

Staff Responses to Council Questions

July 8, 2014

9. FIRST READING

A. Ordinance: Approve a Redevelopment Agreement with Downers Grove, IL (1201 Ogden), LLC

Is the developer required to pay prevailing wages?

It is unknown at this time. The Department of Labor has not yet given the Developer a definitive answer as to whether or not TIF funded projects will be required to pay prevailing wage.

Has the EDC taken a position on the agreement?

Yes. The EDC supports the proposed redevelopment agreement (see the attached letter).

Non-Agenda Related

In Appendix 3, spreadsheet 3, line 7 - it shows the area exceeds 10 year and 2- year design capacity. If so, why would we complete a project here?

This project is site #7, located on Drendel Rd. south of Indianapolis Ave. It was added to the list because five different residents reported significant flooding in the April, 2013 flood event. Even though this area currently has infrastructure that meets the target level of service, it received prioritization points because it would add new storage in a place where water currently pools in a localized depression, which would help alleviate the flooding issues. This is similar to the rationale used for prioritizing projects in the floodplain, where new storage is added in a flood-prone area.

Deer creek project - is there anything the VODG can do by itself to address flooding here?

Yes, staff will review options for doing a project within Village limits during the design and engineering stage. However, the stormwater ordinance and permitting requirements will make it very difficult to construct any project that provides a significant benefit to residents that does not involve properties lying outside the Village limits.

Projects that serve unincorporated areas - are there opportunities to partner with townships?

During the design stage, staff can look for opportunities to partner with townships and other agencies where benefits are anticipated for parcels outside the Village limits.

Hummer park project - there is a vacant parcel on Rogers for sale - should the VoDG buy it?

Land acquisition may be necessary for this project. For this project, staff recommends waiting until the design and engineering process is underway to ensure that this parcel is needed for the project to provide a benefit to the area.

Online Comments

There were no online comments.

ATTACHMENTS

Letter of Support from EDC for Ogden Redevelopment Agreement



Downers Grove Economic Development Corporation

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Date: July 8, 2014

To: Mayor Tully and Village Commissioners

From: Michael Cassa, President & CEO
Downers Grove Economic Development Corporation

Re: Downers Grove , IL LLC

On behalf of the Downers Grove Economic Development Corporation, I am presenting our position on the proposed Redevelopment Agreement between the Village of Downers Grove and Downers Grove, IL LLC, for the property at the southeast corner of Ogden and Saratoga Avenues.

Insite Real Estate, LLC, located in Oak Brook, IL, is the developer for the project. Insite has developed many commercial projects throughout the Chicago area. Insite Real Estate was the developer for the adjacent property at the southwest corner of Ogden and Prince. A new Starbuck's opened on that site last month.

Insite Real Estate is proposing to redevelop the existing closed gas station property at 1201 Ogden Avenue. The project calls for a 5,000 sq. ft. commercial building and surface parking. Insite is working with the Downers Grove Economic Development Corporation to secure commercial tenants for the project. Several national tenants have expressed interest in the lease space. The redevelopment of the property, especially since it is located at a signalized intersection, is very important to the economic vitality of the Ogden corridor.

The developer is requesting Tax Increment Financing assistance for environmental remediation of the property. Environmental clean-up of this site is a critical component of the redevelopment process.

The terms of the proposed Redevelopment Agreement include:

- The developer shall build a 5,000 sq. ft. commercial building in accordance with approved plans.
- The developer shall substantially complete the project by January 1, 2016.
- The developer shall remediate existing environmental conditions and obtain a "No Further Remediation or Removal Letter" from the State of Illinois.
- The developer shall comply with all Village ordinances and applicable laws, and shall diligently pursue obtaining all required permits for the construction of the project.
- The Village agrees to reimburse the developer for up to \$225,000 for eligible costs associated with the environmental clean-up of the property.

The DGEDC has been marketing sites on Ogden Avenue for redevelopment. The use of TIF funds for unique costs such as environmental remediation is an important tool that can be used to achieve that goal. The use of TIF funds for this project is consistent with the direction provided by the Village Council, and the DGEDC Executive Committee.

The Downers Grove Economic Development Corporation strongly supports the proposed Redevelopment Agreement with Downers Grove, IL LLC.