



MEMORANDUM

TO: Scott R. Niehaus, Village Manager

FROM: William J. Heniff, AICP, Director of Community Development *WH*

MEETING DATE: April 27, 2017

SUBJECT: **VILLAGE BOARD WORKSHOP SESSION - UPDATE AND DIRECTION REQUESTED REGARDING 101-109 S. MAIN STREET PROPERTY**

Since the Village of Lombard acquired the property at 101-109 S. Main Street in 2000, the property's status and disposition has been of upmost importance to many residents. As evidenced through various redevelopment plans, public engagement efforts, planning efforts and Village Board discussions, the desire to eventually see the property return to a productive use has been a desired goal. With an improved economy and a general consensus to undertake actions that would provide value to the community, staff is seeking direction from the Village Board relative to the property; all in an effort to eventually bring a development proposal forward that is consistent with the Village Board's desires and vision.

While setting the sale price of real estate owned by the Village is acceptable for discussion in Executive Session, any general discussion on the preferred land use or incentives for the site would be required to be held in an open session. As such, a Special Meeting of the Village Board is sought in order to provide an opportunity for the elected officials to discuss the property in detail and hopefully receive clear direction as to the preferred course of action to both staff and the development community. This request also assumes the Village Board's preference to eliminate the temporary Metra parking lot and sell it to a private developer so the land can be added to the property tax base.

RECENT ACTIONS

Since 2013 when the economy started showing signs of improvement, the Village has undertaken the following efforts:

1. Created a Request for Interested Parties (RFIP) to determine any level of general market interest, which resulted in some demand for mixed-use housing/commercial activity,
2. Solicited a Market Study for the Property which focused upon residential housing demand and market rate conditions,
3. Undertook two real estate market appraisals,
4. Undertook environmental testing activities, and
5. Engaged in initial discussion efforts relative to development opportunities for the site.

These efforts have provided the Village with significant information about the site and general market conditions, which provide supporting information in future marketing efforts. However, to bring the property to market, a process will need to be established. As Board members have previously suggested that simply selling the property to the highest bidder without regard to the property's land use is not desired, an alternative would be to issue a formal Request for Proposals (RFP) for the property. This is the most aggressive approach in terms of timing as it would be as simple as preparing a formal document to be distributed to the development community and any viable and preferred business entities. This process will also allow the Village Board to set any development parameters for the site and determine any market conditions associated a potential sale of the real estate.

For general reference purposes, staff has developed the attached boilerplate RFP. At this point the RFP is a generic document that does not include many of the specifics that the development community will need to know in order to determine whether the property is worthy of a submittal to the Village. To provide such initial direction, there are three primary topic questions staff will be seeking from the Village Board at the Workshop Session. These topics are:

QUESTION 1: PREFERRED LAND USES (PAGE 8 OF THE DRAFT RFP)

The Village is in a unique position as it has both a property owner interest as well as a regulatory role. In order to seek out the appropriate qualified parties and to possible exclude others, what land uses are sought for the site? Options may include any of or a combination of the following:

- Apartment/Condominium Units
- Rowhouse/Townhome Units
- Retail Commercial Use
- Single-User Retail Commercial Use (with Retail Grocery Store preference)
- Multiple Tenant Commercial Uses (including offices, service uses and the like)
- Non-Traditional Uses (including civic use, open space, etc.)
- Other

QUESTION 2: PRICE (PAGE 11 OF THE DRAFT RFP)

As the Village Board may want to focus upon the preferred land use over setting the maximum sale price of the site, should the RFP set any initial price parameters, with the price subject to subsequent negotiation? Options include:

- No minimum asking price
- Set a minimum asking price of \$500,000
- Set a minimum asking price of \$1,000,000
- Other/To Be Negotiated

QUESTION 3: REVIEW CRITERIA (PAGE 13 OF THE DRAFT RFP)

The proposal selection process should be identified. To that end, what will be the Village's review entities and the criteria that will be used to consider proposals? While the draft RFP offers a number of general parameters and desired design elements, options and direction the Board should offer include:

- Seeking the best market deal, or
- Seeking the best land use fit for downtown/community

Lastly, once these questions are answered and the draft RFP is finalized, staff will seek to engage the development community and any directly applicable retail entities in a formal outreach effort. This effort is anticipated to start prior to June 1, 2017 with proposals being requested back to the Village by the end of July (subject to further advance research efforts).

ACTION REQUESTED

A Special Meeting of the Village Board is being set for Thursday, April 27, 2017. Staff will be asking for direction on the items and questions noted above to advance the preparation of a final RFP.