

**MINUTES
CITY OF ST. CHARLES
PLANNING & DEVELOPMENT COMMITTEE
MONDAY, JANUARY 10, 2022 - 7:00 PM**

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

Members Absent: None

Others Present: Mayor Vitek, Heather McGuire; City Administrator, Russell Colby; Director of Community Development, Ellen Johnson; City Planner, Rachel Hitzemann; City Planner, Monica Hawk; Development Engineer, Allen Fennell; Building & Code Enforcement Manager, Asst. Fire Chief 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, Balla, Payleitner, Bongard, Bancroft, Lencioni, Pietryla, Wirball, Bessner, Weber

Absent:

3. OMNIBUS VOTE - None

4. COMMUNITY & ECONOMIC DEVELOPMENT

a. Presentation of a Concept Plan for Charlestowne Mall Redevelopment

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

Manny Kianicky from S.R. Jacobson Development Corp. gave history of S.R. Jacobson Corporation, reviewing communities completed and in the process of building in the Chicagoland area. Mr. Kianicky also introduced Lormax Stern Development Company, giving brief history of company.

Mr. Kianicky reviewed the challenges of redeveloping a vacant enclosed mall quoting Wall Street Journal which stated none of the options for mall make overs are easy. Mr. Kianicky discussed the core elements S.R. Jacobson believes is critical for a successful redevelopment of Charlestowne Mall into a mixed-use center would be a Tax Increment Finance District must be established. Without a TIF redevelopment of the mall is not financially possible. Sufficient tax revenues must be generated by the redevelopment to allow a portion of the taxes to be applied to the cost of redevelopment. This revenue must come primarily from real estate taxes generated from at least 500 residential units equaling approximately \$2.5 million

per year and smaller tax revenue from new commercial uses. Von Maur and Classic Cinema must form the core of the commercial plan as they are not owned by the developer.

Mr. Kianicky reviewed the revised concept plan presented.

Chair Weber opened up the floor to the Alderman for questions and discussion.

Ald. Bessner questioned buffering, why are the garden apartments on the east side and the 2 story townhomes surrounding the movie theater. Mr. Kianicky explained the detention ponds were a better setting for the townhomes. The detention ponds work better on the western portion of the property. This is the best layout.

Ald Bessner asked about landscaping around the movie theater perimeter. S.R. Jacobson has not included the landscape architect yet but the property will be fully landscaped.

Ald. Bessner asked why couldn't the Plaza be further southeast? Mr. Kianicky advised the Plaza is to be a focal point from everywhere along the urban restaurant corridor, seen from the cinema to the roundabout, also central to the residents. Next stage will also show more landscaping.

Ms. McGuire added she has received questions concerning the residential townhomes and garden apartments. She wanted to clarify that both the townhomes and apartments will be rental units. This was confirmed by Mr. Kianicky.

Ald. Wirball asked if developer would be willing to have the same concept of green space around the apartments. Mr. Kianicky advised they are open to it but in order to maintain the 500 units it may not be possible. Currently the concept plan has 1.77 parking spaces per unit, by adding more green space there would be less parking. Ald. Wirball thought the apartments appear to be too industrial without green scape. Scott Jacobson, S.R. Jacobson Development Corp., responded that their research and past developments show this design is what people are looking for in rental properties now.

Ald. Wirball asked if they have considered making a portion of the area a 55 and older active community. Ald Wirball asked if they would consider putting ranch townhomes on the end of the townhome units. Mr. Kianicky responded S.R. Jacobson is not willing to do that as it makes financing more difficult. Over 55 would require ranch units. S.R Jacobson is not willing to make ranch units as doing so would not allow for 500 units in development.

Ald. Pietryla thinks the use is fine, supports the TIF, but would like to see a better blending of the greenspace into the apartments. Ald. Pietryla confirmed with S.R. Jacobson that the food trucks will not be at the plaza all year.

Ald. Lencioni has concern about the layout of the site, such as the loading dock for Von Maur is very tight. At this point he still has a lot of questions, concern about density numbers, flow through the site, and needs a better understanding on how Von Maur is going to operate successfully. Plan doesn't meet enough of the city needs.

Mr. Kianicky questioned the concern of the city on density pointing out Prairie Center which has 670 units on 27 acres, this concept has 530 units on 82 acres.

Ald. Bancroft added density is a false flag issue, people are not excited about the project as presented. The plan has 3 separate quadrants, retail, townhome and walk up, and they don't integrate well. Ald. Bancroft added the plan is not interesting, there is no reason for someone to walk from townhomes and be over in the 3 story walk ups, they are 3 separate quadrants. Currently the first quadrant doesn't change the street scape on Route 64, still seeing parking lots. The solution was to put a bunch of stuff between the 3 quadrants, there are areas with food trucks, band shell, that won't be used 7 months out of the year. To make the site work maybe the developer has to buy out the theater and Von Maur. Ald Bancroft would like to see the street scape along Route 64 to look different than it does now.

Ald. Bongard asked what suggestions that had been made previously to S.R. Jacobson would not be considered. Mr. Kianicky responded items S.R. Jacobson is not willing to do consist of building residential over retail, intermixing townhome and apartment buildings, converting existing mall to apartments, developing a large entertainment venue, 11-acre park, reducing residential density, construct a ring row through residential neighborhood, build a Top Golf. These ideas have failed elsewhere and some don't make sense. Top Golf requires a 150-foot net fence which would not fit by a residential neighborhood.

Ald. Bongard asked what the average rent would be for the units and what is the demographic you are targeting. Mr. Kianicky answered the average rental price would be \$2600 to \$2700 per month. S.R. Jacobson has no doubt they will be able to rent these units. The Orland Park location is renting 4 months before units are complete. Average yearly income for renters is \$110,000.

Ald. Bongard asked when will apartment structures begin to build and how long before completion? Mr. Kianicky responded 18 months to start construction and 4 years to project completion. Ald. Bongard asked if S.R. Jacobson expects the City to hold off on other projects in the surrounding area to which Mr. Kianicky responded yes, at least.

Ald. Bongard has concern about the use of the space and the number of apartments. Feedback from residents in the 2nd Ward, apartments are not something they want. Mr. Kianicky responded that nobody else has had interest in this property since 2017. They cannot envision any other way to develop this property in order to cover the redevelopment costs.

Danial Stern, Lormax Stern Development, added having a department store is an asset to the city. It would be terrible for the city to lose. If the theater were to be demolished he doubts a new theater would be built to replace as he hasn't seen a new theater built for some time.

Mayor Vitek added she and Ms. McGuire have had conversations with the cinema and Von Maur and both are committed to staying in St. Charles.

Ald. Payleitner commented this is a good plan. She would support with TIF assistance. She asked that consideration be given to some affordable housing units. She looks forward to continued partnership with S.R. Jacobson and Lormax Stern Development.

Ald. Balla commented that after being asked to lower the count of units from the first meeting, the count went up from 532 to 560 units. Concern about density was discussed,

based on Pheasant Trails, the outer ring has 48 standalone buildings with 192 units, roughly the same square footage. S.R. Jacobson is presenting 50 buildings with 500 units. He expressed concern about the size of the park with the number of units, the parking, and commented that the plan is very dense and boring. Mr. Kianicky responded based on their experience, they estimate under 100 children would be living in the development.

Ald. Silkaitis added land use is good but it doesn't excite him and asked if he is correct on his understanding that S.R. Jacobson would request the city not approve other developments within the area over the next 4 years. Mr. Kianicky replied that is correct and questioned why the city would approve annexing other property when the mall property is an eye sore to the city and needs to be developed.

S.R. Jacobson asked the committee what they felt would make the plan more exciting.

Ald. Bongard responded stating less apartments. It's a good plan but the question, is this the best use of space? In speaking with constituents, they don't want to see 500 apartments.

Ald. Wirball added there is a building in Elgin where artists can live and work and also offers commercial art space. This could add some creativity to the area.

Ald. Payleitner does not understand what the comments of "not exciting" means. Developers are not lining up and we need someone with experience to take this on.

Ald. Lencioni added we don't have population density to the east to have supported the mall when built. I don't want to take a bad situation and make it worse. The city doesn't own the property, we have a problem that was given to us. I do not want to take risks when investing tax payer money. I am looking out for the best interest of St. Charles.

S.R. Jacobson responded this plan mitigates the risk for both St. Charles and S.R. Jacobson. In all the malls they have done, this is the one time that people don't feel the pressure to get rid of a mall.

Ald. Pietryla asked about the architecture style. Mr. Kianicky stated it is modern farmhouse with a bit of Scandinavian influence.

Ald. Payleitner likes that the plaza is tucked into the site, away from the noise of Route 64.

Ald. Wirball confirmed the plaza is open to the public and could be used by community functions.

Chair Weber opened the floor to public comment.

Tom Anderson, St. Charles resident and business owner, reflected on when the mall was built there were not many out lots. Commented on the make up of Route 64. The area with Von Maur and Coopers Hawk looks the same as now with no connection to the theater, adding 2 more free standing units, a nice round about, green space, the townhomes are away from Route 64 traffic. East of main entrance are apartment buildings with a lake on Main Street. This is creating a break from what is there now, this is about as good as what is going to come from anybody else. Decide on density, this is an improvement on what is there now. I like the plan.

Nancy Gardaphe, resident, Kingswood, St. Charles, conveyed concerns that an urban feel is not what she would like to see in St. Charles. Concern is rental property and TIF, if asking for money from the city does that negate the tax revenue. Also concern about congestion because of the density. Food trucks, amphitheater, should be more of a park for the residents. Has developer reached out to surrounding communities for their input and concerns?

Tom Esposito, resident, expressed concern the nearby school is already full, where are the kids from the apartments going to go? Would be nice to have residential units not all apartments. Asked if Section 8 would be in the development. Chair Weber explained there would not be Section 8. The city does have an ordinance for affordable housing, which is not Section 8.

Mr. Esposito expressed concern about all rental units and parking in the development.

Chair Weber ended discussion stating he hopes the developer has gotten answers and information needed.

b. Update regarding Crystal Lofts, 214 S. 13th Ave./1416 Indiana Ave.

Mr. Colby gave an update on Crystal Lofts. It has been confirmed the property is under contract to be sold, staff has been in contact with the purchaser to discuss their use of the property as light industrial or flexible use space. The buyer is in the process of doing their due diligence to understand constraints of the site and potential costs associated with the development. The staff is working with the new potential purchaser to facilitate information gathering and the city approval process in order for them to move forward.

Current owner has not done anything further to correct the site conditions.

Ald. Silkaitis asked about the timeline. He would like to know what the options are to proceed next month. Mr. Colby advised the potential buyer has a 60-day due diligence period from late December.

Ald. Wirball asked how long does the new owner have to correct the violations on the building. Mr. Colby responded that would have to be negotiated with the new buyer, they would have to address the immediate issues to make the property safe.

Ald. Bessner asked about the current fines on the property. Mr. Colby advised the fines will be recorded against the property. The expectation is the new property owner, in exchange for addressing the issues quickly, the city will be lenient in releasing the fines.

5. ADDITIONAL BUSINESS - None

6. EXECUTIVE SESSION - None

6. ADDITIONAL ITEMS FROM MAYOR, COUNCIL, STAFF OR CITIZENS. -

None

7. ADJOURNMENT

Ald. Wirball made a motion to adjourn at 8:58 p.m. Seconded by Ald Bongard.
Approved unanimously by voice vote. Motion Carried.