

**AGENDA ITEM EXECUTIVE SUMMARY**

Agenda Item number: 3c

Title:

Recommendation to direct staff to issue a Request for Proposals for First Street Redevelopment- Buildings 6, 7B and 8

Presenter:

Russell Colby, Rita Tungare

Meeting: Planning & Development Committee

Date: February 12, 2018

Proposed Cost: N/A

Budgeted Amount: N/A

Not Budgeted: ☐**Executive Summary** *(if not budgeted please explain):*

Based on direction from the City Council Workshop on Jan. 16, staff has prepared a draft Request for Proposals for the development of First Street buildings 6, 7B and 8.

Staff is looking for feedback and direction on the document, in particular:

- Section V: The City Interests
- Section VII: Developer Selection Process
- Section VIII: Selection Criteria (including the criteria and ranking within the list)

Based on direction from the Committee, staff will finalize the document for approval and can either bring the document back to Committee for further review, or provide the final version to City Council.

Attachments *(please list):*

Draft Request for Proposals document

Recommendation/Suggested Action *(briefly explain):*

Recommendation to direct staff to issue a Request for Proposals for First Street Redevelopment- Buildings 6, 7B and 8



Request for Proposals

DRAFT 2/8/18

For the development of:

**First Street Redevelopment PUD,
Building Lots 6, 7B & 8**

City of St. Charles, Illinois

I. Executive Summary

The City of St. Charles is seeking proposals from qualified developers to construct buildings on one or more of three building lots within the First Street Redevelopment Project in downtown St. Charles. The City is seeking development of mixed use, multi-story buildings to complete the multiple phase project. The City desires buildings that will extend the character of the adjacent First Street project and complement the surrounding downtown development.

Plans for buildings on these lots were approved as a part of a larger Planned Unit Development in 2006. The building plans contemplated three to four stories, with first floor commercial uses and upper level office and residential uses. Preliminary architectural drawings were also presented. Given the evolution of the project, other changes in the downtown area, and changes in the development market, the City is open to entertaining new concepts for these properties. In particular, the City is seeking to add additional residential units to better balance the mix of uses in the overall First Street project.

The intent of this Request for Proposals is to identify a qualified developer with appropriate plans that meet the City's interests for completion of the First Street Redevelopment. The City intends to solicit interest and select the developer that best meets the qualifications of this request, with the intent to enter into a Development Agreement with the selected developer.

II. Background/Introduction

The City of St. Charles, IL, located in Kane and DuPage Counties, is 34 miles directly west of Chicago, with a population of approximately 33,000. The City's historic downtown is located at its geographic center along the banks of the Fox River. The First Street Redevelopment project is located at the center of downtown St. Charles and is generally bounded by Main Street (Illinois Route 64) to the north, 2nd Street (Illinois Route 31) to the west, the Fox River to the east, and Prairie Street to the south.

Planning for the First Street Redevelopment began in the late 1990s through the creation of visionary planning documents. The City identified that the First Street corridor was underutilized and represented a significant opportunity to create a critical mass of mixed use infill development to complement the city's historic Main Street and riverfront. The vision of First Street is a mixed use, pedestrian-oriented environment that will attract patrons, residents, businesses, and visitors to enjoy the built and natural amenities of downtown St. Charles. The initial phases have been successful in achieving this vision.

The project began construction in 2007, and Phases I and II were completed in 2009. These phases included demolition of existing buildings, creation of new public infrastructure, the relocation and construction of a new Blue Goose grocery store, mixed-use Building 7A (BMO Harris Bank and apartments), and Building 4, a large structure comprised 4 stories, with retail (1st floor), office (2nd – 4th floors) and 400 public parking spaces. New public streetscape and open space enhancements were provided around the buildings to foster the desired pedestrian environment for First Street.

Phase III of the project began in 2015 and is currently under construction. Phase III is the property located east of First Street and north of Illinois Street, along the Fox River. This phase will include three mixed use buildings, with a 110-space public parking deck, a public plaza and a bi-level riverwalk. The buildings will be comprised of a mix of retail, office, and residential. Building 1 is completed and Building 3 is currently under construction. Construction of Building 2 will begin in 2018. Completion of this phase is anticipated in late 2019.

The remaining building lots in the First Street Redevelopment, identified as Buildings 6, 7B and 8, represent the final phases of the project. The City is seeking to capitalize on the current momentum and is seeking developers to partner with the City to complete the project.

More general information on the project can be found on the project website: <https://1ststreetstc.org/>

III. Site Information

Each building lot is owned by the City of St. Charles.

Location maps and plats of the properties are attached. Lots for each building were platted with the initial phases of the First Street project.

Building 6 lot

The Building 6 lot is located at the southwest corner of Illinois & First Streets and extends a full block south along First Street, and a half block west along Illinois Street. The Building 6 parcel is currently being used as a temporary public parking lot. The parkways along First Street and Illinois Street adjacent to the Building 6 parcel have not been improved, other than temporary/interim sidewalk improvements.

The Building 6 lot includes a portion of a permanent parking lot row that is shared with the adjacent Blue Goose Supermarket. Per a Declaration of Covenants, within this parking row, 31 parking spaces on the Building 6 lot are to remain for shared use between Building 6 and the Blue Goose store. A copy of the Declaration of Covenants is attached. This shared parking area also serves as a shared access drive to a right-in/right-out access point to Illinois Street.

Environmental contamination has been documented on the Building 6 lot. Materials excavated from the site may require special disposal. The contamination is thought to be centered at the north end of the lot, near the corner of First and Illinois streets. Preliminary information on the environmental remediation for Lot 6 is attached.

Building 7B lot and Outlot 4/Lot 14

The Building 7B lot is currently vacant and planted with turf grass. The parkway along First Street adjacent to the site has been partially improved with on-street angled parking and pedestrian lighting, with a temporary/interim sidewalk installed.

The Building 7B lot was planned to accommodate a building pad only, with pedestrian corridors for building access on the south and west sides of the building. A shared access easement agreement extends over the driveways located south and west of the building, which are shared with the building to the south (BMO Harris building/Building 7A) and the adjacent Blue Goose store.

Located immediately north of the Building 7B lot, Outlot 4/Lot 14 is a City-owned public parking lot currently improved with 19 parking spaces. Per a Declaration of Covenants between the City and Blue Goose Store, these parking spaces are to remain as public parking. The potential exists for the Outlot 4/Lot 14 parcel to be utilized in combination with the adjacent Building 7B lot.

The parkway along First Street adjacent to Outlot 4/Lot 14 has been fully improved with streetscaping.

Building 8

The Building 8 lot is located at the northeast corner of Illinois Street and 2nd Street (Illinois Route 31).

The Building 8 parcel is currently planted with turf grass. The parkway along the Building 8 lot, adjacent to 2nd St., is improved with a permanent sidewalk. The parking adjacent to Illinois Street is improved with a temporary/interim sidewalk.

The parcel was planned to accommodate a building pad only.

IV. Development Information

Zoning

The properties are located in the CBD-1 Central Business Zoning District. The Building 6 and Building 8 lots are also located in the Downtown Overlay Zoning District, which restricts first floor uses. Information regarding the zoning district can be found here: <https://codebook.stcharlesil.gov/title-17>

All properties are within the 2006 First Street Redevelopment PUD, which imposes further limits on the first floor uses within the buildings to a limited list. A summary of the First Street PUD regulation applicable to the lots is attached.

Plans for the development of each building lot were approved in 2006. Information and copies of the approved plan documents are attached.

Building Design Guidelines

The City adopted Design Guidelines for the First Street project in 2002. The Design Guidelines can be viewed here: <https://1ststreetstc.org/documents/>

The City has also adopted Design Standard and Guidelines in the City's Zoning Ordinance: <https://codebook.stcharlesil.gov/title-17>

The Building 6 and Building 8 lots are located within the City's Historic District. Exterior architectural plans are subject to the review of the Historic Preservation Commission at the time of preliminary plan presentation, and are subject to the review for a Certificate of Appropriateness at the time of building permit.

Parking

The City is sensitive to the parking impact of these additional buildings, in terms of both the existing parking supply and new parking demands. The City anticipates a need for additional parking to be accommodated within the new buildings, in particular for residents.

Underground parking was planned in the basement level of Building 6 (35 spaces), in addition to the 31 parking spaces within the shared parking lot with the Blue Goose store. No additional parking was previously planned to serve Buildings 8 or 7B.

The properties are located in the City's Special Service Area 1A, which provides for the maintenance of public parking to serve the downtown. From a code compliance standpoint, new buildings or uses within this SSA are not required to provide off-street parking.

At the northwest corner of Illinois and First Street, across the street from Building 6 and adjacent Building 8, is a 400+ space public parking deck. A smaller 110-space parking deck is located at the northeast corner of the intersection. A number of other smaller surface lots exist in the vicinity.

TIF District

The properties are located in Tax Increment Financing Districts. The building 8 lot is located in the First Street Redevelopment TIF district (2002) and the building 6 and building 7B lots are located in the Central Downtown TIF district (2015).

The TIF districts were established primarily to fund improvements to make the building parcels developable, including the costs of reconstructing roads and infrastructure serving the lots.

Utility Information

City utilities (water, sanitary sewer, electric) are available at, or adjacent to, each building lot. The following information is provided on a preliminary basis only for reference:

Building 6:

- Water Services (2" and 4") stubbed at southwest corner of the lot. Watermain is also available along the First Street frontage of the lot.
- Sanitary Sewer is located along the First Street frontage, Illinois Street frontage, and the driveway along the south boundary of the lot.

- A electric transformer has been placed to serve this building, located west of Lot 6 within the shared parking aisle.

Building 7B:

- Water Services (2" and 4") stubbed at southwest corner of the lot. Watermain is also available within the driveway along the south boundary of the lot.
- Sanitary Sewer is located along the First Street frontage.
- This building has access to a transformer located west of the lot.

Building 8:

- Watermain is located along the Illinois Street frontage (in the parkway)
- Sanitary Sewer is located along the First Street frontage and Illinois Street frontage.
- This building has access to a transformer located east of the lot.

V. The City's Interests

The City has identified the following primary interests with respect to the remaining phases of the First Street project:

- Expeditionary construction and completion of all three buildings.
- Market-responsive uses in the buildings, with a preference for commercial use on the street level, and a preference for residential uses on the upper levels.
- Quality architectural designs that complement the surrounding development.
- Building square footage (in combination of all buildings) that meets or exceeds the overall square footage of the 2006 plans.
- Adequate accommodation of parking.

To accomplish these interests, the City will entertain:

- Conveying the property to a developer for a minimal cost, in exchange for the developer assuming the site development costs.
- Proposals for one, two or all three buildings to be constructed.
- Modifications to building height or placement. Such as:
 - Including Outlot 4/Lot 14 parcel to enlarge Building 7B, for example, by extending the building over the parking lot.
 - Reducing the footprint of Building 6, to potentially open up the corner of Illinois and First Streets to improve visibility of adjacent businesses.
- Changes to the PUD restrictions. Such as:
 - Changes to the first floor use mix, which may vary by building.

- Changes to building height. A total height of 55 ft. would be comparable to surrounding buildings. The City is open to considering more variation in the building height based on a specific building design.
- The incorporation of public or private parking to serve the buildings.
 - Private basement level parking was planned to serve upper floor uses in Building 6.
 - An opportunity may exist for first floor parking within Building 7.
- Potential to incorporate other adjacent property into one or more of the buildings (with the authorization of the respective property owner(s))

The City is seeking the developer to:

- Complete any necessary environmental remediation.
 - The cost of remediation of the Building 6 site has been estimated at \$120,000 for permitting and remediation work.
- Install remaining public streetscape improvements, based upon designs consistent with other areas of the First Street project.
 - The City has estimated the cost of the Building 6 streetscape at \$550,000 (for design and construction).
 - The cost of the Building 7B and 8 streetscape improvements have not been estimated, but these improvements will be primarily hardscape sidewalks and landscaping.
- Pay all customary permit and impact fee costs, including:
 - Building Permit fees.
 - School and park land-cash dedications for residential units.
 - Utility connection fees.
 - Kane County Department of Transportation Impact fees.

VI. Submission Requirements

Three physical copies and an electronic copy of the proposal, to include the following information:

1. Names, address and contact information for developer.
2. Information regarding the developer entity, including disclosure of officers or members.
3. Information regarding any potential conflicts of interest, including any relationship to any City official or staff member.
4. Identification of members of the developer's team, including engineers, architects or contractors.
5. Information regarding previous similar project experience, with specific examples, and information regarding public financial assistance for the projects.

6. Plans for long-term ownership and management of the building(s).
7. Narrative description of the design intent for the project and the target market for commercial and residential tenants.
8. Preliminary level plans for the buildings, including:
 - a. Scaled site plan showing building footprint and any other improvements on the lot, with a concept layout for streetscape or other public space improvements on the lot or within the adjacent street right-of-way.
 - b. Scaled preliminary floor plans for each level of the building, with uses identified (Configuration of the interior of individual units is not necessary)
 - c. Scaled preliminary level architectural elevations for all sides of the building, with colors and materials identified.
 - d. Scaled cross sections of each building, with ceiling and building height labelled.
 - e. Tabulation of the square footage and unit counts for uses within each building.
9. Project schedule for initiating and completing construction of each building.
10. Projected construction value for each building.
11. Suggested business terms for the Development Agreement.

VII. Developer Selection Process

The selection process will include the following steps:

1. Submission of proposals
2. Evaluation of the proposals by City Staff, based upon the criteria identified herein.
3. Selection of a shortlist of by City Staff.
 - a. Developers selected for the shortlist will be asked to provide financial information as determined by the City, sufficient to demonstrate the developer's capacity to successfully undertake and complete the project.
4. Interviews of shortlist by City Staff. This interview may involve representatives of the City Council.

5. Selection of finalist(s).
6. Presentation by the finalist(s) to the City Council or a City Council Committee.
7. Direction from the City Council for City staff to proceed with negotiating a Development Agreement with the selected developer, based on the suggested business terms.

Note the City shall not be obligated to accept a proposal and reserves the right to reject all proposals. The City also reserves the right to negotiate with a developer on the terms of the Development Agreement. The City is not responsible for any costs incurred by developers submitting or presenting proposals.

VIII. Selection Criteria

The City has identified the following criteria to evaluate responses to this Request for Proposals. The criteria are not assigned specific point values, but rather are listed in descending order of importance:

- Expeditious schedule for approval and construction
- Developer's track record for similar projects
- Construction of all 3 buildings, including parking accommodations
- Construction value of buildings
- Need for City financial assistance
- Conformance with Design Guidelines
- Need for additional PUD Deviations

IX. Project Approval Process

The project approval process will require the following steps:

1. Developer submits plans for zoning entitlements for review and recommendation from the Historic Preservation Commission and Plan Commission (A public hearing before Plan Commission may be necessary if the PUD ordinance requires amendment).

2. Presentation of the zoning entitlement applications and a draft Development Agreement to the City Council or City Council Committee for approval.
3. Approval of the zoning entitlements and Development Agreement by City Council.

X. Additional Information

Contact Person:

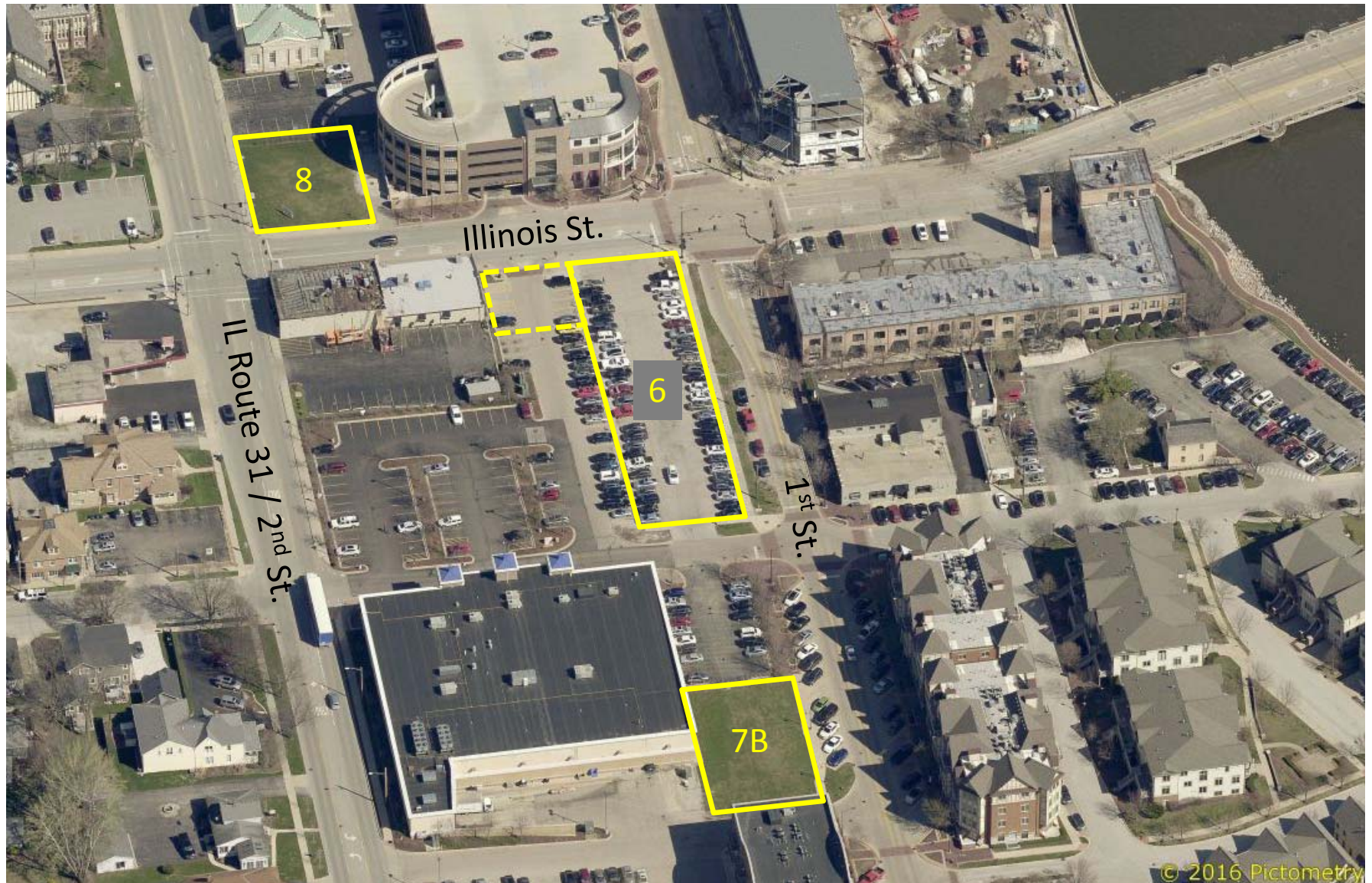
Rita Tungare
Director of Community & Economic Development
City of St. Charles
2 E. Main St.
St. Charles, IL 60174

(630) 377-4443
rtungare@stcharlesil.gov

XI. Exhibits

1. General Site/Location Maps
2. Plats of Survey
3. 2006 PUD plans for Buildings 6, 7B, 8
4. Declaration of Covenants, Conditions, Restrictions and Easements (affecting Building 6 and Outlot 4/Lot 14)
5. Grant and Declaration of Easements (Affecting Lot 7B)
6. School and Park Land-Cash Dedication Worksheets
7. Schedule of current building permit and utility connection fees
8. Information on Environmental Remediation for Lot 6
9. Summary of applicable First Street PUD information

First Street PUD - Future buildings 6, 7B, 8 approved in 2006



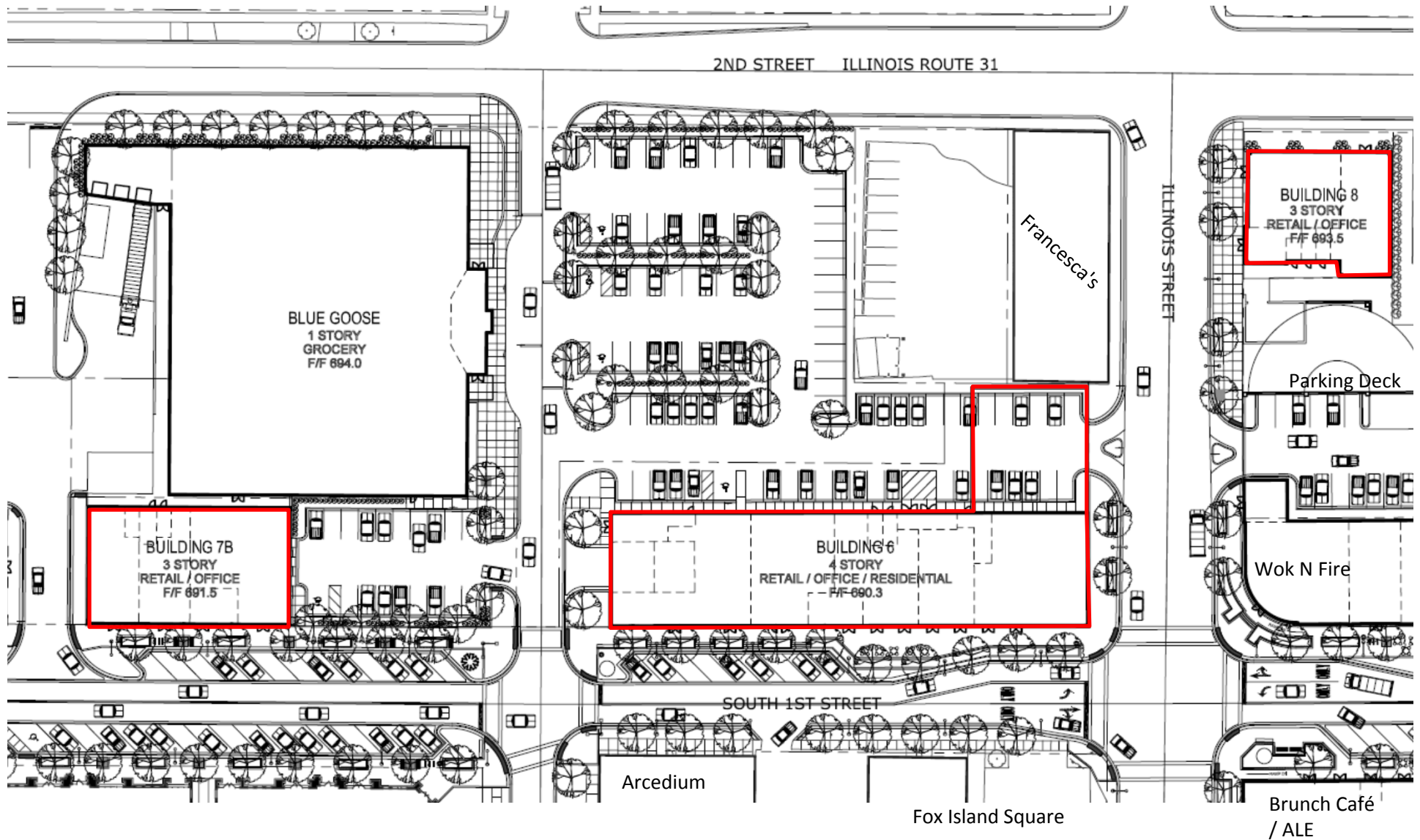
Parking Information



*Per 2007 Declaration of Covenants between City, Lot 6 owner (currently City) and Blue Goose

2006 Approved Site Plan

North →



First Street PUD –Buildings 6, 7B, 8 approved in 2006

Bldg.	Parking	Floors	Uses per floor	Square feet per floor	Total Building Square footage	Building Height	Residential Units	Flexibility to change uses under existing PUD:
#6	35 private spaces in basement; 31 shared spaces in row behind building (existing)	4	1 st floor: Commercial 2 nd floor: Non-Residential 3 rd floor: Residential 4 th floor: Residential	13,753 18,866 18,866 18,866	70,351*	55 ft. *	1 Bedroom: 8 2 Bedroom: 14 TOTAL: 22	First floor uses restricted per PUD use list (see below) Upper floors can be residential, non-residential, or office, subject to revised Preliminary Plan approval (no public hearing required)
#7B	None	3	1 st floor: Commercial 2 nd floor: Non-Residential 3 rd floor: Office	6,327 6,572 6,540	19,439	50 ft.	None	
#8	None	3	1 st floor: Commercial 2 nd floor: Non-Residential 3 rd floor: Office	4,387 4,660 4,660	13,707	49 ft.	None	

*Building #6 PUD Deviations: Building square footage in excess 40,000 square feet; building height in excess of 50 feet

First Floor Uses:

- Permitted without limitation: *Art Gallery/Studio, Coffee or Tea Room, Live Entertainment, Restaurant, Retail Sales, Tavern/Bar*
- Limited to 25% of the combined gross leasable area of the first floor of each building in the project: *Cultural facility, Indoor Recreation and Amusement, Personal Services (salons), Theater, Local Utility*

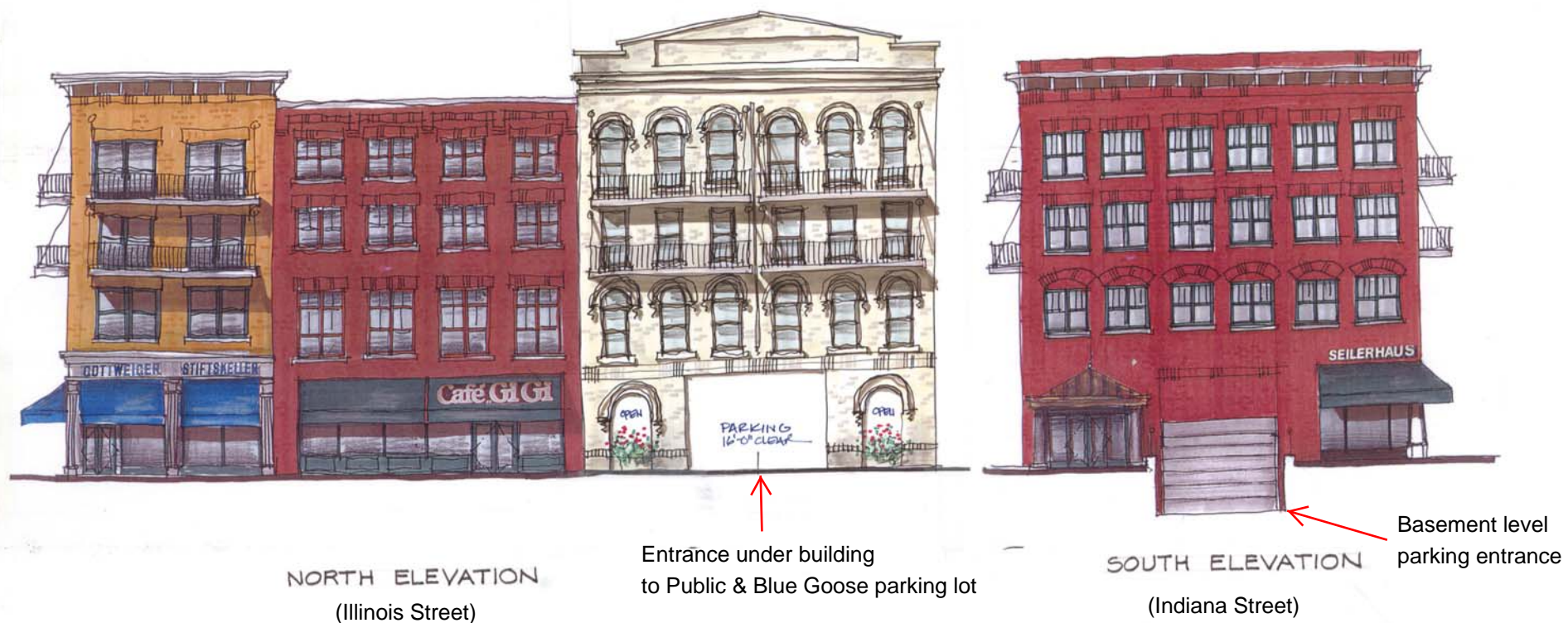


EAST ELEVATION (First Street)



WEST ELEVATION
(facing Blue Goose Parking Lot)

BUILDING NO. 6





EAST ELEVATION

(First Street)

SCALE 1/8"



WEST ELEVATION

(Facing Blue goose)

SCALE 1/8"

BUILDING NO. 7B



NORTH ELEVATION

SCALE 1/8"



SOUTH ELEVATION

SCALE 1/8"



SOUTH
(Illinois St.)



EAST
(Facing Park Deck)



WEST
(2nd St./Rt. 31)



NORTH
(Facing Doc Morgan lot)

BUILDING NO. 8