

Q&A - Facilities Sustainability Plan

Updated as of March 7, 2017

February 28, 2017 Council Questions and Responses

1. Given that \$600,000 on the property tax levy will cost the average homeowner approximately \$28.06 per year, how much more or less would be required for each proposed development?

Development	Estimated Amt Req'd (more or less) than \$1.1 mil. In Dedicated Revenues	Impact to average Homeowners
LFI (Medical Office)	\$240,000 to 360,000 more per year (for 24 years)	\$11.22 to 16.83 more per year
K. Hovnanian (Townhomes)	\$190,000 to 400,000 more per year (for 24 years)	\$8.88 to 18.70 more per year
Next Generation (Apartments/234)	\$30,000 to 362,000 less per year (for 24 years)	\$1.40 to 16.93 less per year
Flaherty & Collins (Apartments/350)	\$320,000 to 821,000 less per year (for 24 years)	\$14.96 to 38.39 less per year

2. Which proposals include guaranteed minimum real estate tax revenue?

Only the original (two-phase) proposal submitted by Flaherty & Collins included reference to guaranteed minimum tax revenue (page 67). The offer to provide this guarantee represents a relatively low risk to the developer. If accepted, however, it may negatively impact the Village's ability to issue tax exempt bonds for the construction of the combined facility. This could increase the total cost to the Village as the interest rates for taxable bonds are higher than those for tax exempt bonds.

Resident Questions from February 28 Council Meeting

3. How much parking is provided for each development proposal. How much parking is provided throughout the entire Civic Center site?

The site plan includes the following parking for commuter and Village facility uses:

- Commuter parking - All 86 existing spaces relocated from Lot L
- Police Station/Village Hall visitor parking - 58 spaces
- Village vehicle/employee parking - 171 spaces

The development proposals provide on-site parking as follows:

- LFI (Medical Office) - 256 spaces
- K. Hovnanian (Townhomes) - 104 spaces (2.47 spaces/dwelling unit)
- Next Generation (Apartments) - 331 spaces (1.40 spaces/dwelling unit)
- Flaherty & Collins (Apartments) - 380 spaces (1.09 spaces/dwelling unit)

4. Has the service impact to the other taxing bodies been evaluated for each development proposal?

No, the impact to all other taxing bodies has not been analyzed. If direction is provided by the Village Council to further pursue one of the development proposals, the process for further consideration of the proposal, as well as creation of the tax increment financing (TIF) district, will provide opportunities for the impact on other taxing bodies to be thoroughly reviewed.

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5. The materials given to council include a revised proposal from Next Generation dated February 22, 2017 which indicates an increased purchase price of \$4,680,000 if the property is purchased at one time rather than in phases. The Executive Summary indicates that Flaherty & Collins has increased their bid to \$5,561,000 if the property can be purchased in one phase however the revised proposal from Flaherty & Collins does not appear to be included in the written materials provided council. Please provide the written materials that document the updated proposal from Flaherty & Collins.

Flaherty & Collins provided the following in an email dated January 25, 2017:

If the village were to sell the entire parcel at once and relocate the police department this would be our preference. The land is more valuable if it can be developed all at once. We believe the Village is familiar with our Ninety-Seven-Fifty project in Orland Park. We envision something similar to that development here with a product that has a hidden garage wrapped with apartments. This construction is less expensive than the podium phased option we presented. The podium garage is more expensive per space and we can build our amenities at grade vs building over the podium. We can achieve more density by going to type 3 construction and go up to 5 stories across the site and be within the height allowances. This would take our offer price from roughly \$2,400,000 collectively over phase I and II to \$5,561,000.

6. The Next Generation proposal indicates that existing building(s) are to be demolished prior to closing. Is this correct? What is the Flaherty & Collins proposal with respect to demolition prior to closing?

If the Village Council were to direct staff to pursue one or more of the development proposals, at the time that the terms of the redevelopment agreement are negotiated, staff would work with the preferred developer(s) to craft terms acceptable to both the Village and the developer regarding the timing of property acquisition and demolition.