



Agenda Item Summary

File #: ORD 19-69, **Version:** 1

Submitted By

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Reviewed By

LKS

Agenda Item Title

An Ordinance Approving a Business Incentives Agreement between the Village of Oak Park and CMV Development LLC ("CMV") to Provide Financial Incentives in the Amount of \$50,000 to Complete Two Development Projects Located at 6555 and 6545 North Avenue Consistent with the Oak Park Economic Development Corporation's (Oak Park EDC) Recommendation And Authorizing Its Execution as Reviewed at the May 20, 2019 Regular Meeting

Overview

At the May 20, 2019 Regular Meeting the Village Board concurred with the Oak Park Economic Development Corporation to provide a financial incentive in the amount of \$50,000 to CMV Development LLC to complete two development projects located at 6555 and 6545 North Avenue. The mixed-use project at 6555 North Avenue is currently under construction and will include 10 apartments along with 2,000 square feet of ground-level commercial space (6557 North Avenue). The residential project at 6545 North Avenue is proposed to include 15 apartments with groundbreaking scheduled for this summer.

Recommendation

Approve the Motion

Staff Recommendation

Same as above.

Fiscal Impact

If the Board approves a Business Incentive Agreement, staff prepares a budget amendment and the funding is taken from the fund balance.

Background

CMV purchased the 6555 North Avenue and 6545 North Avenue properties in August and December 2018, respectively, with intent to redevelop both sites. Residential units in both buildings are planned to be two-bedroom apartments averaging 1,100 sf. The commercial space in 6555 North Avenue is intended to be leased to a business relocating from River Forest. CMV and its investment partner have indicated that they will not move forward on the second project at this time without the requested financial support, owing to higher-than-expected costs and uncertain rent expectations for new construction on North Avenue that have rendered both projects financially questionable.

Oak Park EDC believes it to be in the Village's best interest to promote and incentivize new development along the North Avenue corridor, particularly east of Oak Park Avenue. A recent study of North Avenue conducted by the Urban Land Institute Chicago and Chicago Metropolitan Agency for Planning (CMAP) recommended multi-family housing as a top priority for the corridor and "expects new, well-designed residential development to lead North Avenue's revitalization." (Revitalization Strategies for North Avenue, ULI Chicago, 2019) We concur, noting that retail investment tends to closely follow positive trends in population growth, and that even relatively small-scale investments can send positive market signals of revitalization that encourage additional and often larger-scale investments.

Alternatives

Deny the Motion or request the Oak Park EDC to provide further analysis.

Previous Board Action

On May 20, 2019, the Village Board approved a Motion to Concur with the Oak Park EDC's recommendation to provide the financial incentives and directed staff to prepare the necessary documents.

Citizen Advisory Commission Action

NA

Anticipated Future Actions/Commitments

NA

Intergovernmental Cooperation Opportunities

NA