



Legislation Text

File #: 22-1123, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Pass the ordinance and schedule a public hearing for October 4, 2022 for the proposed Heinen Business District

DEPARTMENT: Transportation, Engineering and Development

SUBMITTED BY: William J. Novack, Director/City Engineer

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

On August 16, 2022 the City Council adopted a resolution expressing the City's intent to consider the designation of a Business District, impose a Business District sales tax, and induce development interest for the property located at 1256 through 1290 E. Chicago Avenue.

The request was initiated by Heinen's Grocery Store ("Heinen") who is proposing to redevelop the former Butera Market site with a new grocery store.

The existing parking lot provides the stormwater management for this site along with the adjacent park and bank site. After heavy rains the parking lot detains stormwater on its surface for several hours. Heinen does not want stormwater stored on the parking lot and is proposing to elevate both the lot and stores such that the stormwater can be stored underneath.

This change adds millions of dollars to the redevelopment costs of the project. Heinen has proposed the Business District to fill the funding gap so the project can proceed.

DISCUSSION:

The following steps must be taken to establish a Business District:

1. Adopt a resolution expressing the City's intent to consider a Business District
2. Have a draft Business District Plan prepared and scheduled for a public hearing
3. Conduct a public hearing to receive input on the plan
4. If the City Council wants to establish the Business District, then 14-90 days after the conclusion of the public hearing, it must pass ordinances that approve the Business District Plan and establish the Business District along with an ordinance that sets the percentage of Business District sales tax to be imposed
5. Approve a Redevelopment Agreement for the Business District site (Any Business District taxes collected prior to approval of the Redevelopment Agreement cannot be shared until after

the agreement is approved)

Kane McKenna and Associates have prepared the attached draft Heinen Business District Plan dated September 1, 2022. The plan finds that this site does meet the criteria needed to establish a Business District.

The draft further notes that a maximum of \$4.4 million dollars may be collected over the 23-year term of the Business District. Please note that the \$4.4 million maximum is greater than the \$2.5 million maximum noted in the inducement resolution; so, the maximum will be set at \$4.4 million.

The attached ordinance affirms the City's intent to consider the Business District and sets a public hearing date of October 4, 2022. In accordance with state requirements the notice of the public hearing will be published in the newspaper on September 21 and September 23, 2022.

FISCAL IMPACT:

N/A