

**MINUTES
CITY OF ST. CHARLES, IL
PLANNING AND DEVELOPMENT COMMITTEE
MONDAY, APRIL 11, 2011 7:00 P.M.**

Members Present: Chairman Stellato, Ald. Penny, Krieger, Martin, Bessner, McGuirk, Monken, Carrignan, Lewis

Members Absent: Turner

Others Present: Mayor Donald P. DeWitte; Brian Townsend, City Administrator; Rita Tungare, Director of Community Development; Bob Vann, Building and Code Enforcement Manager; Chris Aiston, Director of Economic Development; Fire Chief Mullen; Matt O'Rourke, Planner;

1. Call to order by Chairman Stellato

Chairman Stellato asked to have the Four Season – CIC Grants, Items 6 thru 10 moved on the agenda to be discussed first.

- 6. Four season - Corridor Improvement Grant for McDowell, Inc.**
- 7. Four Season - Corridor Improvement Grant for Hometown Storage**
- 8. Four Season - Corridor Improvement Grant for Reber & Foley**
- 9. Four Season - Corridor Improvement Grant for Warwick Publishing Companies**
- 10. Four Season - Corridor Improvement Grant for Gabby's Kitchen and Phillips 66**

Mr. O'Rourke said these grants for \$1000.00 each are towards small landscape improvements. He explained these have been budgeted separate within different budget years and five were budgeted for FY10/11. The Corridor Improvement committee reviewed these grants and recommended approval.

Ald. McGuirk referred to the improvements for Reber & Foley and asked if this will be affected by the IDOT's widening of the roadway. Mr. O'Rourke advised that staff reviewed the plans and believe the improvements will be sufficiently setback out of the ROW.

Ald. Carrignan made a motion to recommend approval for the Four Season Grant for McDowell, Inc.; Hometown Storage; Reber & Foley; Warwick Publishing Companies; and Gabby's Kitchen and Phillips 66. The motion was seconded and passed by unanimous vote.

2. Comprehensive Plan – Recommending Approval of Contract for Services from Houseal Lavigne

Chairman Stellato recalled this item had been tabled and advised that a motion will be needed to remove from being tabled and allow for discussion.

Ald. Carrigan made a motion to place the Comprehensive Plan – Recommending Approval of Contract for Services from Houseal Lavigne back on the table. Ald. Penny seconded the motion.

Voice Vote:

Ayes: Monken, Penny, Carrigan, McGuirk, Lewis

Nays: Martin, Krieger, Bessner

Absent: Turner

Motion Carried.

Chairman Stellato said he requested to have this item brought back to the Committee for discussion. He recalled when the petition for St. Charles Towne Centre was before the Council it was discussed that any future projects with large land mass should be prepared so the Comprehensive Plan gives clear direction to the developer and residents regarding the City guidelines. Chairman Stellato acknowledged that this issue needs to be discussed with regards to cost.

Ms. Tungare reviewed a power point presentation discussing the background of the Comprehensive Plan, the need to again update the plan, and how the consultant was chosen and they could assist with the project. She advised the proposal with the consultant is not to exceed \$163,884.00 which includes a 5% contingency over the basic cost for travel, overhead, etc. Staff will continue to seek grant funding. She said \$130,000.00 is budgeted in the current FY 10/11 budget and the remainder of funding has been projected in remaining FY 12/13 budget. She advised a task force will be created to work with staff and the consultant and public participation will be held throughout the process. The updated plan will then be reviewed by the Plan Commission, Planning & Development Committee and then the Council will be responsible to conduct a public hearing to adopt the plan. Ms. Tungare reviewed the benefits for a proactive mode regarding the vision and expectations for strategically located parcels. She said the Comprehensive Plan also currently lacks clear direction for parcels along Main Street.

Ald. Bessner referred to the dollar amount for the consultant and asked if any of the work can be done in-house. Ms. Tungare said the proposal contemplates City staff will be working with the consultant and that has been taken into consideration. She said she anticipated 60% of staff planner Russell Colby's time will be involved with the process. Ald. Bessner asked if there were any examples showing adverse impact on how the current Comprehensive Plan would affect development. Ms. Tungare referred to the struggle with the Applied Composite site needing to piece-meal components, along with difficulties with St. Charles Towne Centre, Oliver Hoffman, and the Delnor Woods where staff did not have clear direction or vision. She said there were multiple occasions where statements were made indicating the comprehensive plan was not aligned with the development proposal and not consistent with zoning on the property. She commented

that this is not a place the City wants to be. Ms. Tungare stated that it would be beneficial to have a vision in place and established as development proposals come through so we are not in a reactive mode. Ald. Bessner asked if the City could wait a year to approve the contract based on the economy. Ms. Tungare said it would not be advisable to wait another year as the process will be 18-24 months. She said that is valuable time and that the Community Development Department now has available time to embark on and allocate resources. Ald. Bessner said it comes down to costs verses being proactive. He said he is not sure what changed from January to this point, and what will change within the next few months to accept the cost now.

Mayor DeWitte commented that this is the opportunity to move forward with this process since there is no development currently proposed. He asked why it would be beneficial to wait another year. Ald. Bessner stated that when looking at the budget situation and what it may be next year, 6 to 12 months is not a long time. The Mayor asked if he was unsure where the City was with the budget. Ald. Bessner responded that he is familiar with the City's budget.

Ald. Martin said he is not secure with the budget as some revenue issues have not been addressed. He said he agrees with Ald. Bessner regarding what has changed from January to make this a feasible item. He also agrees that 6 months might be a better time to bring back for discussion.

Ald. Carrignan noted the executive summary indicates \$130,000.00 has already been budgeted and accrued in the current fiscal year. Ms. Tungare confirmed that is correct. Ald. Carrignan noted in the FY11/12 budget only \$33,884.00 will be needed to complete the contact. Ms. Tungare said that is correct. Ald. Carrignan noted that \$5,000.00 was just approved for CIC grant funding and he stated that the Comprehensive Plan is critically important to the City. He stated that if the Committee cannot move to approve \$33,000.00 for a 20-year plan, this shows a lack of leadership of this Council. Ald. Martin questioned if the \$130,000.00 needs to be spent by April 30th. Mr. Townsend said the practice has been that if funds are budgeted but not spent by April 30th they can be carried over to following fiscal year. He said they do not have a negative impact on the City's financially and this happens regularly where there is a legitimate reason to move to another year.

Ald. McGuirk asked staff if there are prospects for grants opportunities. Ms. Tungare said the City has applied for the Kane County Community Development Block grant for \$10,000.00. She said last year it was allocated for a different project. This year it again has been requested but the City has not heard back yet. She said they would continue to seek other opportunities. Ald. McGuirk said he agrees the Comprehensive Plan needs to be updated but does not think waiting 6 months will be harmful since there is no development going on at present.

Ms. Tungare said if current funds are rolled into the next fiscal year (\$130,000.00) they would not incur any additional burden on the budget for 12/13FY. She provided a correction on her contract agreement with Ald. Carrignan that \$33,884.00 would be the additional cost in FY 11/12. She stated that the \$33,884.00 would be in FY12/13 and not FY 11/12. She said with the project schedule the majority of the costs will not be

incurred until the end of summer or beginning of fall. If the project were initiated now this would help to do a lot of the legwork the first 3-4 months and no public meetings would be held until fall.

Ald. Penny stated she was on the committee reviewing the Comprehensive Plan in 1996 and recalled it was a very tedious process and stated this is long over do. The Zoning Commission also noted the Comprehensive Plan was out of date at that time. She said with the amount of money being considered now, there is no reason to put this off. If this is put off for political reasons, her opinion is that is a mistake.

Ald. Carrigan clarified that \$130,000.00 is accrued now; no expenditures are expected in the coming year, and the 2012/13 budget will pick up the \$33,000.00. Ms. Tungare said that is correct. He asked for confirmation that more money was approved for plantings tonight then what would be on approving the contract for the Comprehensive Plan for FY11/12. Ms. Tungare said that is correct. Ald. Carrigan stated that as a former Plan Commission member the Comprehensive Plan is the most important document the Commission has and it is used as a guide. He asked what kind of leadership is being showed to the citizens that volunteer for the Plan Commission if they are not given the tools to do the job and articulate a vision for the City that is 20 years out. He stated this is future of the city, the land use future, and critical to long-term health. He said that 20 years ago this was a totally different community and it has changed immeasurably. He said the City is now in a time where we are landlocked and a number of significant properties are not called for in the Comprehensive Plan. He said the plan needs to give guidance as development moves forward. He said the best time to plan for development is when it is not here instead of reacting to it, and a plan should be articulated now so the City is prepared and the Plan Commission knows what the vision is.

Chairman Stellato asked to have the process explained regarding areas that are undeveloped and the impact on neighborhoods, and what opportunities a citizen will have to participate in discussions to help plan the future of their neighborhoods. Ms. Tungare said there will be a meeting with staff initially to familiarize the consultant with the lay of the land (demographics and boundaries). Staff and the consultant will then review data and map preparations for the first vision exercise. A community wide visioning exercise will introduce the project to the community and prepare for the future charrettes and vision exercises which will be held for particular areas. A hands-on workshop for sub-areas of east gateway, west gateway, downtown, and the Main Street corridors, will be held. The consultant is flexible and will work with the task force to put together details of the format. At this time it has not been determined if or how invitations will be sent to the public and key stakeholders from sub-areas to give input. The consultant, task force, and staff will then take the information and develop plans. The plans will then be shared through a workshop with the community. This will involve a couple meetings. After the plans have been shared, the plans will again be revised to incorporate the comments from the community. This will then proceed to the Plan Commission for a public meeting or multiple meetings, then to the Council.

Mr. Dan Gardner, Houseal Lavigne Associates, said this is will be an interactive opportunity for the community throughout the entire process. A web based outreach, a website dedicated to the project, questionnaires on-line, opportunity to offer feedback,

and all documents will be posted to the website. He said social media as well as hard copy documents would be available. All this will be available throughout the process. As community meetings are needed they will be held. He said the creation of the website is free of charge.

Ald. Krieger asked what the requirements would be for the Task Force members. Ms. Tungare said specific requirements have not been established at this time; however they anticipate some members of Plan Commission and Council to participate. Mayor DeWitte added that members of the general public would also be considered.

Ald. Lewis asked if a consultant was used for the last update of the Comprehensive Plan. Ms. Tungare said a former City staff person had assisted with the plan in 1990. Mr. Townsend added that when the Comprehensive Plan was updated in 2008 for review of the Applied Composites site LandVision was used for that process. Ald. Lewis asked if staff could start and then use the consultants as needed. Ms. Tungare stated that to get a quality product with this kind of process staff might not have the expertise to do work in-house. She said it would be extremely valuable to have the consultant from day one and be an integral part of the process. Benefits will be a neutral 3rd party perspective on the vision wanted for St. Charles. She said the consultant is familiar with the design and consensus buildings processes, as they have worked for various communities in different settings. They have ways to develop consensus-building processes and it is important to be involved from the beginning to understand the community. The proposal assumes that staff will be doing some of the data collection. Ald. Lewis asked if the City waits does the cost stay the same. Ms. Tungare said the consultants have been extremely gracious as when the proposal was negotiated last fall they kept the price the same until this April. She said she couldn't guarantee the price will remain the same for another year. Ald. Lewis agrees this update needs to be done but is not sure it needs to be done right now.

Ms. Kim Malay, 526 S. 16th Street, noted that as a City employee she was involved with the plan amendments in 1996 and 2008, and being active in the community as a representative of residents from her neighborhood, she is asking that they reach out to the public similar to how the Applied Composites site was handled. Invitations should be mailed to give the public a chance to speak at the beginning of the project to voice their opinions of what they want to see. She said residents have expressed their concerns. She noted the Oliver Hoffman property has been before Council a number of times and denied because the people have stressed what they want.

Ald. Bessner reiterated that his concern is the budget and questions if this is the right time to do this.

Ald. Martin made a motion to table this item for six months to have additional time to consider and gain more funding from revenue sources.

Ald. Lewis stated six months may be too long and recommended three months.

Ald. Bessner seconded the motion of Ald. Martin to table for six months.

Ayes: McGuirk, Martin, Krieger, Bessner,

Nays: Monken, Penny, Carrignan, Lewis, Stellato
Absent: Turner
Motion Failed

Ald. Carrignan said he feels there is a lack of leadership in this Council. He reiterated that this issue is critical to the long-term vision of the City. It has already been funded for 80%. Ald. Martin commented that the money does not have to be spent. Ald. Carrignan this is critical for the City, \$5000.00 was approved for plantings, and he said he is missing the logic behind this. Ald. Martin acknowledged that Ald. Carrignan is strongly in favor of approving funding for the Comprehensive Plan update to move forward, and he just as much opposed to spending the money. He believes he has just as much logic for not spending the money as members do for spending it. He said City spending needs to be cut even more. Ald. Carrignan said he has been Chairman of the Government Operations Committee for the past two years working on cutting the budget and keeping it so money is not wasted and this issue is an investment in the Community and long-term health and vision of the community.

Ald. Penny said she is amazed that the Council would not spend \$33,000.00 in order to have a plan in place and avoid a position of reacting to everything and this gives the Plan Commission and developers direction. She stated no one knows when the economy is going to turn around and the City needs to be in a position to be ready. She agreed the Community should be allowed to give input and this is something the consultant can do. She said in the past there was not a consultant and she understands this will be much better having professional help from the consultant.

Ald. McGuirk said he is hearing concern with regards to the amount of money and no development proposed at this time, so he would like to review in three months. He said he does not see any harm waiting the three months. He said he is hearing all members agree that the update of the Comprehensive Plan is needed, but this is not the opportune time.

Ald. Carrignan made a motion to have the Comprehensive Plan recommend approval for contract services from Houseal Lavagine. Ald. Monken seconded the motion.

Voice Vote:

Ayes: Monken, Penny, Carrignan,
Nays: McGuirk, Martin, Krieger, Bessner, Lewis.
Absent: Turner
Motion Failed.

Ald. Carrignan made a motion to table this item to the Planning and Development Committee meeting on Monday, May 9, 2011 at 7:00pm in the Council Chambers.

Mr. Townsend stated that the motion to fail needs to have action carried through by the City Council. Ald. Martin said the only action that could be taken is for a member of the majority to make a motion to reconsider. Mr. Townsend said that was correct.

Ald. Lewis made a motion to reconsider the motion. Ald. Carrignan seconded the motion.

Ayes: Monken, Penny, Carrignan, McGuirk, Lewis
Nays: Martin, Krieger, Bessner,
Absent: Turner
Motion Carried

Ald. Carrignan made a motion to table this item to the Planning & Development Committee meeting on Monday, May 9, 2011 at 7:00pm in the Council Chambers. Ald. Penny seconded the motion.

Ayes: Monken, Penny, Carrignan, McGuirk, Krieger, Lewis
Nays: Martin, Bessner
Absent: Turner
Motion Carried.

Ald. Martin stated that had the motion to reconsider not been made this issue would have been before the City Council as a “no” recommendation. He asked for clarification that this will come back before this Committee. Chairman Stellato confirmed that was correct.

3. Consider Retail Sales Tax Reimbursement to Incentivize New GMC/Buick Dealership at 1421 E. Main Street

Mr. Aiston presented a power point presentation and reviewed the project narrative for a retail sales tax reimbursement request. He said this request is for the City to reimburse the dealer for 50% of 1-cent municipal sales tax to the point of reaching \$450,000.00 or for a period of 10 years, which ever occurs first. Based on sales projections, the \$450,000.00 will have been disbursed before a full six years have lapsed, after which the City will retain 100% of the sale tax revenue.

Mr. Emir Abinion, 38W395 Heritage Oaks Drive, St. Charles, said he is requesting assistance to reopen the Buick/GMC dealership. He discussed his professional history including owning Fox Valley Volkswagen and it having the fourth highest sales of all VW dealerships in the State of Illinois. He also stated that two years ago he was approached by Volkswagen to purchase the competitor in Schaumburg. He said sales tripled in 2 years. He acknowledged the difficulties at the former St. Charles GMC/Buick/Pontiac Dealership before its closing having several different owners and not being able to be a viable business in the community. He is confident he can reestablish this dealership, however he cannot do this on his own. Chairman Stellato asked for clarification on how he was selected for this dealership. Mr. Abinion said they were looking for someone who had ownership with similar situations, and basically he was selected due to his performance at two stores he had purchased in the past. He said GMC contacted him 8 months ago and initially he refused; however they continued to negotiate with him. He believes it is the fact that he has had the experience of turning around dealerships.

Mr. McGuirk asked who would be owner of the property. Mr. Abinion said the bank has taken title to the property. The final documents of the lease will offer the option to purchase the property within the first 10 years, with a 10-year initial lease and three five-year options. He said he does plan to purchase the property and the previous owner will be completely out once the deal goes through.

Ald. Carrignan agreed this is prime location for a dealership.

Ald. Carrignan made a motion to recommend approval for the sales tax reimbursement agreement terms as reflected in the narrative and direct staff to prepare the formal Sales Tax Reimbursement Agreement with Emir Abinion. The motion was seconded and passed by unanimous vote.

Mr. Aiston suggested the discussion for Volume Cap be moved next on the agenda since a representative for Sears was not yet present.

4. Recommendation to Approve an Ordinance Reserving Volume Cap in Connection with Private Activity Bond Issues and Related Matters

Mr. Aiston explained how the City can induce a bond sale or transfer our volume cap allocation to Batavia and have Batavia induce one bond and share in the benefit. He informed the Committee about the Tek Pak organization.

Mr. Tony Beyer, Beith Road, explained the functions of his business and their focus. Ald. Carrignan asked if they develop the process at the Research and Development Plant and then process over to the Batavia facility. Mr. Beyer said that was correct.

Ald. Carrignan made a motion to recommend approval of an ordinance reserving volume cap in connection with private activity bond issues and related matters. The motion was seconded and passed by unanimous vote.

5. Consider Retail Sales Tax Reimbursement to Incentivize Sears Home Appliance Showroom at Foxfield Commons

Mr. Aiston acknowledged that there was not a representative from Sears present. Ald. Krieger asked if discussion should proceed if there was not a representative from Sears in attendance to answer questions. It was discussed to move to this item to the Government Operations meeting next week. Mr. Aiston noted that Neil Johnson, the broker and representative for the property owner was present.

Mr. Neil Johnson, 3120 Raphael Court, St. Charles, said Sears submitted this proposal to owners Keith Kotche and Hank Harrison after they considered numerous properties in the area, not all within St. Charles. He said terms were agreed upon with economic incentives on a small scale. The store in consideration is approximately 5,300 sq. ft in floor area (former Block Buster). Sears intends to sell high-end appliances. The owners have indicated to Mr. Johnson that this is a time sensitive issue as other proposals are being considered. They would prefer to have Sears at this location. The proposed lease is for five years with two five-year extension options. Sears is considering two other locations, one being in West Chicago with a substantially less rental rate than what is being negotiated at Foxfield Commons. Mr. Aiston agreed he was also advised regarding

sensitivity with timing, as there is an outstanding letter of intent with another retailer that Mr. Kotche will need to rescind this week.

Chairman Stellato asked if they do not have enough time to table this item to Government Operations Committee and then bring to Council, can they table to Council and have a decision made at that point. Mr. Townsend said that would be acceptable. Ald. Penny suggested giving approval under the terms that Sears attend the Council meeting in order for it to move forward. Ald. McGuirk commented that after reviewing the material given to the Committee he is not certain this needs reimbursement from the city and he questioned how the Council will handle other petitions that come forward with the same request. Mr. Aiston said it clearly needs to be understood that there will be exceptions to keep this from establishing precedence. He noted these challenging economic times cause for aggressive measures to fill retail space. Ald. McGuirk recalled discussion that indicated there is other interest for this space. Mr. Aiston stated this user is slightly different. Ald. Martin said he is concerned about the request to go directly to the Council next week without Committee approval and would not want this to become a standard process. He said the purpose of the Committee is to address concerns. Mr. Aiston asked if he could go forward with his presentation and then have the Committee decide if this should proceed to Council. Ald. Martin said he would prefer to see this go to Government Operations first.

Mr. Aiston presented a power point presentation noting location, projected retail sales tax, why this site was chosen and the benefits of this retail space for the City, details of the reimbursement request, and potential sales tax. Mr. Aiston emphasized the benefit of filling the highly visible and strategically situated space along the City's East Gateway commercial corridor.

Chairman Stellato asked for clarification that if they sell anywhere from \$1 up to \$1.6 million they get no sales tax rebate. After they reach \$1.6 million Sears will get a percentage of the tax that they pay the City up to \$10,000 for one year, and for no longer than five years. Mr. Aiston said that was correct and the maximum they will ever get out of the rebate is \$50,000.00.

Ald. McGuirk acknowledged this appliance store is unique but may need to rethink the "but for" concept. Mr. Aiston suggested stating the retail space must be 10,000 sq. ft or larger and the need to prove market demand. He said guidelines could be drafted with flexibility. He commented that if this appliance store goes to West Chicago it would be very difficult to get another appliance store on the east side. Chairman Stellato asked Mr. Aiston to prepare criteria that the committee could utilize with review for another smaller user. He asked to have that available at the next meeting. Mr. Aiston said these can be any number of criteria, including requiring some of the rebate money to be used towards physical, exterior building or landscaping improvements that are above code requirements.

Ald. Penny made a motion to approve the sales tax reimbursement agreement as reflected, and direct staff to prepare a formal agreement with Sears with the caveat that they attend the Council meeting for the Council to decide if they will accept

what the Committee has decided. The motion was seconded and passed by unanimous vote.

The meeting adjourned at 8:35 p.m.