



## Agenda Item Summary

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**File #:** ORD 20-019, **Version:** 1

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### **Submitted By**

Tammie Grossman, Director of Development Customer Services

### **Reviewed By**

LKS

### **Agenda Item Title**

**An Ordinance Approving an Amendment to the Real Estate Purchase Agreement for the Property at 6641-6643 North Avenue, Oak Park, Illinois between the Village of Oak Park and OKLO IKAYA, LLC and Authorizing its Execution**

### **Overview**

On November 19, 2018, the Village Board approved a recommendation by the Oak Park Economic Development Corporation (Oak Park EDC) to authorize the sale of Village owned property at 6641-43 North Ave, Oak Park, Illinois to OKLO IKAYA, LLC. Based on a recommendation from the Oak Park EDC, an amended Real Estate Purchase Agreement is being presented with decreases the purchase price to \$1.00 and provides for a \$45,000 incentive to the purchaser.

### **Staff Recommendation**

Adopt the Ordinance.

### **Fiscal Impact**

The Village will receive \$1.00 for the property and the purchaser will receive an incentive in the amount of \$45,000. A budget amendment will need to be presented at a future board meeting for the incentive.

### **Background**

On August 1, 2014, the Village entered into a warranty deed in lieu of foreclosure for the purchase of 6641-43 North Ave, Oak Park, Illinois. After acquiring the property, the Village contracted to demolish the building and perform necessary environmental clean-up for a total of \$206,956.25.

The Village engaged the services of a Real Estate Broker to list the property for sale. On May 3, 2016, the Village entered into a broker agreement with David King & Associates which expired May 3, 2017. The property was listed for a sale price of \$145,000. The Village received no offers.

On August 28, 2017, Oak Park EDC recommended that the Village issue a Request for Proposals (RFP) for the purchase of the property. On October 11, 2017, the Village issued the Request for Proposals. The Village received two responses to the proposal. (See attached proposals). The Oak Park EDC is recommended that the Village accept the proposal from 2 Fools Cider.

On February 5, 2018, the Board approved the recommendation to designate 2 Fools Cider as the preferred developer. 2 Fools Cider withdrew their proposal.

On October 5, 2018, the Village received a purchase offer from Orson and Keri Morrison and the Oak Park EDC recommended accepting that offer. The Board approved a Real Estate Purchase Agreement on February 19, 2019.

The Developer met with the Oak Park EDC to discuss further incentivizing the project. The Oak Park EDC now recommends that the Village consider reducing the land purchase price to a nominal amount (such as \$1.00) and contributing \$45,000 toward the construction of the storm sewer. (See attached memo).

### **Alternatives**

Issue a new Request for Proposals. Pursuant to 1-1-16 of the Village Code, there is no requirement to issue another Request for Proposals.

### **Previous Board Action**

On July 21, 2014, the Village Board Authorized the Acceptance of a Warranty Deed in Lieu of Foreclosure for the property commonly known as 6641-43 North Ave., Oak Park, Illinois.

On July 6, 2015, the Village Board approved a Resolution Authorizing the Execution of an Independent Contractor Agreement with Alpine Demolition Services in the amount of \$133,000.

On December 7, 2015, the Village Board authorized a change order for the independent contractor agreement with Alpine Demolition Services in the amount of \$76,827.

On May 2, 2016, the Village Board approved the broker agreement with David King & Associates.

On February 5, 2018, the Village Board designated 2 Fools Cider as the preferred developer for a 75 day period.

On November 19, 2018, the Village Board approved a motion to designate Orson and Keri Morrison as the new preferred developers of the Village owned property at 6641-43 North Ave. Oak Park, Illinois as Recommended by the Oak Park Economic Development Corporation (Oak Park EDC) and direct staff to negotiate a redevelopment agreement.

On February 19, 2019, the Village Board approved a Real Estate Purchase Agreement for the property and authorized its execution. The parties have been extending the timeline on the purchase agreement as requested by the developer as they secured financing for the project.

### **Citizen Advisory Commission Action**

NA

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

Village staff will negotiate a Redevelopment Agreement and present to the Village Board for approval.

**Intergovernmental Cooperation Opportunities**

NA

**Performance Management (MAP) Alignment**

A governance priority for Development Customer Services is economic development.