

MINUTES
August 9, 2016
Committee of the Whole
City of Batavia

Please **NOTE:** These minutes are not a word-for-word transcription of the statements made at the meeting, nor intended to be a comprehensive review of all discussions. They are intended to make an official record of the actions taken by the Committee/City Council, and to include some description of discussion points as understood by the minute-taker. They may not reference some of the individual attendee's comments, nor the complete comments if referenced.

Chair Wolff called the meeting to order at 7:30pm.

1. Roll Call

Members Present: Ald. Russotto, Atac, Stark, Chanzit, Wolff, Fischer, O'Brien, Callahan, Hohmann, Mueller, Botterman, and McFadden

Members Absent: Chair Brown; Ald. Cerone

Also Present: Mayor Schielke (entered at 7:35pm); Laura Newman, City Administrator; Scott Buening, Director of Community Development; Jeff Albertson, Building Commissioner; Chris Aiston, Economic Development Consultant; and Jennifer Austin-Smith, Recording Secretary

2. Approve Minutes for July 12, 2016 and July 26, 2016

Motion: To approve the minutes for July 12, 2016 and July 26, 2016

Maker: McFadden

Second: Stark

Voice Vote: 12 Ayes, 0 Nays, 2 Absent
Motion carried.

CONSENT AGENDA

3. Items to be Removed/Added/Changed

There were no items to be removed, added or changed.

4. Matters From the Public (For items NOT on the agenda)

Yvonne Dinwiddie stated that she has information from today's Daily Herald. There is a thirty-acre piece of property that Shodeen is looking to redevelop along the river. This has been going on for ten years and is a 600 million dollar project. Shodeen has until 8-1-2020 to relocate a sub station from that property. Everyone is paying 1/3 towards the project. Dinwiddie stated that the City is not going to see a dime from the Baptist Church property for 23 years. Our school district will be in trouble for 23 years. This will not benefit us. This will only benefit Shodeen. If they can't afford to build the property themselves then they should not develop it at all. She is sick and tired of TIF districts. She will have this issue brought on the ballot and then she will try to abolish Home Rule.

5. Consent Agenda

(The Consent Agenda is made up of items recommended by city staff that requires recommendation to the full City Council by the COW. This agenda is placed as a separate item on the COW agenda. The items on the Consent Agenda are usually minor items, already budgeted, standard non-policy activities or outgrowths of earlier meetings and are voted on as a “package” in the interest of saving time on non-controversial issues. However, any council member may, by simple request, have an item removed and placed on the “regular” agenda.)

a) June Financials

Motion: To recommend to City Council approval of the Consent Agenda as presented
Maker: Atac
Second: Stark
Voice Vote: 12 Ayes, 0 Nays, 2 Absent
Motion carried.

6. Resolution 16-70-R: Amending Intergovernmental Agreement with North Aurora – Hart Road (SCB 7-29-16) CD

Buening showed the Committee a boundary map and showed how the boundary line goes in and out of the City limits in the parkway. Staff has been talking to North Aurora to adjust this to make clearer boundary lines. The maintenance has been discussed as part of this agreement. The next two agenda items are part of this agreement.

Motion: To recommend approval of Resolution 16-70-R: Amending Intergovernmental Agreement with North Aurora – Hart Road
Maker: McFadden
Second: Fischer
Voice Vote: 12 Ayes, 0 Nays, 2 Absent
Motion carried.
CONSENT AGENDA

7. Ordinance 16-49: Annexation of Unoccupied Territory along the Hart Road Boundary Line (SCB 7-29-16) CD

Motion: To recommend approval of Ordinance 16-49: Annexation of Unoccupied Territory along the Hart Road Boundary Line
Maker: McFadden
Second: Fischer
Voice Vote: 12 Ayes, 0 Nays, 2 Absent
Motion carried.
CONSENT AGENDA

8. Ordinance 16-50: Excluding of Unoccupied Territory along the Hart Road Boundary Line (SCB 7-29-16) CD

Motion: To recommend approval of Ordinance 16-50: Excluding of Unoccupied Territory along the Hart Road Boundary Line
Maker: Fischer
Second: McFadden
Voice Vote: 12 Ayes, 0 Nays, 2 Absent
Motion carried.
CONSENT AGENDA

9. Ordinance 16-48: Authorizing Execution of a Purchase and Sale Agreement with JOL Joint Living Trust for the Purchase of Property, 121 E. Wilson Street (Chris Aiston 8/3/16)

Aiston presented a PowerPoint presentation titled “TIF Redevelopment Agreement The City of Batavia and the Developer” and discussed the following information:

- Agreement Recitals
- City to Purchase Property at 121 E. Wilson Street (Insurance Office) – aerial photograph
- Acquisition Terms
- Purchase Price \$195,000.00
- Earnest Money Deposit
- Close Date 8-17-2016
- Possession Date 2-17-2017
- Other Costs to the City
- Title insurance escrow and related closing fees
- Phase I ESA (to be conducted at City’s option)
- Seller’s Attorneys fees: \$2,500.00
- Sellers moving expenses in the amount of \$5,000

Stark stated that she wanted to note that we are asking the property owner to sell something that he does not want to sell and that is why we are paying a premium. Atac stated that if for some reason that we did not get this property at this time what type of message does it send the developer. Aiston stated that it is critical that we acquire the land as soon as possible. Aiston stated that condemnation was the only other way to acquire the land. Any more time spent on trying to purchase this land would seriously threaten the project. Atac asked what is the cost percentage of the total project in terms of buying this property. Aiston answered that the project is estimated to cost forty-three million dollars for the developer. The City would be responsible for the public improvements, pertinent to the parking garage, which the developer would then turn back to the City. The value of the property, when built, is about 25-30 million in private market value and 10 to 15 million dollars in the public infrastructure. Callahan asked why this was not brought up at the same time as the RDA. Aiston answered that this is a prerequisite to closing the RDA. Newman stated that the seller requested the close date of 8-17 and that is why it is at this meeting. Aiston stated that this is a critical piece of property in the redevelopment area. This property has value even if this project goes away. The main consensus was to go ahead and get the property and that is why it was done. Callahan stated that he does not think the property is worth this price without a project. He will vote the way he feels about these circumstances on this purchase. O’Brien stated that obtaining this property would give us better control over the whole site. Callahan stated that if the project does not go through that value to

that property is not tied to the forty million dollar project anymore and there would be a possibility of renegotiating the purchase price. Another option would be condemnation. O'Brien asked what would the residents of our City think of the City if we were to proceed with condemnation.

Botterman asked if there has been inspection of the building itself for asbestos. Aiston answered that the building was not inspected for that purpose. They were not given access to do an environmental inspection of that property. We can require an ESA at the City's expense. Knowing the history of the property, the land use should not have generated any environmental concerns. We do have a quote from an environmental consultant who specializes in asbestos removal for the Baptist Church property. Staff does not anticipate a substantial amount of clean up with that building. If we find that there is a massive amount of clean up required we could opt out of the redevelopment agreement if the cost is \$350,000 or more for all of the buildings. Aiston noted that the RDA is expected to be distributed to the Committee by August 16th.

Stark opened the floor for public comment.

Yvonne Dinwiddie stated that she is in support of redevelopment but opposed to us paying for it. If Shodeen wants to do the RDA why can't they pay for those properties. Dinwiddie is really upset with all this TIF money and would like to see our state tighten down on TIF projects. Shodeen's projects are based on TIF projects. Very little of his money goes into this. We are taking the risks and he is getting the rewards. We, the citizens, need to get our petitions out there to abolish Home Rule and to force this decision to referendum. We have been sitting on that church. If this project falls through, now we are sitting on two pieces of property that were producing tax dollars that are now taken off the tax roles. If Shodeen wants this property have him use his money and not ours.

Carl Dinwiddie stated that he is not opposed to the redevelopment. We need the tax money and we need the power. There are a lot of narratives about different pieces. He would like to see more structure to this plan. He would like to see a timeline with critical items and what needs to be done listed. Dinwiddie would like a better understanding of where we are going and why we are doing things.

Kevin Callahan stated he would like to see more information on the presentation so that we know what is going on. He agrees on not condemning the property and not enforcing condemnation. If you look at this it looks like there is a gun to your head that you have to do it right now. He stated that this does not have to be done right now. We are trying to make something out of purchasing the church. We don't necessary need these two properties right now. Shodeen is not the only option. He asked the Committee to take a step back and look at it. Get it done right for the citizens and make us proud to have you representing us.

Larry Smith addressed the Committee. He advised that anytime you are put into a situation in which you have to make a decision because you only have a few days to be careful. Get the facts and put them together, take the presentation and take it from there. He asked if the traffic situation was considered. Smith stated that Wilson and Washington would become a traffic jam.

All of these things you have to pin down before you make a decision. Don't let someone tell you that you have to make a decision in seven or eight days.

Wolff stated that we are taking two pieces of property and adding them to other properties that would make \$800,000 in property taxes per year. Also, there will be a parking facility. There will be a traffic study done. This is the only viable project that has come up over the years he has been on the Council. If we didn't have TIF, this project would not go forward. He looks at this and thinks of the possibilities of where this could go and attract other developers. Bond council and other lawyers have looked at the RDA and it will be very thorough. This will bring a lot of people to the downtown. Aiston stated that we have a timeline associated with the project and will have it for next week's meeting. Aiston stated that David Patzelt, representative of Shodeen, has stated that Shodeen currently invested \$200,000 in this project.

Mayor Schielke gave the history on how the land where the City Council Chamber resides was purchased. He noted that several people have inquired about this project since this is the type of housing that does not currently exist in Batavia. There is a market for this in our community in the near term, depending on the real estate market. This also provides retail, which provides sales tax for the City. Mayor Schielke stated that he would hope that, by doing this, we are setting up a bold action that will really set into place in Batavia some strong governmental tax revenues that can be then used to help keep down taxes and do things that really sets this town apart and really makes this something that all of us could be proud of.

Motion: To recommend to Council approval of Ordinance 16-48: Authorizing Execution of a Purchase and Sale Agreement with JOL Joint Living Trust for the Purchase of Property, 121 E. Wilson Street

Maker: Wolff

Second: O'Brien

Roll Call Vote: **Aye:** Wolff, O'Brien, Mueller, McFadden, Russotto, Atac, Stark, Chanzit, Fischer

Nay: Callahan, Hohmann, Botterman,
9-3 Vote, 2 Absent, Motion carried.

10. Discussion: Schedule for Committee of the Whole Meetings GS

Fischer stated that he asked to have discussion on this to consider the efficiency of the meetings and the possibility of trying something a little bit different such as reducing the number of meetings and having special meetings as needed or changing the days that we meet. After discussion, the consensus of the Committee was to remain in the Committee of the Whole structure.

Botterman asked to have the Committee of the Whole meetings made available on BATV since a majority of our discussions happen at the Committee level. Callahan joined Botterman on that request. Newman stated that she would put those as an agenda item on the Strategic Plan meeting.

11. Project Status

Buening stated that there are no updates on the Siemens property to report.

Callahan asked about the Danforth and Garfield area. Buening stated he continues to work on it.

O'Brien asked about Dunkin Donuts. Buening stated that they have a two-part permit, external and internal. The external has gone through several reviews. They will be coming back with another change to the wall and there might be a delay due to that. The external is done with the exception of the wall. The internal is getting really close to be completed.

Mayor Schielke asked about the Alex Brothers building. Buening stated that they are renovating the building and plan on doing a restaurant. The permit for internal demolition has been approved and that is what they are currently doing.

O'Brien asked about the River Street new store and bar and why they are so late in opening up. Buening stated that plumbing and the health department have caused delays. The Tea Tree should be opening tomorrow. The Bar Evolution's building is getting really close to being open. There have been jurisdictional issues with the Health Department and staff will be meeting with the Health Department to prevent these issues in the future.

O'Brien asked about Storehedge. Newman stated that McGrath would continue to work on Storehedge.

Newman stated that the City is moving forward on hiring of the budgeted position for the Fire Marshal with a small change to the position. The position would report to Chief Deicke but spend two days working here in Community Development and three days with the Fire Department. We hope that this change would increase efficiencies and collaboration between the two departments.

Newman reported on updates to the Shodeen project. She stated that they have engaged Northern Illinois University to do an economic impact analysis to show the new residents and their buying power will bring to our community and to Kane County. We have engaged with a consulting firm regarding the parking sufficiency. We should have the results from that study in two to three weeks. On Monday, we sent a letter to the Batavia Park District asking for their agreement to waive or to accept a lesser amount for land cash for this project. This project is adjacent to existing parks. The project will produce public parking spaces for visitors to the parks. Staff will update the Committee on the results.

Newman announced the City received an anonymous donation of \$25,000 to be used towards the West Side Cemetery and staff would like to find a special project commemorating the anonymous donation.

Newman reported on the trip to New York to the rating agencies. She and Holm attended those with the City of Geneva and Rochelle. They shared the progress and had opportunity to discuss the wonderful things going on in Batavia and asked them to reconsider our A- ratings. She hopes to hear back on those ratings by next Friday.

O'Brien asked about the latest developments from our attorneys regarding Prairie State. Newman answered they are scheduled on August 23rd to address the Committee.

12. Other

Callahan stated that it was a great day for the community dinner and thanked everyone for his or her contribution. We estimate \$1,500 will be donated to the food pantry. Botterman recognized Callahan's efforts on the event.

Hohmann reported that at the Main Street Board meeting last month they stated that the City was taking too long and they might need to donate the money elsewhere. Wolff stated that we need to spend more time to get the branding right otherwise it is money wasted. Buening stated that an RDA for branding has been made and will be going out for RFQs.

13. Executive Session: Purchase and Sale of Electric Power

There was no executive session.

14. Adjournment

There being no other business to discuss, Wolff asked for a motion to adjourn the meeting at 9:14pm; Made by O'Brien; Seconded by Fischer. Motion carried.

Minutes respectfully submitted by Jennifer Austin-Smith