

RESOLUTION NO. 20 - _____

**A RESOLUTION
OF THE CITY OF NAPERVILLE
AUTHORIZING A COVENANT INCENTIVE AGREEMENT WITH LITTLE FRIENDS**

RECITALS

1. **WHEREAS**, the **CITY OF NAPERVILLE**, DuPage and Will Counties, of the State of Illinois is an Illinois municipal corporation and home rule unit of government under the laws and Constitution of the State of Illinois (the “**City**”); and
2. **WHEREAS**, **LITTLE FRIENDS, INC.**, an Illinois-based charitable organization dedicated to education, treatment, housing and growth for those with intellectual/developmental disabilities and autism, with offices located at 140 N. Wright St., Naperville, IL 60540 (“**Little Friends**”); and
3. **WHEREAS**, Little Friends owns the 3.79-acre property located at 126, 140, 148 N. Wright Street and 619 E. Franklin Avenue in Naperville (the “**Property**”). The Property is comprised of two parcels which are zoned R2 with a conditional use. The Administration Building (built in 1956) is located on Parcel 1. The Kroehler Mansion (built in 1908), the Krejci Academy and the Gymnasium (both built in 1948), are located on Parcel 2.; and
4. **WHEREAS**, For the past 44 years Little Friends has operated the Property as a not-for-profit teaching and educational facility for students and adults with autism and other intellectual/developmental disabilities. The school is not self-sustaining and the ability for Little Friends to continue to provide services to those with disabilities has always been reliant upon very substantial fundraising, charitable gifts and donations; and
5. **WHEREAS**, Little Friends needs to relocate the teaching and educational programs to a new site in order to provide improved and more conveniently accessed services to the individuals it serves. To accomplish this relocation, Little Friends intends to demolish all buildings on the Property and sell the Property for residential development; and
6. **WHEREAS**, Little Friends contends that the demolition of all the buildings on the Property is necessary to maximize the sale value of the Property, which Little Friends needs to purchase the new site and facilities. Without the funds generated from the sale of the Property the relocation is not economically viable; and
7. **WHEREAS**, the Kroehler Mansion is located on Parcel 2 of the Property, at 126 N. Wright Street, Naperville, Illinois 60540 (“**Mansion**”). The Mansion has

significant historical significance and is worthy of preservation in that it was designed and constructed for Peter Kroehler (a local and national figure of historical prominence) and his wife Josephine in 1908. Kroehler was a graduate of North-Western College (now North Central College) and became a partner and later president of the Lounge Company, which became the Kroehler Manufacturing Company, the world's largest furniture manufacturer and a U.S. Armed Forces military contractor during WWII. Kroehler Manufacturing Company was a major employer in Naperville for decades; by WWI the company was the City's largest employer with about 500 workers. In addition to his furniture business ventures, Kroehler also served as a two-term mayor of the City of Naperville. A community philanthropist, Kroehler was one of the original founders of Naperville's YMCA; and

8. **WHEREAS**, Little Friends has represented that it believes it will make significantly more money on the sale of the Property if the Mansion is demolished; and
9. **WHEREAS**, property owners who seek to alter, construct, demolish, or make a material change to landmark properties, or to properties located within the City Historic District, are required to obtain a certificate of appropriateness. On October 24, 2019, the City's Historic Preservation Commission granted a partial approval of COA #19-2840, approving demolition of the following buildings on the Property: the Krejci Academy, the Gymnasium, and the Administration Building, while denying demolition of the Mansion. On November 19, 2019, the Naperville City Council ("**Council**") approved COA #19-2840, also allowing the demolition of the Mansion. COA #19-2840 now authorizes the demolition of all currently existing structures on the Property ("**COA**"); and
10. **WHEREAS**, the City currently receives no property tax revenues from Little Friends' non-profit use of the Property and it is estimated that the anticipated residential development of the Property will result in the City receiving approximately \$562,000 in property tax revenues over 20 years once the Property is fully developed; and
11. **WHEREAS**, on December 3, 2019, the Council, adopted Resolution No. 19-47 that established support for a future incentive agreement between the City and Little Friends whereby the City would tender certain funds to Little Friends in exchange for Little Friends recording a covenant on the Property, which covenant shall run with the land, pertaining to the Kroehler Mansion, including but not limited to a provision prohibiting the demolition of the Mansion ("**Covenant**"); and
12. **WHEREAS**, Little Friends has received purchase offers for the Property that include the Mansion remaining preserved and the Mansion being demolished, and Little Friends is willing to record the Covenant on the Property if the City provides an incentive to offset the loss in the value of the Property if the Mansion is preserved; and

13. **WHEREAS**, the City of Naperville, DuPage and Will Counties, of the State of Illinois is a duly constituted home rule municipality in accordance with Article VI of the Constitution of the State of Illinois of 1970 and as a home rule unit of government may according to the Illinois Constitution “exercise any power and perform any function pertaining to its government and affairs”; and
14. **WHEREAS**, the City of Naperville is entering into this Agreement pursuant to its authority as a home rule unit; and
15. **WHEREAS**, the City has the authority, pursuant to the laws of the State of Illinois and its home rule authority, to use its credit, revenues, and other resources to pay costs and service debt related to activities which involve a public purpose; and
16. **WHEREAS**, the Council, in exercise of the City’s home rule authority, finds that it is in the public interest to secure the preservation of the historically significant Mansion by offering an incentive to preserve the Mansion in exchange for Little Friends recording the Covenant running with the land to the effect of prohibiting the demolition of the Mansion and providing that any amendment or release of the covenant shall require Council approval.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NAPERVILLE, COUNTIES OF DUPAGE AND WILL, ILLINOIS, in exercise of its home rule authority, as follows:

SECTION 1: The foregoing recitals are incorporated as though fully set forth in this Section 1.

SECTION 2: The agreement attached hereto entitled “PROPERTY COVENANT INCENTIVE AGREEMENT TO PROTECT AND PRESERVE THE KROEHLER MANSION BETWEEN THE CITY OF NAPERVILLE AND LITTLE FRIENDS” is hereby approved.

SECTION 3: The City Manager is hereby authorized to execute the agreement approved in Section 2 in substantially the same form attached and to take such actions as necessary to implement said agreement.

SECTION 4: The City Council, in exercise of the City’s home rule authority, approves and authorizes the payment of the four hundred fifty thousand dollar (\$450,000.00) incentive from the City to Little Friends, consistent with the terms of said agreement, to be sourced from available fund balances containing revenues collected from the citywide food and beverage tax.

SECTION 5: This Resolution shall be in full force and effect from and after its passage and approval as provided by law.

PASSED this _____ day of _____, 2020.

AYES:

NAYS:

ABSENT:

APPROVED this ___ day of _____, 2020.

Steve Chirico
Mayor

ATTEST:

Pam Gallahue, Ph. D.
City Clerk