

THE VILLAGE

at St. Charles



Amphitheater



Gazebo



Ice Cream Stand

Plaza Detail



Food Truck Park



Patio Dining

SITE DATA

Residential:

3- Story Garden Apartments:	351 UNITS
2- Story Townhomes:	209 UNITS
Total Residential:	560 UNITS

Commercial:

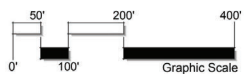
Hotel	135 rooms
New Retail	22,000 sq. ft.
New Restaurants:	18,000 sq. ft.



Date: DECEMBER 8, 2021

CONCEPT PLAN

(DRAFT)



Prepared For:

S.R. JACOBSON
DEVELOPMENT CORPORATION

LORMAX STERN

Prepared By:

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Plaza Examples





Amphitheater Examples





Food Truck Park Examples





Gazebo Examples





Sidewalk Patio Dining Examples





FRONT PERSPECTIVE





BACK PERSPECTIVE





FRONT VIEW





Project Narrative
Charlestown Mall Redevelopment
January, 2022

Overview

Charlestowne Mall opened as an enclosed mall in 1991, anchored by regional department stores and dominated by smaller well-known chain stores, typical of the many malls that existed or were being developed around the country in the same period. The retail conditions that sustained enclosed malls and allowed them to be successful for many decades have changed, and like many malls, Charlestowne Mall struggled for several years before closing permanently in 2017. Shoppers today either want upscale retail experiences available at lifestyle-type retail centers with specialty boutiques and a convenient shopping environment or seek value-oriented shopping available at big box stores, outdoor discount malls and the internet.

About 1500 enclosed malls were constructed in the US since 1956, of which about 1000 are still being used for their original purpose. 300 of these are likely to close in the next 5 years. The redevelopment of a vacant enclosed mall is one of the most difficult undertakings in real estate development. It is complicated and capital intensive. Unless there is a shortage of land in an area, it is much easier to develop a new project without the expense, time and complexity of tearing down an old mall.

Most successful mall redevelopments in the US have consisted of makeovers to mixed use centers by demolishing the enclosed mall structures and replacing them with new uses meeting the needs of the market where they are located. The City's 2013 Comprehensive Land Use Plan for the Charlestowne Mall suggests that the mall has the potential for Mixed Use development that could foster a "pedestrian oriented mixed-use node, with a mix of retail, restaurant, entertainment, recreation and residential uses". Our market research supports this type of redevelopment proposed in the comprehensive plan and a conceptual redevelopment plan was prepared and submitted to the City consisting of these elements for concept review in September, 2021.

Initial review of the proposed plan by the Planning Commission, staff and council members provided us with a better understanding of the desires of City residents, with concerns, suggestions and ideas on how to improve the plan for the redevelopment of the mall. In response to the feedback received, we revised the plan, which now reflects a joint effort between the development team and the City.

Development Team

The redevelopment of Charlestowne mall will be executed by a partnership of two highly qualified development firms with extensive experience in all facets of the proposed redevelopment plan and a long history of successful projects.

Multifamily Developer

With over 40 years of experience developing, constructing and managing residential and multifamily real estate, S.R. Jacobson Development Corp. is one of the Midwest's leading development companies. Started by Scott Jacobson in 1978, the company has acquired or developed over 110 communities and constructed over 12,000 award winning homes and apartments in Michigan and Illinois.

S.R. Jacobson Development Corp is currently focused on creating lifestyle apartment communities. Its

experience in building, acquiring and managing a portfolio of several thousand apartments over the past several decades provides invaluable expertise for creating new multifamily developments. An expert team is assembled for each project including planners, architects, engineers, general contractors, management agents and financiers to ensure success. Under Scott's daily direction, each property is carefully administered through pre-development, design, approvals, financing, construction, leasing and management.

The company currently has ranch, townhome and garden style apartment communities under development or recently completed in Naperville, Romeoville, Montgomery and Orland Park Illinois, and in Royal Oak, Troy, Ann Arbor, Lake Orion and Brighton Michigan.

Commercial Developer

Lormax Stern Development Company, LLC is a fully integrated commercial real estate firm specializing in the acquisition, development, and operational oversight of commercial properties throughout the continental US. Lormax Stern specializes in assets where value is created through superior market knowledge, asset expertise, detailed analysis, project specific business plans and methodical execution as an experienced investment sponsor.

The firm has supervised the acquisition and development of more than 50 commercial properties and retail centers across the country, with an aggregate gross leasable area exceeding 30 million square feet. Lormax Stern has an in-house development team, leasing specialists, property and asset managers, and legal counsel. The company's recent experience in the redevelopment of Evergreen Mall in Evergreen Park IL will be invaluable in the redevelopment of Charlestowne Mall.

Project Consultants

Engineering and Surveying

The firm of Jacob and Hefner has been retained for site engineering. This firm is very familiar with the mall property and has developed engineering plans for previous projects at the site. It has detailed plans and information regarding existing site utilities and structures and is well aware of how new grading and utility plans will need to be redesigned to accommodate the proposed new uses.

Planning and Landscape Design

The firm of Schoppe Design Associates has been retained for planning and landscaping design. This firm was also involved in previous attempts to redevelop portions of the mall and is familiar with the challenges that the site presents. Schoppe Design Associates has wide expertise in mixed use, municipal and commercial projects since 1997.

Transaction Attorney

Mark S. Cohn of Seyburn Kahn has been retained as the attorney for real estate matters. Mark is a well-known expert in the field of real estate law.

Tax Increment Financing Attorney

Richard F. Klawiter of DLA Piper has been retained as the attorney for the proposed TIF District. Richard specializes in tax increment financing law, is familiar with the project and was involved in a previous proposal to redevelop the mall.

Tax Increment Financing Consultant

Laube Companies has been retained as the TIF Consultant. This firm was also involved in a previous proposal to redevelop the mall and is familiar with the circumstances. Laube Companies specializes in

economic impact analyses, municipal finance transactions, and negotiation of municipal approvals.

Core Elements for Mall Redevelopment

There are three core elements that we believe are critical for the successful redevelopment of Charlestowne mall into a mixed use center:

First, a TIF needs to be established to pay over time for the estimated \$35M cost of demolition and reconstruction of site improvements that are necessary to accommodate new uses for the property. Although the developer will pay for this huge initial cost, a portion of the great increase in taxes that will come from the new developments on the property must be allocated towards this cost over a period of about 20 years. Without a TIF, redevelopment of the mall is not financially possible. Our TIF consultants have been working with the City's attorney and we now have a proposed TIF structure generally acceptable to all the parties. Once we are in agreement regarding a concept plan, the TIF can be structured in detail.

Second, a revenue stream must be created to pay for the cost of demolition over time. We have determined in our financial analyses that this revenue stream must come primarily from real estate taxes generated by at least 500 residential units, since these residences will be the largest source of tax revenue. Additional but smaller tax revenues will come from new commercial uses.

Third, Von Maur and Classic Cinema must form the core of the commercial area of the plan. We do not own those two properties and that means we have to work around them. They also have legally enforceable rights to parking areas surrounding their facilities. But more importantly, they are viable ongoing businesses that, although hammered by both the closure of the mall and the pandemic, have proven their desirability to St. Charles by surviving some pretty tough conditions. Redevelopment of the mall will allow these businesses to thrive and the presence of these existing businesses if properly incorporated into the plan will contribute to the success of mall redevelopment by acting as anchors. Anchors have the ability to draw larger numbers of patrons that can then support the smaller businesses.

Redevelopment Plan

The redevelopment plan for the St. Charles Mall can be summarized as the creation of an urban mixed-use shopping/dining/entertainment district integrated with townhome and garden apartment residential neighborhoods, flanked by a hotel and outlots along North Avenue, with all components interconnected by a network of pedestrian pathways.

The conceptual redevelopment plan for Charlestowne Mall includes the following elements:

- Demolition of all structures except for Classic Cinemas and Von Maur. Coopers Hawk restaurant and Starbucks/Verizon on the frontage outlots will remain as well.
- Demolition of most internal drives and parking lots that are not needed to serve the four facilities being retained.
- Demolition or relocation of most of the underground sanitary, storm, water, gas, electric and communication utilities that interfere with proposed new elements of the redevelopment plan.
- Existing stormwater detention basins in the northwest, northeast and southeast corners of the property will be retained, enhanced and incorporated into the redevelopment plan.
- The west entrance to the mall, the 38th Avenue entrance, the Smith Road entrance and the Stuarts Drive entrance will be retained and incorporated into the plan.

- The south portion of the Classic Cinemas building and the north portion of the Von Mauer building will be reconstructed, as the entrances to these buildings from the upper level of the former mall will no longer exist.
- Classic Cinemas, Von Mauer, Coopers Hawk and Starbucks will remain open during redevelopment.
- Three new retail and restaurant outlots will be created along North Avenue.
- A new pedestrian-oriented shopping/dining/entertainment corridor will be created from the central entrance to the Cinema.
- Plazas will be constructed within this district to provide a focal point and community gathering place.
- An outdoor amphitheater, ice cream stand and gazebo will be located within the plaza.
- A hotel pad will be created for a proposed new hotel of approximately 135 rooms.
- A lifestyle community of 3-story garden apartments will be developed with approximately 351 units.
- A lifestyle community of townhome apartments will be developed with approximately 209 units.
- A community center with pool will be centrally located and shared by the townhome and garden apartment communities.
- Parks, open spaces and playgrounds will be designed within the site.
- An interconnected system of pedestrian walkways will link all of the site elements.

Commercial Area and Urban District

The proposed urban mixed-use district will be anchored at one end by the existing Starbucks and at the other end by the existing Cinema. In between are restaurants with outside dining patios, specialty shops, the Von Maur department store with new entrances from the district, a food truck park, a large plaza, an ice cream stand, an amphitheater, and an event gazebo perfect for Santa Clause and the Easter Bunny. Examples of these amenities are attached to this project narrative. This new district is strongly pedestrian oriented with wide sidewalks along the street and parking out of site. It will provide a sense of place where both visitors and residents of the townhomes and apartments can come together to shop, dine, be entertained, attend a festival or just hang out in the plaza.

A proposed hotel is located in the western portion of the site across the street from the Coopers Hawk restaurant. This location provides both a convenient place to dine for hotel residents and provides the restaurant with new customers. It's also just a short walk for hotel patrons to the urban district and the Cinema. It's a great place to stay compared with most hotels where it's necessary to get back into your car for dining, shopping and entertainment.

The street parallel to North Avenue has been moved as far northward as possible while maintaining parking in front of Von Maur in order to expand the parking lot for Coopers Hawk and provide room for new facilities along the North Street frontage. Relocation of this street should solve the problem of overflow parking for Coopers Hawk needing to use the parking area across the street.

In order to handle traffic congestion at the primary central entrance to the site, a roundabout is proposed to handle traffic coming from 4 directions. The occasional morning backup that now occurs all the way to North Avenue from Starbucks will be eliminated by the creation of a much longer onsite stacking lane.

The proposed roundabout will provide a great foreground for the view of the restaurants and shops from North Avenue. A focal point feature will be located in the center of the roundabout surrounded with extensive low-height landscaping that won't obstruct the view of the urban district.

The existing vacant mall is located between the Cinema and Von Maur, which now have entrances from the interior of the mall. When the mall is demolished, the north façade of Von Maur and the south façade of the mall will need to be reconstructed to provide ground level entrances open to the outside. This reconstruction provides opportunities to create new entrances that open directly into ground level pedestrian plazas. The new Cinema entrance will be located at the western end of the large new plaza and the new Von Maur entrance will be located on a smaller plaza. These plazas will be connected by a major pedestrian crossing to tie them together.

The east and north sides of Von Maur will be at ground level. The south and west sides of Von Maur will be at the upper level, about 19 feet higher. Because of this difference in elevation, there cannot be a vehicle connection between the upper west parking lot of Von Maur and the lower parking lots below serving both Von Maur and the Cinema. Since an important goal of the plan is to create a pedestrian network linking all portions of the site, a wide pedestrian stair will be constructed off the northwest corner of Von Maur, providing walkable access from the hotel and upper parking lot to the plazas below and the entrance to the Cinema.

One of the challenges in working around Von Maur is the location of their loading dock off the northeast corner of their building. Unfortunately, this loading dock cannot be relocated. Since it is prominent on the new urban corridor we are creating, the only solution is to shield it from view. We have provided a concept rendering for how this can be done. Since it is also necessary to maintain the ability for trucks to back into the loading dock, we have positioned a drive across the street that serves the rear parking lots of the restaurants and shops that will allow the trucks to pull in before backing up.

The large plaza is intended as a focal point for the entire urban district. It will be visible from any point along the corridor from the entrance roundabout to the street west of the Cinema. The plaza will contain plentiful opportunities for seating and will be designed to provide a mixture of landscaping and paving areas. A park will be located adjacent to the plaza on its north side. Both the plaza and the park will provide a gathering place for visitors to the commercial area and the residents of the proposed apartments and will be suitable for festivals. The plaza will include an amphitheater that can be used for a variety of community events such as summer concerts. An ice cream stand will be available for refreshments. A partially enclosed gazebo can be used for a number of purposes such as holiday visits to Santa Claus. The design intent of the plaza is to create an inviting gathering place for shoppers, theatergoers, residents and visitors. Its location at the intersection of the commercial and residential areas will draw residents into the urban district and will help to integrate the residential and commercial areas.

The primary entrance to the residential neighborhoods of the site has been located at the central portion of the urban district, adjacent to the plaza. This entrance will lead directly to the community/leasing center for the residential portion of the site, integrating the mixed-use nature of the site with a direct vehicle connection between the residential and urban areas.

Multifamily Residential

The residential portions of the redevelopment plan are targeted to meet the market demand that is occurring from the shift in living preferences from ownership to rental among the entire range of ages from millennials to seniors. This growing demographic is known as "renters by choice" rather than renters by need. They can afford to purchase a home but prefer to lease. They prefer to live in the most desirable locations within a community, want social interactions where they live and tend to

heavily support local restaurants and services. In other words, they are the perfect choice for a mixed-use mall redevelopment.

3-story Garden Apartments

The garden apartment component of the community is primarily intended for millennials and younger professionals. Apartment units will contain the latest trends in appliances, finishes and technical features. Initial market research indicates a strong demand for garden style apartments in this location. A market study will be commissioned to provide recommendations for optimum unit sizes and mix, amenities and finishes. A conceptual rendering for the garden apartments we are currently constructing in Troy Michigan that have proven to be extraordinarily successful with the proposed demographic are included in the conceptual submittal.

Streets in the garden apartment neighborhood will have a village type of streetscape with parallel parking lanes along the curb, and the appropriate sidewalks, lampposts and landscaping.

Townhome Apartments

The townhome neighborhood of the site is intended for a wide demographic ranging from young professionals to empty nesters. Townhomes will be attached in 4-unit and 6-unit buildings. Each 2-story townhome will have a two car garage with additional parking spaces available on the garage aprons, which will have sufficient length to accommodate parking. These 2 and 3 bedroom townhomes will have kitchen, bathroom and living areas on the first floor and either two or three bedrooms with two bathrooms on the second floor.

Townhome buildings will be situated with front elevations having courtyard settings. Townhomes along the primary thoroughfare through the townhome neighborhood will have a side relationship to the street to avoid the view of garage doors. Guest parking will be available along one side of the street where driveways are not blocked.

Preliminary floor plans and elevations for the proposed townhomes are included in the conceptual submittal.

Community Center

A community building with exercise facilities, social gathering places and a pool will be available to the residents of both the garden apartment and townhome communities. A leasing center with onsite management will be situated in the community building as well. The Community Center will include a fitness area, meeting rooms, lounge with kitchen and fireplace, men's and women's bathrooms, shower area, leasing offices, a dog wash area and an outdoor swimming pool. Parks and open space areas will be provided adjacent to the community building.

Summary

The redevelopment plan for Charlestowne Mall will replace a vacant, blighted mall with a new exciting and successful gateway for the east approach to the City of St. Charles. The mixed-use concept plan, with its shopping/dining/entertainment district, residential neighborhoods and hotel, will provide an integrated community hub for visitors and residents alike, bringing energy and vitality to the site once again.

Plaza Examples







Amphitheater Examples





Gazebo Examples





Food Truck Park Examples





Sidewalk Patio Dining Examples





Von Maur East Entrance with Loading Dock Screening concept