

SUBMITTAL OF JAMESON CHARHOUSE GROUP IN
RESPONSE TO MADISON STREET - OAK PARK REQUEST
FOR PROPOSAL ISSUED MAY 25, 2018 FOR THE PURCHASE
OF 700-728 MADISON STREET, OAK PARK, IL

July 2, 2018

REVISED AUG 23, 2018

BY SPIRO ANGELOS, PRESIDENT, JAMESON CHARHOUSE GROUP,
11900 FREEMAN ROAD, HUNTLEY, IL 60142, AND CONTROLLING
PRINCIPAL OF RFP

WITH DARREN SLONIGER, PRES & CIO, MARQUETTE COMPANIES,
135 WATER STREET, 4TH FLOOR, NAPERVILLE, IL 60540

AND

BILL ROTOLO, PRES, TWM CONSULTING, COORDINATOR OF RFP
SUBMITTAL FOR JAMESON'S AND MARQUETTE

Spiro Angelos, President, Jameson's Charhouse Group, respectfully presents its response to the Village of Oak Park's Amended Request for Proposal to develop the 700-728 Madison Street property in the Village of Oak Park, Illinois. The details for the proposal are as follows:

1. Contact for primary investor in proposal: Spiro Angelos, President, Jameson's Charhouse Group, 11900 Freeman Road, Huntley, IL 60142. Best contact phone number for Mr. Angelos is 847.630.4865.
2. Contact for apartment component: Darren Sloniger, Pres-CIO, Marquette Companies, 135 Water Street, 4th Fl, Naperville, IL 60540. Best contact phone number for Mr. Sloniger is 630.263.8007.
3. Contact for RFP submittal: Bill Rotolo, Pres, TWM Consulting, 3946 N. Lowell Ave., Chicago, IL 60641. Best contact phone number for Mr. Rotolo is 847.875.8289.

1. Project Concept:

The proposal for the development of the 700-728 Madison site includes two major components. The first consists of at least two retail establishments on the ground floor, with the anchor at the corner being a Jameson's Charhouse restaurant, which will be the ninth iteration of Mr. Angelos's very successful Jameson's themed establishment, six of which are in the Chicago area (Bloomington, Crystal Lake, Huntley, Mt. Prospect, Skokie and Woodridge), and two in South Carolina (Bluffton and Okatie Creek—both communities in the Hilton Head/Savannah area). The second restaurant will either be a breakfast/brunch type such as Yolk or Kanela's, or Mr. Angelos's newest theme entertainment venue, a brew pub known as 25 West, the first of which is in Stratford Square Mall in Bloomington. The decision as to which operation will be located on this property will be made, if this RFP is awarded to Mr. Angelos, within a very short period of time after detailed market research can be completed.

The proposed Jameson's would have approximately 5000 sf, 180 seats, would have a build out cost (exclusive of structure) of \$1,250,000, would generate around \$4 million in annual sales, and provide about 60 FTE jobs. The second venue would have 2000 sf, 90 seats, a build out of \$400,000, \$1.5 million in sales, and about 30 FTE jobs. Taxes generated would include about \$30,000 in real estate taxes for Jameson's and \$12,000

for the second venue. Utility costs for the year for the two facilities would total over \$100,000.

A comprehensive list of Mr. Angelos's restaurants and other real estate developments is attached as Appendix A.

The second, and very important component of this RFP submittal is a proposed 218 unit, ten story luxury apartment tower to be built by The Marquette Companies. The proposed building is very similar to one that Marquette has just completed in the West Loop area of the City. Marquette is one of the larger privately held apartment developers in the metro area, as well as nationally.

If the building were reduced by one floor, down from ten stories to nine, the unit count would decrease by ten, for a new total of 208 units.

The proposed apartments would average approximately 869 sf, and will range in size from 628 sf to 1,312 sf, and with the following mix: one bedroom: 162 (74.3%), two bedroom: 49 (22.5%), three bedroom: 7 (3.2%). Rents will average about \$2.50 sf, or approximately \$2,175/mo, and lease up is expected to be about one year.

A comprehensive list of The Marquette Companies properties, developments, and areas of expertise is attached as Appendix B.

The combined construction cost of the proposed development is estimated to be just under \$70,000,000. This is exclusive of profit, and does not account for extraordinary site conditions of which the team is unaware, any affordable housing initiative, or streetscape improvements to Madison Street and Oak Park Avenue. Annual taxes paid would total approximately \$650,000.

The Team is proposing the following offer for the Village owned parcel and the portion of Euclid Avenue that abuts the property on the east. The alley on the north side of the property would be improved, but would remain as a Village right-of-way.

Land: \$1,000,000

Affordable Housing Contribution: \$1000/du, or \$218,000 (\$208,000 if nine story, 208 unit building is preferred).

Total: \$1,218,000 for 218 unit building, or \$1,208,000 for 208 unit building.

The \$1,000,000 would be paid at closing, and the \$218,000 at time of building permit for the apartment portion of the development. Again, extraordinary costs associated with the site may require the Team to seek some TIF assistance from the Village of Oak Park, but not knowing that what those costs might be, if any, requires this to be a post RFP awarding exercise. To reiterate, these extraordinary costs might include the Madison St and Oak Park Ave streetscaping, any environmental or soils mitigation, and affordable housing donations above the one proposed above.

VERY PRELIMINARILY (no detailed analysis of the site conditions or costs has been completed at this time), we have roughly estimated certain extraordinary costs that this project is requesting be covered by TIF assistance. These include the following:

1. Right-of-way improvements to Madison Street:	\$ 470,000
2. Right-of-way improvements to Oak Park Avenue:	100,000
3. Right-of-way improvements to public alley north of site:	150,000
4. Improvements to vacated portion of Euclid Avenue:	350,000
5. <u>Other unforeseen site conditions:</u>	<u>290,000</u>
TOTAL:	\$1,360,000

In addition to the above total of \$1,360,000, if the parking on the first floor of the development were to be considered as a public parking lot available to any user, the cost of this lot, \$1,400,000, could also be included in the TIF request. As we understand it, the Village wants no part of operating a public parking lot in this location, so we would not ask for that. The ownership entity could operate and maintain the lot, however, the Village could retain ownership. This is simply an alternative that the Jameson Charhouse Group is offering to the Village. The option of keeping the parking private and available only to users of the building is also possible.

Finally, the soil conditions on the site are completely unknown. While it is a fact that the Village obtained a "No Further Remediation" letter from the IL EPA regarding environmental issues, the geotechnical aspects of the site have not been investigated, and as far as we know, there are no soil borings available. This work will have to be performed, and then appropriate measures developed to ensure that a 9 or 10 story building is adequately anchored on the site. From previous experience with similar sites, it is estimated that the cost of sinking caissons that will be required to support the proposed building will add up to \$1,400,000 to the project cost. If soil borings indicate more positive conditions that will required fewer or shallower caissons, then this extraordinary cost would be less. Until these borings are evaluated, however, a detailed estimate is simply not feasible to calculate, so this would have to be an item that is undertaken during the due diligence period.

It is understood that any TIF request would be "pay as you go", and that details would be incorporated in the Redevelopment Agreement between the Village of Oak Park and the Jameson Charhouse Group.

Mr. Angelos will spearhead the development team for the two major components, which will, of course, include parking for each of the uses as well. The retail/restaurant uses will be at the base of the tower, and the apartments above it. The entire site and buildings will be owned by a single entity that is created specifically for this property. The retail portion will be leased to the users in those spaces. The developer will cooperate to the fullest extent feasible with the Village of Oak Park in implementing the Madison Street Corridor Plan, and its contemplated improvements, which as we understand, are still under study, as well as any improvements required to Oak Park

Avenue. The intent is to create a very attractive streetscape and exciting environment conducive to walking, bicycling, and motoring in the area.

It is also the intent of the development team to reach out to the entity that controls the Foley properties to the east and south of the subject site, the Jupiter organization. While Mr. Angelos has attempted to contact Foley on numerous occasions to discuss either a purchase of the property, or at least development coordination, he has not been successful in making contact. While it has been reported that Jupiter is planning to move Jewel onto the north portion of the Foley site, if for whatever reason the Jupiter proposal does not come to fruition, Jameson Charhouse Group would be interested in pursuing the Foley property. The likely development scenario is retail use on the north side of Madison, and some type of for sale residential on the south side. Ideally, the latter would be a mid-rise condominium, but that not being feasible or desired by the Village and/or neighbors, townhomes would be the other for-sale residential that would meet strong market demand in that location.

Detailed site plans and proposed preliminary building elevations are attached as Appendix C. These include both ten story and nine story options. These plans, of course, are subject to both Village and developer review and revision, but they present a close approximation of the placement of the building on the property, setbacks, parking, landscaping, and exterior design. The overall design concept was to create a contemporary look, with a significant glass component, augmented by strong masonry elements.

2. Firm/Team Description:

The Principal/Lead Developer of this submittal is Spiro Angelos, President, Jameson Charhouse Group. The secondary team member is Darren Sloniger, President and CIO of The Marquette Companies. The coordinator of the submittal is Bill Rotolo, President of TWM Consulting. Mr Rotolo successfully has competed for municipally sponsored RFPs in the Villages of Oak Park and Morton Grove, and the City of Park Ridge, amongst others. Resumes describing in detail the experience of all team members are attached as Appendix D.

If Jameson Charhouse Group, et. al, were the successful bidders for the 700-728 Madison Street site, an experienced development and construction team that has built both Jameson's and Marquette's existing properties will be utilized.

In terms of timing, and a construction timeline, if the property were awarded to Jameson's by early fall, a likely timeline would be for entitlements and other approvals to occur during the fall and winter months, with a construction start possible in the Spring of 2019. Construction would take approximately one year, with first occupancy in early 2020.

None of the principals involved in this submittal has any known conflicts, legally, financially or otherwise with the purchase of the 700-728 Madison Street site.

3. Organization, Structure and Workload:

The legal name of the entity the would build, manage and market the community would be the Jameson Charhouse Group, or a site specific entity that would be created for this particular project, and would be controlled by Mr. Angelos.

4. Past Development Experience and Financial Resources:

As mentioned, all of the team members have extensive experience in purchasing, entitling, building and owning real estate and business entities, including ground-up development, income producing properties such as retail, offices and residential apartments, for-sale condominiums, and property management. This includes properties both in the Chicago metro area and nationally. Audited financial statements are available, if necessary, but not attached to this proposal due to their length and complexity. The Jameson Charhouse Group has cash on hand to easily cover the proposed offering price of \$1,218,000. Attached as Appendix E is a letter from Belmont Bank, which indicates acquisition funds of up to \$10,000,000 for this site alone. The Team has access to significantly more funds if required. Jameson Charhouse Group and Marquette would seek a development loans to complete the development and construction of the community.

5. Development Proposal:

The Development Team feels very strongly that the combination of Jameson Charhouse Group and The Marquette Companies, coordinated by one of the metro area's more experienced acquisition/entitlement/public-private partnership consultants presents a unique and exciting development opportunity for this key site in the Village of Oak Park. While the apartment market is strong, marrying Marquette's luxury "Catalyst" concept rentals with the very successful Jameson's Charhouse, will bring a strong and stable component to the Madison Street corridor, which has been a Village goal for many years. These anchors can be the catalyst, both literally and figurately, to what hopefully will become a more vibrant, walkable neighborhood for the Village. Adding either a breakfast/brunch venue, or evening entertainment venue 25 West to the mix will further bolster this effort.

6. Overall Projected Financial Benefits to the Village:

Besides the \$1,218,000 (or \$1,208,000 for the 208 unit development) purchase price, the financial benefits to the Village would include the property tax revenue to both the Village and other taxing bodies. It is estimated that the typical tax bill for the entire development will approach \$700,000. Additional revenues to the Village would include water and sewer revenue, revenue from surtaxes on utilities, Vehicle sticker revenue, and the additional sales tax realized from the new residents shopping at retail outlets in the Village. The other property taxing bodies, especially the school districts, will realize substantial estimated tax dollars per year due to the fact that apartments do not generate that many school age children. Marquette will provide exact population counts for the Village and schools as the building rents up, but their experience in other projects of this type is that given the high monthly cost of rentals, families with children could purchase a home in the Village for this monthly expense.

APPENDICES

APPENDIX A: Jameson Charhouse Group list of developments.

APPENDIX B: Marquette Companies list of developments.

APPENDIX C: Site plan and elevations of proposed buildings.

APPENDIX D: Resumes of Team members

APPENDIX E: Belmont Bank Letter