

**MINUTES
CITY OF DARIEN
PLANNING/DEVELOPMENT COMMITTEE MEETING
March 30, 2009**

PRESENT: Alderman Sylvia McIvor, Alderman John Poterasko, Alderman Joseph Marchese, Dan Gombac-Director, Michael Griffith – Senior Planner,

ABSENT: Elizabeth Lahey-Secretary

Chairperson McIvor called the Planning/Development Committee Meeting to order at 6:30 p.m. at City Hall – City Council Chambers, Darien, Illinois and declared a quorum present.

MEETING:

- A. Downtown Development, “Town Center Area”, east side of Cass Avenue between 75th Street and Plainfield Road: Discussion, presentation of proposals. (Committee discussion followed by public comment.)**

Chairperson McIvor announced that the meeting was being televised so that residents can hear the proposals from the developers present to develop parcels of land that the City has purchased. She announced that each developer would be presenting for 10 minutes. She further stated that after that there would be time for questions.

She also stated that the Director's Report would be moved to the next meeting.

Chairperson McIvor stated that back in 2002 the City Council approved a Comprehensive Plan identifying seven key development areas. She stated that the Central Business District is 75th – Plainfield and Cass. She further stated that the parcels are located on the east side of Cass between 75th and Plainfield Road. Chairperson McIvor stated that the first parcel was purchased in 2006, the retail center which is still active was purchased in 2007 and the Amoco parcel purchased in 2008.

Chairperson McIvor announced that residents are welcome to look at the proposals between 8:30 a.m. - 5:00 p.m. at City Hall and a second set to view at Indian Prairie Library from 9:00 a.m. - 9:00 p.m. Monday through Friday, 9:00 a.m. - 5:00 p.m. on Saturday, and 1:00 p.m. - 5:00 p.m. on Sunday. She further stated that following the reviews, the Committee will conduct a Special Planning/Development Committee Meeting of the Whole on April 20, 2009 at 6:30 p.m.

Any questions can be directed to City Administrator Bryan Vana at 630-353-8114 or bvana@darien.il.us.

HARLEM IRVING COMPANIES

Mr. Brian Duggan, Partner Harlem-Irving Companies. Been in business for 53 years Chicago based retail and mixed use development firm. He stated that they have completed nearly \$4 million square feet of development including 2000 residential units valued at \$2 billion. Mr. Duggan stated that they have partnered with Mid America Real Estate.

Mr. Steve Frishman, Partner Mid America Real Estate. Been in business for 25 year old co. Largest brokerage and management company in the midwest representing several national tenants.

Mr. Duggan reported that they have developed two projects that are important. Willowbrook Town Center 83 and Plainfield Road. Type of retail that they look to bring to Darien. University Village-unique project redevelopment of Maxwell Street area in Chicago. Demonstrates our ability to identify and execute on the complexities of mixed use development.

Mr. Duggan stated that Harlem-Irving would like to think that they take a unique partnership based approach to development and that this aligns our interests with those of the City. Mr. Duggan stated that they are a build to own developer and in 53 years have sold one asset. He stated that they operate their own facilities use the highest standard of quality in design and construction. He further stated that a good example is Willowbrook Town Center and separates us from the other competition.

Mr. Duggan stated that their approach is unique. Vertically integrated. First approach is to meet with the City and establish objectives. We met with the Mayor and staff to clarify objectives and do not believe residential is appropriate but feel that during the interesting times but do remain confident that they can bring a mixed use town center to Darien.

Mr. Duggan stated that we can enlarge the scale of the project to include retail to the north and west and existing residential to the east to create a town center feel. He highlighted Phase I working with the residential area to improve the landscaping.

Mr. Duggan stated that they provided a low, medium and high density plan. Low density pharmacy and additional retail or restaurants, medium density plan or Specialty Retail Town Center 24,000 of integrated retail/restaurants, courtyard with robust fountain or high density Specialty Retail with office two buildings first floor of each retail 2nd and 3rd floor office or office/medical with central courtyard in middle with high architecture facade.

Need to look at the overall area and highlighted low, med and high density program. Focus on Medium Density approximately 23,000 square feet of retail 1.75% \$142,000 year in sales taxes over 20 years \$3.6 million. Property taxes \$81,000 over 20 years \$2 million.

Used other vehicles for financing sources to fund on and off site costs at Willowbrook. Special service area and business service area options at \$1 per square foot tax for special service area and 1% for business service area produce \$600,000 and \$2 million over 20 year period.

Expect a 15 month project.

Chairperson McIvor asked which development are you recommending?

Mr. Duggan stated that they would not like to dictate any one plan but recommend medium density.

Chairperson McIvor asked that the first stand alone retail is pharmacy. There are many already in Darien. She asked what the benefit is with a pharmacy over retail.

Mr. Duggan stated that it is complicated but the benefit is that there is interest and like to expedite taxes to the City in this tough economic time.

Alderman Marchese asked if the medium density showed a pharmacy.

Mr. Duggan stated that it did not but it can be. He stated that nothing is set in stone.

Alderman Poteraske asked if in the high density and office space on the second floor. He asked if they factored in the property taxes.

Mr. Duggan stated that they have incorporated the property taxes but have less retail on the first floor constrained by parking. He stated that lower retail resulted in lower retail sales tax. Additional density but the incremental benefit from development is marginal and therefore why proposing first story retail only.

Alderman Poteraske stated that there is traffic going in and out. He asked how much parking there will be.

Mr. Duggan stated that the size will be a general average. Restaurants require more parking. Don't believe going to a third level for parking is recommended.

Chairperson McIvor opened the meeting for public comment.

Alderman John Galan asked if there is an assumption that Harlem-Irving will purchase the property from Darien.

Mr. Bryan Vana, City Administrator stated that none of the proposals will address the price for the property. He stated that the intent of the presentation was not address this but in two weeks as it gets closer to the City Council Meeting.

BRADFORD REAL ESTATE SERVICES CORPORATION

Mr. Steve Pagnotta, President constructed two projects in Darien. Economic climate has changed drastically since the 90s when we built the Town Centre and Marketplace of Darien. He stated that they want to provide a plan that provides flexibility for the future. Developed a list of potential tenants and determined that they have a relationship with the codevelop with the owner of the residential development to the east. He stated that they met with the owner and worked with owner on a large project in Schaumburg and there is a positive relationship.

Concept to build true town center with landscaping and surround it by retail with parking on the perimeter.

Want to build it conducive to the traffic pattern. Goal is to have a visual connection to the retail across the street. He stated that access to Plainfield is critical and have some connection to the sidewalks and depending on the economy provide more residential, retail or office. Want something that will grow over time. Provide a town center that will tie into the existing residential. Goal is to keep it simple and expand.

Provided phase 1 drug store with retail/restaurant. Annual sales based on other centers. 1% sales tax plus home rule annual city sales tax of \$170,000 first year with 2-3% each year. Looked similar restaurants in area \$66,000 in property tax. Provided numbers of what goes to Darien.

Positive conversations with owner of the residential area.

Chairperson McIvor asked how many residents are in the apartment buildings.

96 units almost 100% occupied.

Idea to create pedestrian access. Yes that would be the case we could possible eliminate a building and expand the development.

Alderman Marchese asked how the developer could enhance the Historical Society.

Mr. Pagnotta stated that they would like to put something architecturally at each of the intersection where there is a connection. Nice to have a sense of closure and connection.

Alderman Poteraske asked if they were thinking of one story building or multi story building.

Mr. Pagnotta stated that in the first phase it would be a primarily single story building. It would designed to have flexibility. Will have to be very conscious of parking and will all be ground level. He stated that if you had a fitness center it will require a lot more parking and something that could be considered in phase 2.

Alderman Marchese anticipating to bury utilities.

Chairperson McIvor stated that it would probably be a good idea for all of the proposals to consider burying the utilities.

Mr. Vana stated that in the Comprehensive Plan it is recommended to bury the utilities. He asked about new playground in one of the proposals.

Mr. Pagnotta stated that they spoke with the owner and relocate.

Intention for the public and not for just the residents.

Mr. Pagnotta stated that the goal is to bring it inside and make it more user friendly and also to make the small garage more aestically pleasing.

There was no one in the audience wishing to present public comment.

GAMONLEY GROUP

Mr. Richard Gamonley, Executive Vice President stated that they design, develop and build their own product. He stated that they are partnering with NAI Hipman for this project which is the commercial fund. Mr. Gamonley stated that this plan was originally proposed as a triangle. He stated that they focused on one parcel and designed the parcel to be integrated with any future plan. He stated that if they entered into partnership they could begin immediately.

Mr. David Kennedy, Principal of Perkins, Pride, Kennedy, Stevens Architects stated that based on initial concepts done many years ago they are presenting the Darien-Crossings Mixed Use Development focusing on the site that was given to us on the east side of Cass. Mr. Kennedy stated that early on they were involved in a much larger development that included the whole triangle and still feel that it is the future of the City. He stated that have allowed for potential expansion of the area.

Mr. Kennedy stated that Darien-Crossings is a mixed used project that follows the geometry of the street edges and that it is important to create a urban plan and bring the buildings out to the street edges. He stated that are comfortable with an urban plan and allows for parking behind the building.

Mr. Kennedy stated that although the buildings appear to be four buildings there are two buildings with the first phase the north building and the second the south building. He stated that because of the traffic they feel that there is adequate traffic to the site and adequate parking thus providing very large public spaces and create a place of sense.

Mr. Kennedy stated that the ground floor is to focus on the street wall and open to larger public plaza with two main building focused on the center for residential access. He stated that they are proposing lower level parking access from both sides to a ramp to the lower level.

Mr. Kennedy phase 1 four floors above the ground floor 14 units per floor and phase 2 15 units per floor. He stated that they tried to give the buildings variety but to create an attractive street scape and large enough to expand into the parking for a potential farmer's market with an area for concerts, etc.

Mr. Gamonley stated that the value will be based on total square footage, retail and what is generated. He stated that this was provided in the packet and ranges from \$300,000 year in sales tax and \$100,000 residential.

Mr. Kennedy stated that some of the key things to the plan are the streetscape, the quality of the public plazas and architecture and make them green architecture.

Chairperson McIvor asked if they work with the Green Buildings Council (USGBC) and that they would like to make this lead certified.

Mr. Kennedy stated that they were members of the GBC.

Chairperson McIvor stated that the Chicago GBC was looking for three proposals of potential projects that they might be interested in partially funding.

Chairperson McIvor asked when this was originally proposed.

Mr. Gamonley stated that a variation of the scheme was proposed in 2005.

Chairperson McIvor stated that this is a larger more dense proposal than the other proposals heard tonight. She asked if it is this or turn the three buildings into single story retail.

Mr. Gamonley stated that are proposing two structures, one story of retail with four residential above. He stated that given the market they would like to comply with the RFP.

Chairperson McIvor that they have two different proposals; one that incorporates the four story buildings with residential and one to remove residential and have the buildings. She stated that in either case there is no access to Cass Avenue with respect to car access.

Mr. Gamonley stated that they tried to stay away from Cass Avenue.

Alderman Poteraske stated that they briefly highlighted \$300,000.

Mr. Gamonley stated that there will be roughly 32,000 feet of retail and total property and sales tax of \$300,000.

Alderman Poteraske asked how much of it would be property tax for a single story.

Mr. Gamonley stated that \$265,000 would be for property and sales tax for retail only.

Alderman Poteraske stated that \$800,000 included condos and high amount of revenue.

Mr. Gamonley stated that it is based on a true mixed use project with four stories of residential above retail.

Mr. Dan Gombac, Director stated that they mentioned nationals.

Mr. Gamonley stated that NAI Hipman is our commercial brokerage omibus and they represent nationals and local nationals. He stated that it is tough to get a commitment at this stage without a more formal plan being approved. He further stated that there was interest.

There was no one in the audience wishing to present public comment.

SIERRA REALTY ADVISORS

Mr. Keith Eisenhart, Sierra Realty Advisors is part of Sierra Capital Holdings and vertically integrated company with development, management and a brokerage arm.

Mr. Eisenhart stated that the overall plan focuses on sustainability, aesthetics and near term viability and economic feasibility to develop a center that would meet the needs of retailers. He stated that the better the center works for retail the higher the rent and the more likelihood of phase 2.

Mr. Eisenhart stated that aestically and the prominence of both intersections that they would like to offer an architectural feature for a drive by as well as a great retail center. He stated that near term viability and the economic climate that they put together a plan and bring the City in and treat the City as a partner and create value for everyone.

Mr. Eisenhart proposed a drug store on the corner and that they have a letter of interest for CVS. Southern portion of the project would be retail with second floor office. He stated that they are proposing restaurant with retail.

Mr. Eisenhart stated that CVS is on board and that they can build phase 1 within 6 months. He mentioned the revenue projects similar to the others \$140,000 sales tax and gross property tax \$100,000 based on 28,000 square feet of new retail and office.

Alderman Marchese stated that the developer mentioned phase 2 He asked if the economic viability will determine phase 2.

Mr. Eisenhart stated that the overall RFP looked at the entire triangle. He stated that they focused on phase 1 because it will lay the foundation for future phases and that it will be predicated on the success of phase 1.

Chairperson McIvor asked if there was any interest other than CVS as far as restaurant/retail.

Mr. Eisenhart stated that they do a lot of work with leasing and that they have interest in family dining and something that will meet the needs of the community.

Alderman Poteraske asked where the green space is on the plan.

Mr. Eisenhart stated that they took the town center approach to give you the feeling of towndown. There will be landscaping in the park. More of an urban feel with a balance for parking. He stated that the landscaping can have more green but that they wanted to propose an urban feel.

Alderman Poteraske if they proposed any underground parking.

Mr. Eisenhart stated that they ran the numbers and considered it and unless there is a dramatic change in the market it is not feasible.

Chairperson McIvor stated that so far none of the developers have proposed underground parking.

There was no one in the audience wishing to present public comment.

Chairperson McIvor thanked all four developers for taking the time to present their proposals.

City Administrator Vana asked the Committee about the schedule. He stated that the schedule puts the next meeting for discussion on April 20th. He further stated that he would let the Committee know if this changes.

PUBLIC COMMENT:

A resident stated that the people should be aware of the impact of the proposed lighting.

Mr. Vana stated that the proposal had a separate section and that two of the developers mentioned that they would work along with County. He stated that all of the developers are aware.

Alderman Marchese stated that the RFP noted the lighting.

MINUTES:

Alderman Poteraske made a motion and it was seconded by Alderman Marchese to approve the February 23, 2009 Meeting Minutes.

Upon voice vote, THE MOTION CARRIED unanimously 3-0.

CORRESPONDENCE:

None.

OLD BUSINESS:

None.

DIRECTOR'S REPORT:

Chairperson McIvor announced that the Director's Report would be tabled until the next meeting.

Mr. Dan Gombac stated that staff is currently working on annexation on a property near Lace School. He stated that a Special Meeting may be needed.

NEXT MEETING:

Chairperson McIvor announced that the next regularly scheduled meeting is scheduled for Monday, April 27, 2009 at 6:30 p.m.

ADJOURNMENT:

With no further business before the Committee, Alderman Marchese made a motion and it was seconded by Alderman Poteraske to adjourn. Upon voice vote, THE MOTION CARRIED unanimously and the meeting adjourned at 8:00 p.m.

RESPECTFULLY SUBMITTED:

APPROVED:

**Michael Griffith
Senior Planner**

**Sylvia McIvor
Chairperson**

**John Poteraske
Alderman**

**Joseph Marchese
Alderman**