

**MINUTES
CITY OF ST. CHARLES
PLANNING & DEVELOPMENT COMMITTEE
MONDAY, FEBRUARY 13, 2023 - 7:00 PM**

Members Present: Silkaitis, Kalamaris, Payleitner, Bancroft, Lencioni, Pietryla, Wirball, Bessner, Weber

Members Absent: Bongard

Others Present: Heather McGuire, City Administrator; Russell Colby, Director of Community Development; Derek Conley, Director of Economic Development; Rachel Hitzemann, City Planner; Monica Hawk, Development Engineer; Allen Fennell, Building & Code Enforcement Manager; Peter Suhr, Director of Public Works; Deputy Fire Chief Kevin Christensen

1. CALL TO ORDER

The meeting was convened by Chair Weber at 7:00 p.m.

2. ROLL CALL

Roll was called:

Present: Silkaitis, Kalamaris, Payleitner, Bancroft, Lencioni, Pietryla, Wirball, Bessner, Weber

Absent: Bongard

3. OMNIBUS VOTE

*4d. Historic Preservation Commission recommendation to approve Historic Landmark Designation for 17 N. 2nd Ave., "John Glos House".

**Ald. Lencioni made a motion to approve omnibus item *4d on the agenda.
Seconded by Ald. Pietryla.**

Roll was called:

Ayes: Kalamaris, Payleitner, Bancroft, Lencioni, Pietryla, Wirball, Bessner, Silkaitis

Absent: Bongard

Recused:

Nays:

Motion passed 8-0

4. COMMUNITY & ECONOMIC DEVELOPMENT

a. Recommendation to approve a Minor Change to PUD for KFP PUD – Thornton's.

Mr. Colby, Director of Community Development, presented the Executive Summary and materials posted in the meeting packet.

Ald. Payleitner made a motion to approve the Minor Change to PUD for KFP PUD-Thornton's. Seconded by Ald. Pietryla.

Roll was called:

Ayes: Kalamaris, Payleitner, Bancroft, Lencioni, Pietryla, Wirball, Bessner, Silkaitis

Absent: Bongard

Abstain:

Nays:

Motion passed 8-0

- b. Recommendation to approve a Mutual Release, Wavier and Termination Agreement with STC LOT 4, LLC for the Redevelopment Agreement (Building 8, First Street Redevelopment Project)

Mr. Conley, Director of Economic Development, presented the Executive Summary and materials posted in the meeting packet.

Ald. Wirball questioned if there had been any other inquiries on the property.

Mr. Conley advised there have been a few inquiries but nobody coming forward with any actual plans, but asking about the status of the project.

Ald. Lencioni asked if there were other people looking to purchase or move forward, what would that look like if we had a current redevelopment agreement. Is it something we could get out of any time or would it be a huge encumbrance? Mr. Conley responded the City couldn't proceed with another redevelopment agreement until this one was terminated and if we did want to proceed, there would be a process the City and Frontier Development actually had to go through back in 2019, which is the redevelopment agreement is published in the newspaper for 30 days and then anyone else who wants to have an alternate application submitted they can do that.

Ald. Lencioni asked if the redevelopment agreement we renewed, was it renewed for a certain period of time or indefinitely until addressed again? Mr. Conley advised there was no sunset put on it, a new schedule was supposed to be submitted in March of 2022, I don't know if it was submitted.

Ald. Bancroft asked Frontier Developer how much money has been spent on the design. Mr. Curt Hurst, Frontier Development, advised they have spent \$125,000 for design, engineering, and legal fees.

Ald. Bancroft asked what level of interest there has been on the property. Mr. Hurst responded they are currently in negotiation with a tenant.

Mr. Hurst recalled the history of a Request for Proposals to building on the remaining First Street lots and this specific site. We have spent 4 years, 2 of them during the pandemic, on this site. We have a tenant we are working with very closely. There are

significant issues that we have to work through. We have spent the last 7 months negotiating with this tenant. We have a broker involved and we have signage. We have a significant financial incentive to keep this going. Once it's terminated I can no longer negotiate with the tenant I have with the terms that we have because I don't have control of the property nor do I have the confidence I'll come back to the terms that I have now. We would like to keep this moving forward if we can. When this is terminated we have to start at ground zero again.

Ald. Payleitner asked what does that mean, start at ground zero?

Mr. Hurst responded I would be able to preserve the costs I have so far but I can't go to the market and say I have a deal I want you to look at, because here's the building and here's the economics of it, because I won't know what the economics are on it coming back. I would love in a new RDA there would be some availability of TIF financing to help offset some of the costs and I could probably fund some of the things they're asking for, but I can't guarantee that. I don't know if there's going to be cost associated with the land, because currently the land is part of the deal. And the reason that's part of the deal is because when the original RFP went out what was part of the conversation was there are no funds available in the existing TIF, the City said we cannot help with anything. The infrastructure is done, sanitary and water is to the site. The only thing that could be offered was the City's participation in the land.

Ald. Bancroft asked if we terminated, what's the plan? Mr. Conley responded we would be open to working with other developers and put up signage.

Ald. Bancroft asked is there a notice period for the termination? Is there any seasonality to the listing of the property? We would have to issue a 30 day notice. We can anticipate that unless Frontier comes with a project immediately and this is extended there won't be construction on it this year. Any new developer that would come in would spend this entire year going through the City process and doing their own planning.

Ald Wirball commented he appreciates the work they have put into this but it's been 4 years. I would like to explore giving other interested parties an opportunity to present some concepts or ideas. I think it would preserve the best interest of the community to open it up to the market, get a sign out there. We have a new Economic Development Director that can market that property. I just think it's time to move on, because I just think it preserves the best interest of the community. It's been 4 years and that's a long time. Perhaps there's a market to sell it and we can make money off the property but we won't know until we open it up to the market.

Ald. Silkaitis added he echoes what Ald. Wirball said. I approved the project in 2019, I thought it was a good fit, but expected something to be built. I understand the pandemic but I have seen other buildings go up in St. Charles during the pandemic. I'm willing to terminate it and put it out for RFP or however you want to present it to the developers. It's time to move on, 4 years is a long time. The last schedule we've had is from 2019. I don't want to keep sitting on this property and waiting.

Ald. Bessner asked what kind of difficulties are you coming up against on this property? Mr. Hurst responded it's not the best site, there's other good opportunity with existing buildings in the City.

Ald. Bessner asked in regards to the interested party you're in discussion with now, are you talking a few months the negotiation will go on? Mr. Hurst responded it's been in a standstill for the last 4 or 5 months. I'm not saying I need any specific time because I'm not going to put myself in a position where I'm not going to perform.

Ald. Kalamaris asked about the confidence to close the deal, how far off are you on the concessions you need to make? Mr. Hurst responded \$1 million, 25% of the deal.

Ald. Silkaitis asked if the tenant was going to do the whole building? Mr. Hurst replied, the first floor and the roof experience, and they would proceed with this tenant committing.

Ald. Payleitner asked when was the last update received. Ms. McGuire, City Administrator, advised the last update was March of 2022.

Ald. Bessner asked Mr. Conley if there was interest in the property. Would there be anything wrong in revisiting this in 90 days? Mr. Conley responded there was interest with developers asking about where the City was at with the property.

Ald. Wirball added that the concern of pushing this out with the hope we get a different result. Nobody else is going to come forward as long as that sign is in the lawn. Open it up to the market, let's see what happens. I suspect nothing is going to happen in 90 days.

Ald. Payleitner would have agreed, prior to this meeting tonight.

Chair Weber asked for a motion on the suggested action.

Ald. Wirball made a motion to approve a 30 day Mutual Release, Wavier and Termination Agreement with STC LOT 4, LLC for the Redevelopment Agreement (Building 8, First Street Redevelopment Project). Seconded by Ald. Silkaitis.

Roll was called:

Ayes: Pietryla, Wirball, Silkaitis

Absent: Bongard

Abstain: Lencioni

Nays: Kalamaris, Payleitner, Bancroft, Bessner

Motion failed, 3-4

Ald. Bancroft made a motion to provide a Notice of Termination with a 90-day horizon, to give the developer time to talk and potentially finish the deal.

Ald. Wirball asked for clarity on what was being voted on.

Ald. Bancroft stated on the 91st day the agreement will terminate. We do not need to come back for another vote.

Roll was called:

Ayes: Kalamaris, Payleitner, Bancroft, Pietryla, Wirball, Bessner, Silkaitis

Absent: Bongard

Abstain: Lencioni

Nays: None

Motion carried, 7-0

- c. Recommendation to Approve and Execute an Acceptance Resolution for roadway improvements for Anthem Heights Subdivision

Mr. Colby presented the Executive Summary and materials posted in the meeting packet.

Ald. Weber recapped the original street warranty was 5 years, the new warranty will be 10 years.

Ald. Silkaitis asked confirmation the bond amount was \$187,000; would that cover the repairs? And before the 5 year term is up the City will do their due diligence and make sure there are no problems with that road. Mr. Colby responded yes, the bond will cover the cost of the work and if we think there will be an issue with securing an extension of the bond or question with the amount of the bond we will undertake that analysis.

Ald. Silkaitis made a motion to the Acceptance Resolution for roadway improvements for Anthem Heights Subdivision. Seconded by Ald. Wirball.

Roll was called:

Ayes: Kalamaris, Payleitner, Bancroft, Lencioni, Pietryla, Wirball, Bessner, Silkaitis

Absent: Bongard

Recused:

Nays:

Motion passed 8-0

5. PUBLIC COMMENT

None.

6. ADDITIONAL ITEMS FROM MAYOR, COUNCIL OR STAFF

None.

7. EXECUTIVE SESSION

**8. ADJOURNMENT - Ald. Lencioni made a motion to adjourn at 7:49 p.m.
Seconded by Ald. Wirball. Approved unanimously by voice vote. Motion Carried.**