

**VILLAGE OF DOWNERS GROVE**  
**Report for the Village Council Meeting**  
**5/10/2016**

<b>SUBJECT:</b>	<b>SUBMITTED BY:</b>
Authorize the Village Manager to negotiate a Redevelopment Agreement for the property located at Main & Maple	David Fieldman Village Manager

**SYNOPSIS**

A motion is requested to authorize the Village Manager to negotiate a Redevelopment Agreement with Trammel Crow Chicago Development, Inc. for the sale and redevelopment of Village-owned property located at the northeast corner of Main Street and Maple Avenue.

**STRATEGIC PLAN ALIGNMENT**

The goals for 2015-2017 include *Strong, Diverse Local Economy*.

**FISCAL IMPACT**

Approval of this motion does not financially obligate the Village at this time. At such future date as the Village Council approves a Redevelopment Agreement, staff will present a complete fiscal impact analysis and said Redevelopment Agreement will be drafted to generate a net positive or neutral fiscal impact to the Village.

**RECOMMENDATION**

Approval on the May 10, 2016 Consent Agenda

**BACKGROUND**

The Village owns the property located at the northeast corner of Main and Maple. The property is currently improved with a public parking lot which is used as downtown employee parking. The developer has contracts to purchase the two additional parcels to the east of the Village-owned lot. The developer is proposing a mixed use development of commercial and residential uses. The proposed development would require zoning approval in the form of a planned unit development, which would include a neighborhood meeting, a public hearing before the Plan Commission with a recommendation to the Village Council.

Staff is requesting authorization to begin negotiating a redevelopment agreement for the sale and redevelopment of the subject property, so that this process can run concurrently with the land use approval process. The redevelopment agreement would include the key terms outlined in the attached non-binding letter of intent, dated April 14, 2016.

**ATTACHMENT**

Non-binding letter of intent, dated April 14, 2016

VILLAGE OF DOWNERS GROVE  
COUNCIL ACTION SUMMARY

INITIATED: Village Attorney DATE: May 10, 2016  
(Name)

RECOMMENDATION FROM: \_\_\_\_\_ FILE REF: \_\_\_\_\_  
(Board or Department)

**NATURE OF ACTION:**

- Ordinance
- Resolution
- Motion
- Other

**STEPS NEEDED TO IMPLEMENT ACTION:**

Motion to authorize the Village Manager to negotiate a Redevelopment Agreement with Trammel Crow Chicago Development, Inc. for the sale and redevelopment of the Village-owned property located at the northeast corner of Main Street and Maple Avenue.

**SUMMARY OF ITEM:**

Adoption of this motion shall authorize the Village Manager to negotiate a Redevelopment Agreement with Trammel Crow Chicago Development, Inc. for the sale and redevelopment of the Village-owned property located at the northeast corner of Main Street and Maple Avenue.

**RECORD OF ACTION TAKEN:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Trammell Crow Company

April 14, 2016

Ms. Enza Petrarca  
Village Attorney  
Village of Downers Grove  
801 Burlington Avenue  
Downers Grove, IL 60515

**RE: Non-Binding Letter of Intent for Proposed Purchase and Sale of Main Street and Maple Avenue Lot, located in Downers Grove, Illinois ("Property")**

Dear Ms. Petrarca:

This letter of intent outlines the general terms and conditions upon which Trammell Crow Chicago Development, Inc. ("**Buyer**") desires to negotiate with the Village of Downers Grove ("**Village**"), for the purchase and sale of the Property for Buyer's intended purpose of developing a market rate apartment project on the Property and several adjacent parcels. We agree and acknowledge that letter does not constitute a binding agreement or contract, and unless or until the parties negotiate and enter into a binding written agreement for the sale and development of the Property ("**Agreement**"), neither Buyer nor the Village will be bound to purchase or sell the Property.

The purpose of this letter is to summarize discussions and certain terms concerning the purchase and sale of the Property and to set forth a basis upon which the Village Council may approve the transaction, and the parties, together with their respective attorneys, may proceed to draft and negotiate toward the execution of a definitive and binding Agreement. It is understood that either party may terminate negotiations at any time and for any reason.

Based on the foregoing understanding, the parties desire to negotiate an Agreement pursuant to the following basic terms and conditions:

1. **The Property**

The Property is commonly known as the "Main Street and Maple Avenue Lot" and consists of PIN Nos. 09-08-306-017, 09-08-306-018, 09-08-306-019, 09-08-306-020 and 09-08-306-027.
2. **Purchase Price**

The Purchase Price will be \$126,525.00 in cash at Closing, provided that no material environmental issues are found to exist.
3. **Earnest Money**

Buyer will place \$5,000.00 ("**Earnest Money**") into an interest-bearing escrow account to be held by First American Title Insurance Company ("**Title Company**"), as escrowee, within two (2) business days

following effective date of the Agreement. The Earnest Money, plus any interest earned thereon, will be refunded to Buyer if Buyer terminates the Agreement during the Due Diligence Period. If Buyer does not terminate the Agreement and proceeds to Closing, the Earnest Money, plus any interest earned, will be applied to the Purchase Price.

4. Title and Survey

Buyer will obtain an ALTA survey and a title insurance commitment issued by the Title Company, each in a form satisfactory to Buyer, together with copies of all recorded documents evidencing the exceptions to title that are described in Schedule B of the title commitment. At closing, Buyer will obtain an ALTA Owner's Title Insurance Policy issued by the Title Company (a) in the amount of the Purchase Price, (b) including extended coverage, (c) showing Buyer (or its assignee) as sole owner of the Property, and (d) subject only to encumbrances and such other title-related matters that are reasonably acceptable to Buyer.

5. Due Diligence Period

Buyer will have up to a 180-day period from the effective date of the Agreement to inspect, test, study and review all records and materials regarding the Property and to satisfy or waive all conditions precedent, as provided in Section 7 below ("Due Diligence Period"). Buyer, in its sole discretion, may elect to waive the remainder of the Due Diligence Period before the expiration of the 180-day Due Diligence Period, based on the timing of Buyer's due diligence, site control and approvals from the Village with respect to the adjacent parcels to be acquired and included in Buyer's development. Upon such early Due Diligence Period waiver, the parties will proceed to closing as provided in Section 6 below. At any time during the Due Diligence Period, Buyer may terminate the Agreement. If Buyer terminates the Agreement during the Due Diligence Period, the parties will have no further obligations to the other, and Buyer will receive a refund of the Earnest Money and all accrued interest.

6. Closing

The purchase of the Property will close ("Closing") within 30 days after the earlier to occur of expiration of the Due Diligence Period or Buyer's earlier waiver of the Due Diligence Period.

7. Conditions Precedent

Buyer's obligation to purchase the Property will be contingent upon Buyer's determining (in its sole discretion) during the Due Diligence Period that:

- (a) It is satisfied with the results of all environmental investigations, studies and tests completed by an environmental testing firm acceptable to Buyer.
- (b) It is satisfied with the results of all soil and other site engineering investigations, studies and tests, which Buyer deems appropriate.
- (c) Utilities, storm water detention and curb cuts necessary to serve the Property are available at a reasonable cost.
- (d) All governmental approvals desired by Buyer to develop the Property into a mixed use development can be obtained prior to closing.
- (e) It is satisfied with its review of all agreements relating to the Property.
- (f) It is satisfied with its review of all documents provided to Buyer by Village.
- (g) It is satisfied with its review of the status of title to the Property.
- (h) Buyer's acquisition and use or development of the Property will meet its financial requirements (or those of its lender or investors, if any).

8. Property Condition

Buyer agrees that it will purchase the Property "as-is" and "with all faults," with no warranty by Village of any kind, expressed or implied, except as provided in the Agreement.

9. Broker Commission

Buyer and Village each represent that no real estate broker was involved in this transaction, and accordingly no broker commissions will be payable. Buyer and Village will indemnify each other against any losses, claims, damages, costs, expenses and liability, which Buyer or Village may incur which arise from any entity claiming a brokerage commission in connection with this transaction.

- 10. Existing Due Diligence Materials Village shall provide Buyer, within three (3) days of Village's execution of this letter of intent, any and all documents, reports, studies, tests, engineering drawings, surveys or other pertinent materials which Village has in its possession (or access to) which relate to the Property. All such documents shall be returned to the Village if Purchaser does not close on the Property.
- 11. Due Diligence Investigations Following Village's execution of this letter of intent, Buyer, at its own cost and expense, may enter the Property to conduct environmental and soil and engineering investigations, studies and tests of the Property, pursuant to a mutually agreeable Right of Entry Agreement.
- 12. Project Design Village staff has reviewed and generally supports Buyer's design proposal, attached as Exhibit A, including the building design and height and number of units.

Buyer and Village will endeavor to negotiate and execute an Agreement immediately upon approval from the Village Council. We look forward to working with the Village on this exciting development.


Thank you.

Sincerely,

**John Carlson**  
**Trammell Crow Chicago Development, Inc.:**

  
 \_\_\_\_\_

**Agreed to and Accepted By the Village of Downers Grove:**

By:   
 \_\_\_\_\_  
 Title Village Manager  
 \_\_\_\_\_  
 Date: 04/19/16  
 \_\_\_\_\_

**EXHIBIT A**

**Design Proposal**

See Attached





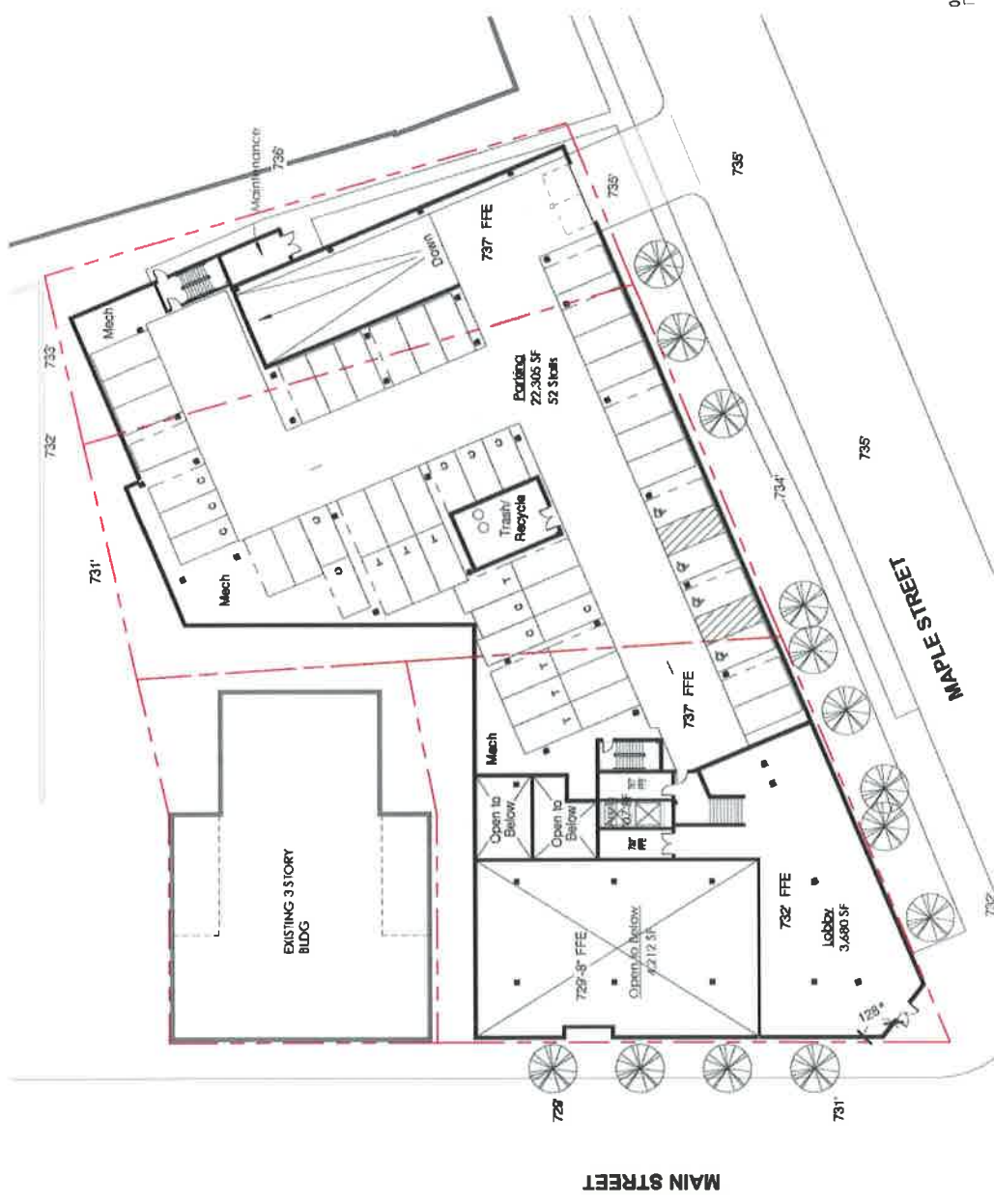
EXISTING CONTEXT MAP

Downers Grove Housing  
1000 MAPLE STREET 04.07.16



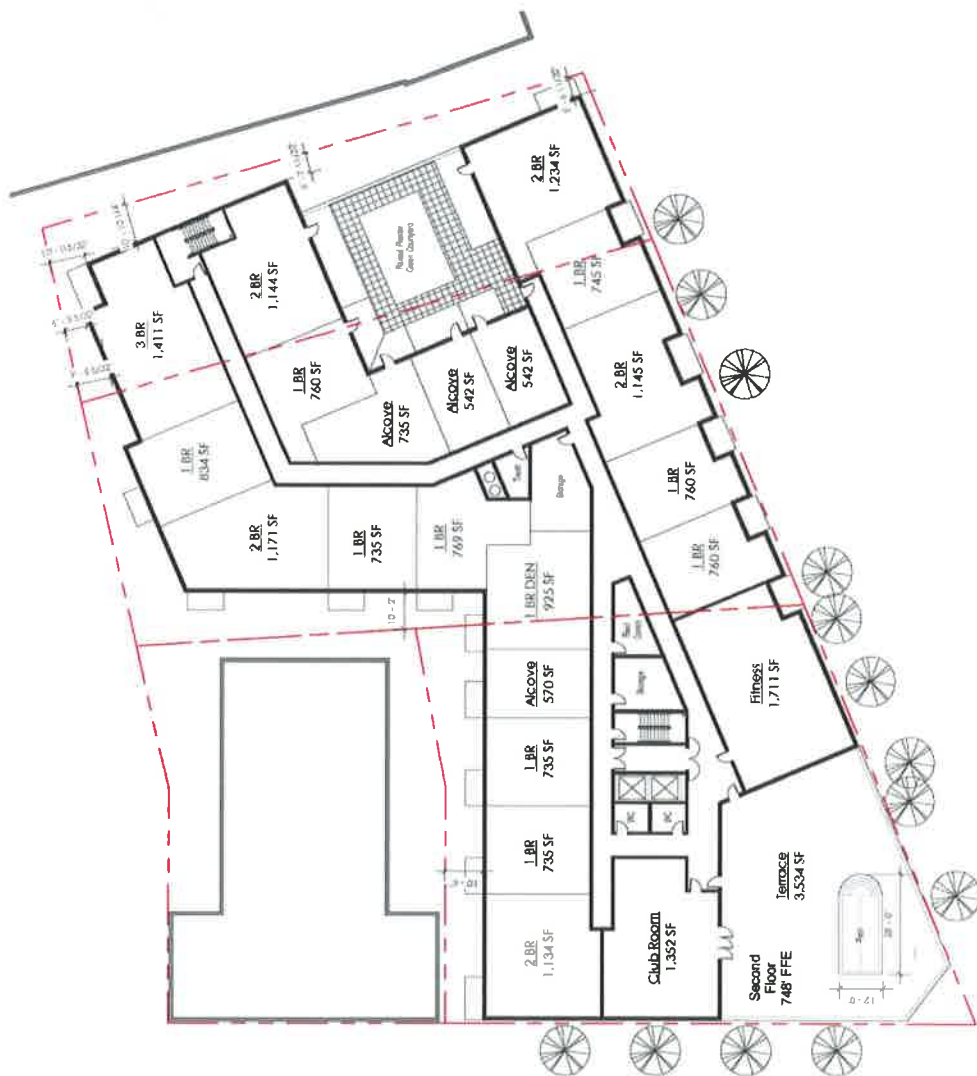






LEVEL 1 PLAN

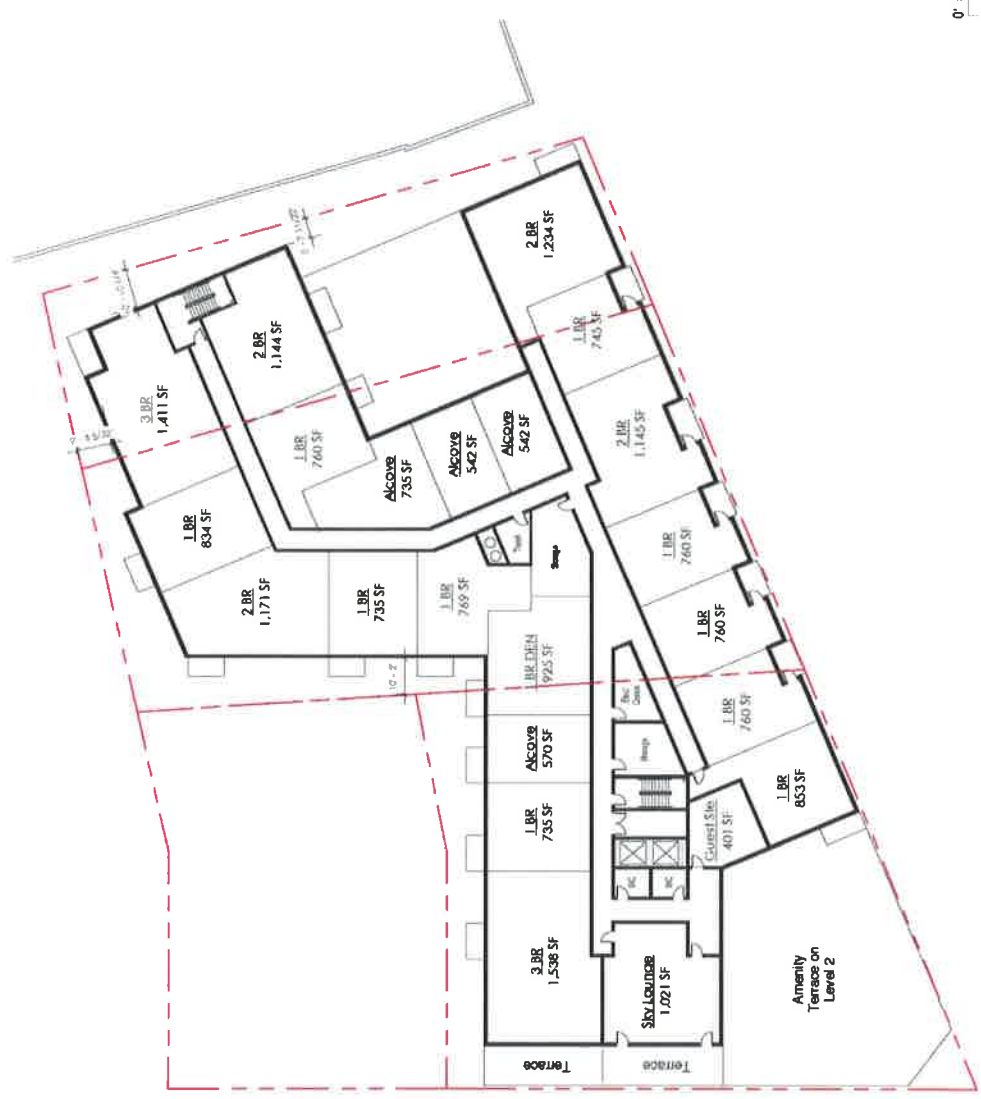
Downers Grove Housing  
1000 MAPLE STREET 04.07.16



LEVEL 2 PLAN

**Downers Grove Housing**  
 1000 MAPLE STREET 04-07.16

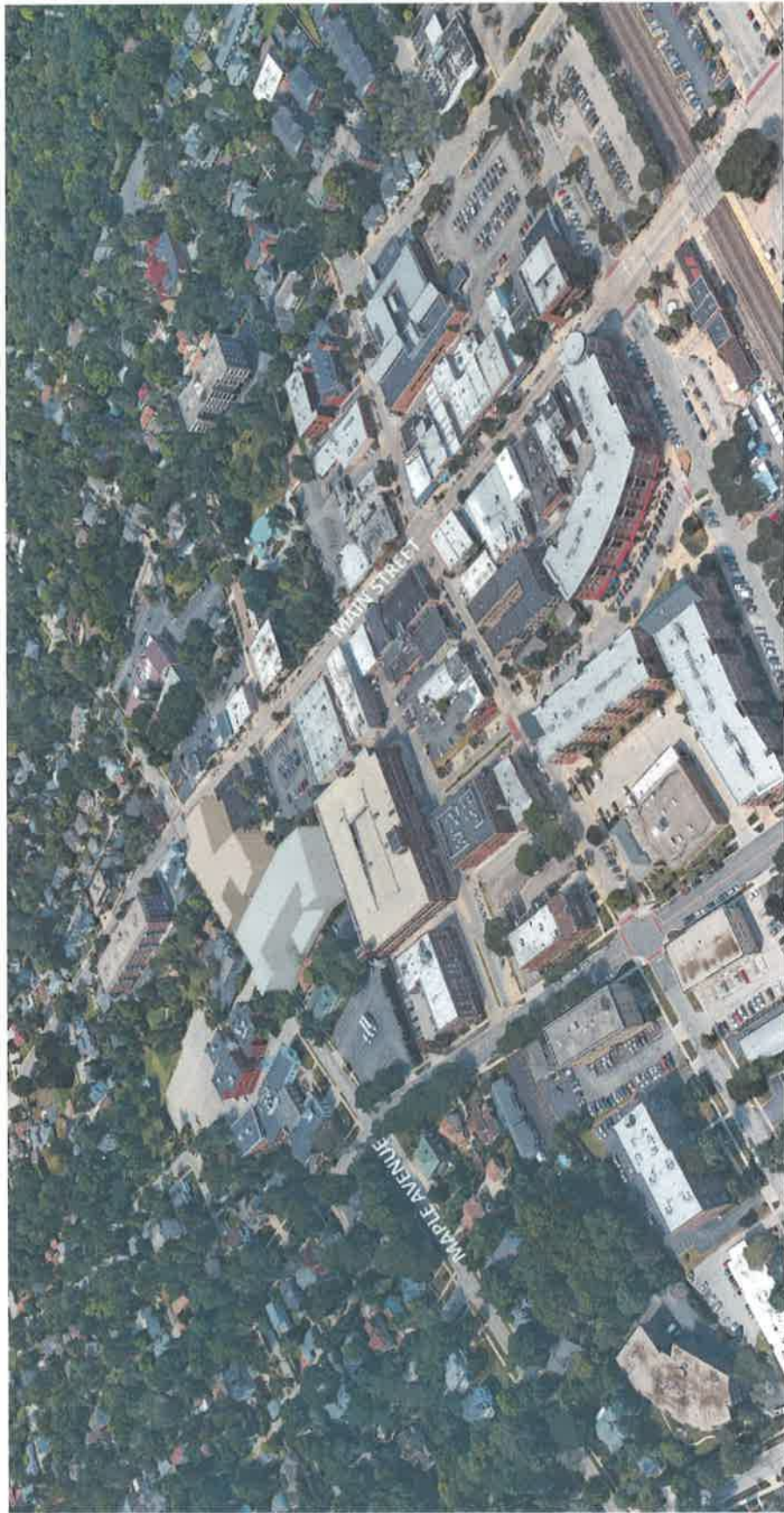




LEVEL 6 PLAN

Downers Grove Housing  
1000 MAPLE STREET 04.07.16





**Downers Grove Housing**  
1000 MAPLE STREET 04.07.16

3D MASSING

HIGH STREET  
RESIDENTIAL TRUST

esc





3D MASSING

**Downers Grove Housing**  
1000 MAPLE STREET 04.07.16



**Downers Grove Housing**  
1000 MAPLE STREET 04.07.16

3D MASSING







3D MASSING

**Downers Grove Housing**  
1000 MAPLE STREET 04.07.16

Project Data Summary

BUILDING AREA SUMMARY									
	TOTAL GSF	PARKING GSF	STALLS	TANDEM	RETAIL	AMENITY GSF	APT GSF	APT RSF	DU's
LEVEL P2	23,412	22,896	50	10			516		
LEVEL P1	27,903	21,430	47	6	4,623	1,334	516		
LEVEL 1	26,692	22,305	41	10		3,680	707		
LEVEL 2	24,612					3,063	21,549	17,375	20
LEVEL 3	25,462						25,462	21,299	24
LEVEL 4	25,462						25,462	21,299	24
LEVEL 5	25,462						25,462	21,299	24
LEVEL 6	24,736					1,899	22,837	18,668	21
	203,741	66,631	138	26	4,623	9,976	122,511	99,940	113

GSF/STall P2	362
GSF/STall P1	404
GSF/STall 1	437
<b>GSF/STall Total</b>	<b>406</b>

(Includes tandem spaces)

RSF/UNIT 884

STALLS/UNIT 1.45

ESG Architects  
4/6/2016

\*GSF does not include Open To Below Spaces at Lobby and Retail

Level 2	Level 3-5	Level 6
1134	765	
735	1134	
735	735	1538
570	735	735
570	570	570
925	925	925
769	769	769
735	735	735
735	735	735
1171	1171	1171
834	834	834
1411	1411	1411
1144	1144	1144
760	760	760
735	735	735
542	542	542
542	542	542
1234	1234	1234
745	745	745
1134	1134	1145
760	760	760
760	760	760
17375	21299	18668
	1254	853
		18668

**Downers Grove Housing**  
1000 MAPLE STREET 04.07.16

PROJECT DATA

