



**AGENDA ITEM #16**

**AGENDA ITEM EXECUTIVE SUMMARY  
Village Board Meeting  
1/23/2023**

**Item Title: 40 S. Prospect Street Phase 1 Redevelopment Agreement**

**Staff Contact: Matthew Galloway, Economic Development Analyst**

NEW BUSINESS

**VILLAGE BOARD ACTION:**

**Consider a staff recommendation to enter into a Phase 1 Redevelopment Agreement with the owners of 40 S. Prospect Street.**

**Executive Summary:**

The owner of 40 S. Prospect Street has recently met with staff to propose the redevelopment of the property. The redevelopment encompasses a complete demolition of the existing structure and construction of a new building. It is estimated that the new structure would have roughly twenty-four (24), two-to-three-bedroom residential units with an average square footage of 1,600 square feet. The first floor would consist of at least four – 1,800 square feet commercial/retail spaces with individual entrances off of Prospect Street. The total redevelopment project is estimated to cost between \$8 - \$11 million.

The owner has procured an architectural firm to begin the planning and design work. The owner met with staff to discuss the architect’s proposal (see attached) and has requested Village TIF assistance to move forward. To accommodate the owner’s request, staff has drafted a Phase 1 TIF Redevelopment Agreement (see attached). The agreement is written to cover the costs of certain basic services in an amount not to exceed \$40,000. These basic services include:

- Zoning review and analysis
- Conceptual site plan development
- Architectural floor plans
- Construction budget estimates
- Meetings with Village staff

Staff recommends the \$40,000 Village contribution of TIF funds based off of the Village’s current TIF grant program’s maximum funding of \$40,000, in conjunction with the estimated \$8 – 11 million total costs of the redevelopment. The Agreement also

includes language requiring the owner to reimburse the Village the \$40,000 if the proposed redevelopment does not occur, similar to the agreement approved by the Board between the Village and Woodland Windows. For these reasons, staff recommends the Board adopt a Phase 1 Redevelopment Agreement with the owner of 40 S. Prospect Street.

**Implications:**

**Is this item budgeted?** No, the costs associated with the agreement are eligible TIF expenses and would be incurred from the East Irving Park TIF District Fund.

**Estimated cost:** \$40,000

**Any other implications to be considered?** The owner of 40 S. Prospect Street is the spouse of the Village Clerk.

**Strategic Priority:**

Focused Redevelopment

**Attachments:**

Architect Proposal

DRAFT Phase 1 Redevelopment Agreement



# DESIGN SERVICES AGREEMENT

December 14, 2022

**Attn:**

**Michael Hausman**  
**Hausman-Kunkel, Inc.**  
40 S Prospect Street  
Roselle, IL  
Ph. 630.894.9982  
Email: mike@h-kinc.com

**RE:**

Concept design for new luxury apartments building located at 40 S Prospect Street, in Roselle, IL

Dear Mike

Based upon the information submitted and our conversation, we have prepared this service agreement to provide conceptual design & presentation package for the new luxury apartments building located at the property mentioned above.

## **PROJECT SCOPE**

**C3D architects, LLC**, will provide conceptual design and presentation package for the new luxury apartment building as described in the basic services below:

## **BASIC SERVICES**

The services for this project shall be provided by C3D architects, LLC, in accordance with the following scope and schedule of fees:

### **Schematic Design**

- Zoning review & analysis for max buildable area.
- Code research for building type and code compliance requirements.
- Conceptual site plan development per zoning requirements.
- Conceptual building plan development per local building code.
- Conceptual building elevations development per zoning & building code requirements.
- Concept revisions based on the client's feedback; one revision included.

### **Presentation Package**

- Architectural floor plans with area analysis & colored functional diagrams
- Interior design inspiration concepts (3) options for typical units & facilities, mood illustrations
- Material boards for interior and exterior designs
- 3D realistic illustrations for exterior design (4) illustrations included
- 3D conceptual interior mood illustrations for interior design (12) illustrations included
- Colored exterior elevations
- Preliminary construction budget estimate.



**Presentation meetings for zoning & building preliminary development approval**

- Conceptual design meeting with client (4) included
- Zoning & building department meetings (4) included
- Revise concept based on feedback from zoning & building department meetings

**SCHEDULE**

We estimate each phase of the work described under Basic Services will be completed within the timeframe outline below. The Building permit process may vary in duration but we anticipate completing the necessary architectural and interior design drawings within the time period indicated below. Periods listed are durations for preparation of architectural design work only and are exclusive of time required for City review or Client review.

Schematic Design	4-6 weeks*
Documentation & illustrations	2 weeks*
Presentation meetings	TBD

\* Period listed is exclusive of time required for client review.

\*\*To be confirmed upon submittal of the permit application.

**COMPENSATION & PAYMENT SCHEDULE**

		Initial
<b>BASIC SERVICES:</b>		
Zoning & code analysis	\$5,000.00	_____
Schematic design	\$30,000.00	_____
Design consolidation & presentation	\$10,000.00	_____
Design review meetings w/ client & local authorities	\$5,000.00*	_____
<b>OPTIONAL SERVICES:</b>		
Design revisions beyond basic scope - billed on timesheet	See service rates	_____
3D Illustrations, photo realistic	\$750.00/EA	_____
Printing	@cost *10%	_____
<b>SERVICE RATES:</b>		
Building Department Trips	\$200/trip	_____
Construction Observation Site Visits	\$200/visit	_____
Principal	\$150/hr	_____
Project Architect	\$120/hr	_____
Drafting	\$80/hr	_____
Admin	\$80/hr	_____

C3D Architects will provide complete design and concept drawings in accordance with the basic service scope and the fee schedule for the lump sum of **\$50,000.00\***

\* Review or zoning fees not included, to be paid directly by the client upon bulding department approval.

**PHASE I – TIF REDEVELOPMENT AGREEMENT**  
**(32-40 South Prospect Street - Need Ownership Entity Inserted Here)**

This Phase I – TIF Redevelopment Agreement (“Agreement”) is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 202\_, by and between the Village of Roselle, an Illinois Municipal Corporation (“Village”) and Need Ownership Entity Inserted Here an Illinois Corporation (herein referred to as “Owner”).

**RECITALS**

**WHEREAS**, the Village of Roselle (hereinafter referred to as “Village”) is a duly organized and validly existing non-home rule municipality whereby the Mayor and Board of Trustees (collectively the “Corporate Authorities” of the Village) are authorized to exercise certain powers and perform certain functions pursuant to Article VII, Section 7 of the Constitution of the State of Illinois and provided by the Illinois Municipal Code (65 ILCS 5/1-1-1, et seq.);

**WHEREAS**, the Village is engaged in the revitalization and development of properties along South Prospect Street which includes the property commonly known as Owner is the lawful owner of an office building located at 32-40 South Prospect Street, Roselle, IL., identified by property index number 02-03-401-009. The property (hereinafter the “Subject Property”) and is legally described as:

Need Legal from Plat of Survey  
PARCEL ONE: THE SOUTH HALF OF LOT 15 OF ROSELLE, BEING A SUBDIVISION OF PART OF SECTION 3, TOWNSHIP 40 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THERE OF RECORDED SEPTEMBER 30, 1874 AS DOCUMENT 18864, IN DUPAGE COUNTY, ILLINOIS.

PARCEL TWO: THE NORTH HALF OF LOT 15 IN ROSELLE BEING A SUBDIVISION OF PART OF SECTION 3, TOWNSHIP 40 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 30, 1874 AS DOCUMENT 18864, IN DUPAGE COUNTY, ILLINOIS.

PARCEL THREE: THAT PART OF THE EAST 23 FEET OF VACATED FOURTH AVENUE LYING WEST AND ADJOINING LOT 15 OF ROSELLE, BEING A SUBDIVISION OF PART OF SECTION 3, TOWNSHIP 40 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 30, 1874 AS DOCUMENT 18864, IN DUPAGE COUNTY, ILLINOIS.

**WHEREAS**, the Village has the authority pursuant to the laws of the State of Illinois, to promote the health, safety and welfare of its inhabitants, to prevent the spread of blight, to encourage private development in order to enhance the local tax base, to

increase job opportunities, and to enter into contractual agreements with third parties for the purpose of achieving these goals;

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois, 65 ILCS 5/11-74.4-1, et seq., as from time to time amended (the "TIF Act"), the Corporate Authorities are empowered to undertake the development or the redevelopment of a designated area within its municipal boundaries in which existing conditions permit such area to be classified as a "blighted area" or a "conservation area" as such terms are defined in the TIF Act;

WHEREAS, to stimulate and induce development and redevelopment pursuant to the TIF Act, the Village, after giving all required notices, conducting a public hearing and making all findings required by law, on the \_\_\_\_\_ day of \_\_\_\_\_, pursuant to Ordinance Nos. \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_, approved a Redevelopment Plan and Program (the "Redevelopment Plan") for an area designated as the **East Irving Park Road Redevelopment Project Area** (the "Project Area") which Project Area includes the Subject Property, and adopted tax increment financing for the payment and financing of "Redevelopment Project Costs", as defined by the TIF Act, incurred within the Project Area as authorized by the TIF Act;

**Commented [MC1]:** The ordinances in the link provided did have the final assigned numbers

WHEREAS, the Subject Property is improved with a declining office building in need of major repair and/or renovation;

WHEREAS, the Village and Owner have discussed the potential redevelopment of the Subject Property to construct a mixed-use structure consisting of residential and commercial land use; ~~and~~

WHEREAS, the Property is located within the boundaries of the **East Irving Park Road Tax Increment Finance District**; ~~and~~

WHEREAS, the proposed land use of Property meets the objectives of the East Irving Park Road Redevelopment Plan, and is consistent with the adopted 2016 Roselle Comprehensive Plan; ~~and~~

WHEREAS, Village and Owner have collaborated on the preparation of a scope of services that would result in a study ("Study") to identify the financial feasibility, concept design alternatives and costs necessary to redevelop the property into a mixed-use project (the "Project"); ~~and~~

WHEREAS, the Owner has advised the Village that obtaining a financial feasibility Study on the Subject Property and existing structure was and is contingent upon financial assistance to undertake the Project and has requested the Village to provide reimbursement of eligible redevelopment project costs available to it as a result of the Village's adoption of the TIF Act and the receipt by the Village of "Incremental Taxes" generated by the Project Area;

WHEREAS, due to the need for extensive evaluation regarding the feasibility and alternatives of the ~~P~~project, ~~Village and Owner have agreed~~the Parties hereby stipulate

that this Agreement shall be limited to the initial evaluation and concept planning phase of the potential redevelopment. ~~A whereby a~~ subsequent Phase II – TIF Redevelopment Agreement ~~may shall~~ be initiated by the ~~Village and Owner Parties~~ if so mutually desired; ~~and~~

WHEREAS, the Village believes the Project would enhance the corridor on South Prospect Street and therefore desires to have the Subject Property improved as proposed which the Village believes would have a synergistic effect upon the surrounding businesses and, in addition, would increase the tax base for the Village and taxing districts authorized to levy taxes upon the Subject Property and provide job opportunities for its citizens; and, therefore, is prepared to assist the Owner with certain costs associated with the Project, subject to the terms of this Agreement, the TIF Act, and all other applicable provisions of law.

~~WHEREAS, the Village and Owner shall share in the cost of Study, as it is determined that redevelopment of the property cannot be achieved but for the use of Tax Increment Financing assistance; and~~

**NOW, THEREFORE**, in consideration of the foregoing preambles and mutual covenants and agreements contained herein, the parties hereto agree as follows:

1. **Recitals.** The foregoing recitals are hereby incorporated into this Agreement as if fully set forth herein.

2. **Study.** Village and Owner are desirous of determining the redevelopment feasibility of Property in conformance with the project scope as stated within the proposal from (Will Need Written Proposal Inserted Here When Obtained) dated (Date of Proposal When Received), attached as **Exhibit A**. To initiate the Study, Owner shall retain Name of Firm to be Retained to undertake the services identified within the proposal.

Owner shall keep Village apprised of the progress of Study and shall provide draft or preliminary results upon completion.

3. **Economic Incentive for Study.** Village and Owner agree to share the cost of the Study. Village will provide up to 80% of the cost of the study, subject to a maximum of \$40,000, utilizing TIF economic incentive funds. -Village shall reimburse Owner upon evidence of payment of project invoices. Owner shall provide Village with copy of final Study prior to final economic incentive payment.

4. **Deadline for Study Completion.** Study shall be completed, and all project invoices shall be submitted to Village no later than (Insert Deadline Here – I suggest no later than one year). The Village shall be under no obligation to provide reimbursement for Study expenses submitted after this date.

5. **Future Economic Incentives.** Village and Owner agree the Study is intended to provide valuable information regarding the potential redevelopment of the

Property, leading to a determination of the level of tax increment finance assistance necessary to effectuate implementation of the project. The Village is under no obligation to make any additional economic incentives available for the Property, unless agreed upon in a subsequent Phase II – TIF Redevelopment Agreement.

6. **Expectation of Redevelopment.** Owner shall have no obligation to proceed with future redevelopment of Property. However, Village participation in funding the Study is predicated upon an expectation that future redevelopment will be initiated through the submittal of a building permit application no later than *(Insert Deadline Here)* years from the execution date of this Agreement.

7. **Failure to Proceed with Phase II – TIF Redevelopment Agreement.** If Owner shall decide not to proceed with execution of a Phase II – TIF Redevelopment Agreement by *(Insert Date Here – I Would Suggest 6 Months Earlier than the date in Section 6)*, Owner shall be responsible for the reimbursement of the expenses incurred by the Village as identified in Section 3 of this Agreement. However, the reimbursement requirement shall be waived by Village under the following conditions:

- a. The results of the Study indicate that the financial feasibility of the project is impractical or cannot be achieved.
- b. The Village declines to enter into a Phase II – TIF Redevelopment Agreement for Property.

8. **Enforcement.** Should the Village for any reason have to take steps pertaining to the enforcement of any of the terms and conditions of this Agreement which may include but not be limited to filing a lawsuit Owner agrees to pay any and all costs incurred by the Village which may include attorney fees and court costs.

9. **Conflict in Regulations.** The provisions of this Agreement shall supersede the provisions of any ordinances, codes, or regulations of the Village which may be in conflict with the provisions of this Agreement.

10. **Invalidity.** If any provision of this Agreement, or any section, sentence, clause, phrase, or word, or the application thereof in any circumstances is held invalid, the validity of the remainder of this Agreement and the application of such provisions, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

11. **Notices.** Notices or other writings which any party is required to or may wish to serve upon any other party in connection with this Agreement, shall be in writing and shall be delivered personally or sent by mail, to the other parties of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have hereunder set their hands and seals on the day and year first above written.



Need Ownership Entity Inserted Here

\_\_\_\_\_

VILLAGE OF ROSELLE

\_\_\_\_\_

MAYOR

Attest:

\_\_\_\_\_

VILLAGE CLERK

DRAFT

