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## St. Charles City Council OKs First Street project agreement

By **Meghan C. Smith**

Staff writer

St. Charles City Council aldermen gave themselves an early Christmas present this year by green-lighting their First Street redevelopment project.

The council voted unanimously Dec. 4 on the city's estimated \$105 million project, which will revamp downtown First Street from Prairie Street south to Main Street (Route 64). The redevelopment agreement detailing financial obligations and outlining the scope of the project between the city and First Street Development LLC also was approved by the council, including the authorization of two bond issues. Proceeds from these bonds will be used to fund infrastructure improvements in the first year of the project.

Mayor Don DeWitte said as part of the agreement the city will pay \$25 million, which will come from a tax increment financing district the city established for the area in 2003. Developers will cover the rest, he said.

A TIF district is used by local governments to attract development in blighted or undeveloped areas. Taxing bodies do not receive any additional property taxes on the new development for up to 23 years. Instead, the additional property taxes that would have been paid are put into a designated TIF fund.

DeWitte said after working on the project for more than three years, he is delighted to see it finally move forward.

"It's almost anticlimactic in having worked so deliberately and carefully over the last three and a half years to put this project together. We're happy the i's are dotted and the t's are crossed," he said. "We were very deliberate in our negotiations and discussions, and I believe the end will be an outstanding redevelopment project that will serve the residents of St. Charles for many years to come."

The project will be on about 7 acres bounded by the Fox River, Main, Second and Prairie streets. The project will have about 100,000 square feet each of retail and office space on the new buildings' first floors, as well as apartment units and condominiums on the upper floors. The project also will include more than 800 new parking spaces with diagonal, on-street parking and in two new garages hidden by buildings.

It is expected staff members will meet with developers Tuesday, Dec. 12, to discuss the start of the project's first of five phases, which is anticipated to begin later this month. Conclusion of the project is expected in 2012.

The first construction will be building the new Blue Goose Super Market. The grocery store is being relocated from 164 S. First St. to the southwest corner of Indiana and Second streets. The current store will remain open while the new one is being built.