



Post Office Box 299
Peru, Illinois 61354

March 20, 2025

Mayor Ken Kolowski,
Peru City Clerk, and
Aldermen of the City of Peru

RE: Petition of Peru GKD Partners, LLC
3940 IL Route 251, Peru, IL (Part of PIN# 17-05-410-015)

Gentlemen:

Pursuant to legal notice published in the News Tribune in the manner provided by law, the Planning/Zoning Commission of the City of Peru convened for a public hearing on Wednesday, March 19, 2025, at 5:00 p.m. in the City Municipal Building, 1901 Fourth Street, Peru, IL, to consider the Petition of Peru GKD Partners, LLC ("Petitioner") concerning a portion of property generally located at 3940 IL Route 251 in the City of Peru, Illinois, commonly known as the "Peru Mall," legally described as follows:

Part of lot 3 in the Re-Subdivision of Lots 1, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13 & 14 in the Peru Mall Subdivision in the City of Peru, Illinois described as follows:

Commencing at the Northeast Corner of said Lot 3; thence South 00 degrees 40 minutes 31 seconds East 57.88 feet on the Westerly Right-of-Way Line of Illinois Route 251 to the Point of Beginning; thence continuing South 00 degrees 40 minutes 31 seconds East 163.85 feet on said Right-of-Way Line; thence South 89 degrees 19 minutes 29 seconds West 205.58 feet; thence North 00 degrees 40 minutes 31 seconds West 163.85 feet; thence North 89 degrees 19 minutes 29 seconds East 205.58 feet to the Point of Beginning containing 0.773 acres, more or less.

PIN# 17-05-410-015 (pt) (hereinafter, "Outlot A")

Petitioner seeks to create a new 0.773± acre lot to be known as "Outlot A" located upon the Northeast portion of the Peru Mall site to sell for development as a single tenant retail or restaurant use occupying not more than 2,500 sq. ft., and seeks the following relief, to wit:

- (1) Approval of the Preliminary Plat of Peru Mall Outlot 1st Subdivision to the City of Peru, Illinois (Exhibit A);

- (2) Approval of the Final Plat of Peru Mall Outlot 1st Subdivision to the City of Peru, Illinois (Exhibit B); and
- (3) For such other and further relief deemed necessary or appropriate.

The Property is zoned B-2, Community Shopping District.

Planning/Zoning Commission Members Miller, Lucas, Jones, Grabowski, and Becker were present at the hearing. Members Kalsto and Brady were absent.

Due to severe weather, Evan Shtulman, Vice President of Leasing at GK Real Estate, appeared on behalf of Petitioner remotely via Teams and was sworn. James Armstrong from Chamlin & Associates also appeared on behalf of Petitioner in person and was duly sworn.

Mr. Shtulman testified that Petitioner is looking to create a new outlot with the goal of marketing it for sale to a potential developer. They are under contract and working with one potential developer that is not sure they will be moving forward and closing on the purchase.

City Corporation Counsel, Scott Schweickert, noted that the City's Director of Engineering and Zoning was unable to attend the hearing, but had provided the Planning/Zoning Commission with a recommendation letter. Engineer Carl's letter, a copy of which is attached hereto as Exhibit C, was received and read into the record. In his letter, Engineer Carls notes the proposed Outlot A will have negative impacts on existing site elements, including storm water detention, utilities, easements, traffic patterns, site lighting, and adjacent parking areas. Due to the lack of support documents being submitted by Petitioner to address these items, Carls recommended the Petitioner's requested relief be denied.

Mr. Shtulman stated that the developer under contract is looking to construct a new Starbucks on Outlot A. He said he had discussed the site with Engineer Carls back in October and Carls had mentioned these items needed to be addressed with the proposed development plan. Shtulman said that is where the confusion is. They currently are not looking for approval of a development on the lot at this stage, only to separate and create the outlot so that it can be brought to market and sold to a future developer. That future developer would be the one submitting on-site and off-site requirements to the City with their plans in connection with a permit application. The unknown is what is going to go there, the type of building, how it is situated, etc. Mr. Shtulman said the Petitioner is not going to be doing any of that work and does not have any of those items requested by Engineer Carls.

Testifying further, Mr. Shtulman said Petitioner owns shopping centers across the country. When they aren't acting as the developer, as is the case here, the only way for them to market something and make it available for sale is to have plat creating a lot with a separate tax ID so it can be sold. While he understands that the City needs to review things like drainage, traffic, and landscaping before approving a development plan, those things need to be addressed by the future developer. He said this is similar to how it is done with every other shopping center they have. Mr. Shtulman said he was advised that the City's fire chief did not have an objection breaking the outer ring road, and said Petitioner has received inconsistent direction from the City between October and now. If the proposed plat is not approved, Petitioner would not be able to move forward with the sale of Outlot A and there would be no development occurring at the mall.

Attorney Schweickert noted the City has multiple concerns with the creation of Outlot A, as addressed in Engineer Carls' letter. The intersection at 38th Street and Venture Drive just north of Outlot A already presents challenges. A large portion of Outlot A, as shown on the proposed plat, is laid out over an existing utility and drainage easement. Within the easement is a significant portion of a stormwater drainage and detention facility serving the greater Peru Mall site. Outlot A is also situated upon the outer ring road that serves the Peru Mall development. Given the limited buildable area, any development upon Outlot A would require significant modifications to the existing stormwater detention, drainage and traffic management for the Peru Mall, much of which would need to be completed outside of the boundaries of Outlot A. The question the City has is who will be responsible for doing that work outside Outlot A.

Attorney Schweickert asked if the contract with the prospective buyer is contingent upon approval of a site plan. Mr. Shtulman replied no, the contract buyer is not purchasing the land with the understanding that it's pre-approved for development by the City. They are buying the land as it exists today, vacant with no modifications, and it is the buyer's responsibility to submit and receive approval of a site plan addressing the City's concerns, and to make all necessary on-site and off-site improvements.

Mr. Armstrong stated that the current prospective buyer is looking at developing a Starbucks on Outlot A, but it is not final. Some other buyer could purchase Outlot A and develop something entirely different. Mr. Armstrong noted that Engineer Carls' letter said the site should be "shovel ready" and asked whether the P/Z Commission would consider feasibility engineering. In other words, looking at if there is any possible reconfiguration of the site that would allow for the reconfiguration of the ring road on-site, provide the same stormwater capacity, etc. He asked whether Petitioner could receive conditional approval subject to Engineer Carls review and assessment.

Chairman Miller asked if these items were previously discussed with Engineer Carls, stating he didn't understand the confusion between Engineer Carls' understanding and what was being presented. Mr. Armstrong responded that, back in October, it was his understanding Outlot A would be for a Starbucks, but it sounds less certain now.

Mr. Shtulman testified there are two items at issue. The first is the approval of the plat and the second is the development. The current contract buyer desires to develop a Starbucks. This prospective buyer submitted preliminary plans to Engineer Carls for review and comment to see what would need to be done to the site. Mr. Shtulman believes that Engineer Carls combined those items together – that approval of the plat would also suggest approval of the development plan. Shtulman said that is not the case. Petitioner does not know if the contract buyer will close on Outlot A or what they will ultimately build there. Petitioner's intent is to receive approval of the plat to separate Outlot A. There is a possibility that the buyer under contract would then move forward with its development plans after addressing the items identified by Engineer Carls. If the buyer does not close on the transaction, then Petitioner would put Outlot A on the market. Shtulman said they have other prospective buyers that would build something entirely different. If Petitioner were to enter a contract with those other buyers, then would submit the items requested and seek approval of development plans from the City.

Mr. Armstrong asked Mr. Shtulman if there would be contingencies in the sale that address the responsibility of making off-site improvements. In response, Mr. Shtulman said on Monday he provided Engineer Carls with draft easements, covenants and restrictions which outline utility easements, access easements, and other items necessary for a buyer to develop upon Outlot A and incorporate into the existing site. All of that will be documented, but until Petitioner knows who will

buy Outlot A and what they are going to build, it is impossible for them to provide information they don't have.

Attorney Schweickert noted back in 2020, the City had conditionally approved the Preliminary Plat for the Crossroads at Peru, which was Petitioner's comprehensive redevelopment of the Peru Mall at the time. The preliminary plat did show "Lot H", which was very similar to Outlot A, but was larger and shared a common lot line with the property now occupied by Everest Custard and Bubble Tea to the north. Schweickert said he does not necessarily have any objection to conditionally approving the Plat for Peru Mall Outlot 1st Subdivision now proposed by Petitioner provided that the Ordinance explicitly states any development still needs to address the concerns identified by Engineer Carls. Schweickert said it's a "buyer beware" situation. Mr. Shtulman said that is completely reasonable, adding that Petitioner relays to every buyer that they need to go through the City's process of what is required for the development, on-site and off-site, and address all those items.

Chairman Miller commented it seemed like a fairly simple explanation, but felt uncomfortable as to why everything could not have been clarified in advance. Member Grabowski said it was too ambiguous for him.

Chairman Miller, Member Lucas, Member Jones, Attorney Schweickert discussed what conditions could be imposed in a conditional approval. Schweickert noted the legitimate concerns of Engineer Carls and said he could not speak for him and did not participate in the conversations he had with Petitioner and Chamlin & Associates. Attorney Schweickert said there are serious concerns about the functionality of a development on Outlot A with respect to the existing utilities, drainage, road and traffic conditions, as well as uncertainty as to who will be completing the off-site improvements to make everything work.

Chairman Miller said Mr. Shtulman needed to set up another meeting with Engineer Carls to explain everything as he did tonight and address these issues because, at this point, he cannot make a recommendation in good conscience until there is more clarity. Mr. Shtulman responded that he has had multiple conversations but thinks there is a disconnect.

Mr. Shtulman testified further that Petitioner is not asking for anything to be modified, changed or developed at this time. Petitioner just wants to separate the parcel to market for sale. Mr. Shtulman said the recommendation that approval be contingent on a developer addressing all items of concern in their development plans make sense. If not, he does not believe there would be any possibility for future development here. Shtulman noted Petitioner did something similar at their mall in Battle Creek, Michigan. They created three outlot parcels from the parking area. Olive Garden is building on one, and a developer was building a Jimmy Johns on another. There was no site development plans, nor was the ring road relocation addressed. The Jimmy Johns developer is going to be submitting those plans for the ring road to the City of Battle Creek for approval.

In response to questioning from Attorney Schweickert, Mr. Shtulman confirmed the intent would be to record the plat. Petitioner would have no objection to recording the plat along with the City's ordinance approving it and setting forth the conditions and items needing to be addressed. Mr. Shtulman said that makes sense and agreed anyone who develops the site will need to address all those items. Chairman Miller agreed, but expressed frustration why these things could not have been worked out in advance.

Attorney Schweickert noted that the large Peru Mall sign was struck by a vehicle back in December of 2024 and remains unrepaired in violation of City codes. In response to Attorney Schweickert about the status of making repairs, Mr. Shtulman said he was not aware since it wasn't his area but agreed to follow up after addressing that with Petitioner's general manager and property operations.

Chairman Miller called for public comment.

Alderman Tom Payton said he is in support of Engineer Carls recommendation. Based on the City's past dealings with the mall ownership, he wants to make sure all the i's are dotted and t's crossed and that the Engineering and Zoning Department is comfortable with Petitioner's plan. It was Alderman Payton's recommendation to Petitioner that they have another call with Engineer Carls to work out all the details and contingencies, then bring it back.

In response to questioning from Attorney Schweickert, Mr. Shtulman stated he believes there are about 23 days left for due diligence under the purchase contract. If they are unable to get a plat approved to separate the parcel, both parties have the right to terminate the contract. Plat approval is the last due diligence item left between the parties.

In response to questioning from Chairman Miller, Mr. Shtulman confirmed this would be for a new freestanding Starbucks location and not a relocation of the one located in the multi-tenant building north of I-80.

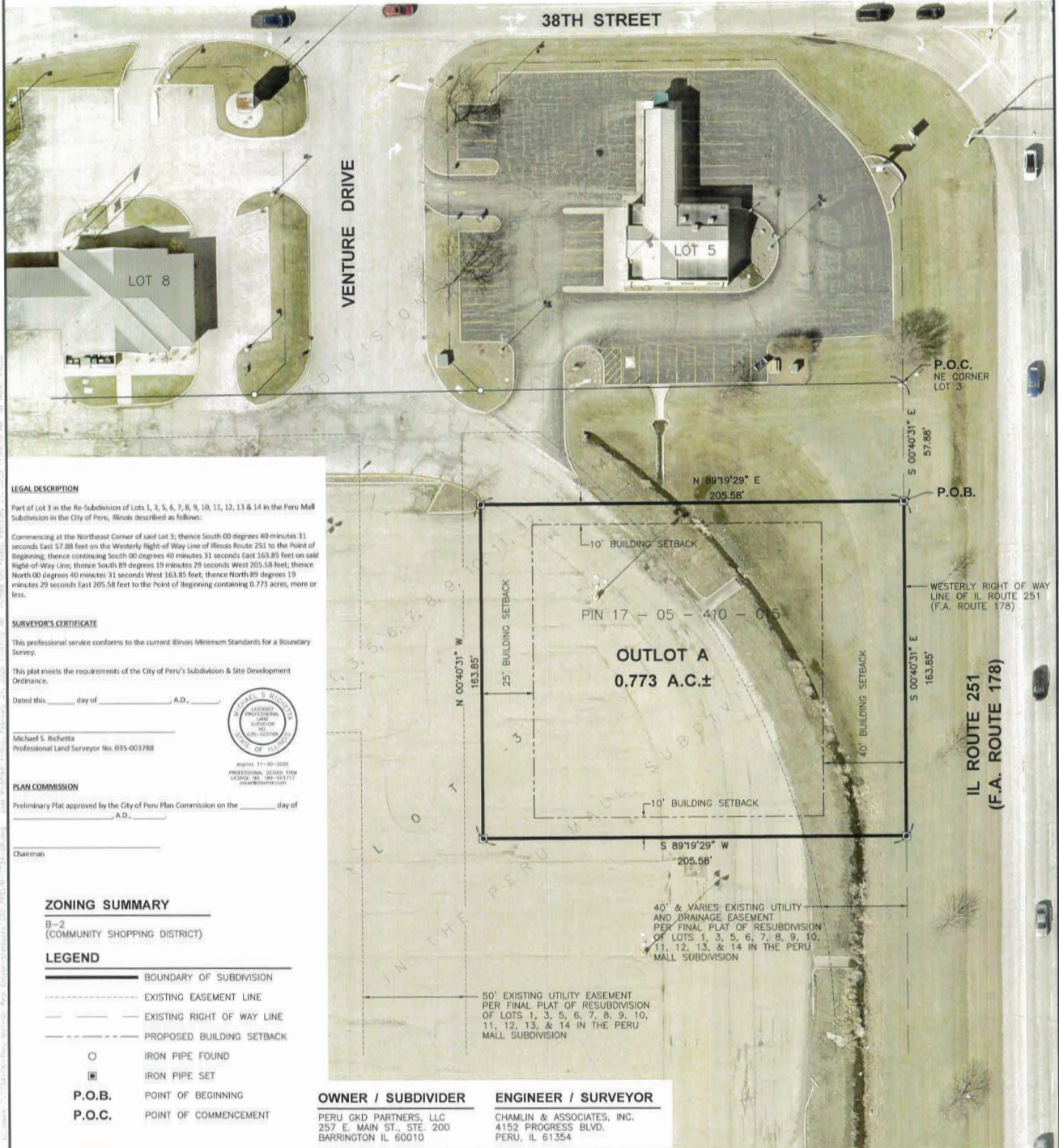
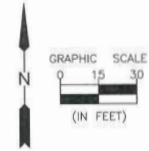
Chairman Miller moved, and Member Jones seconded, to continue the hearing to the following Wednesday, March 26th, at 5:00 pm. The motion passed unanimously: 5 aye, 0 nay, and 2 Members absent.

Respectfully submitted,

CARY MILLER, Chairman of the
Planning/Zoning Commission

PRELIMINARY PLAT OF PERU MALL OUTLOT 1ST SUBDIVISION CITY OF PERU, ILLINOIS FEBRUARY, 2025

EXHIBIT A



LEGAL DESCRIPTION

Part of Lot 3 in the Re-Subdivision of Lots 1, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13 & 14 in the Peru Mall Subdivision in the City of Peru, Illinois described as follows:

Commencing at the Northeast Corner of said Lot 3; thence South 00 degrees 40 minutes 31 seconds East 57.88 feet on the Westerly Right of Way Line of Illinois Route 251 to the Point of Beginning; thence continuing South 00 degrees 40 minutes 31 seconds East 163.85 feet on said Right of Way Line; thence South 89 degrees 19 minutes 29 seconds West 205.58 feet; thence North 00 degrees 40 minutes 31 seconds West 163.85 feet; thence North 89 degrees 19 minutes 29 seconds East 205.58 feet to the Point of Beginning containing 0.773 acres, more or less.

SURVEYOR'S CERTIFICATE

This professional service conforms to the current Illinois Minimum Standards for a Boundary Survey.

This plat meets the requirements of the City of Peru's Subdivision & Site Development Ordinance.

Dated this _____ day of _____, A.D., _____

Michael S. Richetta
Professional Land Surveyor No. 035-003788



PLAN COMMISSION

Preliminary Plat approved by the City of Peru Plan Commission on the _____ day of _____, A.D., _____

Chairman

ZONING SUMMARY

B-2
(COMMUNITY SHOPPING DISTRICT)

LEGEND

- BOUNDARY OF SUBDIVISION
- - - - EXISTING EASEMENT LINE
- EXISTING RIGHT OF WAY LINE
- - - - PROPOSED BUILDING SETBACK
- IRON PIPE FOUND
- IRON PIPE SET
- P.O.B. POINT OF BEGINNING
- P.O.C. POINT OF COMMENCEMENT

OWNER / SUBDIVIDER

PERU OKD PARTNERS, LLC
257 E. MAIN ST., STE. 200
BARRINGTON IL 60010

ENGINEER / SURVEYOR

CHAMLIN & ASSOCIATES, INC.
4152 PROGRESS BLVD.
PERU, IL 61354



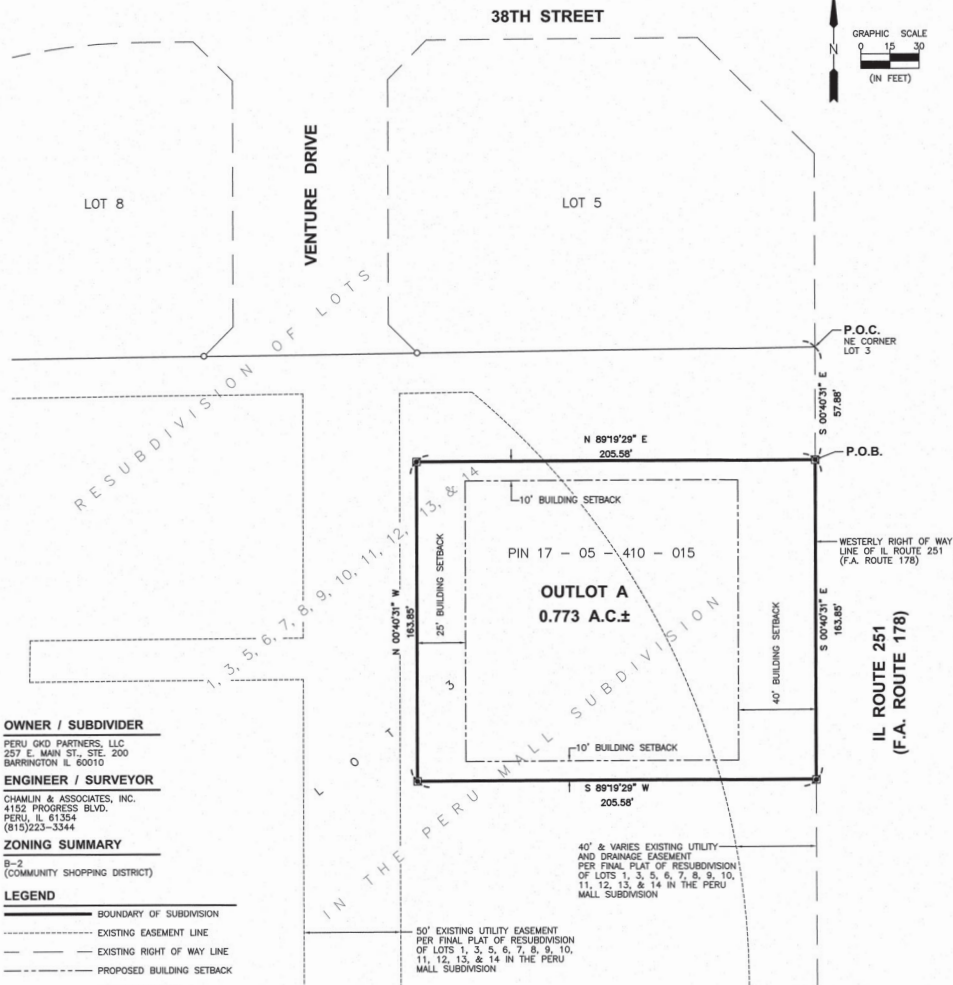
PERU MORRIS
OTTAWA MORTON
ILLINOIS

DRAWN BY: NV	REVISIONS			
CHECKED BY: MSR	LEVEL	BY	DATE	DESCRIPTION
DATE: 02/2025				

CURRENT AS OF: 02/21/2025	
SCALE: AS NOTED	SHEET 1
FILE NO.: 7734.06 Y-1	OF 2

**FINAL PLAT
OF
PERU MALL OUTLOT 1ST SUBDIVISION
CITY OF PERU, ILLINOIS
FEBRUARY, 2025**

EXHIBIT B



OWNER / SUBDIVIDER

PERU QKD PARTNERS, LLC
257 E. MAIN ST., STE. 200
BARRINGTON IL 60010

ENGINEER / SURVEYOR

CHAMLIN & ASSOCIATES, INC.
4152 PROGRESS BLVD.
PERU, IL 61354
(815)223-3344

ZONING SUMMARY

B-2
(COMMUNITY SHOPPING DISTRICT)

LEGEND

- BOUNDARY OF SUBDIVISION
- EXISTING EASEMENT LINE
- EXISTING RIGHT OF WAY LINE
- PROPOSED BUILDING SETBACK
- IRON PIPE FOUND
- IRON PIPE SET
- P.O.B. POINT OF BEGINNING
- P.O.C. POINT OF COMMENCEMENT



PERU MORRIS
OTTAWA MORTON
ILLINOIS

DRAWN BY: HW	REVISIONS		
	LEVEL	BY	DATE
CHECKED BY: MSR			
DATE: 02/2025			

CURRENT AS OF: 02/20/2025	
SCALE: AS NOTED	SHEET 1
FILE NO.: 7734.06 Y-1	OF 2

CHAMLIN & ASSOCIATES, INC. © 2025
Drawing Number: 7734.06 Y-1
Project Name: PERU MALL SUBDIVISION
Project Location: PERU, ILLINOIS
Project Date: 02/20/2025
Project Status: FINAL
Project Description: FINAL PLAT OF RESUBDIVISION OF LOTS 1, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, & 14 IN THE PERU MALL SUBDIVISION
Project Engineer: CHAMLIN & ASSOCIATES, INC.
Project Surveyor: CHAMLIN & ASSOCIATES, INC.
Project Owner: PERU QKD PARTNERS, LLC
Project Address: 257 E. MAIN ST., STE. 200, BARRINGTON IL 60010
Project Phone: (815) 223-3344
Project Email: info@chamlin.com
Project Website: www.chamlin.com
Project Notes: This drawing is the property of Chamlin & Associates, Inc. and is not to be reproduced without written permission. All rights reserved.

SURVEYOR'S CERTIFICATE

CURRENT AS OF: 02/20/2025		
SCALE: AS NOTED	SHEET 1	
FILE NO.: 7734.06 Y-1	OF 2	

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Drawing Name: C:\Users\N\7734-06-Peru Multi-QX Real Estate-Startbucks\CAD\FINAL-7734-06.dwg Last Modified: Thursday, February 20, 2025 3:17:37 PM Plotted On: Thursday, February 20, 2025 3:22:45 PM by Nipuel Villava



City of Peru

Eric Carls, P.E.
Director of Engineering & Zoning

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815-224-6020 • fax: 815-223-9381 • www.peru.il.us • ericcarls@peru.il.us



EXHIBIT C



March 18th, 2025

City of Peru
Planning and Zoning Commission
1901 4th St.
Peru, IL 61354

**SUBJECT: Peru GKD Partners, LLC
3940 IL Rte. 251 (PIN# 17-05-410-015)
Planning & Zoning Hearing March 19th, 2025**

Dear Commission Member,

I have reviewed the application and provided responses to the requests of Peru GKD Partners, LLC for property located at 3940 IL Rte. 251, Peru, IL. The subject property is existing Peru Mall development; the petitioner desires to re-subdivide the parcel to create an Outlot, approximately 0.773 acres in size.

I offer the following review comments to the Commission:

1. The City of Peru Engineering & Zoning Department requested the following support documents to complete a review of the proposed requested:
 - a. The location of all existing and proposed easements, including private and public utilities, be shown on the plat.
 - b. The proposed re-location of existing easements or new proposed easements be shown on the plat.
 - c. The relocation plans for the external ring road be submitted for review.
 - d. The relocation of the existing storm water detention facility be addressed, and plans, calculations, and reports be submitted for review.
 - e. A traffic study and geometric plan addressing potential impacts to the adjacent parcel (4141 Venture Drive) and the intersection at Venture Drive and 38th Street are submitted for review.
 - f. The reconfiguration plans for the Peru Mall parking lot, which is impacted by the creating of the Outlot, be submitted for review.
 - g. The site lighting plans for relocation of existing parking lot lighting, be submitted for review.
 - h. The plan depicting how the Outlot will be delineated from the remainder of the Peru Mall parcel be submitted for review. The plan shall depict at a minimum clear separation of the lots by landscape islands or green spaces.

The items listed in #1 above **have not** been submitted to the city as of the date of this letter. It is the opinion of the Engineering & Zoning Department that the creation of this Outlot will have negative impacts on the existing site elements, including but not limited to storm water detention, utilities, easements, traffic patterns, site lighting, and adjacent parking areas.

It is also the opinion of the Engineering & Zoning Department that these items should be addressed by the petitioner prior to the allowance of the re-subdivision. There are several items that have clear impacts on the existing development elements, which will otherwise fall outside of the Outlot development limits. It is expected that these items will be addressed by the current owner and not a future developer. The creation of the Outlot should be a "shovel ready" lot in accordance with city standards.

In previous conversations with the Petitioner, it was clear to the city they do not intend to make any necessary offsite improvements outside of the Outlot limits, and do not plan to address these concerns outlined above. The Petitioner explained during these discussions it's their belief these responsibilities will lie with the end user of the Outlot.

Due to the lack of plan documents to address the concerns of the Engineering & Zoning Department, I am recommending the request be denied.

Peru GKD Partners, LLC Requests

- (A) Approval of the Preliminary Plat of Peru Mall Outlot 1st Subdivision to the City of Peru, Illinois;
 - *Recommend the request be denied.*
- (B) Approval of the Final Plat of Peru Mall Outlot 1st Subdivision to the City of Peru, Illinois; and
 - *Recommend the request be denied.*
- (C) For such other and further relief deemed necessary or appropriate.
 - *Recommend the request be denied.*

If there are any questions or concerns, please do not hesitate to contact me.

Sincerely,



Eric Carls, P.E.
Director of Engineering

cc: Mayor & Council
City Attorney – Scott Schweickert
Plan Commission Members