

**VILLAGE OF DOWNERS GROVE**  
**Report for the Village Council Meeting**  
**6/13/2023**

<b>SUBJECT:</b>	<b>SUBMITTED BY:</b>
Meadowbrook Shopping Center TIF District	David Fieldman Village Manager

**SYNOPSIS**

A motion has been prepared authorizing staff to:

Take steps to create a Tax Increment Financing District for the Meadowbrook Shopping Center located at the southwest corner of 63rd & Woodward (2001 63rd Street, 2003-2153 (odd) 63rd Street and 6310-6400 (even) Woodward Avenue)

Negotiate a Redevelopment Agreement in accordance with the key terms in this staff report.

**STRATEGIC PLAN ALIGNMENT**

The goals for 2021-2023 include *Strong, Diverse Local Economy*.

**FISCAL IMPACT**

When completed, the project is expected to generate approximately \$150,000 per year in additional sales tax revenue and \$50,000 per year in additional food and beverage tax revenue.

The revitalization of the Meadowbrook Shopping Center is projected to generate approximately \$13.7 million in incremental property taxes over the life of the 23-year Tax Increment Financing District. The present value of this income stream discounted at 8% is about \$5.3 million. The Village would issue up to four developer notes totaling \$5 million of TIF assistance. The assistance would function as a rebate of incremental property taxes with notes issued upon completion of each of the project phases. The Village would not be obligated to provide financial assistance from any other sources.

**RECOMMENDATION**

Approval on the June 20, 2023 Active Agenda. The Downers Grove Economic Development Corporation recommends approval of the motion.

**BACKGROUND**

Meadowbrook Shopping Center is located at the southwest corner of 63rd Street and Woodward Avenue. It is currently improved with in-line buildings totaling 189,000 square feet of tenant space and one vacant, dilapidated out-building. The property was recently purchased by Stellco Properties in Naperville. The revitalization project, which will be completed within four years of the execution of a redevelopment agreement, will result in:

- A 15,000 square foot grocery store or retail store in the in-line buildings
- Three (3) new outlots with a minimum of 8,400 square feet leased to sales tax producing tenants
- Reconstruction of the existing parking lot including installation of landscaping throughout

- New facades on all four sides of the in-line buildings

The Comprehensive Plan identifies the Meadowbrook Shopping Center as a Catalyst Site and “the largest development opportunity on 63rd Street.” Additionally, the Comp Plan recommends exploring a TIF District to facilitate the redevelopment of this property.

The Tax Increment Financing District would include only the Meadowbrook Shopping Center properties and the adjacent public rights-of-way. The owner/developer will be responsible for preparing the documents required for the creation of the district. The district should be established in early 2024 and construction is expected to commence immediately upon creation of the district.

## **ATTACHMENTS**

Redevelopment Key Terms

## Meadowbrook Shopping Center Redevelopment Agreement Key Terms

**Developer/Owner** - Stellco 4300 Commerce LLC

**Location** - Meadowbrook Shopping Center at the Southwest Corner of 63rd & Woodward

- 2001 63rd Street
- 2003-2153 (odd) 63rd Street
- 6310-6400 (even) Woodward Avenue (does not include the existing house)

### Developer Obligations

- Demolish the existing building located at 2001 63rd Street
- Re-subdivide the property to create a total of three outlots located along 63rd Street
- Construct three (3) new outlot buildings with a minimum combined size of 14,000 sf in substantial conformance with the Concept Plan attached hereto as Exhibit A. The minimum size of an outlot building shall be 2,000 sf. The buildings located on the outlots shall be leased to sales tax and/or food and beverage tax producing tenants as follows:
  - Leases shall have a minimum term of 5 years
  - A minimum of 8,400 square feet of the leasable square footage of the outlot buildings shall be leased to sales tax and/or food and beverage tax producing tenants
  - The required minimum square footage for sales tax and/or food and beverage tax producing tenants may be located in two of the three outbuildings.
  - One of the outlots may be developed with a car wash or medical tenant, subject to the required Village zoning application review and approval. These uses shall not be located on the corner outlot (former Roundheads site).
- Renovate the facades on all four sides of buildings A, B, C and D as shown on the Concept Plan attached hereto as Exhibit A
  - The new facades shall consist of materials approved by the Community Development Director
  - The new facades shall substantially conform to the Concept Plan Plan attached hereto as Exhibit A.
- Install new attached tenant signage as shown on the Concept Plan attached hereto as Exhibit A
- Install new freestanding signage as shown on the Concept Plan attached hereto as Exhibit A

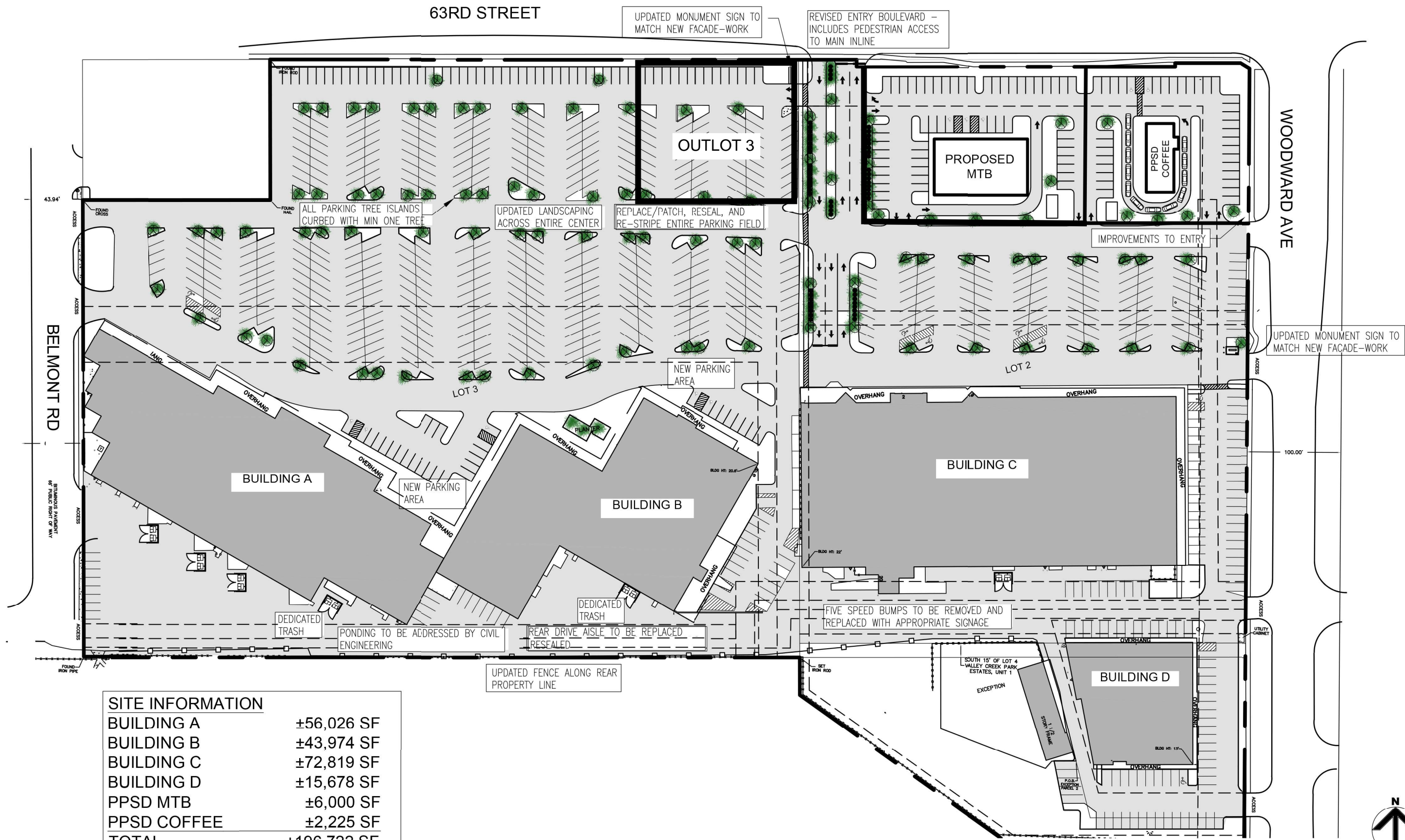
- Reconstruct the existing parking lots as shown on the Concept Plan attached hereto as Exhibit A. The Concept Plan shall be revised to include Additional landscaping areas in a manner acceptable to the Community Development Director.
- Lease a minimum of 15,000 sf of the in-line space to a grocery store or sales tax producing tenant for a minimum of ten years
- Adhere to a Development Schedule. The project shall be completed within four years from the date of execution of the Redevelopment Agreement.
  - The redevelopment may take place in four phases
  - Phase 1 shall consist of the construction of
    - Site improvements
    - Building A, B, C, and D facade improvements
  - Phase 2 shall consist of
    - Executed lease and opening of a grocery store or sales tax producing tenant of at least 15,000 sf of sales tax producing tenants
  - Phase 3 shall consist of the construction of
    - One outlot buildings and executed leases of at least 3,500 sf of sales tax producing tenants
  - Phase 4 shall consist of the construction of two outlot buildings and executed leases with at least 4,900 s.f of sales tax producing tenants
- Phase 1 shall be completed first. The remaining phases may be completed in any order, subject to the Development Schedule
- Develop the properties pursuant to the Concept Plan attached hereto as Exhibit A
- Apply for a Planned Unit Development Amendment, Re-subdivision and special uses for drive-throughs
- Submit proof of payment of TIF-eligible expenses.
- Prepare all documents and plans required for the creation of a Tax Increment Financing District

### **Village Obligations**

- Duly consider the petition for Planned Unit Development Amendment, re-subdivision and special uses
- Duly consider the creation of a Tax Increment Financing District for the subject property
- Reimburse the Developer for TIF eligible expenses up to \$5 million or 50% of the total development cost of the project, whichever is less.

- Issue Developer Notes for the reimbursement of TIF eligible expenses commensurate with the development completed in each of the project phases
- Principal amount of the Note for Phase 1 shall not exceed \$1,500,000 or 50% of the development cost for Phase 1, whichever is less. The costs incurred by the Developer for creating the TIF District may be included in the development cost for Phase 1.
- Principal amount of the Note for Phase 2 shall not exceed \$500,000 or 50% of the development cost for Phase 2, whichever is less.
- Principal amount of the Note for Phase 3 shall not exceed \$600,000 or 50% of the development cost for Phase 3, whichever is less.
- Principal amount of the Note for Phase 4 shall not exceed \$2,400,000 or 50% of the development cost for Phase 4, whichever is less.
- The term of the Notes shall not exceed 20 years
- The term of the Notes shall not exceed the expiration date of the TIF District
- The interest rate on the Notes shall be 8% per annum
- The Notes shall not be a general obligation of the Village. Only the tax increment revenue generated by the project during the life of the TIF District shall be used to make payments on the Notes.
- Developer acknowledges that the revenue generated from the project during the life of the TIF District may not be sufficient to pay the principal and interest on the Notes in full.
- Village will use 100% of the tax increment generated each year to make annual payments on the Notes.

# CONCEPT PLAN - EXHIBIT A



SITE INFORMATION	
BUILDING A	±56,026 SF
BUILDING B	±43,974 SF
BUILDING C	±72,819 SF
BUILDING D	±15,678 SF
PPSD MTB	±6,000 SF
PPSD COFFEE	±2,225 SF
<b>TOTAL</b>	<b>±196,722 SF</b>

PARKING DATA	
TOTAL STALLS 877	4.46/1,000



450 E. Higgins Rd. Suite 202  
 Elk Grove Village, IL 60007  
 P 847.952.9970  
 F 847.574.8075  
 www.jtsarch.com

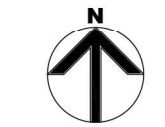
## STELCO PROPERTIES

SITE PLAN

MEADOWBROOK SHOPPING CENTER OUTLOTS

DOWNERS GROVE, IL

Date:	02/17/23
Scale:	1" = 100'-0"
Job #	3164



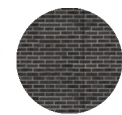
SHEET **10**

Buildings A+B - 2081-2153 63rd St.



WEST ELEVATION

MATERIALS



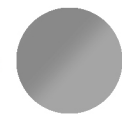
DARK STAINED BRICK



RED FABRIC AWNING



NICHIHA FAUX WOOD PANELING



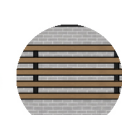
LIGHT GRAY METAL



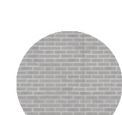
BEIGE EIFS



CORRUGATED METAL



FAUX WOOD SLATS



LIGHT GRAY STAINED BRICK



DARK BRONZE: AWNINGS, COPING, STOREFRONT

Buildings A+B - 2081-2153 63rd St.



NORTH ELEVATION

CUT LINE A



NORTH ELEVATION

CUT LINE A

CUT LINE B



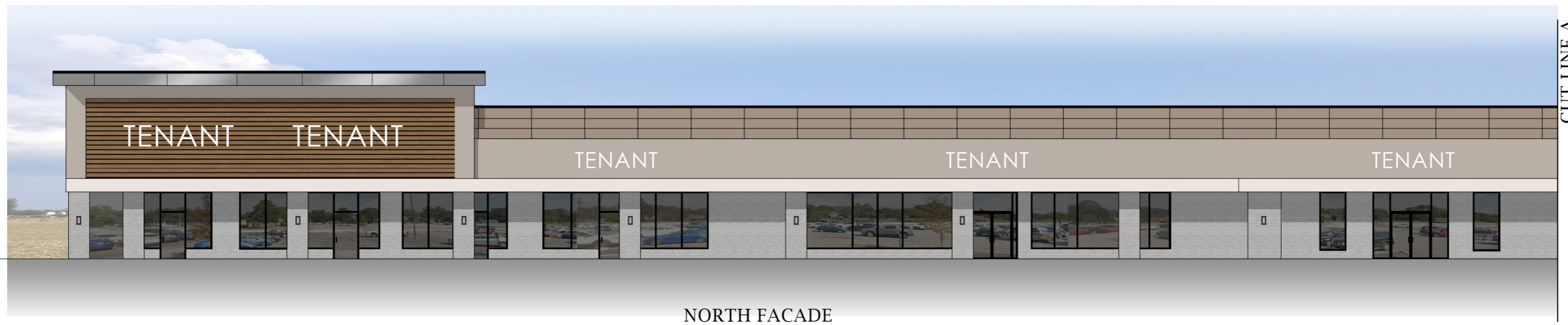
NORTH ELEVATION

CUT LINE B

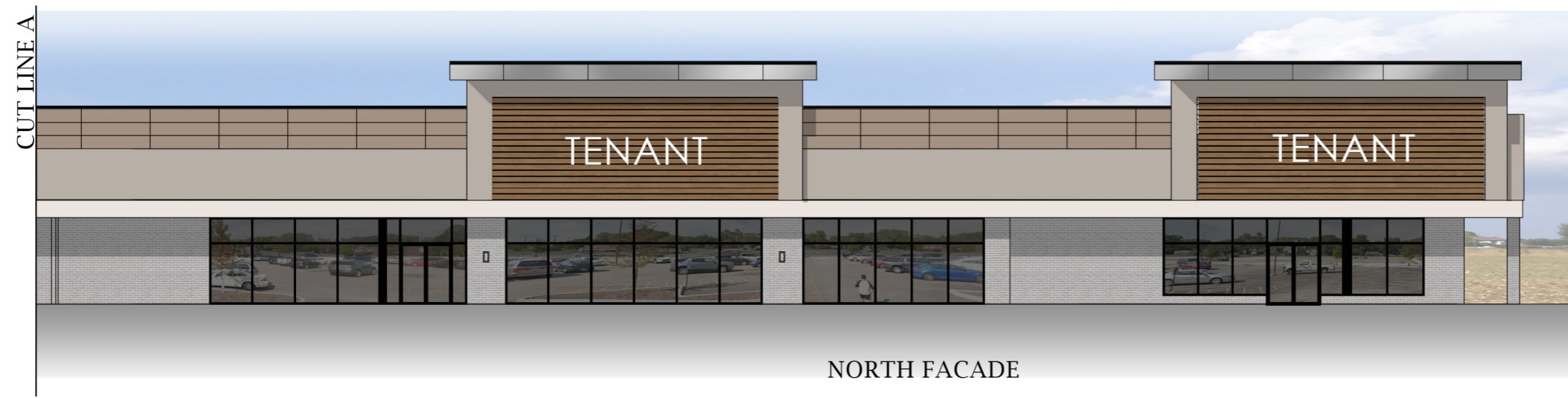
Building C - 2003-2075 63rd St.  
6310-6340 Woodward Ave.



EAST FACADE



NORTH FACADE



NORTH FACADE

Building D - 6400 Woodward Ave.

