

**MINUTES
CITY OF ST. CHARLES, IL
SPECIAL CITY COUNCIL WORKSHOP
MONDAY, MARCH 9, 2019 5:30 P.M.**

Members Present: Stellato, Silkaitis, Payleitner, Lemke, Turner, Rogina, Bancroft, Vitek (5:32 P.M.) Pietryla, Bessner, Lewis

Members Absent:

Others Present: Mark Koenen, City Administrator; Rita Tungare, Director of Community & Economic Development; Russell Colby, Assistant Director of Community & Economic Development; Chris Minick, Finance Director

1. CALL TO ORDER

The meeting was convened by Mayor Rogina at 5:30 P.M.

2. ROLL CALLED

Roll was called:

Present: Stellato, Silkaitis, Payleitner, Lemke, Turner, Rogina, Bancroft, Pietryla, Bessner, Lewis

Absent: Vitek not present at time of roll.

3. Discussion regarding redevelopment of the former Police Station site.

Mayor Rogina said the goal is that this discussion will guide staff to put together a draft RFP to present at the April P&D meeting; if not completed tonight we can have a similar event prior. The city has received several inquiries regarding the property and staff has provided the Council with some key questions and the target date for construction is Fall 2021 if all falls into place. He said he'd be taking several straw polls to provide staff with guidance.

Mayor Rogina asked Aldr. Bancroft to explain what we mean by taking an RFP and then sitting back and looking for a market proposal; big picture, the market will dictate certain things; the invisible hand if you will. Aldr. Bancroft said first and foremost is use; if we have an affective RFP that's going to be outstanding; the evidence and the proposals that come in will show what the best use is from a real estate professionals' perspective. Whether it's a hotel, condominium, apartments, that will then define what market means. Second is pure economics; are they willing to pay for it, do they want it for free, are they attaching an incentive request, that will then set the market value for the property. He thinks this property will have some market value with it being on the river, has nice views, and with the outline of the smaller site, not including the parking, there should be some desirability out there from real estate standpoint. However, in watching the news today who know what's going to happen; his commercial finance people tell him the market is shut down. There's an uncertainty out there; he's refinanced 2 properties in the last 30-45 days to under 3%, 10-year interest only, fixed. Market is a snapshot of a moment in time and

could be very different 12 months from now; which is something we need to think about as far as this site. He said lastly, it seemed we were mostly inline with taking down the buildings, but thinking about whether there's any other complexities to the site; that will also establish a market RFP.

Mayor Rogina clarified that the discussion would not only include the old police station but also the municipal building, old city hall and buildings A, B, C.

Pro Tem Stellato noted that our job here today is not to get into the weeds; be very, very careful to not get too detailed because we will scare people off; but on the other side we want to give some direction; there's a very fine line.

Ms. Tungare defined some of the property sites and referred to the map in the Council's packets; the former police station being the core subject of conversation tonight. This includes the former P.D. building as well as some ancillary parking immediately adjacent to the building, and some of the utilities that surround the building. There are also some additional site areas shown on the map that are optional for consideration; such as:

- Area A-just to the east of the subject property, which would need a connection that will need to be maintained to the area behind the P.D.; that's Riverside Ave.
- Area B-just south of the P.D. site; the public parking lot currently used by city employees, is another optional piece of property that could be included in the RFP as part of the subject area; based on Council's direction, some of it or a portion of it could be included.

Ms. Tungare mentioned the concerns heard at the last P&D meeting regarding the loss of public parking; one way to address that would be at the front end of the RFP we could put the onus on the responders to demonstrate if area A, B or A&B were included how would they accommodate that loss of parking in their proposals; there'd be strong consideration for those that respond to that.

- Area C-The 60 ft. space along the river is shown to remain open per the Comprehensive Plan; the question still remains how that will be used. Maybe a combination of some public space, a pathway to Pottawatomie, or use of some of the area as part of the private development, or all to remain public, or just let responders decide.
- Municipal Center-Mr. Colby said they'd will break out the discussion on the 1940 tower building versus the other buildings that comprise of old city hall, because the Historic Preservation status differs somewhat. The municipal building we are currently in is on the National Register of Historic Places, as well as a portion of Old City Hall (brown roof). Its been suggested that as a part of this RFP to identify a concept of adaptive reuse of these buildings, the reuse of these structures may differ in terms of what may be preserved or repurposed. For long-term use as City administrative offices, the buildings are not very efficiently utilized; it may not make sense to continue to repurpose the buildings for office uses. There's a potential that with this redevelopment project those offices could be incorporated into the project in some way. Its also been identified that the 1st floor of the municipal center could be better utilized in a manner that is more conducive to community activities or commercial uses, but there's still the ability to retain the official government functions by maintaining the Council Chamber as a

flexible space. If these properties were to be included that's the initial thinking in terms of how the government presence could be maintained but the use of the structures enhanced.

Mayor Pro Tem Stellato noted for the record that Aldr. Vitek had joined the workshop earlier.

Aldr. Silkaitis said everything is negotiable but he thinks the parking needs to be in there for the Municipal building, to at least be aware of it. If we lose parking for buildings on site B and A they need to provide parking somewhere.

Mayor Rogina asked if anyone was against the RFP addressing the parking concerns as a broad-based statement. Aldr. Payleitner said she thinks we should take baby steps for this RFP, especially with the market uncertainty, to handle the police station site only. One other member agreed.

Aldr. Bessner said in terms of public vs. private vs. shared views for input on putting together and RFP, he curious how we can decide upon that with other projects coming up, such as the Active River and wanting to keep this partially open for public use. Pro Tem Stellato said he agrees, if someone were to put a restaurant at the old P.D. with a patio; that's where that public/private thing comes in. Pro Tem Stellato asked about the detention for the P.D. site or permeable pavers in the parking lot that would restrict the amount of development through there. Ms. Tungare said assuming those type of question may come up and acknowledging that there is a network of utilities on the site, Mr. Colby handed out exhibits/maps depicting what footprints could be accommodated on the core site acknowledging the utilities and floodplain issues. She noted that there is a 10" watermain that bifurcates the core P.D. site; anything is possible-but will cost money, so it could be relocated, but assuming all has to remain as is; the footprints are the ones depicted on the map; a very rudimentary exercise. Mr. Koenen added that watermain are easy to relocate, but an interceptor sanitary sewer is very difficult; in terms of stormwater management the Council can consider a variance; he mentioned Willowgate as an example and he thinks Council would take appropriate actions, but it depends on if the County still permits that. Pro Tem Stellato mentioned a Batavia project where the County actually stated that the wanted the water into the river as much as possible.

Aldr. Lemke said the parking needs to be clear that in terms of phasing. His other issue, so often he's had to defend 1st Ave. because we've invested a lot in utilities, streets and putting things underground, so when we start moving utilities the numbers change and here we are a few years later and 1st St. can still use 2 more parcels for more development. Mayor Rogina said to keep in mind that Council will get to pull apart the draft proposal at the April public session; maybe longer, until the Council acts.

Aldr. Payleitner asked where staff would park. Aldr. Silkaitis reiterated his concern about parking; it has to be noted in the proposal. Mayor Rogina said staff has noted that. Pro Tem Stellato asked Aldr. Silkaitis if he's be okay with say a parking deck to just shift the parking; something like behind The Office. Aldr. Silkaitis said that's fine, he just doesn't want it far.

Aldr. Bancroft said there has to be flexibility as to where it's put and the strategy and it sounds like we're all on board with that. There may be some pain involved during construction with some temporary closures for parking so he would not be offended if someone had that as a requirement for doing the project. Ald. Silkaitis said he'd listen to any proposal. Aldr. Vitek agrees and she'd like to see it all in as an option of the "what ifs".

Aldr. Lewis asked how much parking will be displaced. Aldr. Silkaitis said we're replacing what we have but we'll be getting what's generated too, the proposal will recognize that. He's also guessing that utilities can't go underground.

Mayor Rogina noted that once the RFP goes and once something comes in, it starts as a concept plan to give feedback to the developer. Aldr. Bancroft added that no matter what we do with the RFP, if the developer is really professional they will come back with the best; so, we may as well just throw it out there.

Mayor Rogina clarified that the majority agree that the RFP should include the caveat of parking, P.D. site, A, B and C.

Mr. Colby noted that there is a lot of utilities in the area of the P.D. as well as sanitary sewer siphon across the river, there's also an area there not included because it's a necessary access for vehicles to get to the utility structures that will remain, as well as some green space.

Aldr. Vitek asked if there's anyway to address the walkability all the way down the site, including under the bridge; or is that unrealistic, because this does become a bit of the Active River project, and we need to be cognizant of that; we should incorporate some of the ideas for that project into this project and tackle it all at once. Ms. Tungare said developers would be made aware of the Active River project plans to not compromise the ability to move forward with that project. If the market and the developer determine that any component of that project will be valuable to their project they'll come forth with that.

Pro Tem Stellato said he's seen cities convert electrical systems/towers to green boxes; the concern is the market value of the property looking down at that plant; what is the future, can it be minimized, screened; are we ready to address that should someone say they want to put a hotel there. Mr. Koenen said the plant could probably be screened off and equipment made smaller as its replaced; the biggest eye sores are the Commonwealth Edison lines that proceed all the way north to the substation; possible to put underground but very expensive.

Aldr. Payleitner said with the paint barely dry on our newly developed Police Dept., if this all transpires are we ready to take on another major municipal campus redevelopment project. Mayor Rogina said let's see what the proposal brings, it may not bring anything relative to the municipal building, it's an old building, developers may not want to deal with the aggravations; whatever the market will suggest and until someone throws us a bone he'd like to just initially react to it. Aldr. Turner said there was a time when they wanted to move the whole thing west of the river; which never happened.

Mr. Koenen shared a story about San Francisco city hall renting out their building for events; he thought maybe we could do something like that here, moving administrative staff to Century Station or part of a future development building. Mayor Rogina added that this building is underutilized for this community, people don't see it, it could really be a great venue.

Mayor Pro Tem shared a story about the old Delnor Hospital being used as the municipal building; the argument against that was that we were such an economic engine downtown because 250 municipal employees were eating lunch in town, etc., and we'd ruin the economy by moving it. He asked where we are today with employees downtown; are we as much of an economic engine as we used to be with the P.D. moving. Mr. Colby said the total is between 80-

95 people. Aldr. Silkaitis said if money were no object and we could build another building next to the new P.D., but if we're going to say we can't move, the developer needs to know that.

Aldr. Vitek said she would never be in the municipal building if she didn't have this job; it's a beautiful building and there could be much more public use. Maybe the RFP could state that the flavor of this area does have some public use to it; maybe the history museum could be there, or a restaurant with history focus. She'd hate to see the 85 employees have to move if they want to, but we have 35,000+ people that could take advantage of this building that don't. Aldr. Payleitner noted that we have our meetings here, we vote here; she wonders what other use would bring people in, and why. Aldr. Bancroft agrees that the building is underutilized and there could be a better use, he questions though what we do if someone only wants 1 piece of the property; so, he's a little bit leery as to how we add the municipal building to any sort of description in the RFP. He'd say that the P.D., A, B and C are believed to be the most developable parcels, but throw in as a reminder that we also have the municipal building and the old city hall; he doesn't want developers to think it's their job to redevelop the whole campus and then to also come up with a creative use for the municipal building; unless they have it, which they may.

Pro Tem Stellato mentioned a plan that came forward long ago for the Kane County Jail site; like a mini Pheasant Run, great idea and plan, but the market wasn't there. This will take time; we also need to prepare for a little disappointment.

Aldr. Silkaitis said he's against making everything retail/commercial; if we could rent it out for events fine; its an icon and he doesn't want either building mentioned in the proposal; I want it to stay under municipal ownership. If we want to utilize it more he's open to that discussion.

Mayor Rogina noted that at the end of the day the Council has the final say.

Mr. Colby said under the city Historic Preservation regulations, the exterior cannot be changed at all; if there's any federal money that's involved in the project there's a review of the interior spaces if they're significant. Ms. Tungare said it would be an expensive project because it would have to be brought up to code.

Mayor Rogina asked if there were any objection to just putting the property out there and keeping the municipal part relatively silent but recognized as ownership by the city.

Aldr. Payleitner said the municipal building is iconic to the city of St. Charles; it's on our flag and in our mission statement; heritage, it was a gift to the city and changing the use takes away from the city.

Aldr. Pietryla asked if we could even sell it because it was a gift; find the agreement and see if it's a condition of the gift.

Mayor Rogina said he's not worried about it between the 10 council members and staff will be good guardians on this if anything is proposed or moves forward on this; I think we've found a comfort zone here for the municipal center. Aldr. Bancroft said doing much more than mentioning the municipal building in the RFP will be a bad thing. Since we own both we can do whatever we want; we have the flexibility, make it a separate thing from the RFP. Aldr. Payleitner suggested getting together a Committee to decide. Mayor Rogina said he'd like to see increased utilization by the public for this building regardless if its part of the RFP or not.

Mayor Rogina said now that we've defined the majority of the site, do we want a "wow" proposal, which would involve a variety of mixed use, versus a smaller scale project that may require no or low incentivization. Something on a smaller scale might involve simply residential or simply some commercial. We also need to decide what, if any, incentives might the city be willing to provide a developer. At the retreat there was a straw poll vote of 6-4 that if there were a demolition the city would be advancing prior to selecting a developer.

Ms. Tungare noted that they brought some visual examples on display that were shown at the Comprehensive Plan open house last May, which show a variety of different uses.

Aldr. Silkaitis asked if we are saying that someone has to buy all of them, or can we subdivide. Mayor Rogina said we could get a proposal that's Police Dept. only; just to throw it out for consideration. We could have another proposal that wants to include all. Aldr. Silkaitis said he doesn't want someone to just come in to develop one property; he doesn't want it piecemealed. Pro Tem Stellato said we can say no.

Aldr. Pietryla asked if there'd be too many barriers to have a "wow" development-we don't want to get into the weeds, and also can we have no incentives on the RFP for the moment. Mayor Rogina said when they come with a "wow" presentation it'll almost be expected; but we don't have to say anything about that in the proposal. Ms. Tungare said based on our experience with the 1st St. RFP we received quite a few questions from respective developers in regard to the city being opened to a TIF dist. She anticipates that we will get that question for any project on this site; we need direction from Council how to respond.

Aldr. Bessner likes the "wow" factor but he thinks there should be a focal point to bring everybody down there; he doesn't have a problem with height but not building all piled-on top of each other. He asked if there's any grant funding for any work that may merge with what needs to be done along the river. Ms. Tungare said at this point its hard to say what other funding source may be available, but that onus would be back on the developer to show us how they've put their funding sources together, to have the 2 projects to merge together. She clarified that at this point the Active River project is on hold pending some financial partners. Council agreed.

Pro Tem Stellato asked if legislatively could we amend or add an area to a TIF. Mr. Koenen said we can amend it ourselves. Pro Tem Stellato said if we do say there is a TIF, no more upfront money. Mr. Minick said it may be more beneficial to establish a new TIF district and start the clock over again to be sure to have continuity to TIF 7 because right now you can port money between existing TIF district if they touch. We may be better off starting the clock over again to get a fresh 23 years with whatever we want to do and then if the opportunity arises transfer money between the TIF's as needed to meet our needs.

Aldr. Lewis said she likes the pay as you go TIF, but Lexington is a pay as you go TIF; it's a risk. Aldr. Bancroft said that was a bad idea from day one. Pro Tem Stellato said we can iron that out; we have a development agreement that goes along with any TIF, we can add time elements in there. We all learned from Lexington and he suggests we don't do another TIF without it next time.

Aldr. Bancroft asked the Council what staff should say if a developer asks if this can be a TIF district. Aldr. Pietryla asked if we can point out that there's no revenue being generated. Aldr. Bancroft suggested staff replying "Council understands that may be a request". Council agreed.

Mayor Rogina said in terms of environmental-should the city perform a phase 1. Aldr. Silkaitis said if we're going to do a teardown we might as well do at least a 1st phase to give us an idea of what's out there. Pro Tem Stellato said phase 1 is just discovery and checking the paperwork, fire maps, etc..... phase 2 is testing and phase 3 is actual clean-up.

Mayor Rogina said in regard to land cost, is there anyone interested in giving the property. Council said no. Aldr. Bessner said his original thought was to do that but he wasn't sure if was a good idea. Mayor Rogina said its going to be surfacing toward the market again. Aldr. Bancroft said there's no reason to even ask the question right now; they're going to tell us what its worth. Aldr. Vitek said then why are we demolishing it, why not let them pay for that. Aldr. Bancroft said marketability. Aldr. Silkaitis said with the market conditions the way they are he believes demolishing it will look nice for however long it takes.

Mayor Rogina asked if there were any restrictions we'd like to see in the RFP.

Aldr. Lewis said residential. Pro Tem Stellato said if it was residential he'd live there; residential above commercial below. Aldr. Lewis said maybe I've got that wrong then.

Council agreed to mixed use, hospitality and residential on upper floors.

Aldr. Bessner asked if enhancing the riverfront is seen as a detriment to ask them, or are we looking at their plans to include that. Aldr. Bancroft said he assumes plans would include something because they will look at that as an amenity and we'll dictate what that is.

Mayor Rogina asked about building height. Mr. Colby said the maximum building height is 50ft. by right, but through PUD's the city has approved taller buildings. First St. has 70-75 ft. tall. Aldr. Pietryla said he thinks at the workshop people were saying 3-4 stories but personally he doesn't want to put any barriers on that. Ms. Tungare noted that the PUD process could be used to establish the building height, or we let the market dictate; we're restricted because of the underlying zoning, but really, we are not restricted based on a project.

Mayor Rogina commended the group on giving staff enough information to bring back a draft at the April P&D meeting to be dissected.

Aldr. Payleitner noted that she disagrees with Aldr. Vitek in regard to the public's use of the municipal building.

4. **EXECUTIVE SESSION**-None.
5. **ADDITIONAL ITEMS FROM MAYOR, COUNCIL, STAFF OR CITIZENS**-None.
6. **ADJOURNMENT**- Aldr. Turner made a motion to adjourn at 6:42pm. Seconded by Aldr. Stellato. Approved unanimously by voice vote. Motion Carried. 10-0.