



Agenda Item Summary

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Submitted By

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Reviewed By

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Agenda Item Title

An Ordinance Approving a First Amendment to the Redevelopment Agreement for the 700-728 Madison Street Redevelopment Project between the Village of Oak Park, Jupiter Realty Company, LLC (Jupiter), Oak Park Madison Street LLC (Pete's) and AH Oak Park, LLC and Authorizing its Execution

Overview

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. The parties are now seeking to amend the Redevelopment Agreement to update the project milestone dates, substitute AH Oak Park, LLC for 711 Madison Senior Living, LLC and update concept plan exhibits.

Staff Recommendation

Approve the Ordinance.

Fiscal Impact

The Oak Park EDC provided the attached financial analysis of the proposals.

Background

The parties are seeking to amend 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. As Pete's began to design the new store for Oak Park, they determined that the project would benefit from the inclusion of additional parking. In order to meet the projected parking demand, Pete's is seeking to amend the project milestone dates and update the concept plan to increase parking by building beneath the store and removing the small stand-alone retail component. These changes will enable Pete's to save a portion of the north Foley Rice building façade.

Additionally, Paragon Development Partners (Paragon) had originally partnered with Essex Communities to create 711 Madison Senior Living, LLC to develop the senior housing component of the project. However, Essex Communities elected to no longer participate in the project. Paragon has formed a new limited liability corporation with Redico, a national leader in senior residential projects, to complete the project. As a result, the RDA is amended to reflect the change in partners resulting in an increase in the investment of the project

and updates the project schedule.

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 for \$2,206,500. After 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, 2018, 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.

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 a 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.

Citizen Advisory Commission Action

Both of the developers for the grocery store development and the senior housing development will need to submit applications for a planned development that will be reviewed by the Plan Commission.

Anticipated Future Actions/Commitments

The Village Board will review any recommendations made by the Plan Commission.

Intergovernmental Cooperation Opportunities

N/A.

Performance Management (MAP) Alignment

A governance priority for the Development Customer Service Department is Economic Development Management.