



CITY OF WASHINGTON, ILLINOIS

Committee of the Whole Agenda Communication

Meeting Date: February 13, 2023

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Agenda Item: Grist Mill Update

Explanation: Grist Mill Ventures and its architect have been working for several months on the design plans for the new brewpub and restaurant at 140 Washington Square. While the developer is still strongly committed to the project and this market, the progress has not been as linear as desired due to a few factors:

- Zero lot line construction projects such as this one are relatively common but still pose unique challenges, particularly when accounting for two neighboring buildings that are both 100+ years of age. Considerable attention has been given to both adjacent property owners. The developer and its architect have been communicating to allow for the adjacent property owners to see the draft plans before they are finalized and to review for any impact to their buildings. Given that these are draft plans, the developer is understandably sensitive to public disclosure of plans that are preliminary and subject to evolve, but it is willing to do so to allow for a higher comfort level from both neighbors. Each of the adjacent owners has expressed interest in potentially having the construction pause following demolition to allow for both to briefly examine their buildings and determine if any slight façade enhancement measures should be undertaken by either owner before a new building rises. Due to this, a slight additional delay in the completion of the design and/or construction may result.
- Since this project was first discussed by the City Council in November 2021, the monthly national inflation rate has not been below 6% and the yearly rate of 8% in 2022 has not been exceeded since the early 1980's. Needless to say, this has taken its toll on a variety of inputs in construction projects.
- The developer sent the project to bid late last year and selected a project general contractor in January. According to the developer, the initial construction bid was 20% higher than the project budget. As a result, the developer and general contractor have been evaluating each of the line items and determining areas that can be reduced without significantly impacting the overall project scope and the interior and exterior building design.

Fiscal Impact: The City's financial support per the terms of the redevelopment agreement is up to \$1.1 million to allow for the commercial portion of the project to come to fruition. Of this, up to \$980,000 would come from the TIF Fund with the remainder to come from the Water and Sewer Funds. To date, the City has paid \$479,560 from the TIF Fund to reimburse a portion of the expenses related to the property acquisition and professional services. The developer continues to push to have the grand opening occur by December 1, 2023.

Action Requested: A representative from Grist Mill Ventures will be at Monday's Committee of the Whole meeting. This is provided as an update on the current status of the project. This is one of the most significant private and public investments in the history of the city and it continues to have the potential to have a long-standing positive impact on the future of the Square that can boost the existing businesses and attract other businesses and projects. New construction projects rarely proceed exactly as planned and this is no exception.

A Certificate of Appropriateness (COA) must be approved for the demolition of the existing structure and exterior design of the new structure. The developer plans on submitting the final exterior appearance upon completion. Following that submittal, a meeting will be scheduled with the Historic Preservation Commission for its review. Staff has encouraged the developer to submit a demolition permit application at its earliest convenience to allow for issuance immediately after the COA approval. The developer plans to begin demolition in March, beginning with salvageable interior and non-structural components. Staff and notably, the City's Life Safety Inspector, have been working to expedite the completion of the building plans.