

Village of Clarendon Hills

Village Manager Memorandum

To: Village President & Board of Trustees

From: Robert M. Bahan, Village Manager
Michael Brown, Community Development Director

Date: July 1, 2008

Subject: Resolution Authorizing the Sale of 201 Burlington Avenue (Former Police Station) and a Resolution Approving a Redevelopment Agreement between Waypoint Properties, LLC and the Village of Clarendon Hills.

Background

Over the past 1.5 years, the Village of Clarendon Hills has been actively pursuing the sale and redevelopment of the former police station property. After the Police Department moved into their new facility during December of 2005, the Police Department and several local police departments continued to use the firing range until January of 2007. Earlier this year, the Village of Clarendon Hills and the Village of Westmont entered into an intergovernmental agreement for their police departments to share firing range and technology based training resources that allowed the Village to finally proceed with redevelopment efforts.

A review of the key actions includes:

- Drafted and distributed a “Request for Development Proposals for the former Police Station Site during late 2006.
- Completed proposals were submitted to the Village during January 2007.
- Hired a property appraisal company and completed the property appraisal of the former police station.
- Hired Integrity Environmental and completed a Phase I Environmental Site Assessment for 201 Burlington.
- Staff review of proposals and first round of developer interviews occurred during April of 2007.
- Additional interviews occurred between September and November 2007.
- Preliminarily selected a developer and Village Staff and Attorney initiated the drafting of a redevelopment agreement from December 2007 through January of 2008.

- Completed subsequent environmental reviews and successfully completed asbestos and lead remediation from the building. A complete environmental project report and reliance letter has been finalized and is ready for transmittal to the developer.
- Negotiated the redevelopment agreement with the selected developer from March 2008 through May 2008, and finalized the various issues through the month of June.

Selected Developer: Waypoint Properties

Based upon a thorough review of references, prior development projects and experience the Village has selected John Bell, Principal of Waypoint Properties, LLC. Mr. Bell/Waypoint Properties has most recently completed the redevelopment of the former Towne Kitchen, which is now Scapa Italian Restaurant and soon to open Taste of Vino along South Prospect Avenue.

Attached as Exhibit A of the Redevelopment Agreement, please find the most recent concept submittals regarding Mr. Bell's proposal for the 201 Burlington site. At this time, Mr. Bell is proposing:

- To construct a two-story building that will include three retail/service spaces on the ground floor.
- The largest space that fronts Prospect and Burlington consists of 3,156 square of retail and he is proposing a restaurant or retail use in the corner space.
- The remaining two bays consist of retail spaces of approximately 1,000 square feet each. These could be combined or remain separate.
- The second floor has 5,197 square feet and Mr. Bell is proposing an "executive suite" type use that would include his offices, and then share services with one or two other businesses on the second floor.
- The proposed building would be masonry, and the architecture is pleasing at the conceptual level and subject to review by the Village's Design Review Commission.

Downtown Master Plan

The proposed use complies with the Downtown Master Plan that was approved during March of 2006. Specifically, the Master Plan states to "Rehabilitate Police Station for new restaurant/retail use or redevelop the site." Based upon the conceptual plans for the site, the developer will tear down a majority of the building and potentially re-use the basement for the mixed use development.

Redevelopment Agreement – Sales Contract

The Redevelopment Agreement includes provisions for the due diligence period and the necessary time to obtain necessary zoning and design review approvals. The initial Due Diligence period is for sixty (60) days. The agreement calls for the developer to obtain an “Alta/ACSM topographical survey” within 30 days following the effective date of the agreement. The Developer shall have the option, upon written notice to the Village, prior to the expiration of the Due Diligence period to extend the Due Diligence period for up to four (4) thirty (30) day periods to obtain the zoning and necessary governmental approvals noted in the agreement. The complete term of the agreement is for ten (10) years.

The agreement calls for the initial occupant of the first floor to be a high quality restaurant or retail use for the 3,018 square feet space of the first floor. The agreement has Exhibits “B” and “C” which identify permitted uses in the B1 and B2 Districts of the Village, and a list of prohibited uses is also included as Exhibit “D”. The environmental reports and reliance letter will be made available to the Developer within five (5) days of approval of the agreement. As noted above, these reports are completed and ready for transmittal.

The agreement stipulates that the Village will sell the property at a price of \$750,000, and will assist with negotiating the connection fees with the sanitary sewer district. Further, the Village pledges to issue permits and reviews in a timely manner. The Developer agrees to complete the demolition of the building and commence with construction within six (6) months after the Developer takes title to the property. Construction of the project is to be substantially completed with eighteen (18) months after taking title of the property.

The agreement also includes a “buy back” provision or penalties if certain compliance dates are not met. The agreement also calls for the developer to participate in the costs of beautification of the central business district, snow removal costs and is required to participate in the fee in lieu of parking program similar to previous developments in the downtown.

The Village staff recommends approval of the attached agreements, and thanks the various Board members and Mr. Bell of Waypoint Properties who have worked on this project.

Recommended Action: Approval of a Resolution Authorizing the Sale of Surplus Real Estate Pursuant to 65 ILCS 5/11-76-4.1 (201 Burlington Avenue), and Approval of Resolution Approving a Redevelopment Agreement Between Waypoint Properties, LLC and the Village of Clarendon Hills, DuPage County, Illinois in Regard to the Property Commonly Known as 201 Burlington Avenue, Clarendon Hills, Illinois.