

## **St. Charles to issue bonds for project at Noah's Ark site**

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By Mark Schlinkmann - ST. CHARLES — The St. Charles City Council voted Tuesday night to issue \$40 million in city-backed bonds to jump-start a stalled mixed-use project at the site of the old Noah's Ark restaurant and motel.

The council also approved various changes in the \$385 million project requested by the developer, Cullinan Properties. However, Cullinan backed off one major modification it had sought — a reduction to 296 from 540 residential units.

City officials complained that the change would have further strayed from the city's desire for a so-called new urbanist project emphasizing high density, pedestrian access and vertical development. The planned height of some buildings already had dropped since the plan was unveiled in 2005.

Cullinan officials plan for work on streets, sewers, garages and other items to begin this spring. Construction of the project's first phase — 196 luxury apartments with commercial space below — would start a few weeks later.

Supporters said the bond issue, approved on a 7-1 vote, is the only way to get the project moving in the near future.

Cullinan officials have said that because of the recession's effect on financial markets, the company was unable to get buyers for bonds backed only by Cullinan for the project, at Interstate 70 and South Fifth Street.

Now the bonds also will be backed by the city. Once the project begins operating, new tax revenue generated under a tax increment financing plan will help pay off another set of bonds to be issued later, not backed by the city, that would replace the set approved Tuesday.

"This will be moving the project forward," said Councilwoman Laurie Feldman, whose ward includes the site.

The only "no" vote came from Councilman Dave Beckering, who warned that the city would take on too much risk backing the bonds. "In my opinion, the developer has no skin in the game," he said.