



## MEMORANDUM

**TO:** Trustee Bill Johnston, Chairperson  
Economic and Community Development Committee

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

**MEETING DATE:** April 8, 2019

**SUBJECT:** **101-109 S. Main Street Property – Status Update**

At the March 11, 2019 meeting of the Economic and Community Development Committee (ECDC), the Committee reviewed the draft talking points/term sheet that would be a part of the Redevelopment Agreement (RDA). The ECDC concurred with the document representations, subject to conditions and Village Counsel has prepared the full draft of the RDA for review and consideration by Holladay Properties.

At that meeting, the ECDC offer four areas of comment, as noted below. In follow up discussions with Counsel, staff offers the ECDC a response on how each item will be addressed.

1. *To address residential unit counts, solely reference 1.2 parking spaces, in lieu of specific parking space figures.*

Response: The reference to “approximately 150 indoor residential parking spaces” has been eliminated and replaced with “1.2 spaces per each apartment unit...”.

2. *As there is a potential for a claw back (having the property revert back in ownership to the Village for selected non-compliance measures), should the property itself be held in escrow in some capacity and release the deed until construction has started?*

Response: The draft RDA also includes a cure period and provisions that would result in the expiration of any of the identified incentive elements for non-compliance. The option for a buy-back is set forth to give the Village the option to re-acquire the property at the purchase price paid by the developer, after closing, if in the unlikely event the developer does not meet the pre-construction provisions only. Staff also notes that closing on the property would place the property back on the tax rolls quicker, which in turn could provide for additional TIF generation between the period of closing and the issuance of building permits. Additionally, it is possible that holding title in escrow may preclude the ability of the developer to secure financing for the project, as the developer would not have title to the property.

3. *Regarding the future sale provision, there was concern that Holladay could simply get the entitlements and sell it to another entity. While Holladay has never stated this intent, the ECDC was concerned about this what-if option and a stronger assignment clause could be offered.*

Response: The draft RDA precludes the sale of the property without the Village's exclusive consent prior to the issuance of all final certificates of occupancy. Thereafter, the developer shall provide due notice to the Village and subject to due notice, default remedies and Rebate Statute provisions.

4. *Concerns about the sale of just the southern lot (109 S. Main) if grocer does not proceed.*

Response: The response to Item 3 addresses this matter as well.

Per State Statutory provisions, the Village also provided a requisite public notice in the April 4, 2019 edition of the Daily Herald about the Village Board's potential intent to enter into an RDA. The notice identified that the Village Board would consider the matter at its Board meeting on April 18. However, if the negotiations are not completed by April 18 and the RDA is not finalized for Board consideration, the matter can be continued to a date certain.

Lastly and in addition to the responses above, we also note that the draft RDA, should it be approved by the Village Board, will then proceed to the Plan Commission for requisite public hearings. If Holladay Properties follows the representations made by the ECDC in consideration of their Request for Proposals (RFP) and the talking points items shared with the ECDC last month that are being incorporated into the RDA, there will not be a need for the ECDC to consider and vote on any additional economic incentive aspects of the RDA. However, through the plan development effort, should there be any changes to the economic incentive aspects of the agreement beyond what has been represented to date or be outside of the parameters of the RDA, the matter could be brought back to the ECDC for further consideration.

#### **COMMITTEE ACTION REQUESTED**

Staff offers this update for information purposes only. No specific action is requested of the ECDC at this time.