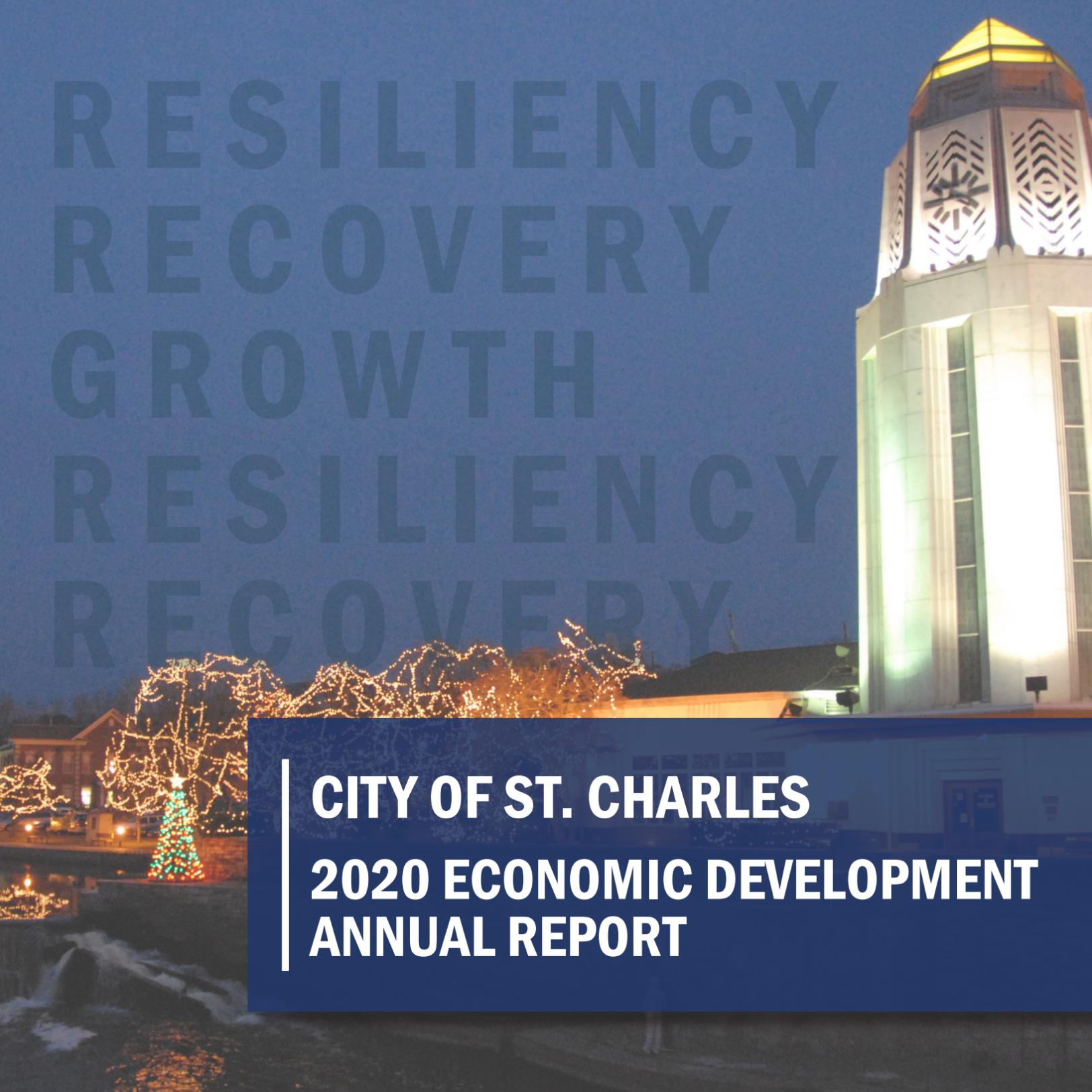


RESILIENCY  
RECOVERY  
GROWTH  
RESILIENCY  
RECOVERY

A nighttime photograph of the St. Charles Water Tower, a tall, cylindrical structure with a clock face and a conical roof, illuminated from within. To the left, a tree is wrapped in warm white lights, and a small waterfall is visible in the foreground. The background is dark, suggesting a night sky.

**CITY OF ST. CHARLES**  
**2020 ECONOMIC DEVELOPMENT**  
**ANNUAL REPORT**

# Welcome TO ST. CHARLES

A city praised for its economic diversity, top-notch entertainment, beautiful downtown, and rich history. As my time as Mayor of this great community comes to an end, I find myself reflecting on the growth and changes this community has seen over the past decade and the resiliency the community demonstrated throughout the challenges and uncertainty that 2020 presented.

Throughout my tenure as Mayor, and in 2020 especially, I believe that St. Charles has lived up to its reputation as the “Pride of the Fox.” I am proud of how the community stepped up to support our local businesses and each other through these unprecedented times. Take for example the popular Temporary Outdoor Dining Program, which was quickly developed by City leadership and so well received by businesses and residents that the City has agreed to implement it again in 2021.

While downtown St. Charles may receive a lot of attention for the exciting projects happening, I believe the East and West Gateways of our city are poised for significant post-pandemic development activity and prosperity. It will be exciting to watch the City continue to adapt and grow, taking underutilized or vacant properties and transforming them through public and private investment into thriving, prosperous hubs of activity. The opportunities are plentiful and we know that when all elements of a community come together, great things can happen.

Sincerely,  
Mayor Raymond P Rogina

## DEMOGRAPHICS



**33,910**  
Population



**12,823**  
Households



**\$324,000**  
Median Home  
Value



**\$98,393**  
Median  
Household  
Income



**57%**  
Percent with  
a college  
degree



**40.9**  
Median  
Age

Source: ESRI Community Analyst

**AWARD WINNING  
PARK DISTRICT**



**HIGH RESIDENT  
SATISFACTION**



**TOP RANKED  
SCHOOLS**



**35 MILES FROM  
DOWNTOWN CHICAGO**



# AT HOME IN ST. CHARLES

**Residential growth** is a driver of economic activity in any community. When the number of households grows, that represents new customers to support both existing and future local businesses. St. Charles saw a variety of projects take off in 2020 ranging from new single-family subdivisions to mixed-use, multi-family developments. Three prominent projects are highlighted below.

## Citizen Survey

When the City wanted to know what residents thought of their home town, they hired ETC Institute to conduct a community survey. A survey was mailed to a sample of

households in the City. The results showed that 99% of surveyed residents rated St. Charles as either an excellent or good place to live.

Satisfaction ratings for the City of St. Charles rated significantly above the U.S. average in 54 of the 55 areas that were assessed, including 39 areas that performed at least 20% higher than the U.S. average. To view the full report, visit the City's [website](#).

**99%**  
of residents say St. Charles is an  
excellent or good place to live

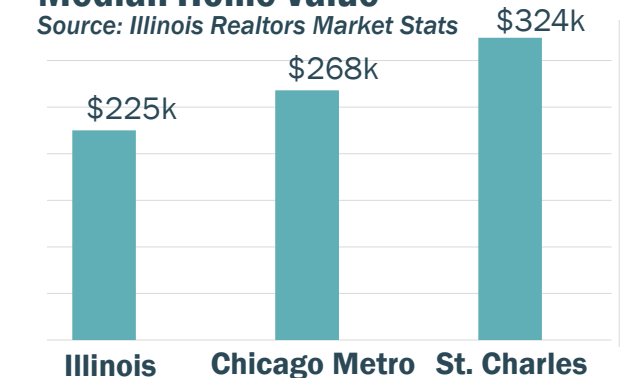
## Inclusionary Housing

On average, homes in St. Charles are 44% more expensive than homes in the rest of the state, and 21% more expensive than homes in the Chicago metro area. The City's inclusionary housing ordinance is one measure in place to help ensure that a diversified and balanced housing stock is provided throughout the City.

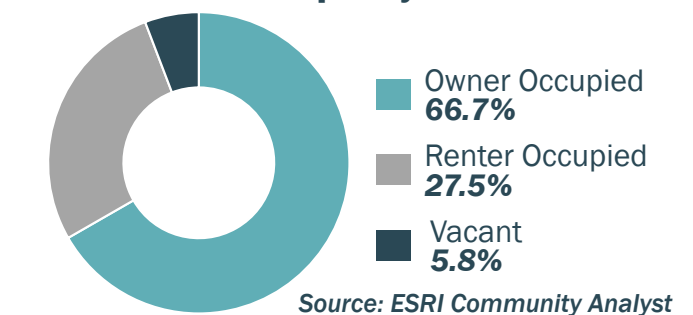
To incentivize the development of affordable housing, St. Charles offers a density bonus and reduced fees to incorporate affordable units into a development. Developers also have the option to pay a fee-in-lieu of providing these units, which provides funds to the City's Housing Trust Fund, which uses the funds to invest in projects that preserve and provide affordable housing options in the community.

## Median Home Value

Source: Illinois Realtors Market Stats



## Household Occupancy



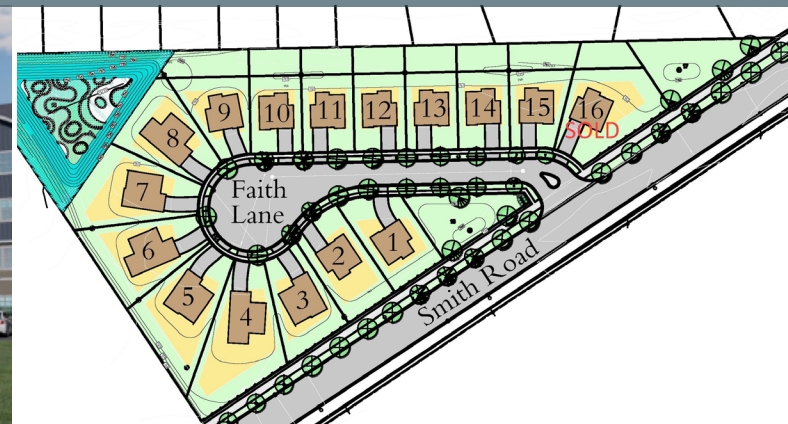
## ANTHONY PLACE 2

Anthony Place 2 is a 4.31-acre site in the St. Charles Commercial Center and is the second senior affordable housing project in St. Charles by GC Housing Development. The proposed 4-story building features 75-units, which will all be affordable.



## BROOKE TORIA ESTATES

Brooke Toria Estates (also referred to as Smith Road Estates) is a 4.4-acre, 16-lot single-family subdivision on the east side of St. Charles. Plans for the subdivision and annexation of the property have been approved and permits are anticipated to be issued in 2021.



## MUNHALL GLEN

This 15-acre development by Airhart Construction includes lots for 50 single-family homes on the City's east side off Tyler Road. Munhall Glen received approval in November 2020 and construction is anticipated to begin in 2021.



## 1432 DEAN STREET

This St. Charles property was renovated as an affordable unit through the Kane County Affordable Housing Fund. The City of St. Charles paid a portion of the rehab costs for the home (\$59,174) and received repayment of \$36,921 upon the sale of the property to an income eligible buyer.



# Historic Preservation

**Established in 1834**, this historic riverside community gets its charm from the history that is embodied in the unique architecture and historic sites located throughout the City. St. Charles boasts 60 local landmark properties, including 4 properties that received landmark designation in 2020.

The goal of historic preservation in St. Charles is not just to foster an awareness and appreciation of history, but to encourage the preservation, restoration and rehabilitation of historic buildings throughout the city. To accomplish this, development activity in the

City's downtown historic district is overseen by the St. Charles Historic Preservation Commission. One of the primary roles of the Commission is granting Certificates of Appropriateness, which are required before the City can issue a building permit for exterior changes to buildings within a historic district or landmark site.

## A HISTORIC YEAR

**57**  
COA's  
APPROVED

**4**  
NEW  
LANDMARK  
SITES

**4**  
FACADE  
GRANTS  
AWARDED



1 South 6th Avenue



505 S 4th Street



210 Cedar Avenue



316 Cedar Street

## NEW LANDMARK PROPERTIES

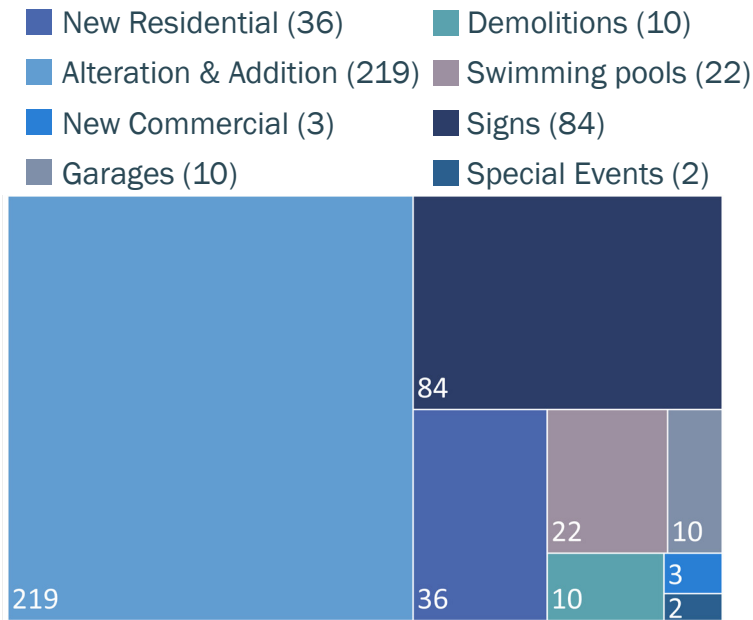
Year Built	Property	Address
1908	The Carnegie Library	1 South 6th Avenue
1912	Blomquist House	505 S 4th Street
1848	Walker-Morse House	210 Cedar Avenue
1855	O'Connor House	316 Cedar Street

## BEFORE & AFTER | SELECT CERTIFICATES OF APPROPRIATENESS



# ECONOMIC HEALTH

## PERMITS BY TYPE



## RESILIENCY and GROWTH in uncertain times

The City of St. Charles is committed to providing the highest quality service to its customers and foster a **business-friendly environment**. The dedicated staff in the Community & Economic Development Department coordinate project reviews and permit approvals with all of the necessary City departments to provide a **streamlined process** that flows from one stage to the next with minimal coordination required by the applicant.

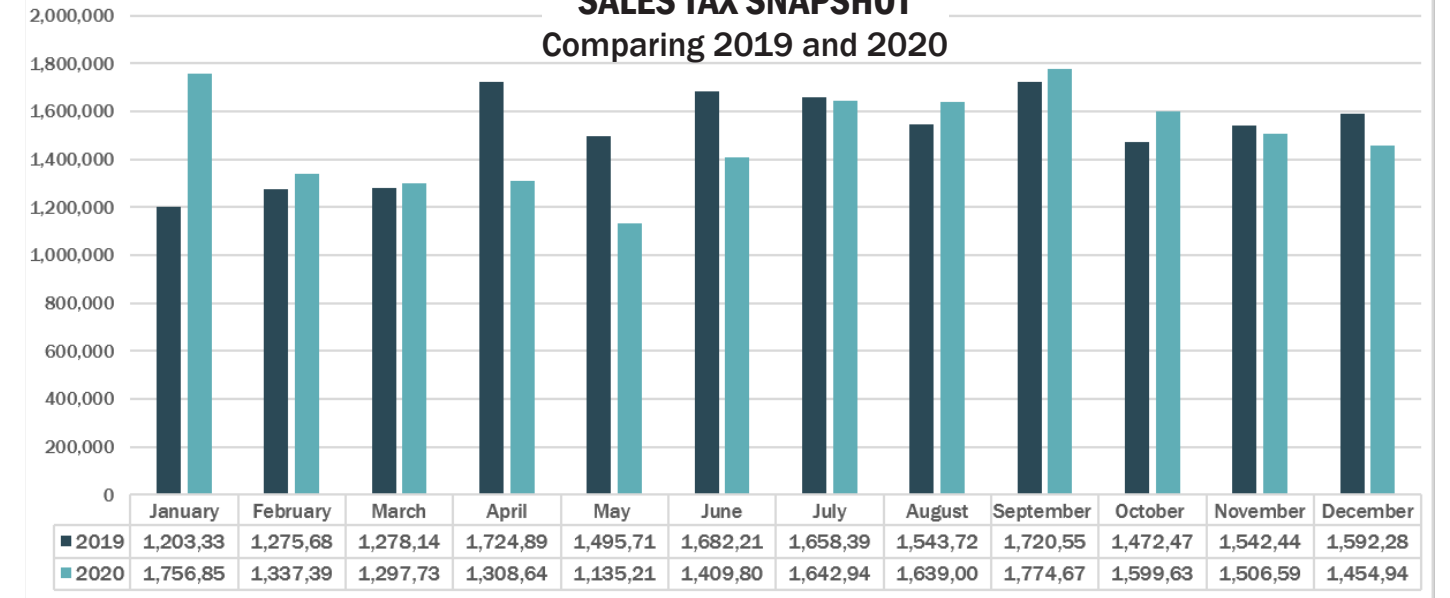
Despite the uncertainty caused by the pandemic, 2020 was a busy year for development in St. Charles. City staff made sure public meetings, plan reviews, permit approvals, and inspections continued with the proper safety precautions in place. The year-end review indicates that the number of building permits issued by the Building and Code Enforcement office nearly matched the number of permits issued in 2019 and **construction valuation reached a 3-year high**.

## Pandemic Impacts on Tax Revenues

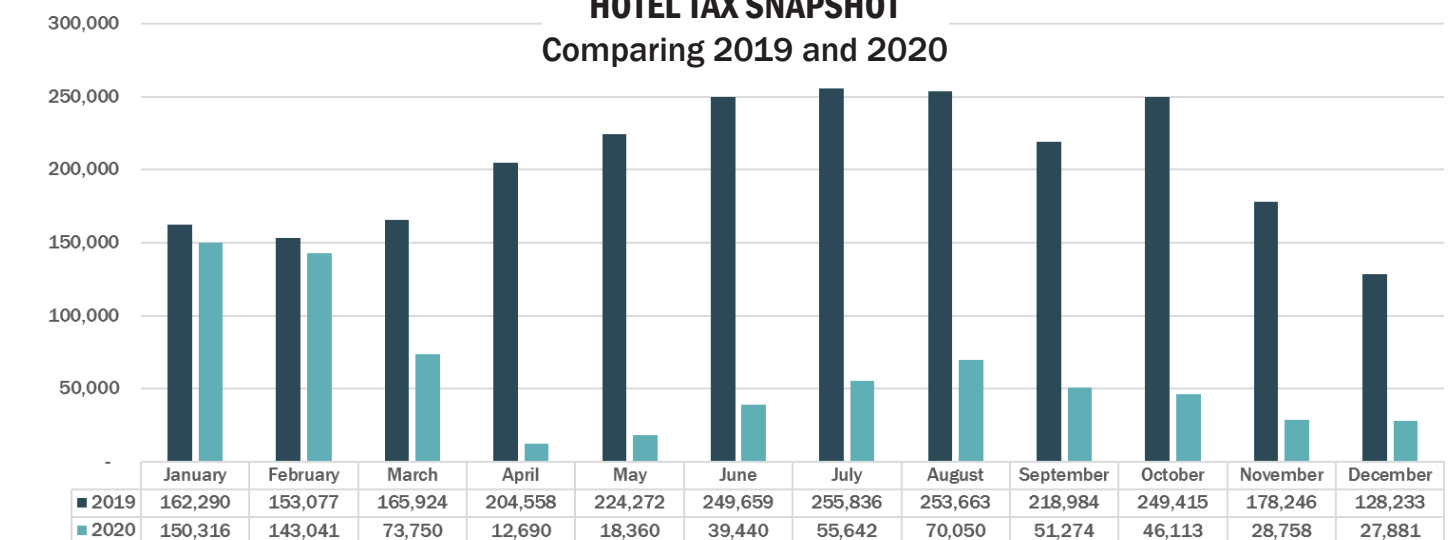
Anticipating a decrease in tax revenue, the City proactively reduced its budget by \$2.4 million and was able to secure \$1.93 million in federal crisis funding.

While hotel tax saw a significant and sustained decrease in 2020, sales tax revenues saw an initial decline and then steady recovery in the second half of the year that was competitive with revenues in 2019.

### SALES TAX SNAPSHOT Comparing 2019 and 2020



### HOTEL TAX SNAPSHOT Comparing 2019 and 2020



## Permits Issued

**2,356**  
2018

**2,079**  
2019

**2,045**  
2020

## Construction Valuation

**\$120.6M**  
2018

**\$68.4M**  
2019

**\$121.3M**  
2020

## Single Family Residential Units

**26**  
2018

**38**  
2019

**51**  
2020

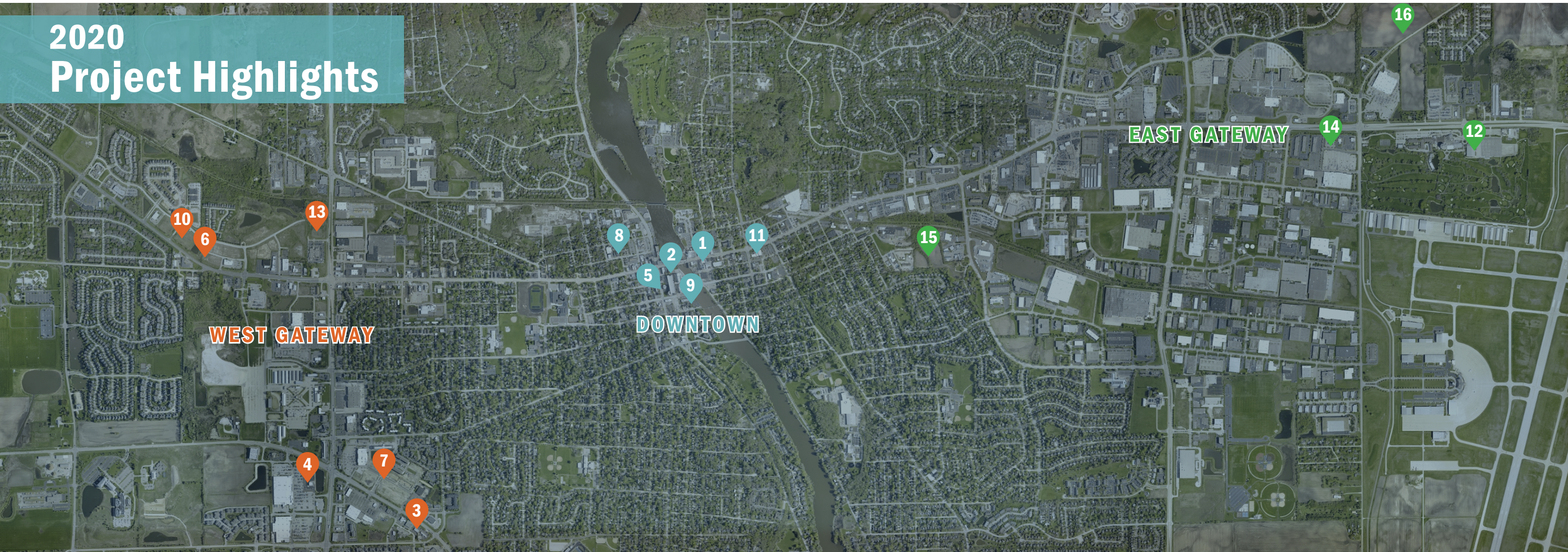
## Building Inspections

**5,518**  
2018

**5,931**  
2019

**3,951**  
2020

# 2020 Project Highlights



1. **ARCADA THEATER** | 105 E Main Street

2. **ALTER BREWERY + KITCHEN** | 12 S First Street

3. **93 OCTANE BREWERY** | 1825 LINCOLN HWY

4. **MEIJER OUTLOTS** | Randall Road & Hwy 38

5. **FIRST STREET REDEVELOPMENT**

6. **PET SUITES** | 2790 W MAIN STREET

7. **PRAIRIE CENTRE** | LINCOLN HWY

8. **CEDAR FOX** | 316 CEDAR STREET

9. **EDEN EXPANSION** | 1 ILLINOIS STREET

10. **TRACTOR SUPPLY** | MAIN ST & CARDINAL DR

11. **LIBRARY EXPANSION** | 305 S 9TH STREET

12. **MCGRATH HONDA** | 4075 E MAIN STREET

13. **AUDI EXCHANGE** - 235 RANDALL ROAD

14. **ZEN LEAF** - 3691 E MAIN STREET

15. **MUNHALL GLEN SUBDIVISION**

16. **BROOKE TORIA SUBDIVISION**

#1

## Arcada Renovations

105 E Main Street

The Arcada theater is an iconic live performance venue, known not just amongst St. Charles residents but throughout the entire region. While the pandemic may have put a pause on live events, the owners of the Arcada used the lull in live performances as an opportunity to take on some big renovations at the historic venue.

The 900-seat Arcada Theatre first opened its doors in 1926; now, ninety-four years later this iconic downtown venue is getting a monumental renovation that revitalizes almost every inch of the facility. The Arcada will now offer a renovated theater with state-of-the-art equipment, 11 hotel suites, two new restaurants, and a venetian-style patio. Capitalizing on a long-term investment, the City facilitated the incorporation of the neighboring George's building into the expanded theater facility.

#2

## Alter Brewing

12 S 1st Street

Alter Brewing + Kitchen is the latest craft brewery to be welcomed to downtown St. Charles. This is Alter's first full-service restaurant and their second brewery in the Chicago suburbs. Located adjacent to the First Street Plaza and riverwalk, Alter's outdoor patio wows visitors with views overlooking the Fox River and iconic St. Charles landmarks.

#3

## 93 Octane Brewery Patio

1825 Lincoln Hwy

What started as a temporary outdoor dining area amid the pandemic has turned into a permanent 500ft<sup>2</sup> addition and new covered outdoor patio for this local brewery. 93 Octane is a family-owned craft brewery in the West Gateway, its name drawn from the legacy of gas station operators in the family. The new addition will ensure that 93 Octane will continue to entertain and serve their customers in a comfortable outdoor environment.

#4

## Wahlburgers & Meijer Outlots

Randall Road and Hwy 38

St. Charles residents Donnie Wahlberg and his wife, actress Jenny McCarthy, attended the ribbon cutting for the St. Charles Wahlburgers restaurant in spring 2020. The 5,000ft<sup>2</sup> restaurant and bar on the far west side was part of a project that redeveloped an underutilized parking lot into 3 commercial outlots.

In addition to Wahlburgers, other new tenants include a drive-thru Starbucks, Mod Pizza, and Chipotle Mexican Grill along the bustling Randall Road corridor.

#5

## First Street Redevelopment

The First Street project is a mixed-use downtown redevelopment project spanning five downtown blocks along the Fox River. The initial phases of the project included reconstruction of streets/sidewalks and utilities along First Street, relocation and expansion of the local Blue Goose Market, construction of the 430-space parking garage building, and the creation of the popular First Street Plaza.

#6

## Pet Suites

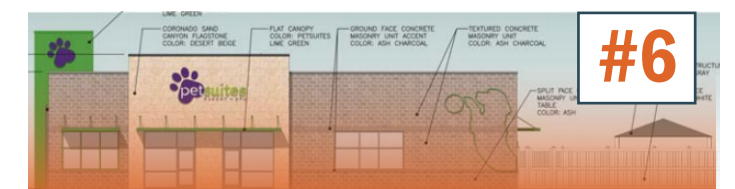
2970 W Main Street

This new 11,000ft<sup>2</sup> pet care facility on the City's west side will develop a vacant lot and provide residents and visitors with comfortable daycare and boarding options for their pets.

The completed riverfront portion of the project includes three mixed-use buildings, a public parking deck, and a bi-level pedestrian riverwalk. The remaining phases of the First Street project are comprised of three building lots, known as Buildings 6, 7B and 8. A 4-story, 21-unit residential building has been approved for lot 7B, east of the Blue Goose supermarket.

## Plaza Expansion

In January 2020, the City purchased the grassy lot at the corner of Main & 1st Street and is planning to extend the existing plaza to include this area that will serve as a central location for fairs, festivals, entertainment and events (see rendering below).



#7

**Prairie Centre***Lincoln Hwy (Rt. 38)*

Prairie Centre is a 27-acre, \$100 million, mixed-use development that will add 670 residential units to the community and create over 115,000ft<sup>2</sup> of commercial space when fully built out. This large redevelopment of the former St. Charles Mall, which has been vacant since the early 2000's, will create a walkable, attractive neighborhood in the heart of the West Gateway, with easy access to nearby shops, restaurants, parks and entertainment.

So far, three residential buildings have been completed and two more are currently under construction. One of the three completed buildings is known as Anthony Place, one of the largest affordable housing developments in St. Charles with 74-units dedicated to providing safe, quality, affordable housing for seniors.

**Cedar Fox Wedding & Events***316 Cedar Street*

A new wedding and event venue is coming to downtown St. Charles in summer 2021. The adaptive reuse of the historic property at 316 Cedar Street is a perfect example of historic

#8

preservation meets economic development. Built in 1855, this historic property and its expansive nearly 3,000ft<sup>2</sup> addition will serve as the perfect gathering space, in a charming, historic neighborhood near all of the amenities downtown St. Charles has to offer.

The \$600,000+ renovation and expansion received support from the City in the form of two grants, totaling \$50,000. Once opened, events at the Cedar Fox are expected to bring new visitors to downtown St. Charles, supporting local restaurants, shops, and hotels.



#9

**Eden Patio Addition***1 Illinois Street*

Eden on the River is located along the First Street corridor, in the historic Fox Island Square building in Downtown St. Charles. Eden's



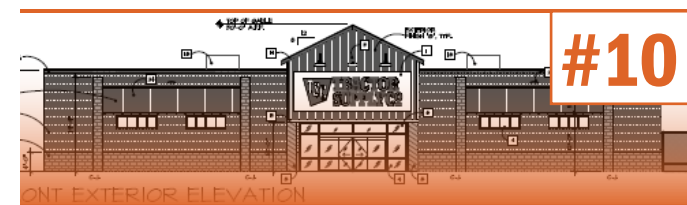
owners are adding a 1,800ft<sup>2</sup> covered patio, which will provide additional dining capacity and a desirable, waterfront venue for private events.

Preliminary estimates for the project exceeded \$300,000, and the project received grant funding from two separate City programs totaling \$50,000. While the project experienced delays to the construction schedule due to the outbreak of the COVID-19 pandemic, they are on schedule to open by summer 2021.

#10

**Tractor Supply***Corner of Main Street and Cardinal Drive*

Tractor Supply Co. will be opening a sprawling 19,000+ ft<sup>2</sup> store in the City's West Gateway in 2021. While the retailer will offer a unique range of home improvement, agriculture, equine and pet care products for St. Charles residents, it is also anticipated to draw customers from as far as 20 miles away. This development will transform a vacant, greenfield property into a productive, revenue generating, destination retail store. Customers traveling from more rural parts of Kane County and north eastern Illinois will likely visit other St. Charles stores and restaurants when they come to visit Tractor Supply, making this a welcome addition to the West Gateway.



#11

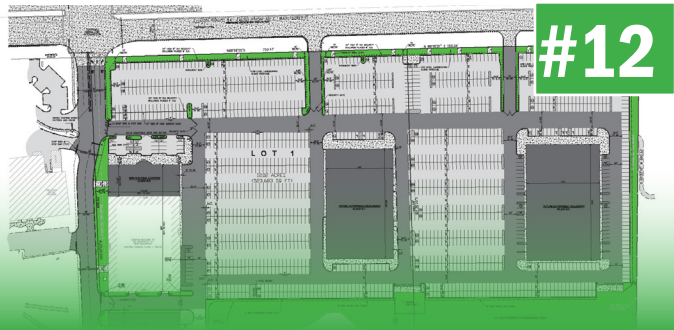
**Library Expansion***305 S 9th Street*

The St. Charles Public Library is undergoing an \$18.6 million renovation and expansion. Plans for the modernization and expansion of the public library have been in place for over a decade, with the Library's Board of Trustees committing to the project back in 2008. The renovation will ensure that the St. Charles Public Library remains a popular destination and cherished community gathering place well into the 21st Century.

Improvements to the building include a new entrance on the east façade, new community meeting rooms, a terraced garden and green programming space, a drive-up window for patron service, a makerspace for artistic and digital projects, and replacement of building infrastructure like the roof, HVAC system and elevators.

The entire project is expected to take roughly two years to complete. In spring 2020, the library temporarily moved to the recently-closed Haines Middle School and will continue operating there until the new space is ready.





## McGrath Honda

*Mega Center - 4051 E Main Street*

McGrath Automotive Group purchased the Mega Center, formerly part of the Pheasant Run Resort, and this \$13 million project will transform the City's East Gateway. The 12+ acre convention center will undergo a renovation into a 52,000+ft<sup>2</sup> dealership and service center, a sizeable improvement from McGrath Honda's existing 2.9-acre dealership at 1411 E Main Street.

This project has significant catalytic potential for the entire East Gateway, with infrastructure improvements that will make it possible to attract up to two additional dealerships to the site and allow redevelopment of the rest of the Pheasant Run Resort property separately. The City of St. Charles agreed to an incentive package totaling \$5.263 million; \$1.256 million in utility improvements and an additional \$4 million sales tax sharing agreement with McGrath Automotive Group. The new expanded dealership is expected to create 40 new jobs, and retain 60 existing positions. The potential additional dealerships would create an additional 30-50 jobs each as well.



## Audi Exchange

*235 N. Randall Road*

Audi will be joining Mercedes-Benz as the second luxury car dealership on the City's west side. The intersection of Woodward Drive and Randall Road will soon be home to a new 25,000+ft<sup>2</sup> Audi dealership developed by Semersky Enterprises, Inc. Development of this 3.38-acre lot includes construction of a new signalized intersection at the corner of Randall Road and Woodward Drive.

Due to the documented extraordinary costs to develop the site, the catalytic potential of the project, and the revenue generation of the dealership, the City of St. Charles agreed to a Sales Tax Revenue sharing incentive to make this project happen. The total incentive package is \$2.616 million, paid over 15 years through a sales tax rebate. Audi Exchange-St. Charles is on track to open in 2021.

## ZEN LEAF

*3691 E Main Street*

Zen Leaf, which has been operating as a medical dispensary since 2015, was granted

permission to operate as a recreational cannabis dispensary following statewide legalization and local zoning amendments to allow the use. Recreational cannabis is expected to be a significant source of tax revenue for the City. Zen Leaf is expected to relocate in 2021-2022 from their small site in the City's manufacturing district to a much larger commercial property in the East Gateway.

# INCENTIVES & GRANT AWARDS

**Economic incentives** for development projects are considered by the City on a case-by-case basis. It is imperative to maintain and encourage a strong and positive business climate in the City, but this must be done in tandem with cautious review of the long-term financial implications, as well as potential community-wide impacts. As a matter of policy, the City of St. Charles will consider using incentives to assist private developments only in those circumstances in which the proposed projects show a demonstrated financial gap or where significant amounts of sales tax revenue will be realized. The City has been receptive to incentives that involved sales tax rebate, property tax reimbursement, and tax increment financing (TIF).

The City reached agreement on two separate Sales Tax Sharing agreements in 2020. **The combined incentive packages totaled approximately \$7.9 million.**

As a result, the City will retain McGrath Honda, one of the highest-volume car dealerships in the community, and has attracted a new Audi dealership. The City will still collect a portion of the generated sales tax, and when the deals reach their term limit the City will collect 100% of the tax revenue generated by the dealerships.

## Façade Improvement Program

The Façade Improvement Grant Program assists with the improvement and restoration of historic building exteriors to preserve the character of the City's historic districts. Funding assistance is available for 25% of the cost of maintenance work and 50% for certain types of historic preservation projects.

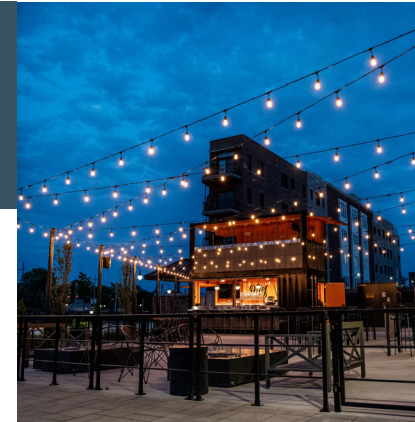
## Business Improvement Grant

This program offers 50/50 matching awards (up to \$25,000) for permanent structural & life safety modifications. Eligible improvements include plumbing, electrical, fire sprinklers and alarms, and structural repairs. Funds are restricted to retail and service businesses in downtown and major commercial corridors.

**OVER \$63,000 OF GRANT FUNDING WAS AWARDED BY THE CITY IN 2020**

# COVID-19

COVID-19 certainly dominated 2020. While the City continued to deliver essential services, we often had to shift how we normally would do business. Throughout a series of statewide COVID-19 mitigations under the Governor's Restore Illinois plan, which included building closures and remote working arrangements, City operations continued, resulting in many accomplishments. Below are some highlights.



## ASSISTANCE FOR BUSINESSES

- An Outdoor Dining program allowed restaurants to use public and private properties during the statewide shutdown and beyond.
- Curbside pickup zones were designated by the City for the benefit of restaurants near street closures
- Late-night liquor permit fees were refunded when businesses were closed for COVID-19 mitigations.
- City staff coordinated with the St. Charles Business Alliance to contact businesses potentially eligible for State and Federal relief funding.

## ASSISTANCE FOR RESIDENTS

- The Fire Department proactively coordinated with nursing homes, assisted living facilities, and senior living locations to provide COVID-19 information and coordination with our Emergency Medical Services.
- Firefighters created new online fire safety/public education videos for schools and remote students to access safety education.
- The City halted utility disconnections and late fees to help residents (and businesses) struggling to pay their utility bill. A payment plan program also was launched to help residents get their utility bills up-to-date.



## TEMPORARY OUTDOOR DINING PROGRAM

When the COVID-19 pandemic placed restrictions on indoor gatherings, especially indoor dining at bars and restaurants, the City of St. Charles took initiative and established a fee-free Temporary Outdoor Dining Program to allow expanded outdoor dining opportunities on both public and private property. In 2020, 29 temporary outdoor dining permits were issued by the City and we anticipate a similar number of restaurants will take advantage of the program again in 2021.

## FIRST STREET CLOSURE

A portion of First Street, immediately south of Main Street, was closed from May through October last year. The street closure provided additional public seating and compensated for the reduced plaza space occupied by the adjacent restaurants. The First Street area businesses were surveyed after the 2020 outdoor dining season and the City received support from the business community to temporarily close First Street for outdoor dining again in 2021.





**REPORT PRODUCED BY THE CITY OF ST. CHARLES  
DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT  
*APRIL 2021***

<i>RAYMOND ROGINA</i>	<b>MAYOR</b>
<i>MARK KOENEN</i>	<b>CITY ADMINISTRATOR</b>
<i>RITA TUNGARE</i>	<b>DIRECTOR OF COMMUNITY &amp; ECONOMIC DEVELOPMENT</b>
<i>RUSSELL COLBY</i>	<b>ASSISTANT DIRECTOR OF COMMUNITY &amp; ECONOMIC DEVELOPMENT</b>
<i>CIARA MILLER</i>	<b>ECONOMIC DEVELOPMENT PLANNER</b>

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