

**MINUTES  
CITY OF ST. CHARLES, IL  
PLANNING AND DEVELOPMENT COMMITTEE  
MONDAY, JANUARY 14, 2013 7:00 P.M.**

**Members Present:** Payleitner, Turner, Rogina, Martin, Krieger, Bessner, Lewis

**Members Absent:** Carrignan, Stellato, Monken

**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; Rita Tungare, Director of Community Development; Chris Aiston, Director of Economic Development; Joe Schelstreet, Acting Fire Chief; Michael Mertes, Economic Development

**1. CALL TO ORDER**

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

**2. ROLL CALLED**

Roll was called:

Present: Payleitner, Turner, Bessner, Rogina, Martin, Krieger, Lewis

Absent: Carrignan, Stellato, Monken

**3. FIRE DEPARTMENT**

- a. Recommend approval to waive the formal bid procedure and authorize purchase of new brush truck/multi-purpose response vehicle.

Chief Schelstreet said the reason for the request was due to a number of circumstances that have come into play that offer the chance to take advantage of a rapid delivery and some cost savings. He said the Danko Company out of Nebraska has a unit that meets and exceeds specifications on the line currently and have offered a 5% discount. He said the Foreign Fire Insurance Board has supplemented the city budget by \$50,000 to facilitate the purchase of this piece of equipment but that there is a time constraint. Therefore, Fire is asking for permission to move forward, waive the bid and purchase the vehicle from Danko. Chairman Bessner asked if it was budgeted. Chief Schelstreet said yes, it is budgeted, and also supplemented by the Foreign Fire Insurance Board.

**Aldr. Martin made a motion to recommend approval to waive the formal bid procedure and authorize purchase of new brush truck/multi-purpose response vehicle. Motion was seconded by Aldr. Krieger.**

Roll Call Vote:

Ayes: Payleitner, Turner, Rogina, Martin, Krieger, Lewis

Nays:

Absent: Stellato, Monken

Motion Carried.

#### 4. COMMUNITY DEVELOPMENT

- a. Recommendation to approve PUD Preliminary Plan, Final Plat of Subdivision, and Minor Change to PUD Preliminary Plan (Discount Tire Zylstra PUD-Lots 3 & 4).

Mr. O'Rourke said this proposed site is just north of the existing Costco gas station and there are three applications in front of Committee tonight. Discount Tire is only looking to purchase 1 acre which, would split the site into three total 1 acre lots, which does meet the minimum lot size required in the underlying zoning district. He said staff has gone through and submitted an analysis of their review and is recommending approval of the project contingent upon resolution of outstanding staff comments, which is not anything major, just some landscape comments.

Aldr. Rogina asked if the Batavia location is successful seeing as though it is also next to a Firestone. Todd Mosher-Atwell, LLC-said Discount Tire enjoys being near other auto service and restaurant type businesses because it gives people an opportunity to get something to eat while they are getting their tires changed, and because Discount Tire does not do anything but tires. Should they see something else wrong with the car, they will recommend a local business for repair and that it is not uncommon to having them working in tandem.

Aldr. Krieger asked if the landscaping issue would be addressed prior to issuing the final permits. Mr. O'Rourke said yes, and that staff has already received resubmitted plans and that he and the applicant have been working on the details which will be addressed before the final vote from Council.

**Aldr. Krieger made a motion to recommend approval of PUD Preliminary Plan, Final Plat of Subdivision, and Minor Change to PUD Preliminary Plan (Discount Tire Zylstra PUD-Lots 3 & 4). Motion was seconded by Aldr. Turner.**

Roll Call Vote:

Ayes: Payleitner, Turner, Rogina, Martin, Krieger, Lewis

Nays:

Absent: Stellato, Monken

Motion Carried.

- b. Recommendation to approve General Amendments to Chapter 17.04 "Administration" and Chapter 17.18 "Inclusionary Housing" of Title 17 of the City Code (Zoning Ordinance).

Mr. O'Rourke said this item was presented to the Planning & Development Committee back in August and there was then a joint meeting between the Housing Commission and the Planning & Development Committee back in September to go over some of the issues. He said the proposal is to amend the Zoning Ordinance to remove the inclusionary housing ordinance chapter as an eligible deviation through the PUD; as an alternative, there is a new process called the Alternative Housing Plan process that will be worked into Chapter 17.18, the "Inclusionary Housing Ordinance." Through this process and discussion, there is also the idea of a sliding scale amendment and staff is presenting that as part of this amendment. He said the idea behind the Alternative Housing Plan is that if an applicant feels they have a valid reason to not meet the Ordinance, they would have to justify that according to the ordinance's very specific justification criteria, which also must be proven to staff and City Council by submitted documentation. He said in the beginning stages, an applicant will be required to submit the actual plan or a rough

outline showing why they cannot put affordable housing on the site and how they are trying to come up with another way to address it, whether it be pursuing alternative funding sources or purchasing off site foreclosed units and fixing them up to put on the market at an affordable price. He said the sliding scale essentially is: as the percentage of affordable units in St. Charles increases based on analysis, the number of units required in every residential development will be decreased. He said how they came up with that number is from the original 10% guideline through the State, which the Housing Commission used as their beginning benchmark; and within the ordinance itself, there is a provision that states that if St. Charles' housing stock is at 25%, the Community Development Director can suspend the provisions of the Ordinance until such a time if it goes back down to 15%, then it could be unsuspending. He said Staff, Housing Commission and P&D Committee have discussed taking equidistant percentages between 10% and 25% so as the percentage of affordable housing increases the requirement will decrease.

Aldr. Rogina asked if this was from Aldr. Carrigan's proposal to the Housing Commission. Mr. O'Rourke said that is correct, all the information was taken and codified.

Aldr. Turner said he thought it was up to the City to decide whether the PUD would have affordable housing and asked if they are now required to have it. Mr. O'Rourke said they either have to have it or there's the option of the Alternative Housing Plan, which the Council would still approve, but they would have to state that there is something beyond the developer's control on the site keeping them from providing the affordable units required by the ordinance. That information would need to be sufficient enough to prove to Council that it would constitute a financial hardship, but even then they would have to do something. It basically takes it out of the deviation request process through the PUD.

Chairman Bessner said in regard to hitting the 25% threshold and the Director of Community Development being able to cease the program, would that happen, or is that just something to think about. Mr. O'Rourke said the Ordinance gives the Community Development Director the authority to do that, and can and will depend on the circumstances at the time and what the percentages are, but it would have to be looked at if it ever gets to 25%. He said that the city is currently at roughly 18% and that there has been a general trend of an increase; since 2008, it has gone from 16% to 18%. Chairman Bessner asked if 25% is a good threshold. Mr. O'Rourke said the Housing Commission looked at that when the ordinance was originally put together and they came to the conclusion that if it were to get to 25%, that would mean something was severely wrong in the market and affordable housing would not be needed any longer.

Aldr. Rogina said the state statute on the low side says 10%, but the City's Ordinance calls for 25%. Mr. O'Rourke said correct, that was developed by St. Charles.

Aldr. Turner said if we were at 25% and dropped back to 18%, would there be no affordable housing requirement until it would be at 15%. Mr. O'Rourke said yes, that is the way the Ordinance currently reads. Aldr. Turner asked how that affects the city now, would it need to hit 25% first in order to suspend it? Mr. O'Rourke said yes, but it has not hit the threshold.

**Aldr. Rogina made a motion to recommend approval of General Amendments to Chapter 17.04 "Administration" and Chapter 17.18 "Inclusionary Housing" of Title 17 of the City Code (Zoning Ordinance). Motion was seconded by Aldr. Payleitner.**

Roll Call Vote:

Ayes: Payleitner, Turner, Rogina, Martin, Krieger, Lewis

Nays:

Absent: Stellato, Monken

Motion Carried.

## **5. ECONOMIC DEVELOPMENT**

- a. Recommend that the City Council direct staff and the City Attorney to draft an Economic Development Incentive Agreement with US Adventure RV (131 S. Randall Rd.).

Mr. Aiston said US Adventure RV is based out of Davenport, IA. The proposal is to create an economic development opportunity and incentivize site relocation. He said they presently have a store in Joliet, Illinois where they do sales and leasing of RV vehicles and trailers, and the plan is to come to the Chicagoland western suburban market if possible. He said their lease has come due in Joliet, which is month to month, they can stay there, but they prefer to move to 131 S. Randall Rd. He said they plan to rent approximately 8,000 sq. ft. in the south east portion of the building and would be a leasing tenant from Fox River Harley Davidson. Their expectations within in the first 5 years is to employ 21 people generating an annual payroll of approximately \$3.5 million, with the average employee making about \$42,000 per year, and after 5 years in the St. Charles location, they estimate new sales at approximately \$45million. He said staff is recommending that the city reimburse the dealership for certain relocation cost not to exceed \$250,000, or for a period of six years maximum, whichever comes first. He said according to estimates from US Adventure RV, the total relocation cost is approximately \$590,000, and in the terms sheet, \$385,000 has been itemized, which is hard cost as well as training of employees and rehiring of new employees and market plans. He said the vast majority of the cost will occur before they even open the doors for business. To offset the costs, reduce financing costs and to ensure the shortest period of time where the city would be realizing 100% of the new sales tax, they would front load the deal. He said in year 1, the city would reimburse 75% of the new tax, year 2-70%, year 3-65%, year 4-60%, year 5-50% and year 6-50%, and that is only for the 1% municipal tax, and any rental tax on motorhomes will be retained 100% by the city. He said US Adventure obligations include either staying at the Fox River Harley Davidson facility or another St. Charles facility for a period no less than 10 years; infrastructure improvements to the property estimating about \$150,000; and incidental costs of \$40,000. He said a moving cost of \$590,000 is anticipated to make it work but the city will only reimburse up to \$250,000. He said this is a good business to incentivize because people that purchase/lease RV's will come a great distance to do so and will bring in a new business with a great demographic. He said the synergy will not just be in the type of consumer in the market place but also in the physical nature of the way the building will be laid out. He said there is a top of the line RV called Airstream, which is a Mercedes vehicle on a Mercedes chassis, which would benefit the Resnick Mercedes dealership as far as service and warranty and that is one of the reasons US Adventure RV has chosen the location.

Mr. Aiston said the recommendation on the part of staff is that the Committee direct staff to work with City Council to formally draft a sales tax reimbursement agreement that, but fore this agreement, economically the project would not move forward.

Aldr. Martin said this item just appeared on the agenda without any previous notice and he knows nothing about this company and there is not any information. He asked if staff was looking for a recommendation this evening. Mr. Aiston said he is asking for direction for staff to work with Council to write up a reimbursement agreement using the proposed terms that were

presently in front of the Committee. Aldr. Martin said he wants to know more about the company. Mr. Aiston said he has physically been to the Davenport, Iowa facility before Christmas but that a representative from the company was present to answer questions.

Aldr. Rogina asked how much would be reimbursed to the dealership on a \$100,000 purchase. Mr. Aiston said right now municipal tax is 1 penny on the dollar, so \$1,000 in municipal tax, reimbursed the first year-\$750, \$700-second year, \$650-third year, \$600-fourth year and then the city would stay and keep \$500. He said once the \$250,000 has been completely disbursed, which is estimated to be in the fifth year, the city would retain all of that.

Aldr. Krieger asked if the dump station listed would be pumped out or if it would go into the city's sewer, and if it's going in the city's sewage system for treatment, will they will be charged the same rate or more than homeowners. Mr. Aiston said that is subject to discussion, and there have been preliminary discussions with Public Works, but that there needs to be more discussion regarding the incidentals. Aldr. Krieger said she agrees with Mr. Martin as far as needing more information before making a recommendation. Mr. Aiston said he hopes the representative from the company can provide that information tonight.

Aldr. Lewis said she does not have a problem with the type of business and she thinks it's a good fit with the Harley Davidson, but that she needed clarification on US Adventure's obligations regarding them moving elsewhere. Mr. Aiston said it's a 5-year option and if that option is not renewed, if they wanted to continue with the reimbursement program, they would need to find another location in St. Charles. Aldr. Lewis said she understands that, but there is no level of service, they could just have a telephone in an office after the tax abatement is given to fix up the location at Harley Davidson. Mr. Aiston said that is a fair comment, but that an agreement would be stipulated that there would need to be an operation. Aldr. Lewis asked why it would be transferrable to somebody else. Mr. Aiston said its similar to other agreements where it could not be unreasonably denied because the business itself is something that is good for the city whether US Adventure owns it, or someone else.

Aldr. Turner asked where the RVs would be stored. Mr. Aiston asked Mr. Dresselhaus to explain but said the case would not be 40 trailers set up in the parking lot.

John Dresselhaus-US Adventure RV-said the company started in 2004 on an abandoned property in Davenport, Iowa, where the city worked with them to provide some incentives; property tax, relief etc. They renovated the property into one of Iowa's largest RV dealerships in the state, specializing in upscale RVs. He said they managed to remain successful through the recession where 30% of dealerships and manufacturers went out of business, and they managed to continue to grow, opening a satellite dealership in Joliet which has remained successful due to quality customer service. He said they like the northwest suburbs and the proximity to the Resnick dealership because a good portion of their motorized business is with Airstream, which is built on a Mercedes platform, and any service work done to the chase must be done by a Sprinter related dealer. He then gave a brief history of the Airstream and its quality and said that a 19 ft. Airstream would cost \$50,000-60,000 and the average transaction at the Joliet store is \$70,000. He said that people would come from large distances to purchase these products and they are very educated buyers from all walks of life. The St. Charles store would specialize in Airstream and other upscale motorized products and will also provide rentals, but only utilizing the newest equipment which is sold once they have 12,000-15,000 miles on them.

Aldr. Turner asked how big the store in Joliet is. Mr. Dresselhaus said it's a much smaller footprint than their other store and the actual square footage at the St. Charles store will be slightly bigger and more surrounding land with hard surface all around the building.

Aldr. Lewis asked if Class A, B, C vehicles would be stored at the St. Charles location or if it would stop with just Airstream. Mr. Dresselhaus said the focus of the store would be Airstream products but there would be some service of Class A motorhomes, which are more upscale and more expensive product, but that those would be available for both purchase and rental. Aldr. Lewis asked if there would be a lot of campers and cargo trailers parked outside. Mr. Dresselhaus said no, there may be a cargo trailer for traveling or bringing along motorcycles, which is again is good synergy with the Harley Davidson dealership. Aldr. Lewis asked about the average \$42,000 a year jobs at the store. Mr. Dresselhaus said there are \$42,000 a year jobs but there are also \$24,000 per year jobs and some \$100,000 per year jobs in sales. Aldr. Lewis asked how many support jobs would be available. Mr. Dresselhaus said there would be porters, detailers, sales people and internet marketing people. Aldr. Lewis said so mostly support, doing paperwork and how many would be in the \$24,000 range. Mr. Dresselhaus said probably about a third of the employees would be in that range. Aldr. Lewis said she wants good jobs coming to St. Charles. Mr. Dresselhaus said the people that work with us develop a level of knowledge and are a valuable resource and there are some jobs that pay less than others but he feels their people are compensated well compared to other dealerships. Aldr. Lewis said if they were not asking for the \$250,000, it would not even be an issue.

Aldr. Martin asked if the complete operation is a permitted use. Mr. Townsend said yes it is.

Chairman Bessner asked how long the Joliet location has been open and what is the total sales revenue. Mr. Dresselhaus said since 2009 and it has grown from \$3 million last year to \$4 million this year, and they currently employ 8-9 people and the percentage of rental versus sales is an average of 10%.

Aldr. Rogina said the itemized list of reimbursements by his calculations adds up to \$355,000 but yet they are only asking for \$250,000. Mr. Aiston said his term sheet and calculations actually come to \$385,000 but they are only asking for \$250,000 because what is critical is that those costs will not exist if US Adventure stays in Joliet. Mr. Dresselhaus said overall the real cost to move would probably be more than \$700,000.

Aldr. Lewis asked if they are leaving Joliet and wanting to come to St. Charles. Mr. Dresselhaus said they are not, but are looking for alternative locations and they feel St. Charles, from a demographic stand point, is desirable because over the last 3+ years more of their sales have been from the northwest suburbs.

Mayor DeWitte-said a number of \$45 million in sales was quoted and after how long after opening their business would it take to get volume up to that number. Mr. Aiston said they expect about \$45 million over the course of the first 5-years, but about \$12 million per year in sales would translate to \$120,000 in municipal tax and also any other sales in home rule, parts, leasing, and other accessories sales not titled would generate a penny tax as well. Mayor DeWitte said how many \$40-50 million businesses do we have lined up to come into St. Charles right now. Mr. Aiston said it's a tough time to do retail and this is a home run sales type business and takes up 8,000 sq. ft. yet only employs up to 21 people and in looking at the perspective of what the city can get from this deal, which is a new business, ancillary business, sales tax figures, and it will do a lot for the Harley Davidson dealership, which can be vulnerable

depending on the economy. He said he thinks it's worth attracting even if it was not coming to Fox River and also worth incentivizing because once the reimbursement expires, the city retains all, and if US Adventure stays in Joliet or finds another location, they will not move to St. Charles.

Aldr. Martin requested the petitioner to provide a set of financials and company history so the city knows more about what they would be spending the money for. Mr. Aiston said this is a privately owned company but that's not to say that Mr. Dresselhaus will not provide his financials to the Council. Aldr. Martin said if the city is going to give him \$250,000, he would certainly hope to know more about him.

Aldr. Rogina asked who the closest competitor in St. Charles would be. Mr. Dresselhaus said they are unique due to the product they sell and there is not anyone else in Illinois that sells Airstream and that the RV lifestyle demographics are in their favor and there is a prediction that over the next several years the RV industry will be very good.

Aldr. Rogina said he would also like to see Aldr. Krieger's comments regarding sewage be taken into consideration as well. Mr. Aiston said he has had preliminary discussion with John Lamb already and he is on top of it.

Aldr. Lewis would like the locating "elsewhere" more fine-tuned as well. Mr. Aiston said yes, it will be maintained as a similar operation.

**Aldr. Martin made a motion to direct staff and the city attorney to draft an economic development incentive with US Adventure RV. Motion was seconded.**

Roll Call Vote:

Ayes: Payleitner, Turner, Rogina, Martin, Krieger, Lewis

Nays:

Absent: Stellato, Monken,

Motion Carried.

## **6. ADDITIONAL BUSINESS**

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

Mr. Colby said the draft is currently before the Plan Commission for review and the Plan Commission will also be discussing it at their next meeting on Jan. 29. As soon as they conclude their review and discussion and makes a recommendation, the plan will be brought before the Planning & Development Committee, which could be as early as February, depending on how long it take for the Plan Commission review. Aldr. Rogina asked if the Plan Commission goes beyond the Jan. 29, then would the Planning & Development Committee not see it before March. Mr. Colby said that is likely, but there is a Plan Commission meeting on Feb. 5, so it's a possibility that if they made a recommendation, it could be brought before Committee, but the decision would be made if that occurs.

Birthday wish was made to Aldr. Turner.

## **7. ADJOURNMENT**

Aldr. Turner made a motion to adjourn. Seconded by Aldr. Turner at 8:05 PM.