

**MINUTES
CITY OF ST. CHARLES, IL
PLANNING AND DEVELOPMENT COMMITTEE
MONDAY, DECEMBER 10, 2012 7:00 P.M.**

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

Members Absent: None

Others Present: Mayor Donald P. DeWitte; Brian Townsend, City Administrator; Matthew O'Rourke, Planner; Russell Colby, Planning Division Manager; Chris Tiedt, Development Engineering Manager; Bob Vann, Building & Code Enforcement Manager; Chris Minick, Director of Finance; Chris Aiston, Director of Economic Development; Joe Schelstreet, Acting Fire Chief; Michael Mertes, Economic Development

Robin Jones-City Attorney

1. CALL TO ORDER

The meeting was convened by Chairman Carrignan at 7:00 P.M.

2. ROLL CALLED

Roll was called:

Present: Stellato, Monken, Payleitner, Turner, Carrignan, Rogina, Martin, Krieger,
Bessner, Lewis

Absent: None

Chairman Carrignan welcomed the students from St. Charles East High School.

3. FIRE DEPARTMENT

- a. Recommendation to extend the Residential Sprinkler Moratorium until January 1, 2014.

Chief Schelstreet said this is a request to extend the moratorium; on Jan. 1, the Residential Sprinkler Code requirement would have gone into place, as it was passed on July 19, 2010 by City Council. He said at this time the State Fire Marshal has put a request before the Governor to upgrade the State code from the 2000 edition of the life safety code to the 2012 edition and if that is adopted, it will make Residential Sprinklers the law of the land. He said that process is somewhat in depth and the Governor has not released it yet, but once released it will go to the Joint Committee on Administrative Rules (JCAR), then a 45 day period for public input, 45 days for the State Fire Marshal to reply and then a vote would be taken.

Aldr. Rogina asked if there is a feeling among the hierarchy of Fire Chiefs throughout the suburbs as to whether this statute might pass. Chief Schelstreet said currently the State Fire Marshal feels very confident that it would be successful, in which case it would a law of the state that it would be required. In August the State Fire Marshal sent out a reminder that the State code represents the minimum code of the land and the city would be required to enforce that.

Aldr. Martin made a motion to extend the Residential Sprinkler Moratorium until January 1, 2014. Motion was seconded by Aldr. Rogina. No additional discussion. Approved unanimously by voice vote. Motion carried.

4. COMMUNITY DEVELOPMENT

a. Presentation of a Concept Plan for 1915 W. Main Street (McDonald's).

Tracey Kasson-Rathje and Woodward Law firm-said McDonalds desires to demolish and rebuild the existing building and since this is a PUD, a Concept Plan is required to come before the Committee and has already gone before the Plan Commission. He said the current facility is 4,500 sq. ft. with a single drive thru and is on approximately 1 acre. He said the surrounding area is primarily commercial but to the south is multi-family with a directly adjoined parking lot. He said the proposed building would be oriented in the east to west direction along Main St. with the front facing east and the rear facing to the west. He said the building would be approximately 5,235 sq. ft. and will circulate counter clockwise with a one-way circulation. He said it will have 2 curb cuts instead of 4 and will contain 49 parking spaces along with 2 handicapped spaces. Circulation for the drive-thru would include 2 menu boards that split off, with one for ordering, and then circulate to the south to a pay window, then a pick-up window and a third window called the "pull forward" window for orders that take longer. He said it meets the stacking requirements of 15 spaces and is a much more efficient drive-thru system which is standard prototype being developed nationwide. He said the trash corral and recycling would be at the southwest corner of the site as a masonry enclosure with gates and there would be an outdoor patio with a water feature. He said they would be requesting a deviation on the south side; right now there is a chain link fence with no landscaping and a zero yard setback, and what is required is 10ft. They need to request 5ft. since it adjoins a parking lot and some open area and it would also enable them to get some more landscape foundation on the north side of the building, which staff felt was a good accomplishment. He said 52 parking spaces are required by the city's code and they would be providing 49 spaces, which would be more than adequate because of the more efficient drive-through system. He said the building elevations and the wall signage are very attractive with brick veneer walls, cultured stone arcades, awning and roof caps, metal trellises above the drive-through and the mechanical equipment would be screened by a metal parapet. He said the entrances would be on the north side, the other would be the east side which is the non-drive-thru side. He said the city's code only allows for one wall sign for each public street and since they only have frontage on Main St. they need a deviation because their prototype buildings all across the area contain the stone arcades with the logo sign, the McDonalds signs on the 2 entrances, and the west elevation. He said the rationale behind the request is that they are well under the 177 sq. ft. and the monument sign that will replace the existing sign will meet the code.

Keith Demchinski- Landscape Architect-Norris Design –explained the landscape plan for the site. He said it would be a significant upgrade in landscape as to what is there now. Trees will be along the frontage on Main St., with additional foundation landscape and a mixture of ornamental,

evergreen and canopy trees throughout the site. He said there is a retaining wall proposed on the south edge of the site but that there are a few deviations being requested; one is in the foundation landscaping because they are not able to meet all the foundation trees because they are one short due to the drive-through; there is a 75% requirement for front landscaping and they are exceeding that requirement, there is also a 50% requirement for the rest of the building sides where they are currently 8.5 linear ft. short; the street frontage will be short 12 ornamental and evergreen trees. He said the water feature would be just to the west of the outdoor seating area and will be visible from Main St. and will consist of a mixture of limestone and river rock around the pond. He said the landscape material will all be native to compliment the cultured stone of the building façade.

Mr. Kasson said the fence being proposed on the south side would be board on board and that the Plan Commission requested some similar fencing on the east and west side, but that they would meet with staff regarding that before submitting their package. He said he thinks it meets all the requirements for the PUD, the purposes of the PUD, the creative approach to landscaping, enhanced architecture, enhanced landscaping, the outdoor areas, water feature, less impervious area, eliminating 2 curb cuts and some innovative stormwater design.

Aldr. Rogina asked how long, from the time of demolition to up and running, the new building would be. Mr. Kasson said about 3 months and that the one in Batavia was done in even less, about 70 days.

Aldr. Lewis asked if this design is the same as the one in Batavia. Mr. Kasson said the elevation is similar as far as the brick veneer and stone arcades.

Aldr. Bessner asked how tall the fence would be on the south side and if it's to eliminate the light from headlights. Mr. Kasson said 6ft. and yes the board on board is to eliminate the light and there will be about 2 ft. between the drive thru lane and the relatively narrow fence with maybe a bit of sod.

Aldr. Turner said the elimination of the curb cuts is a really good idea.

Chairman Carrignan said the city does not like to do one lot PUD's. Mr. Kasson said he is aware but that the main reason is due to the deviations needed for the sign code. Chairman Carrignan said he thinks those are all workable along with the landscape issues, but what the Comprehensive Plan calls for on the west side is cross access between lots. He said he likes the 2 curb cuts but pushing a left out of the west side may be challenging and that west out of the east side might be more appropriate, and maybe on the west side having east out due to the cluster of driveways there. He said he would really like to see a conversation about cross access. Mr. Kasson said there are a number of hurdles on the west side and they will lose significant parking. There is already a problem with Beef Shack customers parking on their lot, and it would really affect the one-way circulation. Chairman Carrignan said he would consider having a right-in and then only a right-in to go into the Beef Shack lot and not exit out of that lot and he thinks that is important to look at. Chairman Carrignan asked if there is an escape lane behind the drive-thru. Mr. Kasson said yes, there would be.

Aldr. Stellato asked if there would be any type of cross access to the driveways for the shopping center across the street. Mr. Kasson said he would include those in the next go around to see how they line up. Aldr. Stellato said he agrees with the cross access easement to the west and that he doesn't have any problem with the signage, square footage being lower is good and that he is generally supportive of the application.

Aldr. Monken had no comments.

Aldr. Payleitner had no comments.

Aldr. Turner said he supports it.

Aldr. Martin said he supports it.

Aldr. Krieger had no comments.

Aldr. Bessner said he supports it but that he doesn't know that it would be aesthetically correct to have fencing around 3 parts of the property because it would cause a complete block off.

Aldr. Lewis said she supports it.

Chairman Carrigan said he supports it also, and he thinks the variances are doable but he would really like to see the cross access easement addressed. Mr. Kasson said they will look into it but he thinks it will be challenging. Chairman Carrigan said the reason for concept plans is to point out the challenges.

- b. Recommendation to approve a Map Amendment, Amendment to a Special Use for a Planned Unit Development, and a PUD Preliminary Plan (Corporate Reserve Multi-Family Residential).

Paul Robertson- JCF Real Estate- 8608 W. Catalpa-Chicago, IL-said the last plan seen was at 317 units in 15 residential buildings plus a clubhouse on 20.3 acres of the project, which includes 2 story buildings on the west to buffer the housing to the west. He said they are now asking for approval of the elimination of 86 units and 4 buildings on the east side of the project, which is now 231 units and occupies 14.6 acres of the parcel. He said they have approval from the Housing Commission of a \$1.3 million contribution or 13 units and that has not been reduced with the reduction of the units. He said by removing those buildings it gives them an additional 5.7 acres to use for the current office zoning and that it is just for illustrative purposes and is not a request for site plan approval for the 3 buildings; it just shows that given the same footprint they could potentially fit 3 more buildings on that. He said the apartment property now at 14.6 acres is a smaller component of the overall mixed use development with over 100,000 sq. ft. of single story offices, over 45,000 sq. ft. of multi-story office, which would be 16.5 acres of the site, and the retail/restaurant component along Main St. is 4.5 acres of the site. With the reduced apartment component it really becomes a balanced mixed use development. He said they believe the multi-family piece will drive demand for additional office and will create demand for the restaurant and retail out in front and with the 3 components working together it will have a synergistic effect in accelerating the whole development of the site.

Aldr. Bessner asked if they foresee when additional office space build-out would occur. Mr. Robertson said trying to lease with 25 acres of vacant land next door does not help but he believes with all the people, energy and activity they will be in a better position to lease the office and it certainly drives more use along Main St. as far as restaurant/retail in addition to the discretionary spending in the businesses across the street. He said he would like to give an exact number of years but he is not sure. Aldr. Bessner said he is trying to decipher whether it's a plan that's in place or if it's just moving stuff around. Mr. Robertson said it's not moving stuff

around, they are just trying to anticipate the demand, but that the 2 buildings that they have preliminary approval for would be moving first out of the site.

Chairman Carrignan noted for public record that he received 2 more pages of petitions with 19 additional signatures.

Aldr. Krieger said back in August she had asked about the payment of the property taxes and that she now sees that the County records show that the tax bill actually went into tax sale and it makes her wonder about the financial liability of the project and whether or not the owner of the property feels responsible for the taxes and if they are paying their fair share. Mr. Robertson said it is true that the taxes have not been paid and have been sold but that they do have every intention of making them current before May when the 2012 taxes will be up again. He said this project certainly gives them more ability to pay the taxes.

Aldr. Lewis asked for a memory refresher on the rent collection for each apartment layout. Mr. Robertson said market studies show it at about \$1.45 per sq. ft. and the average is 900 sq. ft. He said the plan has 16 studios, 156 1-bedroom units and 145 2-bedroom units, so at a 960 sq. ft. average, it would be about \$1,300 for a high end apartment. Aldr. Lewis asked how many garages. Mr. Robertson said each building has 8 individual garages and with 10 buildings there are 80 garages so not everyone will get a garage. He said that their market study shows that they should be at around 25% of enclosed parking for upscale rental, and that Amli on the east side is about the same ratio.

Kim Malay-526 S. 16th St.-said she is the president of the Near West Neighborhood Association, she said she is addressing concerns on both project being heard tonight. She said there seems to be a message from some at the City regarding those residents that take the time to involve and address their concerns and she knows that is not coming from the City Council, but it still reflects on the Council. She said the message is that there are only a few residents who have concerns, that they do not want anything built, that they are anti-development, that they do not give any direction of what they would like to see, that they believe there is an unending line of developers that would just be waiting to build here, and at times that they do not even know what they are talking about. She said to start with, she finds that attitude very disrespectful, and that many of us have taken a lot of time to get educated on the issues and to help inform those that have joined us, some have worked hard to circulate petitions that have generated thousands of signatures between 2 and 3 petitions. She said they have spent years attending these meetings and have followed the proposed developments from the beginning, and have never said do not build anything, and even though some choose to minimize their voice and efforts, they have even offered suggestions. She said she finds it interesting that the city's very own survey which was used to assist and justify in the Red Gate Bridge construction expresses the very same opinions that those of us have that have attended these meetings, that these high density developments are not wanted. She said the survey says 83.2% do not want apartments, 80.3% do not want townhomes, and it even shows that 71.5% do not want single-family and the survey claims to address the feelings of 95% of the residents. She said if this is the case, she thinks it's safe to say that there are not just a few residents with these concerns and with all of that being said she asked how many is enough before we are taking seriously. She said they realize economic times are tough and that there are not a zillion developers waiting to develop these properties but that it should not mean these should be developed just to develop. She said we are not saying to not develop ever, but are just asking for respectful, responsible and appropriate quality development; developments that will enhance their neighborhoods, not be a detriment. She said these 2

developments are extreme when it comes to their proposals and are not out in open areas but are within older existing neighborhoods and next to existing developments, some of the residents have lived in their homes 10, 20, 30 and even 50+ years and they know what they are living/moving by and never imagined that the use would change. She said others have bought more recently, but bought with the understanding of what the approved use was, as in the example of Corporate Reserves, which was office and retail, and they never imagined it could change to a high density residential development. She said again, that they realize times are tough, but that only begs the question more, why the push for high density, the market is not there and why sacrifice office and retail space for residential when the city's survey shows that 57.2% of the residents feel more office use is needed and 70.2% want more retail space, especially when there are properties in the surrounding area that have been conceptually approved for multi-family and there has been no interest on those. She said the developers on both Corporate Reserves and Lexington knew what they were getting into, and granted as previously stated by Mr. Stillwell that the developers were given the direction by some at the city, but that was not by the City Council nor is it the Council or the residents fault. She said during the Comprehensive Plan discussion at the Task Force meeting held on Oct. 30, the Task Force discussed the type of density appropriate for proposed developments and although there has not been a final decision regarding the two developments, it was clear that the feeling tended to be that the density should blend with the surrounding area, and in her opinion if the two proposals had come forward with a more appropriate density, they would have passed without a word being said; instead the last few developments being proposed have had such extreme density levels it has woken up the residents and they have realized they must take action. She said tonight there are three different sections of the west side joined together to address their concerns and some from other areas of the city as well. She asked the Committee that as their elected representatives, to please do what is best for the community now and in the future and look at what the impacts will be both positive and negative. She asked if that is what the Committee wants their legacy to be, and if not then the committee should deny the developments as they are proposed because they are not what is best in the end.

Aldr. Payleitner asked about the number quoted from the survey and said they do not match what Ms. Malay said. Ms. Malay said the undecided get put into the negative column. Aldr. Payleitner said she sees them broken out as "greatly needed", "needed", "neutral", and "not needed". Ms. Malay said right and they were told that the "neutral" and the "not needed" were supposed to be put together. Aldr. Payleitner said why would "neutral" be added to "not needed" and that the reality is that 56% of 435 people said that they prefer not to have rental apartments. Ms. Malay said and that is supposed to address 95% of the resident and that is in the survey as well. Aldr. Payleitner said she does not see that and that she only highlighted what was applicable for that evening.

Aldr. Payleitner said she appreciates the efforts put out on the petitions but that she feels verbally that some rumored information put out there by a resident via email and an article in The Patch claiming the Mayor's involvement and Section 8 housing may have been communicated to signees. Ms. Malay said there has been no discussion regarding Section 8 housing because they know that is not the case. Aldr. Payleitner said she is sure that is the case for Ms. Malay but how could the other residents that received that email or read the article in The Patch not be swayed and that it puts a taint on the signatures because the date the signatures are verified for is the same day, December 6, as the email from the resident. Ms. Malay said those are for Corporate Reserves and she had nothing to do with that so she cannot say anything. Aldr. Payleitner said

Corporate Reserves is what is being discussed right now on the agenda and that she was only asking because Ms. Malay made reference to it in her speech. Ms. Malay said that type of attitude honestly minimizes the efforts of the residents. Aldr. Payleitner said no, it makes her think twice because of all the rumors and it skews things, not that she thinks anything less of the residents or signees but that it is tainted. Ms. Malay said a lot of the people for Corporate Reserves have attended a lot of these meetings and have continually addressed their concerns before those emails or articles were even put out there. Chairman Carrignan said he agrees with Aldr. Payleitner because Section 8 housing has never been heard the entire time that Corporate Reserves has been discussed but yet there are emails that mention Section 8 housing and that if Ms. Malay is allowed to use that temperament than Committee is allowed to as well. He said someone out there is spreading inaccurate information and that Committee is to find the facts and accurate information. Ms. Malay said she agrees and it is up to them to educate the residents.

Aldr. Rogina said Aldr. Payleitner makes a good point and in regard to the survey, it is clear that almost 50% of the populous are against apartments, give or take a percent or 2, he thinks the Council needs to take into their own minds what neutral means as a decision is made. He said it does not mean that 85% are necessarily against the apartments.

Vanessa Bell-Lasota-1610 Howard St.-Said to Aldr. Payleitners comments for clarification in reading the survey, it does refer to the percentage of the small number being extrapolated to represent 95% of the population and that is the survey measurement tool, so if it is trusted for one project it should be trusted for all. Aldr. Payleitner said in all fairness she did not use it for the Red Gate Bridge either.

Ms. Bell-Lasota said there have been a number of petitions that have come forward to the city and many times these questions do come up and at some point the hearsay need to be trusted less than the signature. She said she believes when a resident signs a petition they take it quite seriously and she feels it's dangerous ground to stand on to start questioning what information those signatures received to cause those residents to sign the document. She said when treading in that area it's dangerous waters and how far does that go every time a petition goes forward to question the body of those petitions. She said as one who has gone door to door, the energy and the dedication that it took the people to write that petition correctly for Corporate Reserves and to strive to present the information correctly is a charge given to the petitioner that is taken seriously and she just does not want the doubts to cast a pall on the energies of so many. Aldr. Payleitner noted that there are signatures on the petition that also match the emails, so it is not just a coincidence. Ms. Bell-Lasota said she didn't know what Aldr. Payleitner was talking about in regard to the emails.

Orazio Difruscolo-282 Birch Lane-Remington Glen- said he was the one that sent the email regarding the rumors and he was not accusing the Mayor of anything, he is just looking for the truth and that was why he sent it directly to Council and the Mayor. He said he did delete the sender because she is not the publisher of the rumors, which also was shown in The Patch. He said he went door to door and his signature is also on the petition and people do not want the apartments and it has nothing to do with the rumors. He said he was not a coward; he went directly to the Council and Mayor for answers. Chairman Carrignan asked what his questions were. Mr. Difruscolo said the rumors are that there is a coincidence that there is a connection between the Mayor and developer; also that there would be Section 8 housing. He said the Mayor sent him a beautiful reply email, and that he just wanted it to be clear that he did not spread the rumors and he only sent the email directly to them to get the truth. Chairman

Carrignan asked Mayor DeWitte if he would like to address this or if his response email was sufficient. Mayor DeWitte said his email to the Mr. Difruscolo was sufficient. Chairman Carrignan asked Mr. Difruscolo if Mayor DeWitte's email to him answered his questions. Mr. Difruscolo said yes.

Sue Tills-224 Valley View Dr.-addressed the Traffic Study as being inaccurate and on page 1 and 7 it addresses the Campton Hills and Route 64 interchange. She said the delay time currently is 4.5 minutes to get onto Route 64 from Campton Hills Rd., which is accurate and is actually worse at times but the problem is that the traffic study says that the Oak St. construction is going to alleviate that, at it has not. She said apparently no one told the State that they were supposed to take the construction to Campton Hills Rd so they stopped 20 ft. short of it so there is still the same delay, and adding offices, apartments or anything will just add traffic and asked that Committee consider that there needs to be improvements made there because it is a dangerous situation as it is now.

Linda Radford-283 Remington Drive-said that nobody wants these apartments and that the Council passing the past Comprehensive Plan zoned that area for something that they knew would bring in tax revenue and that they now want to amend the plan and the residents do not want it. She said the city is in wonderful financial straits right now and she thinks things should be left as they are and to have some patience. She said perhaps someone from the Economic Development Dept. can do something to get businesses to come and rent those places but that the residents do not want apartments in their backyard, or the traffic, or anything other than what they were told would be there. She said she walked all weekend getting petitions signed and every person in Remington Glen is represented on that petition saying no, with the exception of 2 or 3 that were out of town and that the rumors mean nothing to her but what does mean something to her is looking out her window and seeing the prairie path, the geese, the deer, and to see it the way she bought her property, and the way the city meant for it to be. She said Remington Glen has a new buyer and hopefully they will finish the development and she asked the Committee to give them a break and to have patience.

Aldr. Rogina said he thinks he speaks for his third ward partner, Aldr. Turner, when he says that the survey is an important document that should be taken into consideration when making a decision. He said he is concerned about the traffic study at Route 64 and Peck Rd. and it bothers him already. He said there is a new Comprehensive Plan in the works so maybe right now they should stick to the old plan which calls for office and granted there is some vacancy in the county but maybe there should be some patience. He said ample consideration should be taken by the residents of the community and he has heard enough and himself and Aldr. Turner will be voting against the development.

Aldr. Turner said he understands we are in tough economic times but he is willing to give it more time, have some patience and give it 5-years and after that all bets are off and this cannot be left vacant forever. He said he thinks OR is the proper zoning classification especially on Rt. 64 which is the West Gateway.

Aldr. Lewis said she agrees that there is overwhelming evidence that this particular project is not necessarily what the residents are looking for and she believes and has been consistent in her comments that the zoning should remain OR. She said her vote is not about legacy but just concurs with the third ward alderman and she supports their decision.

Aldr. Turner made a motion to deny the Map Amendment, Amendment to a Special Use for Planned Unit Development, and PUD Preliminary Plan (Corporate Reserve Multi-Family Residential). Motion was seconded by Aldr. Rogina.

Aldr. Stellato said that for point of order, anytime there is a negative recommendation it is always confusing, so a positive vote is in concurrence with the negative recommendation. Chairman Carrigan clarified that a “yes” vote is a “no” for the applicant.

Roll Call Vote:

Ayes: Stellato, Monken, Payleitner, Turner, Rogina, Martin, Krieger, Bessner, Lewis

Nays:

Absent: None

Motion Carried.

5. ECONOMIC DEVELOPMENT

Aldr. Stellato recused himself from discussion for the next item due to being Co-Chairman of the Chamber Committee.

- a. Recommendation to approve a proposed Industrial Arts College Scholarship Program.

Mr. Aiston said he was excited to announce a proposal for a new scholarship program that city staff has been working with the St. Charles Chamber of Commerce in developing as a means to assist graduating seniors at both North and East High Schools in finding tuition and financial assistance generally in meeting the needs of entering a program at Elgin Community College that is designed to benefit local employers, particularly those in the industrial sector. He said, as planned, the intention of the project is to award two \$1,250 scholarships, one for North and one for East, which allow students to pursue an associate’s degree in applied science as well as certification as a vocational specialists through disciplines offered through career and technical education at Elgin Community College. He said the plan is to have the city fully fund this which would be in the amount of \$2,500 for academic year 2013/2014 with further intention that following year the program would be split between the city and the Chamber of Commerce.

Mr. Aiston showed a PowerPoint presentation which listed the associate degrees in Applied Science and Vocational Specialist Certificates conferred by ECC.

Mr. Aiston said this will allow for students who are not looking for traditional 4-year university colleges but rather for careers in technical and applied science and to better enable the local labor force to be skilled to meet employment needs of our local industrial sector. He said 2 members of the Chamber’s Industrial Council, Jim Keller and Frank Weber, were present to answer any questions.

Aldr. Rogina said as Chair of the Business Education Dept. at St. Charles East for 14 years, he worked closely with the Chamber to develop an internship and apprenticeship program and he wished this speech was being made 14 or 15 years ago. Mr. Aiston said staff is looking for the endorsement to move forward because they have developed a template application they would like to get to the schools and it would be placed in the 2013/2014 budget. Aldr. Rogina said sometimes students that may only want to do a 2-year program to go right into manufacturing or some type of technology are sometimes the forgotten ones so the opportunity is to provide them with some financial assistance. Chairman Carrigan said as someone living and working in the

industrial world every day that he has had the opportunity to join Mr. Keller and his group to attend a few of the Industrial Committee meetings and he is excited about this because St. Charles has one of the top 20 industrial parks in Illinois and there is a critical need for people in the industrial manufacturing technology world.

Aldr. Rogina made a motion to approve a proposed Industrial Arts College Scholarship Program. Motion was seconded by Aldr. Martin. No additional discussion. Approved unanimously by voice vote. Motion carried.

Aldr. Stellato rejoined the Committee.

b. Presentation of East Gateway Business District Plan (Ehlers).

Mr. Aiston said the presentation for tonight is for general information purposes. He said in recent months the city initiated the consideration of developing per state statute a business development district along E. Main St. He said the proposed district runs from Hunt Club Dr. east out to the corporate boundaries including all the commercial properties that front and are proximate to Main St.

Mr. Aiston then showed a PowerPoint presentation on business districts. He presented that business districts are: an economic development tool to help jumpstart economically sluggish commercial areas; a marketing tool to help local governments attract private development and new business; and a financial tool to help with the improvements needed for that attraction, like building renovation and rehabilitation.

Mr. Aiston said the city should seek to designate a portion of E. Main St as the East Gateway Business District because the resident survey indicated that E. Main St. had the lowest number of rating of excellent or good with respect to attractiveness or appearance. He said the way to address that is to develop economic development opportunities along Main St. to bring private property owners to the table to address their properties and buildings. He said the study proved the area is eligible under state statute because: commercial property values have not kept up with the surrounding area, existing conditions being economic underutilization, unsafe conditions, defective or inadequate street layout, deterioration of site improvements, improper subdivision/obsolete platting. He then showed some properties that are currently under those conditions.

Mr. Aiston said in looking specifically at property values and in terms of lagging equalized assessed value, looking at the percentage that reflects a change from year to year with the exception of 2008, the areas values have been significantly lower than the rest of the community in terms of change, specifically Charlestowne Mall. He said then gave some examples for other towns that have used money generated through the district statute; Lombard-Yorktown Mall, Long Grove-Sunset Grove, Bloomindale-Stratford Square and East Dundee-Dundee Gateway.

Mr. Aiston said the eligibility study was done and Council then authorized staff to enter phase 2 with the consultant which was to write the redevelopment plan and that has been done in draft form. He then listed the objectives; strengthen the economic well-being of the business district, stimulate private investment in new construction and redevelopment, create new job opportunities, improve the visual attractiveness of the business district and reduce or eliminate the factors that qualify the area as a business district. He said the plan components and the draft plan has been completed which include: boundary map, general description/location, estimated

cost, method and terms of financing and funding mechanisms. He said the mechanisms that are at our disposal, if the plan is created, the sales tax can be raised up to 1% for the retailer's occupation tax as well as the service occupation tax. He said a business district hotel/motel tax could be imposed that is up to 1 penny per dollar at .25 increments, but that creating the district does not require the Council to act on a tax. He said the next steps would be: to host meetings with businesses, return to P&D Committee with report on outcome of meetings as early as February, hold a public hearing, consider an Ordinance designating the district, and utilize business district to encourage development and redevelopment with district.

Aldr. Bessner asked if there is a way to measure how many years it will take for a significant improvement. Mr. Aiston said in looking at retail it depends on the economy, so it is hard to say but once the projects start to build and we can get tenant arrangements or new property owners they will tend to accelerate exponentially because it creates more activity and more activity creates more consumption which attracts more businesses. He said up front it will be how much attractiveness we can get once the district opportunity is created.

Aldr. Bessner asked if it is safe to say, with the economy the way it is now, that it might be time to take advantage of improving the aesthetics and attractiveness. Mr. Aiston said he thinks the timing is good and by next year there would be some substantial improvement and closure near Route 64 that will allow for better traffic flow to get in and out of access points. He said he thinks the public development may spur private development but when it can be incentivized there is a tool to assist where possible to have them attract new business to private property.

Aldr. Lewis said if the tax is put in place can it later be raised. Mr. Aiston said it can be increased according to the statute, but that is another action all together, but that he doesn't plan to approach the Council until there is some real prospective development interest, but having the tool in place where it can happen after the hearing- we created the district, did the study and the plan- we will be well armed to make a good argument for any that will be needed.

Aldr. Stellato asked what happens if they decide to go through with the plan and someone comes along and says they would like to do something on one of the properties and they need the tax implemented, what as far as statute would need to be done to pass the taxes. Mr. Aiston said the public hearing will show the plan, and the plan includes a budget and within the budget includes the funding mechanism which is the tax, so in adopting the plan after the hearing, the budget has then been adopted and the district is then created. He said the tax is a separate action that is a separate ordinance to impose the tax at whatever level it is. Ms. Jones said the process is fairly similar to the TIF process in that the plan is created, a public hearing is held and if changes are made to the plan, it may be required to go back. If the initial authority is for the 1% tax then the process should not have to be repeated. Aldr. Stellato said then it is left in suspension until there is a plan until we are ready tax, then it would just be a simple majority. Mr. Aiston said that's correct. Chairman Carrigan said then a number cannot be set on that until there is a plan in place. Mr. Aiston said the final plan will be after the hearing and presented with a tax up to but not exceed 1 cent and that anyone in the district can apply for those funds. Chairman Carrigan said what if there is a series of smaller developments like Tincup Pass who would like to go forward how would that work. Mr. Aiston said you would look at the actual sales out there annually right now and then calculate what a 1 cent or a .5 cent would generate on the existing sales. He said this also calls for the service occupation tax if proposed, and also allows for the hotel/motel tax and depending on what is wanted, a range of funds can be calculated and considering the entire district on an annual basis, it is not a small number. He said what he

thinks should not be done is to dedicate something above and beyond on an individual project and then limit ourselves on a large project down the road. He said businesses would be taking on debt themselves but they will be reimbursed every 4 months which would help pay off their debt. He said he believes there is a significant potential within the district itself on an annual basis that far exceeds a \$150,000 rehab on building. Chairman Carrignan said he just worries about having a series of small ones and miss the big target. Mr. Aiston said he appreciates that.

Aldr. Rogina asked if there will be Council representation at the meeting held with the businesses. Mr. Aiston said they have not contemplated yet but he thinks he would target certain property owners like large properties and meet with them individually and there will also probably be a collective business meeting. He said he hadn't thought about it much but he would consider having Council representation but that tonight is just for informational purposes.

Chairman Carrignan called for a 5-minute break reconvening at 8:35PM.

- c. Recommendation to approve TIF Redevelopment Agreement (RDA) between St. Charles – 333 North Sixth Street, LLC (Lexington Club redevelopment) and the City of St. Charles.

Mr. Aiston read a statement to introduce the topic. He said last month the Planning & Development Committee met, staff presented the proposed terms of a draft redevelopment agreement between the city and Lexington Club pursuant to the state's tax increment financing statutes, and after having done so there was some discussion concerning the redevelopment plan and the fact that it had been revised since when the original Joint Review Board had met last winter specifically with respect to the plan's budget and the list of TIF funds eligible costs. He said the budget reflected an increase in the amount of developer reimbursable expenses for three specific activities, those being demolition, site leveling and environmental remediation; the original plan was for a total request of \$4.96 million with the total TIF cost of \$5.25 million, and the revised budget calls for a total request of \$6 million with a total TIF cost of \$6.29 million. He said the reason for the increase was due to the increase in gap between anticipated cost and anticipated revenues of the project, and in the revised gap analysis cost stayed constant but revenues have declined, which is due to the reduction in total housing units proposed in the development from the original 142 to 130 which was pursuant to the PUD as recommended by the Planning & Development Committee in May of 2012. He noted that the engineers estimated cost for all three activities has not changed from the \$6.4 million and after considering the information, Committee asked staff to reconvene with the Joint Review Board so all taxing bodies would be fully informed of the budget revision and be given the opportunity to provide input on the changes. He said the JRB reconvened on Dec. 5, 2012 and the taxing bodies were informed of the changes and Chairman DeWitte asked for input from those members attending and at that time, with the exception of the D303 representative who reintroduced Superintendent Schlomann's 2010 letter, indicated no objection to the TIF provided TIF fund eligible reimbursement costs remain limited to the three cited activities of demolition, site leveling and environmental remediation, and the JRB have not changed their recommendation nor are there any objections. He said in 2006-2007 the developer approached the city with the proposal to purchase the former Applied Composites site indicating desire to construct a residential development on the property and at that time it was noted that an amendment to the city's land use plan would be required as well as ultimately changing the zoning consistent with the plan amendment and the proposed project. He said in the advance of purchasing the property, the developer stated that because of existing conditions hindering the property in the areas market

place, the project would need some TIF assistance, and it was then recognized that through a public-private economic development agreement helping to eliminate the market disadvantages as described while at the same time the city could cause the remediation of the environmentally contaminated site. He said ultimately the developer presented a plan showing medium density residential use in conformance to the aforesaid plan amendment. He said tonight staff is asking for Committee to make a recommendation on the redevelopment agreement as well as recommend that Council approve the TIF district which could go to Council as early as Dec. 17, 2012.

Aldr. Turner said he questions the wisdom of doing a residential TIF, he then recapped on the status of the mall and First Street TIF's that are in place right now and that he feels those have failed; once the residential component came in they failed. He said here we are 7 years later with a 100% residential component and the city does not have a good track record mixing TIF and residential. He said he is very leery that this TIF, even if it's a "pay as you go" is in the city's best interest and he sees this as a \$6 million risk he is not willing to take and it does not look good based on passed history. Mr. Aiston said the "pay as you go" is a big consideration because it speaks to the question of risk, and in the demolition of the mall and public improvements at First St. in advance of the proposed projects, the city took on debt that needs to be repaid. He said under the "pay as you go" program the city is at no risk and takes on no debt, the developer takes on all of that, and only gets back as the project gets built, so all the risks are on the developer and that has an impact on the gap. He said the worst case scenario is if the developer does not build the project and then is stuck with a \$6 million bill and they go away and the city gets some exposure that the project was pursued, but at least there would be a clean site. Aldr. Turner said he is leery that it would even get built and the housing market is starting to slowly recover, but the one thing that hasn't recovered is the multi-family and he doesn't think it will be successful as a project. Mr. Aiston said he appreciates that and he agrees owner occupied townhomes and condominiums remain soft but that we are looking at 4 years down the road and it may not be without precedence that the market will come back and that type of living will also with the young professional population.

Moises Cukierman-Lexington Homes-said many times these homes are labeled as multi-family, but are really single-family attached. He said they have already built into the number given to the city, the current market conditions and the market is recovering. He said everyone is talking about \$6 million and the developer is investing a lot more than that, it's more like \$10 million and after that they will continue invest; in the end it will be a \$40-45 million project but the owners of the development will take that risk and the borrowed capital will have to be repaid, and before being reimbursed there will need to be success. He said it is a "pay as you go" TIF and before they get any money they will have to be successful because a tax increment will then be generated and if they fail they get nothing but the city will get a clean site, roads and utilities, therefore the developer will have failed, not the city.

Aldr. Bessner asked how long until the site is cleaned. Mr. Cukierman said they have promised to enroll the site in the IEPA the day after they receive final approval, and then a plan on what will be the most effective way to clean up the site will need to be come up with, which will then give them another 8 months from beginning to end, and then there will be land development started, which is supposed to start October 2016. Mr. Aiston said a developer must submit a completed application for final subdivision of a PUD plat approval as to commence redevelopment of the subject property within 60 days of the Council approval of the preliminary PUD, which could happen as early as next week. He said in May of this year the preliminary

PUD was moved forward and after that within 60 days the developer must submit a final plat of subdivision, then the day after the developer will successfully enroll the property in the IEPA site remediation program, within 240 days of approval and that is what starts the process for clean-up. He said there the project must commence and also there must be substantial completion of all onsite utilities, including water, electric, storm, sanitary and roadways, and also construction of the project itself must start by October 15, 2016.

Aldr. Rogina said he wouldn't mind a TIF just for the remediation only and he understands that the \$6 million takes the gap into account but that he cannot in good conscious support that.

Aldr. Stellato said staff has done a good job along with Mr. Stillwell representing Lexington and he really doesn't have a problem with the gap analysis. He said in looking at the economics of the TIF, his concern is not so much how the numbers are progressed, but with the request itself, in looking at the cost of remediation and demolition in the range of about \$3 million and he looks at the two and sees them as TIF eligible but he feels that cost cannot be predicted in just looking at a piece of property. He said the site leveling coming to \$3.5 million of the proposal, and for those in the business that know how to judge, measure, quote and estimate all before the property is even purchased, and that to him is an unreasonable request in the TIF and sticking strictly with the finances and the reason he cannot support it is due to that request. He said he feels the request is an eligible cost but is too large and he feels anyone else coming in to buy that property would do an analysis and would base their purchase price on whatever the site grading would cost them and he feels it's the developer's responsibility to figure that out well beforehand.

Aldr. Rogina said he knows the residents want the site cleaned up and he would support a TIF for that alone for a lower amount.

Aldr. Payleitner said she saw the numbers broken down and asked if that is a set in stone number. Mr. Aiston said the estimate was \$6.4 million but the reimbursement according to the TIF terms cannot exceed \$6 million or the actual cost, whichever is less, so they have to prove up their cost in the three areas and if the cost ends up being say \$4 million that is all they will get.

Aldr. Krieger said should this be voted down what will happen to the property and who will then become responsible for the remediation. Mr. Aiston said he doesn't believe the city's local ordinances have any code violation in terms of environmental concerns but that the IEPA could be approached and they can undertake consideration as to whether any state laws are being violated, but otherwise he is not sure what would compel the owner to clean the property up beyond this redevelopment agreement.

Aldr. Rogina asked if the city enforces violations of state law. Mr. Vann said they would get the IEPA involved, but as far as cleaning up the site as it exists today, if the project were to not go through, the city would need to start addressing those issues.

Chairman Carrigan said he has learned a lot through this process and it's been enlightening, not only from staff but also the neighbors. Mr. Stillwell asked to address the Committee. Chairman Carrigan said he was addressing the committee at this time and that it was beyond that point.

Chairman Carrigan said St. Charles is becoming a close community and growth opportunities are few and far between and that there is an opportunity here to remove a brownfield and put in residential which is close enough to affect things going on downtown as far as bringing people into the area. He said he thinks that a \$6 million risk on a return that is somewhere near \$50

million over the long term, that is effectively guaranteed by the “pay as you go” TIF, is worth the risk. He said the thing that has convinced him that this is of value is that it has twice gone before the Joint Review Board and that the school district, who would be affected the most, has approved it twice, and with all that being said, he would be a yes vote for this but he does not get to vote.

Aldr. Rogina said he wanted to challenge Chairman Carrignan’s point because he thinks he is tying the two together and in remarking specifically to the TIF that he feels in a big picture scenario that they could all say to move on and do it right but in speaking outside the TIF and thinking of the project area, he thinks he could agree with Chairman Carrignan if it were under the right conditions.

Aldr. Payleitner made a motion to approve TIF Redevelopment Agreement (RDA) between St. Charles – 333 North Sixth Street, LLC (Lexington Club redevelopment) and the City of St. Charles. Motion was seconded by Aldr. Bessner.

Roll Call Vote:

Ayes: Payleitner, Bessner

Nays: Stellato, Monken, Turner, Rogina, Martin, Krieger, Lewis

Absent: None

Motion Failed.

Mr. Stillwell said this process has played out over the last several years with hundreds of hours invested and hundreds of thousands of dollars expended and this all started based upon the city’s view and establishment of the amendment to the Comprehensive Plan which identified what the Committee wants, not what his client wants, but what the community wants, and throughout the process this applicant has listened to the Committee’s requests and have made change after change to accommodate the concerns and at some point there needs to be some accountability and some respect for all of the effort and the expense and that respect should be shown much earlier in the process and this shouldn’t play out here in the end. He said contrary to all of the indications that were given, we did what was asked of us including four additional offsite improvements, more money for transportation, and in each instance it was understood from the very beginning of the process that a TIF component was essential to make this happen and that Mr. Aiston identified that was identified and done before the land was purchased because there were problems. He said it is not a question of \$3 million or \$6 million, or a question of 3 line items, the reason for the 3 line items is because the school district identified that those were 3 items that were focused on for the TIF. He said there are a lot of other eligible costs and it is not a question of the amount of money, it is the amount of money necessary to make a project viable, it’s not an arbitrary number, it’s a real number based upon budgetary realities. He said this is not the way to analyze whether a TIF is appropriate, and that they have spent a lot of time with city staff over the year and the numbers are real and without those amounts the project will be done. He said the entitlements were voted in favor of 7 months ago and that plan is consistent with what Committee wanted on that site, and knowing that the economic constraints required a TIF, and we were directed to go talk to the park district and school district and everybody agreed including this Committee. He said he has met with people on the Committee face to face and was told to move forward, and he asked where is the credibility, and if we are trying to send a message to the broader metropolitan community that St. Charles is the most unfriendly development community in the western suburbs. He said how does a significant project get approved, because it is a long process and Committee blows with the wind saying one thing one

time and then change the attitude another time, which makes it hard on people that are looking to form capital and invest it. He said he has had a wonderful career for the last 38 years and has been very blessed to do a lot projects in St. Charles but that this is one of the most disappointing examples of what he believes to be political, rather than true business decision making, which is very disappointing to himself as an attorney and is very unfair to his client who has listened and continued to invest based upon the encouragement given and that they are finished.

6. ADDITIONAL BUSINESS

- a. Update on the Comprehensive Plan Project-Information only.

Mr. Colby said last week there was an open house for the draft of the plan which was fairly well attended and upcoming on Dec. 12 there will be a Task Force meeting where they will have the opportunity to review the open house comments and the opportunity to make a recommendation on the draft plan if they are prepared to do so. He said should a recommendation be made on the plan, their work would be concluded, and the plan itself would be put on the Council agenda for procedural motion to direct the Plan Commission to begin a formal review of the document.

Aldr. Rogina asked how the process will play out once it gets to Committee since he is new and the last plan was adopted in 1990. Mr. Colby said the procedure going forward, the Plan Commission is required to complete a review and make a recommendation on the document before it is considered by the Council, and then it will be presented at a Committee level for discussion by Planning & Development where staff will walk the Committee through the document and open it up for discussion, it will not be a situation where it will be presented as is for a vote.

Aldr. Krieger asked when it would come before Committee. Mr. Colby said based on the schedule February is what's anticipated.

Chairman Carrigan said there must be some confusion because he has seen some emails and comments regarding where lines are drawn for the Comprehensive Plan. He said St. John Neumann got a hold of him because their northeast corner was designated as retail, and also some comments in the 2nd Ward regarding the detention pond in Charlemagne, and he just wants to be sure the message is extraordinary clear that the lines are just concepts for the long term and that there is no place where anyone can come and take a pond from one subdivision and swap it for another. Mr. Colby said correct, the stormwater volume that exists has to be accounted for in one way or another and all the plan does is merely identify that there is an opportunity to use a certain piece of property in a different way and there would be considerations as to how to account for what is there now.

7. ADJOURNMENT

Aldr. Stellato made a motion to adjourn. Seconded by Aldr. Turner at 9:13 PM.