

**MINUTES FROM THE MEETING OF THE ST. CHARLES CITY COUNCIL
HELD ON MONDAY, APRIL 15, 2013 – 7:00 P.M.
CITY COUNCIL CHAMBERS, IN THE CITY COUNCIL CHAMBERS
2 E. MAIN STREET ST. CHARLES, IL 60174**

1. **Call To Order By Mayor Donald DeWitte At 7:29 P.M.**
2. **Roll Call.**
Present: Stellato, Monken, Carrignan, Payleitner, Turner
Rogina, Martin, Krieger, Bessner, Lewis
Absent: None
3. **Invocation Alder. Payleitner.**
4. **Pledge of Allegiance.**
5. **Motion by Martin, seconded by Krieger to approve the Omnibus Vote as presented.**
ROLL CALL VOTE: AYE: Stellato, Monken, Carrignan, Payleitner, Turner
Rogina, Martin, Krieger, Bessner, Lewis
NAY: 0 ABSENT: 0
MOTION CARRIED
- *6. **Motion by Martin, seconded by Krieger to accept and place on file minutes of the Public Hearing (SSA 1A) held on April 1, 2013, minutes of the Public Hearing (SSA 1B) held on April 1, 2013, and minutes of the regular City Council meeting held on April 1, 2013.**
ROLL CALL VOTE: AYE: Stellato, Monken, Carrignan, Payleitner, Turner
Rogina, Martin, Krieger, Bessner, Lewis
NAY: 0 ABSENT: 0
MOTION CARRIED (Omnibus Vote)

I. New Business

- A1. Reverend Al Patton
 - Standing with me is Jennifer Biddle, the outgoing chair of the River Corridor Foundation. As you know Mr. Mayor, since you have been part of the presentation of the award, three years ago the River Corridor Foundation established a community award to thank and honor individuals for contributions to the development, preservation, and enhancement of Fox River corridor. The 2011 winners were the Bob Leonard Family; last year we had two recipients Vern and Sharon Oi and St. Charles Rotary. I am honored to announce that this year's recipient is Donald P. DeWitte.
 - Jennifer Biddle presented the Golden Turtle award to Mayor DeWitte. With respect, admiration and appreciation for all you have done personally and as the

Mayor to show your support of our efforts. I am so happy that you are receiving this award tonight. If it weren't for the City naming the Bob Leonard walkway after my Dad, while you were in the lead, I would not have been asked to be part of that planning committee for the walk a thon. It has been a pleasure to serve my community in that capacity. You have been more than generous with your time. You have been supportive of our project to improve the landscaping along the walkway. You have been available to answer questions and have been a great listener providing encouragement and advice. You will be missed. Thank you for all your service to the community. These are only a few examples of what you have accomplished as our leader.

- Mayor DeWitte said, It is an honor and a pleasure to receive this award. I have had the privilege of presenting this to the past winners. It has been privilege to do that. The differences are visible; you can see the improvements being made all along the river walk in St. Charles. It is because of the work of the River Corridor commission that our riverfront continues to get better and better.

A2. Motion by Monken, seconded by Carrignan to approve a proclamation declaring April 26, 2013 as Arbor Day in the City of St. Charles.

VOICE VOTE UNANIMOUS MOTION CARRIED

A3. Mayor read the proclamation proclaiming Take our Sons and Daughters to Work day on April 25, 2013.

B. Motion by Martin, seconded by Krieger to approve a **Resolution 2012-41** providing for the Adoption of the City of St. Charles Annual Budget for Fiscal Year 2013/2014.

ROLL CALL VOTE: AYE: Stellato, Monken, Carrignan, Payleitner, Turner
Rogina, Martin, Krieger, Bessner, Lewis

NAY: 0 ABSENT: 0

MOTION CARRIED

C. Motion by Carrignan, seconded by Monken to accept and place on file Plan Commission Resolution No. 10-2013 A Resolution Recommending Approval of a Final Plat of Subdivision (Lexington Club PUD).

ROLL CALL VOTE: AYE: Monken, Carrignan, Payleitner,
Martin, Bessner, DeWitte

NAY: Stellato, Turner, Rogina, Krieger, Lewis ABSENT: 0

MOTION CARRIED

D. Motion by Carrignan, seconded by Monken to approve an **Ordinance 2012-Z-10** Approving the Final Plat of Subdivision for Lexington Club PUD.

ROLL CALL VOTE: AYE: Monken, Carrignan, Payleitner,
Martin, Bessner, DeWitte

NAY: Stellato, Turner, Rogina, Krieger, Lewis ABSENT: 0

MOTION CARRIED

E. Motion by Martin, seconded by Krieger to approve an **Ordinance 2012-M-25** Authorizing the Purchase of Certain Property for Corporate Purposes by the City of St. Charles and Related Matters - 119 North Third Street.

ROLL CALL VOTE: AYE: Stellato, Monken, Carrignan, Payleitner, Turner
Rogina, Martin, Krieger, Bessner, Lewis
NAY: 0 ABSENT: 0
MOTION CARRIED

II. Committee Reports

A. Government Operations

- *1. Motion by Martin, seconded by Krieger to accept and place on file minutes of the Government Operations Committee meeting held on April 1, 2013.
ROLL CALL VOTE: AYE: Stellato, Monken, Carrignan, Payleitner, Turner,
Rogina, Martin, Krieger, Bessner, Lewis
NAY: 0 ABSENT: 0
MOTION CARRIED (Omnibus Vote)
2. Motion by Turner, seconded by Rogina to approve a Class B6 liquor license for Volpe Restaurant to be located at 210 Cedar Street, St. Charles (former Isacco Kitchen).
ROLL CALL VOTE: AYE: Stellato, Monken, Carrignan, Payleitner, Turner,
Rogina, Bessner, Lewis
NAY: Martin, Krieger ABSENT: 0
MOTION CARRIED
3. Motion by Turner, seconded by Rogina to approve a Class B2 liquor license for Macarena Tapas to be located at 1890 W Main Street, St. Charles (former Fat Rosie's Restaurant).
ROLL CALL VOTE: AYE: Stellato, Monken, Carrignan, Payleitner, Turner
Rogina, Bessner, Lewis
NAY: Martin, Krieger ABSENT: 0
MOTION CARRIED
4. Motion by Krieger, seconded by Turner to approve a lane closure on Illinois Street Bridge for Ducky Derby Drop and use of amplification for a loudspeaker device.
VOICE VOTE UNANIMOUS MOTION CARRIED
- Sandy Sheby, 40W810 Creek Wood Drive, Elgin, Illinois, with The St. Charles Noon Rotary Club.
We are partnering with D303 to do the Ducky Derby. Part of the money that will be raised will go toward supporting the social and emotional health issues at both East and North high schools. The students will be selling ducks for \$5.00. There will be a booth at River Fest. The bridge will be closed 4:30 – 5:30. Drop will be at 5:00. The walking bridge is the finish line, which will be also closed.
- *5. Motion by Martin, seconded by Krieger to approve a contract with Sentinel to complete the Telephone System Upgrade Project.
ROLL CALL VOTE: AYE: Stellato, Monken, Carrignan, Payleitner, Turner
Rogina, Martin, Krieger, Bessner, Lewis
NAY: 0 ABSENT: 0
MOTION CARRIED (Omnibus Vote)

B. Government Services

None.

C. Planning and Development

1. Motion by Carrignan, seconded by Monken to approve a Class A1 liquor license for K-Square Express, Inc. d/b/a One Stop Liquors located at 1401 Prairie Street, St. Charles.
ROLL CALL VOTE: AYE: Stellato, Monken, Carrignan, Payleitner, Turner
Rogina, Bessner
NAY: Martin, Krieger, Lewis ABSENT: 0
MOTION CARRIED
 - Alder Rogina, just to review as to why we are issuing this license since that business is in place.
 - Mayor DeWitte said the ownership is changing. The previous owner must turn in his liquor license. The new owner must apply. This is for the new owner.
- *2. Motion by Martin, seconded by Krieger to accept and place on file Corridor Improvement Commission Resolution No. 1-2013 A Resolution Recommending Approval of a Corridor Improvement Grant Application (116 State Avenue-Lou Little).
ROLL CALL VOTE: AYE: Stellato, Monken, Carrignan, Payleitner, Turner
Rogina, Martin, Krieger, Bessner, Lewis
NAY: 0 ABSENT: 0
MOTION CARRIED (Omnibus Vote)
- *3. Motion by Martin, seconded by Krieger to approve a Corridor Improvement Agreement for 116 State Avenue (Lou Little).
ROLL CALL VOTE: AYE: Stellato, Monken, Carrignan, Payleitner, Turner
Rogina, Martin, Krieger, Bessner, Lewis
NAY: 0 ABSENT: 0
MOTION CARRIED (Omnibus Vote)
- *4. Motion by Martin, seconded by Krieger to accept and place on file Corridor Improvement Commission Resolution No. 2-2013 A Resolution Recommending Approval of a Corridor Improvement Grant Application (108 S. Second Street-Doc Morgan).
ROLL CALL VOTE: AYE: Stellato, Monken, Carrignan, Payleitner, Turner
Rogina, Martin, Krieger, Bessner, Lewis
NAY: 0 ABSENT: 0
MOTION CARRIED (Omnibus Vote)
- *5. Motion by Martin, seconded by Krieger to approve a Corridor Improvement Agreement for 108 S. Second Street (Doc Morgan).
ROLL CALL VOTE: AYE: Stellato, Monken, Carrignan, Payleitner, Turner
Rogina, Martin, Krieger, Bessner, Lewis
NAY: 0 ABSENT: 0
MOTION CARRIED (Omnibus Vote)
- *6. Motion by Martin, seconded by Krieger to accept and place on file Corridor Improvement Commission Resolution No. 3-2013 A Resolution Recommending Approval of a Corridor Improvement Grant Application (203 Illinois Avenue-Wilson Travel).
ROLL CALL VOTE: AYE: Stellato, Monken, Carrignan, Payleitner, Turner
Rogina, Martin, Krieger, Bessner, Lewis
NAY: 0 ABSENT: 0
MOTION CARRIED (Omnibus Vote)

- *7. Motion by Martin, seconded by Krieger to approve a Corridor Improvement Agreement for 203 Illinois Avenue (Wilson Travel).

ROLL CALL VOTE: AYE: Stellato, Monken, Carrignan, Payleitner, Turner
Rogina, Martin, Krieger, Bessner, Lewis

NAY: 0 ABSENT: 0

MOTION CARRIED (Omnibus Vote)

- *8. Motion by Martin, seconded by Krieger to accept and place on file Plan Commission Resolution No. 6-2013 A Resolution Recommending Approval of a Final Plat of Subdivision (Boulder Heights Subdivision-802 S. 5th Ave.).

ROLL CALL VOTE: AYE: Stellato, Monken, Carrignan, Payleitner, Turner
Rogina, Martin, Krieger, Bessner, Lewis

NAY: 0 ABSENT: 0

MOTION CARRIED (Omnibus Vote)

- *9. Motion by Martin, seconded by Krieger to approve an **Ordinance 2012-Z-11** Approving the Final Plat of Subdivision for Boulder Heights Subdivision (802 S. 5th Ave.)

ROLL CALL VOTE: AYE: Stellato, Monken, Carrignan, Payleitner, Turner
Rogina, Martin, Krieger, Bessner, Lewis

NAY: 0 ABSENT: 0

MOTION CARRIED (Omnibus Vote)

- *10. Motion by Martin, seconded by Krieger to accept and place on file Plan Commission Resolution 9-2013 A Resolution Recommending Approval of an Amendment to Special Use for a Planned Unit Development and PUD Preliminary Plan – Tyler and Rt. 64 Business Park (St. Charles Chrysler, Jeep and Dodge).

ROLL CALL VOTE: AYE: Stellato, Monken, Carrignan, Payleitner, Turner
Rogina, Martin, Krieger, Bessner, Lewis

NAY: 0 ABSENT: 0

MOTION CARRIED (Omnibus Vote)

- *11. Motion by Martin, seconded by Krieger to approve an **Ordinance 2012-Z-12** Amending Ordinance 2004-Z-14, “An Ordinance Granting a Special Use as a Planned Unit Development (Tyler & Rt. 64 Business Park)” to reduce the required front yard setback and approve a revised PUD Preliminary Plan.

(St. Charles Chrysler, Jeep, and Dodge at 1611 E. Main Street).

ROLL CALL VOTE: AYE: Stellato, Monken, Carrignan, Payleitner, Turner
Rogina, Martin, Krieger, Bessner, Lewis

NAY: 0 ABSENT: 0

MOTION CARRIED (Omnibus Vote)

- *12. Motion by Martin, seconded by Krieger to accept and place on file minutes of the April 8, 2013 Planning & Development Committee meeting.

ROLL CALL VOTE: AYE: Stellato, Monken, Carrignan, Payleitner, Turner
Rogina, Martin, Krieger, Bessner, Lewis

NAY: 0 ABSENT: 0

MOTION CARRIED (Omnibus Vote)

D. Additional Items from Mayor, Council, Staff, or Citizens

- David Amundson, 500 Cedar St. St. Charles Illinois.

- I bring this up tonight since we just gave the final approval for Lexington. And it is an issue with Lexington that I noticed a couple months ago, there was something about the structure of the TIF that bothered me from the beginning and it finally clicked when I did the math back in January. This all relates to a document they presented to D303 on May 26th, 2011. Which when D303 approved the amount for the TIF request that night, that then became the basis for all the conversations happening in the City here. They initially requested for \$5.25 million, D303 approved \$4.96 million. That was the opening bell for everything that followed from that point. The questions I have relate to the document they provided. There are inconsistencies that I cannot resolve. I welcome comments and criticisms from anyone including the applicant to see if they can help me resolve these questions that I have. But pretty plainly, the document they presented D303, they said, we are only asking for enough TIF assistance to cover the gap between a financially unviable project and a financially viable project. They stated specifically that they could earn 5.04%, they could make a profit, with zero TIF assistance. But they could not make enough for it to be viable. Because at 5.04% they can't recruit banks to back us, we can't get the loans we need. We need to cover the gap where we are and where we need to be for viability. They further said, normal market rates return 17% and 20%. But because this is a partnership, we are not going to ask you for 17% return on our money, we are going to ask you for exactly 12.75%. That's the amount of profit we think we need to achieve to make this a viable project. We are asking you to cover the gap. And that they said at the time in their presentation that \$5.25 million was what they needed to cover that gap. They never told D303 a budget for the project. So, it was take it on faith. If you apply basic math and you run the numbers, and back out and say here's the profit and here's the differential profit range. You end up with a budget of \$68 million dollars. Ok fine. The question then comes up, when they showed up a couple weeks later at the housing commission meeting. They said, the project budget is going to be between \$40-\$45 million. Ok. As it turns out, what was enshrined in our ordinance was \$43.9 million dollars. The TIF ordinance had a very specific project breakdown. The question and inconsistency that I cannot resolve is when you take budget and plug it back into we can make 5.04%. We need to be at 12.75% to be viable. A 5.04% profit on a \$43.9 million project yields a \$2.2 million dollar profit. That's with no assistance. A \$43.9 million project at the targeted 12.75% rate of return is a profit of \$5.6 million. That is a differential of \$3.4 million. Not that the \$5.25 million they were asking for. That is what I cannot resolve. There is a \$1.85 million difference with what they told us what they were aiming for and what they asked for. And everything that happened after that is moot. Because as the project was changed and modifications were made there TIF request went up and down all in response to where that starting bell was set at \$5.25 million. I am confused is what it comes down to. I can't resolve the differential between what they said they were going to ask us for and what they did ask us for. I don't know if we have any recourse. I would strongly urge the Council to investigate if what I am has credibility. Because I can't say this is a bad deal, because I don't know. There could be some factor that I am not aware of. And I would certainly encourage the applicant to stand up here and explain the math. I can't understand the discrepancy of the math. There's nearly \$2 million that I can't account for. I find that disturbing. I am encouraging investigation and questions to be asked. Thanks for your time.

- Mayor DeWitte, unless everyone from the staff would like to address Mr. Admunson's questions, I would suggest to direct those questions to the financial staff to see if they can help you work through the numbers.
- Brian Townsend said Mr. Amundson is correct about one thing. He did contact us several weeks ago with these allegations about rate of return and profit being earned on this project. At that time, what he was told was that the rate of return calculations needed to be rerun based on the changes that were made to the project as it approached completion. That was done, as you recall, very late in the project. Approximately four weeks ago, we did receive revised rate of return calculations from Lexington. And as a matter of fact, Finance Director Chris Minick, Economic Development Director Chris Aiston, and I met this afternoon to review those calculations to ensure we had no other comments or concerns before we put those calculations in the file and made an attempt to Mr. Amundson to share that information. Now the information is available. There are certain portions of that information that is considered proprietary and confidential. We are in the process right now, in fact Chris Aiston spoke with representatives of Lexington Club, to determine what information they thought would be appropriate to share and what information they wanted to maintain as confidential. I can state here this evening, that the rate of return of the project as approved, is less than 12.75%. It is less than 12.75%. We are more than willing to sit down with Mr. Amundson to discuss that issue. We can explain the numbers and how they were arrived at, hopefully we can move forward.

E. Adjournment

Motion By Carrigan, seconded by Monken, to adjourn meeting

VOICE VOTE

UNANIMOUS

MOTION CARRIED

Meeting adjourned at 7:56 P.M.

Nancy Garrison, City Clerk

CERTIFIED TO BE A TRUE COPY OF ORIGINAL

Nancy Garrison, City Clerk