

Executive Session Minutes for Release - July 2017

City Council

None

Government Operations

- October 20, 2014

Government Services

- July 23, 2012
- April 23, 2012

Planning and Development

None

**EXECUTIVE SESSION MINUTES
CITY OF ST. CHARLES, IL
GOVERNMENT SERVICES COMMITTEE
MONDAY, APRIL 23, 2012**

Members Present: Chairman Stellato, Aldr. Monken, Payleitner, Turner, Rogina, Martin, Krieger, Bessner, Lewis

Members Absent: Aldr. Carrignan, B. Townsend

Also Present: Mayor Dewitte, M. Koenen, R. Gallas, P. Suhr, K. Dobbs

1. Call to Order

Mr. Koenen convened the meeting at 7:55 p.m.

2. Land Acquisition

Mr. Koenen: This item deals with the Dunham Hunt House. As you recall, last fall, when we talked about the Dunham Hunt House, we had an offer on the table. That offer no longer exists. We pulled the Dunham Hunt House off the market for the winter season and we are putting it back on this spring, pursuant to the guidance you offered.

When Peter had a conversation with Kobrink who is currently representing us, he had suggested how serious we are in selling the property. We currently have it listed at \$249,000. They are saying it may take some time for the property to sell at that price. If we want to be patient and wait for the economy to change, that's fine. If we want to be aggressive and sell the property, they are suggesting we lower the price to \$199,900 to try to attract new interest on the parcel.

Tonight we are seeking your direction regarding what latitude you may want to authorize staff in regard to the listing price. I should also let you know since Brian is not here tonight, I've had this conversation with him and he has suggested we seek counsel from another real estate office to get another opinion and considering changing agents. We are in the process of doing that now.

We want to ask you the question as to how aggressive would we like to be in selling the property?

Aldr. Monken: What are the maintenance costs on it?

Mr. Koenen: We did a study on that property three years ago. At that time, they were suggesting structural improvements were at \$250k to \$300k. We are not putting any money

into the building right now except for basic maintenance; i.e. mowing the grass, keeping the heat on, snow shoveling, and we walk through the building every so often just to make sure there is not a leak or vermin in the building.

Mr. Suhr: We spend \$15,000 to \$20,000 on an annual basis.

Aldr. Bessner: So if a homeowner wants to buy it, they have to spend over \$200k to fix it?

Mr. Koenen: They don't have to fix it up, but they are issues to be dealt. People live in worse environments, but I would guess that people moving to St. Charles, in particular that neighborhood, are going to want to spruce it up.

Aldr. Bessner: But there are no historical aspects? From what I remember, they can't tear it down, right?

Mr. Koenen: Right. There is a five year moratorium on removal and if they took a building permit out and it affected the exterior of the building, you would have to go through Historic Preservation just as anyone else who lives in that area.

Aldr. Bessner: That alone could be a huge cost.

Mr. Koenen: It could impact the price, depending on what the findings were.

Chairman Stellato: Did we talk about a contract sale at all? The reason I'm suggesting that is whatever price we come up with, we might want to advertise it as that we would accept a contract sale. If any of us want to buy that house today, we go to the bank to borrow the money, there is no collateral. The house isn't worth anything, so you would have to have cash in hand and not many people today have the cash to buy the property and fix it. If you offer a contract sale, someone can come in and pay for it monthly from the city, we continue to hold the title of the property, they continue to fix it up, we allow them to slowly buy it over time – it might be more attractive. All I'm suggesting is in the end, whatever dollar amount you say, let's consider a contract sale. I think it helps the market.

Mr. Koenen: We are trying to find ways to make it attractive.

Mr. Gallas: We haven't turned anybody away. Anyone who has shown any interest, we've shown a genuine desire to have them provide whatever proposal they think is a reasonable offer.

Chairman Stellato: As far as the price, I have no problem with you lowering the price, and I think we should wait to see how a second opinion is.

Mr. Koenen: Is there a minimum threshold you want us to stay at, or do you want to wait to see what the second opinion is?

Chairman Stellato: Wait for the second opinion.

Mr. Koenen: Okay, we have the direction we are looking for. Thank you.

No further discussion.

3. Adjournment

Executive Session was adjourned at 8:00 p.m.

Charles Amenta, City Clerk

**EXECUTIVE SESSION MINUTES
CITY OF ST. CHARLES, IL
GOVERNMENT SERVICES COMMITTEE
MONDAY, JULY 23, 2012**

Members Present: Chairman Stellato, Aldr. Monken, Payleitner, Turner, Rogina, Martin, Krieger, Bessner

Members Absent: Aldr. Carrignan, Aldr. Lewis

Also Present: Mayor Dewitte, B. Townsend, M. Koenen, R. Gallas, P. Suhr, K. Dobbs

1. Call to Order

Mr. Koenen convened the meeting at 7:57 p.m.

2. Land Acquisition

Mr. Townsend: We have two topics for discussion tonight; Mark is going to handle the first one and it pertains to the sale of the Dunham Hunt House.

Mr. Koenen: We met in Executive Session at the April GSC meeting and talked about the status of the house. We were considering using an alternative real estate firm and adjusting the asking price. Peter Suhr has followed up with a new vendor, and has talked about the pricing structure.

Mr. Suhr: We met with Marion Bovari from Keller Williams. After doing an appraisal, she did confirm that the \$199,900 price point was a good starting point. Their listing broker fee is 1/2 % higher than the previous company that we worked with, and the cost is about \$1,000 difference.

Mayor DeWitte: Are we still mandating the minimum requirements that need to be invested if they buy this property?

Mr. Koenen: We have mandated they cannot take the house down for five years and we are telling them what the improvements are. It's up to them to perform the improvements; we are not requiring that they do that, but we are expecting they will since they are buying the land.

Mr. Townsend: We had a discussion when we had a previous offer about changing the terms of the sale, that's all gone now. We are back to square one. In essence, there will be restrictions on demolition of the home, but the sale price will be the sale price and if they want to make an offer with conditions, we will bring that to the Council for consideration.

Chairman Stellato: What is the commission rate?

Mr. Suhr: The commission rate was 5% on the listing broker, 2 ½ for the buying agent.

Chairman Stellato: That is fair.

Mr. Townsend: Some of you may be familiar with the realtor that was mentioned; she sends out a quarterly publication, so we felt it was time to find someone whose niche is historic properties.

Aldr. Bessner: So the \$199,000 is right on?

Mr. Suhr: Yes; \$199,900.

3. Adjournment

Executive Session was adjourned at 8:25 p.m.

Charles Amenta, City Clerk

**EXECUTIVE SESSION MINUTES
CITY OF ST. CHARLES, IL
GOVERNMENT OPERATIONS COMMITTEE MEETING
MONDAY, OCTOBER 20, 2014**

Members Present: Stellato, Silkaitis, Payleitner, Lemke, Turner, Bancroft, Martin, Krieger, Bessner, and Lewis

Absent:

Others Present: Mayor Raymond P. Rogina, Atty. John McGuirk, City Administrator Mark Koenen, and Peter Suhr,

1. Call to Order

The session was convened by Mayor Rogina at 7:35 p.m.

2. Land Acquisition

Mark Koenen: Tonight we are here to discuss the 1st Street and Kohlert project and I'll let Peter talk about this.

Peter Suhr: This is a follow-up from a few weeks ago when we met and at that time the Kohlert property was offered to us at a total cost of \$300K. At that time we had direction to move forward and get an appraisal done on this property. That appraisal came back from RVG, LLC at a value of \$160K. Mark did a nice job of laying out the summary he gave you and that summary also included an assessed value of \$169K. We are off the mark with regards to the asking price and where the appraised value came in. I did have a conversation with Mr. Kohlert and told him we were getting an appraisal and shared the numbers with him. He was very polite but said he would probably pass on providing another offer to us. So that's where it sits today.

The other thing we were asked to do was to identify how much the spaces costs for the VFW lot. For the VFW parking lot it was about \$13,500 per space for that particular one and with the asking price we are at \$30K per space for this particular lot of \$300K.

All: Not in favor of pursuing any further.

Ald. Martin: 415 S 1st Street is the Kohlert building and I see that Discount Tire is building a new building – will they be moving?

Mark: No that's a different business. They did improve the Discount Tire building façade right next to Mr. Kohlert's property.

Ald. Krieger: When last we met there was some discussion about putting diagonal parking in across the street from this; is that still a viable option?

Mark: That's certainly an option and something we would budget for if it would be a choice. I think we shared that as a function of cost and that would perhaps be a lot cheaper and you would get about the same number of spaces.

Ald. Krieger: The only thing I would add to that is the tire people will probably use it and won't have to park their cars up on Second Street.

3. Adjournment

The executive session was adjourned at 7:38 p.m.

Charles Amenta, City Clerk