



## Agenda Item Summary

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**File #:** ORD 17-248, **Version:** 1

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### **Submitted By**

Tammie Grossman, Director Development Customer Services

### **Reviewed By**

CLP

### **Agenda Item Title**

**An Ordinance Approving a Redevelopment Agreement for the Property Located at 940-970 Madison Street Between the Village of Oak Park and Lexington Homes L.L.C. and Authorizing its Execution as Recommended by the Oak Park Economic Development Corporation (Oak Park EDC)**

### **Overview**

On August 13, 2016 the Village Board directed staff to issue a Request for Proposals (RFP) for the Village owned property located at 940-970 Madison. The Oak Park EDC reviewed the proposals and recommended proceeding with negotiations with Lexington Homes. The parties have reached agreement on the terms of the redevelopment agreement. The developer is requesting a reduction in the purchase price to \$965,000. Consistent with other Redevelopment Agreements, we have dedicated \$210,000 to the Village's Affordable Housing Fund.

### **Staff Recommendation**

Approve the Motion

### **Fiscal Impact**

It is anticipated that the Redevelopment Agreement will provide for the purchase of the Village owned property located at 940-970 Madison Street, the demolition of the existing structure and any necessary environment remediation on Village owned property. All expenses are eligible Madison Street TIF expenses. Lexington had proposed a purchase price of \$1,050,000. They are now requesting a reduction to \$965,000 which includes a \$210,000 donation to the Village's Affordable Housing Fund. The Oak Park EDC is recommending that the Village accept the price reduction.

### **Background**

The Village owns the property located at 940-970 Madison Street. On January 22, 2015, the Village entered into an Intergovernmental Agreement with Oak Park School District 97(D97). The terms of the agreement provided that the Village would transfer ownership of 260 Madison Street to D97 and pay for the construction of a new district administrative office on 260 Madison. Once the new administrative office was completed, pursuant to the agreement, D97 transferred ownership of 970 Madison to the Village of Oak Park. To complete assemblage of the block, on or about June 1, 2015, the Village purchased the Robinson's Ribs property located at 932-946 Madison for \$495,000.

On August 3, 2016, the Village Board directed staff to issue a Request for Proposals (RFP) for the Village owned property located at 940-970 Madison. On December 14, 2016, the Village of Oak Park issued the RFP. Seven (7) interested parties responded to the RFP. The proposals were forwarded to the Oak Park Economic Development Corporation (Oak Park EDC) for their review and recommendation. The Oak Park EDC is recommending that the Village designate Lexington Homes as the preferred developer. Lexington had proposed a purchase price of \$1,050,000 which they are now requesting to be reduced to \$965,000.

#### **Alternatives**

The Village Board could request that the Oak Park EDC conduct further evaluation.

#### **Previous Board Action**

On August 3, 2016, the Village Board directed staff to issue the Request for Proposals. On June 5, 2017, the Village Board designated Lexington as the Preferred Developer.

#### **Citizen Advisory Commission Action**

It is anticipated that the Developer will request zoning relief which will go before the Plan Commission.

#### **Anticipated Future Actions/Commitments**

Approval of a Redevelopment Agreement and review of Plan Commission Recommendations

#### **Intergovernmental Cooperation Opportunities**

NA

#### **Performance Management (MAP) Alignment**

A governance priority for Development Customer Services is Economic Development.