to the Business District Revitalization Fund and eliminate the $1.1 Million transfer from the General Fund.

Background

Last fall, staff presented the proposed FY2025 Annual Budget to Council on November 1, 2025. At that meeting staff proposed implementing a 1% Home Rule Sales Tax that would be used as a dedicated funding source for the Business District Revitalization Fund and alleviate pressure on the General Fund. It was communicated that the proposed tax is estimated to generate $1.5 million in annual revenue and would replace the existing $1.1 million transfer from the General Fund as the primary funding source for the fund.

The new tax would:

- Provide a stable annual revenue source dedicated to funding capital projects and maintenance in the Business District Revitalization Fund.
- Increase revenue to the fund by $400,000 annually.
- The new revenue would be dedicated solely to projects benefiting the business districts.
- The annual transfer of $1.1 million from the General fund would be eliminated and revert to the General fund to address growing expenses.

While Council was generally receptive to this funding concept, the feedback staff received was to not move forward as part of the FY2025 budget. Council directed Staff to bring the item back to Council in a study session in advance of the FY2026 annual budget planning process.

A home rule sales tax is an additional sales tax that home rule municipalities in Illinois can impose on top of the state sales tax. The existing combined sales tax rate for Winnetka is 9%.

Rate Breakdown

County Home Rule Tax	1.750%
RTA Tax	1.000%
State Tax	6.250% *

* A portion of the State Tax equivalent to 1% of the total sale amount is remitted by the state back to the Village of Winnetka.

Home rule sales taxes apply to most items covered by the state sales tax with certain exclusions such as groceries and vehicle sales. While groceries are excluded, food prepared for immediate consumption (i.e. restaurant sales) would be taxed. To enact a home rule sales tax, home-rule municipalities only need to pass an ordinance, no voter referendum is required. Like the state sales tax, the home rule tax is collected by the State from retailers who fill out form St-1. The State then remits collected taxes to the Village monthly.

Implementing a 1% home rule sales tax would generate $1.5 Million in additional annual revenue which staff proposes to post directly into the Business District Revitalization Fund and eliminate the $1.1 Million transfer from the General fund. This will provide an additional $400,000 in annual revenue for the Business District Revitalization Fund and provides an additional $1.1 million in funding for the General fund.

Staff anticipates spending pressure on the General fund over the next five years due to:

- Capital Spending - Average capital spending is $4.5 million a year over the next 5 years, compared to $3.5 million in 2025.
- Public Safety Pension Funds
- Continued inflationary pressure, increasing the cost of goods and services.

Home Rule Sales Tax Summary

Business District Fund

Proposed Home Rule Sales Tax		1,500,000
Eliminated Transfer from General fund		(1,100,000)
Net Increase in funding to Business Districts	$	400,000

The following is a list of area communities that have implemented a Home Rule Sales Tax.

Village of Winnetka
Home Rule Sales Tax Comparison

Community	Home Rule Sales Tax Rate
Glenview*	1.75%
Highwood	1.75%
Evanston	1.25%
Deerfield	1.00%
Highland Park	1.00%
Lake Bluff	1.00%
Lake Forest	1.00%
Lincolnshire	1.00%
Northbrook	1.00%
Northfield	1.00%
Wilmette	1.00%
Winnetka - Proposed	*1.00%*
Bannockburn	0.50%

* Glenview's Chestnut / Waukegan Business District rate = 1.75%, all other areas = .75%.

With an additional $400,000 a year in annual funding, the fund balance at the end of the current five-year plan would be $380,061 versus a negative $1,219,939 (including $10,000,000 in future funding sources). The Village would still need to identify an additional $10,000,000 either through grants, a bond issuance, or other funding source. The Village has typically taken a pay as you go approach to capital funding, meaning funds are accumulated in advance of starting a capital project versus issuing debt. In absence of additional funding the Village will have to adjust either the scope and/or timing of the projects outlined in the 5-year CIP to continue its pay as you go approach.

Expense Requirements / Cash Flow

In the FY2025 5-Year CIP, budgeted expenses (2025-2029) in the Business District Revitalization Fund total $21,349,500. This does not include costs associated the Indian Hill Green Bay Road streetscape project which was listed as "TBD" or "To Be Determined" the CIP document.

Significant projects identified in the fund's 5-year CIP include:

- Hubbard Woods Streetscape – $10,960,000
- Post Office Plaza - $8,385,000
- Hubbard Woods Parking Structure - $900,000
- EV Charging Stations - $694,500
- Indian Hill Green Bay Road Streetscape – TBD

Presented below is a copy of the annual cash flow for this fund as presented in the 5-Year CIP:

Downtown Revitalization Fund	2025	2026	2027	2028	2029
Beginning Cash (12/31/2023 Audit)	$ 2,819,062	$ 2,775,061	$ 2,760,061	$ 160,061	$ (2,279,939)
Transfer from General Fund	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Additional Transfer from General Fund: DCEO Grant	300,000	-	-	-	-
Additional Transfer from General Fund: One-time Permits	900,000				
Grant - EV Charging	555,499	-	-	-	-
Other Income	15,000	10,000	10,000	10,000	10,000
Future Funding Sources	-	-	5,000,000	5,000,000	-
Capital	(2,914,500)	(1,125,000)	(8,710,000)	(8,550,000)	(50,000)
Ending Cash	$ 2,775,061	$ 2,760,061	$ 160,061	$ (2,279,939)	$ (1,219,939)

As presented, the Village has sufficient cash flow through 2026 to complete the full design of the Hubbard Woods Streetscape project as well as the full design of the Post Office Plaza project. Beyond 2026, significant additional funding will be required to complete these projects as well as the others identified in the 5-year CIP.

In 2019 the Village redirected $1.1 million in annual property taxes that had previously been deposited in the Refuse fund into the Business District Revitalization Fund in the form of transfer from the General Fund. Since that time the $1.1 Million annual transfer from the General fund continues to be the primary funding source for the Business District Revitalization Fund and is shown as a funding source in the 2025 5-Year CIP. Since 2019, the General fund has also made additional transfers to the Business District fund based on planned projects in the first year of the 5-Year CIP. From 2019 through 2024, the General Fund transferred $550,000 a year in addition to the $1.1 Million annual transfer. For FY2025, additional one-time transfers from the General Fund totaling $1.2 Million were budgeted to support FY2025 capital projects.

The cash-flow shown previously also references “Future Funding Sources” of $10 million in FY2027 and FY2028. This represents various grant programs that may or may not materialize. A list of these grants is presented later in this memo.

Even if the Village secures $10,000,000 in future funding sources, the Business District Revitalization fund is still projected to be cash negative by the end of FY2028. Excluding, the $10,000,000 in future funding sources cash goes negative in FY2027.

In total we have identified over $21.3 Million in projects (not including TBD projects) with $5.5 Million in identified funding ($1.1M GF Transfer) for a deficit of $15.8 million. Additional revenue is required to support the planned capital projects in this fund.

If a 1% home rule sales tax is implemented, Staff would engage with the business community through the Chamber of Commerce and the Economic Development Coordinator.

Policy Feedback Item #3 – Staff is requesting policy feedback from Council on other additional revenue sources available to the Village in FY2026 or future years.

In advance of the FY2026 budget process, Staff has explored various revenue sources available to the Village to fund the Business District Revitalization Fund. It should be noted that these revenue sources are not restricted to the Business District Revitalization Fund and could also be implemented to bolster other governmental funds (i.e. General Fund) as well.

Property Taxes

Property taxes account for approximately 48% of total General Fund revenue. As a home rule unit of government, the Village has great flexibility in determining its property tax levy and while not required, the Village has consistently adhered to the Property Tax Extension Limitation Law (PTELL) tax cap. The tax cap limits the Village's property tax extension to the lesser of 5% or the CPI of the previous year. The Village has also incorporated new development valuations in the Village into the tax levy calculations. Since becoming a home rule community, the Village has cumulatively levied $27.8 million under PTELL maximum.

The Village could continue its tradition of adhering to annual PTELL limitations within the General Fund while earmarking an additional levy for Business District Revitalization based on the past cumulative savings of $27.8 million. For 2025, the PTELL limitation is 2.9% which will provide $472,670 in additional revenue to the General fund if the Village levies up to the limit.

If the Village wants to utilize Property Taxes as a funding source for Business District Revitalization it has the discretion to go beyond the annual PTELL % limit for this purpose while still remaining well under what could have been levied cumulatively since 2005.

The chart below shows that each additional 1% increase in the property tax levy provides approximately $160,000 in additional funding.

2025 Property Tax Levy	
%- Increase	**$ - Increase**
1%	$160,000
2%	$320,000
3%	$480,000
4%	$640,000
5%	$800,000
6%	$960,000
7%	$1,120,000
8%	$1,280,000
9%	$1,440,000
10%	$1,600,000

Vehicle Stickers

The Village of Winnetka requires the purchase of an annual vehicle sticker for vehicles registered to an address within the Village limits. The fee for a Winnetka vehicle license is $40 per vehicle and generates approximately $300,000 in revenue annually. Many area municipalities currently charge more than $40 per sticker including the following North Shore communities:

Glencoe - $60
Lake Forest - $85
Northfield - $50
Wilmette - $80
Highland Park – Eliminated vehicle stickers in 2020 by raising property taxes an equivalent amount to cover the lost revenue. At the time of elimination, Highland Park charged $55 per sticker.

Vehicle stickers are administratively burdensome to administer, and some municipalities, such as Highland Park have moved away from selling stickers and increasing other taxes or fees to offset the revenue.

The chart below shows that each $10 increase in the vehicle sticker fee generates an additional $75,000 annually.

Vehicle Stickers		
	Sticker	Additional
$ - Increase	Price	Revenue
$10	$50	$75,000
$20	$60	$150,000
$30	$70	$225,000
$40	$80	$300,000
$50	$90	$375,000
$60	$100	$450,000
$70	$110	$525,000
$80	$120	$600,000

Food and Beverage Tax

A food and beverage tax is a local tax imposed on the sale of prepared food and drinks (including alcohol) typically at restaurants, bars, cafes, and similar establishments. This tax is separate from state and local sales taxes with rates typically ranging between 1% to 2%. A 1% Food and Beverage Tax would generate approximately $450,000 in annual revenue while 2% would generate $900,000.

Amusement / Streaming Tax

An amusement tax is a local tax imposed on the privilege of participating in or attending entertainment activities, either in person or digitally. Traditionally, it covers events like concerts, movies, sports games, and other ticketed amusements. Many Illinois municipalities are expanding their amusement tax to include streaming services such as Netflix, Apple +, HBO Max, Hulu, Spotify, and online gaming platforms. In this context, the tax applies to fees paid for accessing digital entertainment content, whether live or on-demand, aligning with shifting consumer habits from physical venues to online platforms.

The list below are Illinois communities who have implemented a Streaming Tax:

- Chicago – 9%
- Evanston – 5%
- Schiller Park – 5%
- River Grove – 5%
- Midlothian – 5%
- East Dundee – 5%
- Bloomington – 4%

An internal staff analysis estimates that a streaming tax of 5% would generate approximately $125,000 in annual revenue for the Village of Winnetka.

Streaming Tax	
%- Tax	$ - Revenue
1%	$25,000
2%	$50,000
3%	$75,000
4%	$100,000
5%	$125,000
6%	$150,000
7%	$175,000
8%	$200,000
9%	$225,000
10%	$250,000

Real Estate Transfer Tax

A real estate transfer tax is a levy imposed by a state, county, or municipality on the sale or transfer of real property. Illinois law requires home-rule municipalities pass a voter referendum to enact a real estate transfer tax ordinance.

Real Estate Transfer taxes are typically calculated as a percentage of the property's sale price and are paid at the time the deed is recorded. The responsibility for payment may fall on the buyer, seller, or both, depending on local ordinances. Rates are typically calculated based on each $1,000 in valuation of the sale. For example, Highland Park charges $5/$1,000 meaning a $5 transfer tax is applicable for every $1,000 in valuation.

A sample of Illinois communities that have a real estate transfer tax is shown below:

- Wilmette - $3/$1,000
- Lake Forest - $4/$1,000
- Highland Park - $5 / $1,000
- Naperville - $3 / $1,000
- Skokie - $5 / $1,000
- Oak Park - $8 / $1,000

If the Village had a real estate transfer tax of $5 / $1,000 in place in 2024 it would have generated approximately $1.8 million in revenue.

Other taxes (ex. Hotel/Motel Tax, Video Gaming, Cannabis)

Not Applicable - Winnetka does not have any hotels or motels and does not permit video gaming or cannabis sales within Village limits.

Special Service Areas (SSAs)

A Special Service Area (SSA) is a designated district within a municipality where property owners agree to pay an additional property tax to fund localized improvements or services not provided elsewhere in the community. Common uses include street and sidewalk repairs in commercial or residential zones. SSAs are created by ordinance and typically involve significant stakeholder input through advisory boards or public hearings.

An SSA could be established within a specific business district (i.e. Hubbard Woods) to fund streetscape improvements for that district. The SSA taxes would be paid directly by businesses within the established SSA area and likely passed on to customers. Additionally, utilizing an SSA for Hubbard Woods would likely raise a fairness or equity question after completing multiple streetscape projects in other business districts without utilizing an SSA.

Grant Opportunities for Business District Revitalization

The Village continues to look for various grant opportunities to fund multiple projects across the Village including those within the Business District Revitalization Fund. While we have had great success in securing grant funds for stormwater, it might prove to be more difficult to secure grant funds of significant value for Business District revitalization. The Village would likely not qualify for grants targeting Business District revitalization given the Village is not a disadvantaged community and the fact that the downtown districts are robust with economic activity. While grant money is always appreciated, a downside of relying on grants is that it can result in haphazard project scheduling and slow down the pace of project completion. Most grants need to be fully secured before projects can even be bid.

The Village could pursue the following funding sources to support Business District revitalization efforts:

Grant/Funding Source	Estimated Amount
STP (Surface Transportation Program)	$3,000,000
ITEP (Illinois Transportation Enhancement Program)	$1,000,000
IDOT (Illinois Department of Transportation)	$2,000,000
Jurisdictional Transfer	$1,500,000
EDP (Economic Development Program)	$1,000,000
Other (Miscellaneous/Additional Sources)	$1,500,000

Total Potential Funding: $10,000,000

Debt Financing

The Village could utilize its Aaa bond rating to achieve a favorable bond rating and issue debt to raise funds for identified projects. A 20-Year $10,000,000 G.O. bond issuance rate would have an annual payment of approximately $750,000 assuming a 4.3% interest rate. This would be a deviation from the pay as you go funding approach the Village has taken to date.