



Date: May 1, 2017

To: Cara Pavlicek, Village Manager

From: John Lynch, Executive Director, OPEDC

Subject: Preferred developer for the potential redevelopment of 940-970 Madison Street, Oak Park

On December 14, 2016, the Village of Oak Park issued a request for proposals (RFP) for the purchase and redevelopment of 940-970 Madison Street, Oak Park. Seven interested parties responded to the RFP. The responses included residential, commercial, and senior housing proposals. OPEDC was asked by the Village to review the proposals, and our evaluation process considered the appropriateness of land use, market viability, economic impacts, and financial terms proposed by the respondents.

OPEDC initially narrowed the list of proposals to two short-listed respondents who were asked to present to the OPEDC board. After appropriate consideration of the proposals, the board of OPEDC is in agreement that a proposal for 21 townhomes by Lexington Homes is the most beneficial to the Village in terms of land purchase price, land use compatibility, and certainty of completion and stabilization. OPEDC is therefore recommending that Village staff request a motion from the Village Board of Trustees to designate Lexington Homes as Preferred Developer for continued negotiations and due diligence regarding a potential redevelopment of 940-970 Madison Street.

Illinois-based Lexington Homes has delivered over 40,000 homes to Chicagoland since being founded in 1973. They specialize in single-family new construction and have experience working in urban and suburban locations. Lexington's proposal for Madison Street includes 21 three-story townhomes and a land purchase price of \$1,050,000, provided the property is delivered cleared and free of any environmental contamination that would impede development. Initial projections show the property producing \$187,000 in annual property tax to local taxing bodies once fully developed, which Lexington expects will take approximately 12 months. Because of Lexington's strong reputation and sales performance, the OPEDC board and staff has confidence in their ability to complete the project. We also believe that this product type will reinforce the desirability for future residential and commercial development on Madison Street.

Please do not hesitate to contact me with any questions.