



## Special Committee of the Whole Meeting – May 12, 2025 Staff Responses to Council Questions

Before each Special Committee of the Whole, questions that have been posed by the City Council relating to the agenda for that evening will be posted to the City's website. Below are the responses to this week's questions.

### 2. Items of Business

#### **c. Consider Draft Resolution Authorizing Development Economic Incentive Agreement with 318 Lofts, LLC for 318 Anderson Boulevard**

Q: Pages 83 and 84 discuss an underground storage tank from some time ago. What additional work is now required at 318 Anderson Blvd. to justify a \$60,000 remediation expense to the project?

A: The contract purchaser has engaged an environmental consultant and has completed a Phase 1 and Phase 2 investigation. The \$60,000 remediation expenses are per the estimate of the environmental remediation expert to allow the project to obtain an NFR (No further remediation) letter from the Illinois EPA. Mandatory work included in the estimate includes additional drilling for core samples/testing and report generation from the environmental consulting firm. Also included is a fee from IEPA for the review reports and findings. Possible physical remediation would be removing contaminated soil and replacing it with new soil. Also, possible physical remediation would include installing a vapor barrier and venting system under the first-floor slab as well as complete replacement of the parking lot asphalt. All physical remediation mentioned above is not included in the estimate and would be paid for by the developer.

Q: Does the remediation that is budgeted have any anticipated environmental impact on the adjacent high school site?

A: No, the developer will clean the site as part of the proposed project, and there will be no impact on the school or any other neighbors.

Q: If no remediation or expense is required, will the owner still receive the reimbursement?

A: The remediation cost is required and is limited to: 1) core samples and testing, 2) Report writing, and 3) IEPA review fees. If this is not completed, there will be no review by the IEPA. If additional physical remediation is required, the developer will pay in full.

All of the City's prior sales tax agreements allow for fluidity between the line items that make up the reimbursable expenses budget – up to the maximum reimbursement. Specifically, the phrase that reads:

"Owner shall be entitled to receive 100% of the amounts contributed up to the Reimbursable Improvement costs in accord with the terms of the agreement, even if it contributes less than the full amount of the Reimbursement Costs. Applicable line items may increase or decrease within the \$\_\_\_\_(total amount of costs)" is always included. Reimbursable procedures outlined in Section III Conditions Precedent require the Owner to demonstrate the expenses for the reimbursement. For example, if the budget line items changed and the remediation expense ended up to be \$30K (instead of \$60K) and the electric expense ended up to be \$50,000 (instead of \$38,836) – the developer would be entitled to reimbursement up to \$80K.

Q: Why was a completion date set at 24 months for fund reimbursement?

A: The recommendation for 24 months is based upon the need to complete architectural plans, permitting and construction (requiring retrofitting and new construction, including site work that is weather contingent).