



Legislation Text

File #: 22-0944, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Adopt the resolution expressing the City of Naperville's intent to consider designation of a Business District at 1256 through 1290 East Chicago Avenue

DEPARTMENT: Transportation, Engineering and Development

SUBMITTED BY: William J. Novack, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

Illinois law, namely the Business District Development and Redevelopment Law, 65 ILCS 5/11-74.3-1 *et seq.*, (Business District Law) allows municipalities to designate business districts to encourage opportunities for development or redevelopment of property and to attract sound and stable commercial growth by establishing a levy for additional sales and/or hotel tax.

The Eagle Crest shopping plaza is located on Chicago Avenue at Olesen Drive and is anchored by the former Butera Market with several in-line shops sharing the remainder of the center. Heinen's is an upscale grocer from Ohio that is considering purchasing the Butera Market and the remainder of the plaza except for the out lot on the corner of Chicago Avenue and Olesen Drive. The total site is approximately 7.31 acres.

Storage of stormwater in parking lots was a new and accepted practice when the center was designed and built in the early 1970's. This entire site, and portions of the park site behind it, are drained through a single eight-inch diameter pipe, which causes frequent and somewhat deep flooding of the parking lot in front of the stores.

Upon purchase of the site, Heinen's would eliminate the parking lot flooding by raising the site and providing stormwater storage underneath. This is estimated to cost \$2 million.

Heinen's is seeking City Council approval to form a Business District for the center. If approved, this would allow for a levy of additional sales tax on the property for up to 23 years to assist with financing the stormwater improvements.

DISCUSSION:

The property does appear that it may qualify as a blighted area within the definition of the Business District due to the inadequate infrastructure. Heinen's has retained Kane McKenna and Associates (KMA) to assess whether the site meets qualifications for a Business District and to provide the City

with data and a plan regarding the eligibility.

The proposed resolution in no way obligates the City to form the proposed Business District or to pay any developer expenses. Even if a Business District is formed the City will not be funding any part of the District; any payments to the developer would be generated solely by the imposition of additional sales tax of up to one percent by the businesses within the district.

The sole purpose of the resolution is to acknowledge the City's interest in considering establishing the proposed Business District. If a Business District is formed, then certain expenses incurred by the developer after adoption of the resolution may be eligible for reimbursement.

If, after receiving the report and proposed business plan from KMA, the City finds that the property qualifies for a Business District, and that it is in the best interest of the City to assist with the revitalization and improvements at this center, then an ordinance will be brought to the City Council setting a public hearing date on the proposal to establish the Business District.

FISCAL IMPACT:

There will be no expenditure of City funds to establish the Business District.