MINUTES
CITY OF ST. CHARLES, IL
PLANNING AND DEVELOPMENT COMMITTEE
MONDAY, NOVEMBER 11, 2013 7:00 P.M.

Members Present:	Silkaitis, Payleitner, Lemke, Turner, Stellato, Bancroft, Martin, Krieger, Bessner, Lewis
Members Absent:	None
Others Present:	Mayor Raymond Rogina; Mark Koenen, City Administrator; Rita Tungare, Director of Community Development; Russell Colby, Planning Division Manager; Chris Tiedt, Development Engineering Division Manager; Bob Vann, Building & Code Enforcement Manager; Matthew O'Rourke, Planner; Fire Chief Schelstreet

1. CALL TO ORDER

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

2. ROLL CALLED

Roll was called:
Present: Silkaitis, Payleitner, Lemke, Turner, Stellato, Bancroft, Martin, Krieger, Bessner, Lewis
Absent: None

Chairman Stellato changed the order of the agenda, moving item 3g-"Presentation by SMN Development regarding First Street Redevelopment PUD Building 9 (One West Main building)" to be discussed third on the agenda.

Chairman Stellato stated that he would be recusing himself from discussion for the first 3 agenda items, and that Vice Chair Bessner would be taking over that portion of the meeting.

Mayor Rogina noted that it was Veterans Day, he recognized and thanked Aldr. Martin for his years of service, and also wanted to recognize the men and women who are currently serving including Aldr. Stellato's son Mark who is serving in Korea. He said as stated in the proclamation, veterans have been obligated to drop their own affairs and take up the burden to the nation, subjecting themselves to the mental and physical hazards, as well as the economic and family detriments. He said it behooves the elected officials to say thank you to any families in St. Charles who have children in service and also to any men and women who serve from St. Charles, thank you very much.

Chairman Stellato recused himself and left the meeting.

3. COMMUNITY DEVELOPMENT

a. Recommendation to Approve a Petition for Annexation (Imming Property, Greenwood Lane).

Mr. O'Rourke said the applicant, Havlicek Builders, is representing the Immings. He said they would like to purchase the 2-acre property for the purpose of annexing it to the city to be provided with city services. He said the property would be zoned as RE-1 Single-Family Estate and there would be 1-home on the property so there would not be any request for rezoning after the annexation. The utilities would then be figured out with the appropriate departments, then the owners could submit for a building permit.

Aldr. Turner made a motion to approve the petition for annexation (Imming Property, Greenwood Lane). Motion seconded by Aldr. Martin. No additional discussion. Approved unanimously by voice vote. Motion carried.

b. Recommend approval of a General Amendment to Title 17 of the City Code (Zoning Ordinance) regarding permitted uses in the Downtown Overlay District.

Mr. Colby said staff filed the General Amendment application following a Committee discussion back in August 2013 where Committee provided direction to see the overlay amended to allow office uses that generate pedestrian traffic. He said staff has drafted an Ordinance amendment that would create a staff level certification process for each proposed office use. He said for a space to be eligible, the location would have to have been vacant and marketed for a period of 180-days prior to submitting for the office certification. He said for the proposed office use, the business/property owner would need to demonstrate that the use would generate pedestrian traffic, show graphically that they would provide a public entrance and reception area that would be visible from the street, and have store front windows and doors open and not obstructed. He said a City Council appeal process would be created to give a business/property owner who has had their request denied an opportunity to appear before Committee to hear their proposal. He said the appeal would apply to both the new office certification process and the existing exemption procedure in the Ordinance. He said staff's intent is to monitor how the process works over a 2-year period, reassess conditions, and then come back before Committee to consider revising the Ordinance. He said Plan Commission recommended approval in a 5-1 vote, and the Downtown Partnership commented at the public hearing that they are in support of the proposal.

Aldr. Lewis asked if the store front windows and doors not being obstructed meant window signs as well. Mr. Colby said yes, it also means they could not configure the interior of the space in such a way to block the windows by furniture or partition walls, the interior of the office would be visible from the street, and they would be asked to have some sort of illumination in the store front to have an active appearance in the evening. Aldr. Lewis asked if other stores have to do that as well. Mr. Colby said no.

Aldr. Turner made a motion to approve a General Amendment to Title 17 of the City Code (Zoning Ordinance) regarding permitted uses in the Downtown Overlay District. Motion seconded by Aldr. Bancroft.

Roll Call Vote:
Ayes: Bancroft, Krieger, Lewis, Payleitner, Lemke, Turner
Nays: Martin, Silkaitis
Abstain:
Motion Carried. 6-2.

g. Presentation by SMN Development regarding First Street Redevelopment PUD Building 9 (One West Main building).

Joe Klein-36W494 Hunters Gate Rd.-gave an update on One W. Main St., formerly known as the Manor Restaurant site. He said when the First Street Redevelopment Project first started there was a continued shared vision between the city, community and the owners of One W. Main St. regarding the site and the First Street corridor. He said he thinks the vision was, and continues to be, a thriving corridor of retail and office and residential development, and there is a glimpse of that today with the thriving development of the west plaza.

Mr. Klein handed out the original marketing materials for the site to the Committee showing the corner of Main and First St. and the elevation for the First St. side of the building, with the façade continuing around the plaza to the south of the building. He said the south east corner was originally designed for a patio for outdoor dining, and the south of that building borders on what will be the east plaza, which is a continuation of the west plaza going behind the current McNally's, ZaZa's and Neos, continuing on

toward the river with stairs going down to a riverwalk. He said originally there was designed to be a connection over the plaza between One W. Main and the building to the south of the east plaza to allow for tenants to connect across to access parking, but that has since been taken out of the current plan, but he brings it up because it is important to the particular site. He said the First St. project has been successful and businesses are succeeding, and in anticipation of the construction on One W. Main St., the owners have had architectural drawings done, renderings and marketing materials done, engineering including construction and excavation done, reconfigured the property in conjunction with the city, demolished the former Manor building for the pork chop construction for the intersection and to make way for the extension of utilities to the west plaza. He said they also had at the time began a marketing campaign on the property which was listed with Kevin O'Donnell and was marketed for almost 2-years with 2 or 3 letters of intent submitted to the city; however their plans and the city's vision had to accommodate an economy that was not so friendly to development. He said the economy adversely affected construction, business expansion, employment, retail and office space demands, and essentially the demand for retail and office just stopped. He said this happened nationally, state wide and locally in St. Charles, and as a result vacancies sky rocketed, lease rental rates plummeted, which affected everybody's development plans; however during that time the property owners still worked their contacts within the hospitality and restaurant business to find potential tenants for the site. He said the at the city's request, the property was fenced at the owners expense and was made available for festivals and Christmas tree sales. He said they have also met with city staff regarding alternative temporary uses for the site. He said there is now some renewed, yet cautious optimism, and recently in light of both the upward movement of the economy and some new concept plans from the First Street Redevelopment group, they have met regarding the site and plans for One W. Main St. He said since August there had been 3-meetings with staff and the city attorney and at the first meeting they were asked to consider alternatives options and uses for the site to go residential upstairs to go with the concept plan for the property to the south. He said the possibility of having office use for a portion of the first floor was also discussed, and the understanding from that meeting was that the new concept plan being proposed for the balance of the east side of the property is to allow for some office use on the first floor if the Council approves that for the downtown business district. He said as a result of that meeting, architects were reengaged to draw up floor plans showing residential use and a half first floor office and half first floor retail, and the reason it was done that way is to accommodate the vision to allow for the retail use along the east plaza on the south side of the building. He said they met with their architect to determine residential density and a type of floor plan for the 2nd, 3rd and 4th floors, because the density of the proposed residential use would obviously drive the economics of the project. He said they met again with staff subsequent to the first meeting to discuss alternative site options along with parking issues, and that their property originally had a connecting foot bridge between the top of the plaza to the building to the south for the purpose of accessing the parking that would be in the interior of the building, which would have been an amenity for the tenants in the building. He said it's still a big issue for the site that affected the determination of residential use and it was agreed by all that without some type of on-site parking residential would be very difficult there and exacerbate some financial issues of doing residential on the site as well. He said underground parking was discussed for their building and also for the proposed concept plan to the south, as well as the possibility of a concrete pad that would be built under the development and opening up underneath for parking to help alleviate the issues on First St.

He said he feels all the meetings were positive, and at the request of city staff, they have interviewed marketing agents with the intent to put the property back on the market for leasing, and are finalizing the contract to put it back on the market. They are in the process of re-pricing the construction and labor and they are looking at construction options to lower the pricing to make the property more viable for prospective tenants. He said owners continue to meet with prospective tenants and there are 2 tenants currently in active negotiations, 1-being retail and the other being office use, they are not yet at letter of intent but it looks promising. He said they all envision and are committed to successful development of the One West Main St. site, but it requires construction of a building that is consistent with the demands of the market place, which will ensure occupancy and the thriving activity to feed businesses both east and west down Main St. and north and south down First St., and an empty building does nothing for

anybody; it has to be a building that can be viable in today's market place. He said the challenges still exist and the economy is still fragile, although getting better, the vacancy rates are still high, the demand is still slight yet getting better, and with careful and considerate planning the building can and will be built and the owners are committed to that, and in partnership with the city it can happen. He said that Mr. McNally and Mr. Salas along with himself were available for any questions.

Aldr. Silkaitis asked how long they envision before they start building. Mr. Klein said as with any project, the financing will be dependent upon the pre-leasing, and what has been heard is that in the market place today is that there is pretty good financing available for apartments and after looking into that he is not sure that's a viable option. He said they will be going out and actively marketing the property and will need to be 60-70% pre-leased before they can get financing. Aldr. Silkaitis said so how long would that be, because this has been going on for 4-years now and we have seen nothing and he is concerned. He said to keep in mind someone just bought the Charlestowne Mall, so they must think the economy is improving seeing as though they will spend $40 million to buy it and $70 million to remodel it. He said several extension have been granted for the One W. Main property, and although there is now a plan, there is not any financing lined up and he is not happy with the situation. Mr. Klein said there are circumstances beyond anyone's control that affect the development of not only their site but also the site to the south. He said he hopes the developers of the Charlestowne Mall are right, because that will get them pre-leased and they will start building. Aldr. Silkaitis said he has to think the developers for the mall are right if they are going to spend that kind of money, and that after all the extensions granted on One West Main, with no activity, that concerns him. Mr. Klein said it's not a function of a voluntary act, more so as it is market driven, and there has not been any construction of new developments up until recently for the very reasons that have driven the lack of activity on First St. He said while he understands the frustration, he does not know what the alternative is other than building it with cash, or trying to build with financing that is not pre-leased; that's leaves an empty building, he doesn't think that will help anybody. Aldr. Silkaitis said sometimes people want to see a product before they buy it so that could work either way. Mr. Klein said he is sure they can have pre-lease activity, back when the market was stronger, they had 2 or 3 letters of intent, and that can happen again if the market is right.

Aldr. Bancroft said he loves the building and in discussion with Council, it's consistent that they would love for it to be on that site. He said SMN has the Council's respect for everything they have done for the city, but that there are two challenges. First, the Council is going to have to be convinced that the deal is economical. He said he has his own personal doubts that 60-70% of the space can be pre-leased and right now other than waiting for better times, or to bring on the next agent, he struggles on how they can convince Council that it's economically viable. His second challenge, in his opinion is, why should the city not let the agreement go and explore other options for the 52 ft.? He said it is not a personal a thing or a failure of any individual, and he understands times were horrible, but he is not sure this particular project is better now than it was, but times are getting better and there is some evidence of that. He said they need to be convinced that they are better off extending the agreement and why. Mr. Klein said he did not bring a financial plan for the building and he does not know that he has had enough time since the summer to assess the market place, but part of determining the viability of the project is understanding the market place, and part of understanding the market place is hiring the professionals that will allow us to do that. He said part of understanding the market place is understanding what can be demanded and gotten for rent, what the cost of construction is, which is repricing and reconfiguring the building. He said some of what has been discussed with the city is adding square footage by taking the south-east corner, that was for open dining, and enclosing that and moving it up, and that adds to the viability, but that he has not actually taken all those numbers and crunched them because he does not have them yet. He said it's not a function of any individual failure, it's a function of market place, and he doesn't feel it's fair to not give them the opportunity to explore what can be done in a new market place with a potentially reconfigured product and a marketing agent. He is not sure that any new developer won't face the same challenges. He said it's the city's choice if they would like to bring in a new developer, but he doubts they would have the history, the contribution, the commitment and the vested interest that for no other

reason than to have significant personal, business and financial investment directly across the street and 3-doors down from this site.

Aldr. Lewis asked what Mr. Klein meant by stating "with the partnership of the city this project can get done". Mr. Klein said everything they have done since the inception of the project has been in partnership with the city, including taking down the building to accommodate the reconfiguration of First St., which in hindsight he thinks everyone wishes they hadn't. He said they have a building there now that may have some viable businesses in it and they have always worked with city to try to make the site a better economic environment and be as useful to the city as they could be. He said in a meeting over the summer the city asked what they can do for SMN to help get this project going, and he is not sure what the options are, but that still needs to be determined by having more future meetings with the city and staff, but the partnership is something that goes way back to the start of the project and a shared commitment to First St.

Aldr. Krieger asked how much time is really reasonably needed because we have been looking at the same hole in the ground for 5-years. Mr. Klein said absolutely, and we are still looking at all the same vacant sites that exist all over the city of St. Charles, and it's not a function of anything other than the economic environment. He said they want to build this building, but they do not want to build a building that will sit empty. He cannot answer the question because he needs adequate time to get it properly marketed, test the market with a broker, get the market environment assessed by a broker, find what they can get for the property, find what the options are to make the property viable, and if it's not viable as rent, do we need to add additional capital and how. He said once those preliminary steps are taken and the information is gathered, but he does not have a time frame.

Aldr. Turner said he agrees with everything Mr. Klein has said about the community involvement with SMN, but that Council is being faced by citizens about what is going on with the site after 10-extensions, and now probably an 11th. He said this 52 ft. needs to be looked at to see if it could maybe be given to the First St. people, he is not sure, but that the extensions cannot go on forever. He suggested SMN getting an appraisal, condemn it, the city will pay for it and find somebody else, because the city cannot keep giving the community the same answer for the last 5-6 years, and we need to wonder now if we the city have our heads on straight. Mr. Klein said he hopes those same people from the community are reading and watching the news, their home values, the unemployment rates and the tax rates, because if they are then they understand why development has stalled throughout the country. He said he thinks the response to those people should be for them to understand that the Council has gone to us, the developer, and said its time and things are starting to get better, there are new concept plans being remarketed and listed and the developer has engaged the necessary people to start getting active on the property again. He said as far as 10-11 extensions, it is somewhat a function of how long the extension is granted, if it were extended for a 1 ½ years at a time, there would only be 4-extensions, so it's not necessarily reflective of what's really happened, but more reflective of conversations that were taking place both on the development teams and the Council.

Mr. Bancroft asked if the new commercial broker has given SMN an on-market time to achieve the 60-70% leased. Mr. Klein said no, they have not even signed them yet, they just received the contract last Friday, but they have interviewed them and were given assessments of the market, what's happening in St. Charles and in the Chicagoland area, generally. He said they met with this broker previously before listing with Kevin O'Donnell and were impressed and have reengaged him to come back. He said the next steps are to get marketing materials, get a sign on the property, and to start getting feedback, which would then start on the process of figuring out what needs to be done to make this an economically viable project.

Aldr. Bancroft said SMN was going to pay for the challenges from the past and asked if they would be looking to recoup the money that has already been lost. Mr. Klein addressed that by stating that there is significant financial investment in the property and on a "go forward" basis the group collectively

understands that you cannot finance a project or construct a model that works if you add in all the accrued costs. He said they are starting where they are at now and hope to recoup what has been invested down the road. He said they have accepted that painfully hard assessment, and in order to move forward, those times and those costs need to be put aside, not to be forgotten, but to be recouped down the road as opposed to being incorporated into the current financial plan for the property.

Aldr. Turner asked if Mr. Klein could get the construction costs and the new design in the next 90-days. Mr. Klein said it's possible, subject to a follow-up meeting with city and staff.

Aldr. Bancroft asked if the commercial builder had suggested any changes to the building. Mr. Klein said no, not to change the building, but given the time that has passed since it was first marketed, that it be re-priced, and then to look at some options to possibly go from concrete to steel, or to possibly expand the corner to add about 2,900 sq. ft. He said one of the prospective tenants has asked for some sort of a rooftop feature to add another rental income source for the building.

Aldr. Bancroft asked if there were any type of self-imposed timeline for SMN. Mr. Klein said he wasn't sure, but that at the next meeting maybe Mr. Wilson could be present to answer some of these questions.

Aldr. Lewis asked Mr. Klein how much longer he felt the city should be expected to wait to fill the hole in the ground. Mr. Klein said he understands the pressure the city is under, but that 2-years ago they had come to the city with plans and drawings to do something on the site and for reasons discussed it was decided that it wasn't something that should be done at that time. He said the fact that it is what it is now, is not necessarily the decision of the developer for the site. Aldr. Lewis said she never saw those plans. Mr. Klein said he would be happy to share and that staff probably has them as well. He said he feels that they should be given as much time as a new developer because these are different and new times, and even if a new developer were brought in now, they would face the exact same challenges, but without the benefit of any relationship, history or commitment with Council. He asked the Council how long they would give a new developer. Aldr. Silkaitis noted they have given SMN 5-years, but said if there were a new developer that were buying it, they would most likely have a plan, at least in their head, and sometimes it takes a new developer to get a project going. Mr. Klein said he thinks he has the collective wisdom of this Council, prior Council, city staff, architects, engineers and brokers which puts them in a better position to develop the property rather than someone new who will face the exact same challenges. Aldr. Silkaitis said he really wants SMN to do the project but its years now and maybe it's come to the point where maybe the city should try something different. Mr. Klein said that it's all due to the market place which they have no control over.

Aldr. Lewis said she understands the tough economy but there has to be a point where the city decides how much longer can this keep going, is it viable or nonviable, and once the studies are all done will SMN come back and state they can't build that now either. Mr. Klein said if they come back and say they cannot build it and do not have an alternative, then there is a problem. He said at least now there have been some requests from Council and some benchmarks put in place to measure the type of progress or due diligence to start answering questions.

Aldr. Payleitner asked what would have happened if the city had not initiated the conversation 4-months ago. Mr. Klein said that's a "what if" but he thinks they would have continued to assess the economy. He said the two prospects currently in place are due to Mr. McNally and Mr. Salas looking for tenants for the site, and once its determined as a result of conversation with the city, brokers or assessing the market place, they would get ready to roll and they would have proceeded as they are now.

Aldr. Payleitner said this situation is different than the Charlestowne Mall, where the Mall developers are more in the mind set of "if we build it, they will come", which is opposite of what Mr. Klein is saying. She said she sees herself in a roll of playing optimist because she is telling citizens that the city is in an upswing so as far as telling citizens to read the papers, she is not; she wants to give the city a positive spin now that things are looking up. Mr. Klein said he only suggests reading the papers if citizens are asking

"why hasn't something happened up to this point", but as of now they are listing the property and they have prospective tenants because things are better and there seems to be some activity around First St. He said he feels the two prospects they have are a function of the fact that there is a sense in the business community that things are getting better and maybe business can be expanded in St. Charles.

Aldr. Lewis said some of the businesses that are doing well around First St. are also saying that something needs to be done or they will not keep doing well. Mr. Klein said he understands and they are ready, willing and able to get out and start marketing to get it going.

Aldr. Bancroft asked for the percentages of retail and office for the building. Mr. Klein said assuming it all comes together, the lower level, first level and the second floor, and it would still be a 4-story building with a possible rooftop feature that a prospective tenant has asked about.

Aldr. Bancroft said in regard to a timeframe of what it takes to be pre-leased, and he keeps his fingers crossed for those two tenants, he would like it to be couched in the terms of "this is what we think it would take to get pre-leased" and "at the rates that we are quoting, these are acceptable rates for the developer to move forward, obtain financing and promos, and get the building started". He said it's very important to him to be sure that the rental rates being talked about jive with the viability aspect of this deal. Mr. Klein said he can assure that if he went to the realtor and wanted to rent at $5 a sq. ft. gross, how quick can you get it leased, it would be leased in no time, so he understands.

Aldr. Bessner asked if there is a hint of what type of retail may be coming. Mr. Klein said a restaurant.

Aldr. Bessner asked if there was any talk about the lower level being more for office space versus retail. Mr. Klein said the lower level was for the most part was being used for dry storage and kitchen for the anticipated first floor use, but there had been talk from time to time about some sort of office use there. He said there are windows down there on the east side of the river, so there is some amenity there with the foundational corner, but it was thought for the anticipated restaurant use that the area would be some sort of a party room. Aldr. Bessner said he thinks if it ends up not being tied into a restaurant for storage it may be a missed opportunity to bring some office down, and maybe they could tie in more of an atrium or mezzanine type of place to take advantage of 1 or 2 floors of retail, not just the first floor. Mr. Klein said that's a good idea.

Aldr. Bessner said it concerns him that after 5-years there is still not any type of concrete timeline. Mr. Klein said he cannot offer one. Aldr. Bessner asked if the city is expected to wait around another 1-2 years not knowing and end up where we are now. Mr. Klein said no, he does not expect that, he expects that some benchmarks will be set, as they have been discussed tonight, he expects that the city will hold them accountable and will come to them and say "this is what we need" and if not then some different decisions will be made.

Aldr. Turner said the only timeline he would hold them to right now, is the cost, and they would like that in a reasonable amount of time. Mr. Klein said he would discuss that with either Mr. Koenen or Aldr. Bancroft on whether the realtor should be brought in first. He asked for clarification in that the action plan needed right now is to get the broker in to meet with staff along with whomever from the Council, to get the assessment for the market place and at least anecdotally give Aldr. Bancroft some of the answers he is looking for, follow that in writing, and once that happens, let Council know when the financials will be in place.

Aldr. Bessner asked if staff needed anything more before coming back to Council. Ms. Tungare said no, they have enough direction at this point and the extension would be placed on the next Council Agenda for November 18, 2013.

Aldr. Krieger made a motion to extend the item to February 10, 2014 and to have any and all numbers presented to Council at that time. Seconded by Aldr. Turner.

Aldr. Bancroft said he wasn't sure what was being voted on because this item is going before Council next week for the vote for the extension.

Aldr. Krieger withdrew her motion. Aldr. Turner withdrew his second.

Mr. Klein added that in the meantime he would meet with Mr. Koenen to start those conversations.

Chairman Stellato rejoined the Committee at 8:05PM

c. Recommendation to Approve a General Amendment to Title 17 of the City Code (Zoning Ordinance) Regarding Parking Lot Setbacks and Landscape Requirements for Existing Parking Lots and Public Street Frontage Landscaping Requirements.

Mr. O'Rourke said staff is filing the General Amendment for some issues that continually come up due to landscaping and existing parking lots. Mr. O'Rourke reviewed the staff report and said staff recommends approval to modify the parking setback and landscaping standards as it relates to the resurfacing and reconstruction of existing parking lots to grant additional flexibility and encourage the installation of landscaping along the City's Commercial Corridors, and to also reduce the amount of landscaping required along commercial streets to align these standards with common practices and the recommendations of the recently adopted Comprehensive Plan.

Aldr. Turner made a motion to approve a General Amendment to Title 17 of the City Code (Zoning Ordinance) Regarding Parking Lot Setbacks and Landscape Requirements for Existing Parking Lots and Public Street Frontage Landscaping Requirements. Motion Seconded by Aldr. Silkaitis. No additional discussion. Approved unanimously by voice vote. Motion carried.

d. Recommendation to approve an amendment to the 2012 Property Maintenance Code.

Mr. Vann said the Building and Code Enforcement Division has been reviewing the City's Property Maintenance Enforcement procedures and processes. The City adopted the 2012 International Property Maintenance Code where there is a standardized appeal process and the City has also adopted an Administrative Adjudication procedure that allows individuals the opportunity to due process. The proposed amendment, if approved, will remove the code's standardized process procedure and allow the Administrative Adjudication system as the appeal process required by law. He said city staff has reviewed this with the City Attorney and is asking for approval from Committee for the amendment.

Aldr. Silkaitis made a motion to approve an amendment to the 2012 Property Maintenance Code. Motion seconded by Aldr. Bessner. No additional discussion. Approved unanimously by voice vote. Motion carried.

e. Recommendation to approve a Facade Improvement Grant Agreement for 213 S. 3rd St. (David Saelens, Saelens Insurance).

Mr. Colby said the façade grant was to fund exterior siding replacement and repair to 213 S. 3rd St. Some deteriorating wood siding would be replaced with fiber cement siding to match the existing design. He said the project cost is estimated at $24,500 and the grant would cover up to $8,000 and the Historic Commission has reviewed the project and recommended approval.

Aldr. Krieger made a motion to approve a Facade Improvement Grant Agreement for 213 S. 3rd St. (David Saelens, Saelens Insurance). Motion seconded by Aldr. Bessner. No additional discussion. Approved unanimously by voice vote. Motion carried.

f. Update on the Lexington Club Project-Information Only.

Mr. Tiedt said the Lexington Club project is a residential development consisting of single-family and multi-family units on the former Applied Composites site. He said the project site is bounded by Dean St. and State St. to the south, railroad tracks to the north, 5th St. on the east side and 12th St. on the west and encompasses approximately 28 acres.

Mr. Tiedt then showed a PowerPoint presentation explaining the projects history and updates:

Project History

- Lexington Club PUD-Approved 1/7/2013.
- Redevelopment Agreement-Approved 1/7/2013.
- Final Plat of Subdivision-Approved 4/15/2013.

Project Milestones

- Enrollment into the Site Remediation Program (SRP)-Completed October 2013.
- Required Public Improvements (onsite and the following offsite: extension of a 10" watermain along 9th to Dean St, reconstruction of 9th St. from proposed subdivision to State St., installation of a 5 ft. wide sidewalk along the north side of State St. between 9th St. and 7th St. and installation of missing sidewalk segment on 7th St. north of State St.) -Must be completed by 10/16/2016.
- Project Completion-Must be completed by 12/31/2021.

Project Status

-Final Engineering Plans

- Resubmittal Pending-staff expects some time in November 2013.
- Submittal for IEPA construction permits for construction of the proposed sanitary, sewer and watermains, following plan approval.

-Environmental Remediation

- Monitoring wells installed and samples taken.
- Enrollment into Site Remediation Program (SRP) Completed.
- Site investigation work plan being drafted by Huff and Huff and plans to submit by end of 2013.

Mr. Tiedt said staff has been informed that they have prepared and bid out the balance of the foundation demo work and secured landfill permission to accept the material from that work. He said they do intend, upon conversations with them, to start foundation removal sometime in 2014. He said Lexington was unable to attend tonight but they did provide staff with the information presented that evening.

Chariman Stellato said he knows this is a pay as you go TIF and asked if the city loses a year of increment or is it already built into the project. Mr. Tiedt said he was not sure but he would check with Mr. Minick and get back to him. Chairman Stellato he just wondered how it would affect the TIF.

Aldr. Lewis asked if they are on schedule. Mr. Tiedt said based on the project milestones they are still within the schedule.

Aldr. Krieger asked if the site is secure, because she has had residents telling her that it's become a general playground for kids to build skateboard ramps etc. Mr. Tiedt said Lexington Homes has a fence contractor who has secured the site with a construction fence and just last week the city made them aware of some lose panels and Lexington, according to them, had gone out and inspected that.

Aldr. Silkaitis said he walked the property about 3-weeks ago and it was very easy to get in. Mr. Tiedt said he had noticed that as well and they also heard that in conversation which is why Lexington was contacted, and he was told it was taken care of last week. Ms. Tungare added that it would be reinforced and taken care of.

Aldr. Lemke asked if they had received bids or firm pricing for removal of things like foundations. Mr. Tiedt said that's what he had been told but he had not personally seen any contracts, but that staff had been informed that it has gone out for bid and they have secured what was needed to begin removal and dispose of those foundations. Aldr. Lemke asked if anybody has trued up with the plan to track remediation and the cost. Mr. Tiedt said to his knowledge nothing had been submitted to finance for reimbursement yet, but he knows Huff and Huff has been working with Lexington to prepare the paperwork to remove the foundations and to then get the necessary paperwork to dispose of the foundations because some of the material is in the contaminated zones. Aldr. Lemke said if they have open bids he thinks it would be prudent for them to share that so there are no surprises. Mr. Tiedt said sure, he could ask them for that information.

Aldr. Bessner asked if there is any timeline for getting rid of the bulk of debris out there now. Mr. Tiedt said a majority of the foundations that remain need environmental remediation plans in place before the removal can begin, and as for some of the other debris onsite, the city has already been working with the developer to remove that. Mr. Vann said he knows they will be using some of the debris, especially the concrete, for some of the roads, curbs and gutters, so it will stay there until those are developed.

4. ADDITIONAL BUSINESS –None.

Aldr. Lemke made a motion to go into Executive Session at 8:20 PM to discuss a pending litigation. Motion was seconded by Aldr. Bessner

Roll Call:
Ayes: Bancroft, Martin, Krieger, Bessner, Lewis, Silkaitis, Payleitner, Lemke, Turner, Stellato
Nays:
Abstain:
Motion Carried. 9-0.

5. EXECUTIVE SESSION

- Pending Litigation

Aldr. Bancroft made a motion to adjourn from Executive Session at 8:50PM. Seconded by Aldr. Bessner. No additional discussion. Approved unanimously by voice vote. Motion carried.

6. ADJOURNMENT

Aldr. Martin made a motion to adjourn at 8:54PM. Seconded by Aldr. Turner. No additional discussion. Approved unanimously by voice vote. Motion carried.