

## MEMORANDUM

**TO:** William T. Lichter, Village Manager

**FROM:** David A. Hulseberg, AICP, Director of Community Development

**DATE:** February 26, 2008

**SUBJECT: 310 S. MAIN STREET – LETTER AGREEMENT**

GAP Development is requesting that the Village of Lombard agree to enter into a Letter Agreement that would hereby extend the requirements of the existing Access Agreement for the property at 310 S. Main Street (Prairie Path Villas).

**Background:**

The property, now mixed-use with commercial and condominiums, formerly operated as a gas station/auto service/repair establishment and car wash. The underground storage tanks leaked in years past resulting in the Village right-of-way becoming contaminated. The existing Access Agreement, signed in June 2006 by the Village and GAP Development, was to ensure the remediation of contaminated soils along the northeastern corner of this property and into the Village's right-of way. Gap Development attempted to remediate the area via soil-vapor extraction; however, the contaminants were not lowered to the specified levels in the original agreement. It is the opinion of GAP Development and their environmental consultant that the specified levels are achievable through natural degradation of the contaminants.

This Letter Agreement provides an extension and amendment to the existing Access Agreement with the following key terms and conditions:

- 1) The date that the contaminants shall be below the specified levels is extended to March 6, 2013.
- 2) GAP Development will provide \$100,000.00 letter of credit to guarantee the work under this agreement and for the duration of the agreement.
- 3) GAP Development will reimburse the Village and/or the Village's Affiliates for any additional costs incurred from work in this area that encounters the contaminants.

- 4) The Department of Public Works must approve all work within the Village's right-of-way.
- 5) Should the contaminants not reach the specified levels at the end of the six-year period, the Village has the right to draw upon the letter of credit in the amount \$50,000.00.

Village Counsel prepared the Letter Agreement as submitted.

**Recommendation:**

Staff recommends that the Village Board of Trustees approve a resolution authorizing the Village President and Clerk to enter into a Letter Agreement with Gap Development for the property located at 310 S. Main Street.

DAH/NH:nh