

CITY OF WEST CHICAGO

WHERE HISTORY & PROGRESS MEET

Approved February 8, 2021

MINUTES

DEVELOPMENT COMMITTEE

January 11, 2021 7:00 P.M.

The Development Committee meeting of January 11, 2021 was held part remotely and partly in person due to the Coronavirus pandemic.

1. Call to Order, Roll Call, and Establishment of a Quorum.

Alderman Stout called the meeting to order at 7:00 p.m.

All Aldermen in attendance were present remotely unless indicated otherwise. Roll call found Aldermen James Beifuss, Melissa Birch Ferguson, Michael Ferguson, Matthew Garling, John Jakabscin, Jayme Sheahan and Rebecca Stout (in person) present.

Also in attendance was Community Development Director, Tom Dabareiner.

Alderman Stout announced that Mayor Pineda has determined that in-person meetings are not practical and prudent.

2. Approval of Minutes.

A. December 14, 2020.

Alderman Beifuss moved and Alderman Garling seconded a motion to approve the minutes. Voting Aye: Aldermen Beifuss, Birch Ferguson, Ferguson, Garling, Jakabscin, Sheahan and Stout. Voting Nay: 0.

3. Public Participation. None.

4. Items for Consent.

- A. **Minor Subdivision** – Property owner seeks to subdivide three properties into two 13,500 square foot lots at 924 and 928 Hahn in the R-5 Single Family District.

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Alderman Garling moved, and Alderman Birch Ferguson seconded the motion to approve Items 4. A. and 4. B. Voting Aye: Aldermen Beifuss, Birch Ferguson, Ferguson, Garling, Jakabscin, Sheahan and Stout. Voting Nay: 0.

5. Items for Discussion

- A. Townhouse Proposal / Block Two** – Staff has been meeting with Aspen Venture Group, a developer interested in building the townhouses targeted for Block Two of the Central Main Street Plan Update. Representatives from Aspen wish to make a presentation to the Development Committee to assure compatibility with the Plan and the City's goals.

A staff update was provided by Tom Dabareiner. The townhome project in question would be located in Block 2 of the Central Main Street Plan. The developer is asking for \$175,000 in TIF assistance, which may be available right away as there are cash reserves in the current TIF. The reserves need to be used before they can extinguish the current TIF in order to establish a new one. Tonight's discussion should consider whether the proposed project's design fits with the City's established goals and whether the TIF incentives should be used. He then turned it over to the developer, Phil Richardson of the Aspen Venture Group.

Mr. Richardson introduced himself and shared the project highlights. They propose to develop eight urban-looking townhomes with 2-car garages to be located in the rear. Brick will be used on the exterior, which ties in with the downtown. They believe this project would be a good kick off for the development of the downtown area, and they hope to be able to do more development in the future. They performed a market study, and the townhomes will be about 1,800 square feet with a basement and would sell from the \$350 K to \$375 K range. They feel it is a good project and there is a market for this.

Alderman Beifuss commented that he likes the look of the façade and the townhomes would be reasonably compatible with the existing neighborhood. He likes that they are brick. He asked if the townhomes would face High Street and use the existing alleyway, and Mr. Richardson confirmed this. Alderman Beifuss also stated that he likes the amenities. He then asked about the market study and if they feel confident about the estimated sale price. Mr. Richardson replied they worked with the St. Charles office of @Properties, the largest residential broker in the Chicago metropolitan area and a study was performed. They looked at what newer housing is available in West Chicago and what townhomes are currently selling for in surrounding communities. In addition, they considered the amenities of being located close to a commuter train station and a downtown and offering higher-end kitchen finishes and a basement. They believe the market will be comprised of empty-nesters and young couples. Alderman Beifuss asked if they are asking for any other incentives besides the land and TIF funds, such as utilities, and Mr. Richardson replied they are not asking for any other assistance. Alderman Beifuss asked about stormwater management, and Mr. Richardson answered they plan to handle that.

Alderman Garling stated he is concerned about the combination of offering free land and cash and the precedent that would be setting. The real estate market is hot, and sales are up year after year. This may cause a bad precedent in terms of giving away land for free while offering cash on top of it. Mr. Dabareiner stated that in the discussions staff has been having with other developers, everyone seems to want the land for free as well as some kind of cash incentive. The larger the project, the more cash they will be looking for. In this case, the annual increment property tax revenue the project will generate can pay for the incentive. Larger developers are looking for incentives that would exceed potential tax revenue, and so staff believes this developer's ask is reasonable.

Alderman Beifuss asked what the median percentage for return-on-cost is, as it was stated that this project is on the low end by industry standards. West Chicago's Economic Development Coordinator, Pete Kelly, stated that an 8% rate-on-return is the hurdle rate to make it worth the developer's time. If it is less than that, banks may not want to underwrite the project. In the case of Aspen Venture Group, they intend to use this project as a springboard for other future development projects. Mr. Richardson said they are looking at this as a long-term project, but they have built in a contingency in their pro forma. There needs to be public-private partnership for the downtown development to begin, and, as more and more is developed, the land and house prices will go up over time, which will make free land more enticing.

Alderman Stout stated that she likes the appearance of the townhomes and the brick facades. She also said that, given the scope of the project and that this is the beginning of the downtown redevelopment, what they are asking is in line with what is to be expected. She asked the other members for their input.

Alderman Jakabscin stated that he understands the cause for concern about setting a precedent, but at the same time, they need a spark to start the fire, and this project is that spark. If all goes well, it can lead to more growth. As growth continues, they can field the concerns about setting a precedent. He also commented that he likes the appearance, and he hopes the finished project looks as good as the drawings.

Alderman Beifuss commented that the project follows what they are trying to do with respect to quality development. The price point is reasonable, and the size is compatible with the neighborhood. As this is his neighborhood, the look is particularly important to him.

Alderman Birch Ferguson stated the appearance is great and fitting with the neighborhood. The financial incentive is expected, and she agrees with staff's analysis on this. She believes this is a positive catalyst and a great place to start. She is in favor of moving forward.

Alderman Stout summed up the Committee's response to be positive. Mr. Richardson thanked the members and stated he is looking forward to working with them to get the project started this year.

6. Unfinished Business. None.

7. **New Business.** None.
8. **Reports from Staff.** None.
9. **Adjournment.**

Alderman Birch Ferguson moved, and Alderman Garling seconded the motion to adjourn the Development Committee meeting at 7:25 p.m. Voting Aye: Aldermen Beifuss, Birch Ferguson, Ferguson, Garling, Jakabscin, Sheahan and Stout. Voting Nay: 0.

Respectfully submitted,

Jane Burke