



Legislation Text

File #: 22-1177, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Conduct the public hearing and direct staff to prepare ordinances approving the Heinen Business District Plan and setting an associated Business District tax of one-half of one percent

DEPARTMENT: Transportation, Engineering and Development

SUBMITTED BY: William J. Novack, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

Heinen's Grocery ("Heinen") is proposing to redevelop the Butera Market located at 1256 through 1290 E. Chicago Avenue with a new or renovated grocery store.

The existing parking lot serves two purposes by providing vehicular parking and storing stormwater on its surface during heavy rain events. This was a common practice when this site was developed in the 1970's. Heinen does not find this dual practice acceptable and is proposing to raise the parking lot so the stormwater can be stored underneath.

To provide funding to implement this plan, Heinen is requesting the City establish a Business District on the property. They believe that the imposition of a one-half of one percent tax over a 23-year period will generate the necessary income to fund the improvements.

On August 16, 2022 the City Council adopted a resolution (RES #22-22) expressing the City's intent to consider a Business District. On September 20, 2022 the City Council scheduled a public hearing to consider the Business District for October 4, 2022.

DISCUSSION:

Attached is a copy of the Business District Plan.

Please note that the attached plan has one change from what was provided when setting the public hearing date: the previous plan stated that the building would be demolished as part of the redevelopment while the current one does not commit to a demolition. Heinen does not currently know if the existing building will be used or demolished and completely rebuilt.

At the October 4 meeting, the City Council will take public input and then provide direction to staff regarding any modifications to the plan.

Upon approval, the Council shall direct City staff to prepare an ordinance approving the Business District Plan and establishing the Heinen Business District. Council shall also direct staff to prepare a second ordinance setting a one-half of one percent tax rate for the Heinen Business District.

Both ordinances must be passed between 14-90 days following the conclusion of the public hearing.

The City will notify the State of Illinois of the Business District and the tax will become effective starting July 1, 2023. Taxes collected will be sent to the City of Naperville.

The final step is for Heinen to present a Redevelopment Agreement to the City. Heinen will not be eligible to receive any of Business District proceeds collected until after the City approves the Redevelopment Agreement.

FISCAL IMPACT:

There will be no direct costs to the City, only the staff time necessary to administer and disburse the proceeds generated by the Business District.