



Agenda Item Summary

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Submitted By

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Reviewed By

AMZ

Agenda Item Title

A Resolution Approving an Agreement for Environmental Remediation Work between the Village of Oak Park and Oak Park Madison Street LLC in an Amount Not to Exceed \$1,650,000 and Authorizing its Execution

Overview

On December 10, 2018, the Village Board approved the Redevelopment Agreement for 700-728 Madison between the Village of Oak Park, Jupiter Realty Company, LLC (Jupiter), Oak Park Madison Street LLC (Pete's), and AH Oak Park, LLC. The Redevelopment Agreement provides that the Village is responsible for reimbursing Oak Park Madison Street LLC (Pete's Fresh Market) in the amount of \$1,650,000. The parties have agreed to the scope of the environmental remediation work that the Village is responsible for reimbursing AH Oak Park, LLC.

Staff Recommendation

Adopt the Resolution.

Fiscal Impact

Pursuant to the Redevelopment Agreement, the Village agreed to reimburse Oak Park Madison Street LLC for environmental expenses capped at \$1,650,000. Funding is earmarked for these expenses in the requested FY 22 Budget (account number 2072.41300.101.570698, Economic Development Initiatives). Pursuant to the Redevelopment Agreement, if the environmental expenses are less than \$1,650,000, the developer may submit a request for reimbursement of other TIF eligible expenses to make up the difference. The attached budget contains those TIF eligible expenses as well.

Background

Pursuant to the Redevelopment Agreement, the Village is responsible for the environmental remediation expenses necessary to construct the Pete's Fresh Market. The parties have reviewed the environmental reports and have agreed to the project costs. The total Village liability for the environmental expenses is capped at \$1,650,000.

The remaining information is background regarding the history of the project. Pursuant to State Law, property owned by a Village and located within the boundaries of a TIF District may only be conveyed or sold following public disclosure of all proposals received in response to a competitive Request for Proposal (RFP) process.

Between 2001 and 2005, the Village purchased the properties located at 710-728 Madison for a total of \$2,206,500. After the acquisition and demolition of existing structures, the Village has operated a parking lot on the site. In 2009, the Village entered into a lease with Fenwick High School. In anticipation of a proposed development, the Village did not renew its lease with Fenwick for the 2018-2019 school year.

On September 16, 2016, the Village issued an RFP for the property at 710-728 Madison, and on December 5, 2016, Jupiter Realty Company was named the preferred developer. The RDA between the Village and Jupiter, for the 710-728 Madison properties, was never finalized.

Subsequently, on November 2, 2017, the Village acquired the adjacent parcel at 700 Madison (Former CarX) for the purchase price of \$1.2 million. With the addition of the new parcel, staff communicated to Jupiter that a new RFP for the combined parcels would be issued and that their existing preferred developer status would not automatically apply to the new RFP process.

On May 18, 2018, the Village issued a new RFP for the properties on the north side of Madison between Oak Park Avenue and Euclid. On May 25, 2018, the Village issued an amended RFP extending the due date to July 6, 2018, clarifying the Village's potential willingness to allow a cul-de-sac at Euclid Avenue.

The Oak Park EDC reviewed the submissions to the revised RFP and presented a recommendation to enter into a redevelopment agreement with Jupiter to combine the Village-owned parcel at Oak Park and Madison with the property located at 644-640 Madison to partner with Pete's Fresh Market to build a grocery store and the property located at 725 and 711 Madison to construct a Senior Living Facility.

Based on the Oak Park EDC's recommendation, the Village Board approved a Redevelopment Agreement for the 700-728 Madison Street Redevelopment Project. On September 3, 2019, the Board approved the First Amendment to the Redevelopment Agreement to update project milestone dates, substitute in AH Oak Park, LLC for 711 Madison Senior Living, LLC, and update concept plan exhibits.

Alternatives

Refer the matter back to the Oak Park EDC for additional information and/or further review.

Previous Board Action

On September 6, 2016, the Village Board directed staff to issue an RFP for the Village-owned parcel at the corner of Madison and Oak Park Avenue (710-728 Madison).

On December 5, 2016, the Village Board approved a motion to designate Jupiter Realty Company, LLC (Jupiter) as the preferred developer for the redevelopment of 710-728 Madison Street as recommended by the Oak Park EDC and directed staff to negotiate a redevelopment agreement.

On September 5, 2017, the Village Board authorized the purchase of 700 Madison, Oak Park, Illinois.

On May 7, 2018, the Village Board approved a motion to direct the issuance of an RFP for 700 - 728 Madison. A draft document was submitted to the Village Board for comment and amendments were made.

On October 1, 2018, the Village Board approved a resolution for an independent contractor agreement with

Delta Demolition, Inc. for the demolition of 700 Madison Street, in an amount not to exceed \$141,425.

On October 29, 2018, the Village Board approved a motion to name Jupiter as the preferred developer and directed staff to negotiate a redevelopment agreement consistent with that recommendation.

On December 10, 2018, the Village Board approved a Redevelopment Agreement for the 700-728 Madison Street Redevelopment Project Consistent with the Oak Park Economic Development Corporation's (Oak Park EDC) Recommendation Between the Village of Oak Park and Jupiter Realty Company, LLC (Jupiter), Oak Park Madison Street LLC (Pete's) and 711 Madison Senior Living, LLC.

On September 3, 2019, the Village Board approved the First Amendment to the Redevelopment Agreement for 700-728 Madison between the Village of Oak Park, Jupiter Realty Company, LLC (Jupiter), Oak Park Madison Street LLC (Pete's), and AH Oak Park, LLC.

On February 3, 2020, the Village Board concurred with the Plan Commission's recommendation to grant a special use permit for a major planned development containing a seven-story Senior Living Facility at the property located at 711-725 Madison Street and concurred with the Plan Commission's recommendation to vacate Euclid Ave between and abutting 711 and 725 Madison Street.

On November 23, 2020, the Village Board adopted the Second Amendment to the Redevelopment Agreement for 700-728 Madison Street Redevelopment Project Between the Village of Oak Park and Jupiter Realty Company, LLC (Jupiter), Oak Park Madison Street, LLC (Pete's) and AH Oak Park, LLC to amend project milestones and the project concept plan.

On February 16, 2021, the Village Board concurred with Plan Commission's Recommendation and Adopted An Ordinance Granting a Special Use Permit for a Major Planned Development Containing a Commercial Building (Pete's Fresh Market) with 220 Parking spaces at the property located at 640-728 Madison Street and authorized the vacation of a certain portion of Euclid Avenue located between Madison Street and the East-West alley North of Madison Street and a certain portion of Madison Street between Oak Park Avenue and Wesley Avenue.

On February 22, 2021, the Village Board approved a Third Amendment to the Redevelopment Agreement for the 700-728 Madison Redevelopment Project between the Village of Oak Park, Jupiter Realty Company, LLC (Jupiter), Oak Park Madison LLC (Pete's), and AH Oak Park, LLC which amended the project milestones in the Redevelopment Agreement for the senior housing project.

Citizen Advisory Commission Action

On January 21, 2021, the Plan Commission voted to recommend approval of the special use permit for major planned development and to vacate Euclid Ave.

Anticipated Future Actions/Commitments

N/A.

Intergovernmental Cooperation Opportunities

N/A.

