Initiative for the Chicago Southland Transit Region

Implementation Study

Village of Homewood

August 2012
Acknowledgements

Thank you for your participation in the planning process for the Chicago Southland Transit Region Initiative Phase 2: Implementation Study (Implementation Study). The success of this planning effort is made possible through the concerted and sustained efforts, input, and insights of representatives of South Suburban Mayors and Managers Association (SSMMA), Chicago Southland Economic Development Corporation (CSEDC), Cook County Bureau of Community Development, municipal stakeholders, Regional Transportation Authority (RTA), Pace Suburban Bus, and Metra Commuter Rail.

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- **Metra Electric District Line**

- **Station Location**

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**Phase 2: Implementation Study | Context Map**
Introduction

Purpose and Scope of Implementation Study
SSMMA/CSEDC and the Village of Homewood have demonstrated significant initiative in proactively planning for and efficiently working to establish the implementation framework for transit-oriented development within the south suburban region. The Initiative for the Chicago Southland Transit Region - Implementation Study builds upon the success of the Phase 1 initiative to include the preparation of predevelopment work and associated market supportable conceptual development plans for a development site located in proximity to the Metra commuter rail transit station within the Village of Homewood. The predevelopment work and plans build off of local initiatives and momentum in the community to evaluate the potential to solicit and attract development interest from the private sector. The ultimate goal of the Implementation Study is to assist the community in realizing significant progress towards the creation of viable catalyst projects within the station area. The analysis, plans and implementation steps created as part of this process will be used as a model for implementing additional transit-oriented development throughout the south suburban region.
Where We Started

To more fully understand the issues and opportunities impacting the identified study site, various regulatory, planning, and development initiatives previously completed and/or on-going by the community were reviewed for their relevance to the goals and objectives of the Implementation Study. These documents serve as a valuable foundation upon which to identify and plan for future development that is compatible with the municipality’s desire for these key sites, sought after by potential end users and tenants, and financially supportable in the marketplace.

The regulatory, planning, and development initiative documents reviewed include:

**Village of Homewood**
- Initiative for the Chicago Southland Transit Region
- Downtown Master Plan
- Chestnut Station Development Proposal
- Making Smart Choices: Transit-Oriented Selector Analysis of South Suburban Corridors
- Zoning Regulations
VILLAGE OF HOMEWOOD

Initiative for the Southland Transit Region

In 2009 the South Suburban Mayors and Managers Association commissioned Land Vision, Inc. and its consultant team to prepare a transit study involving 36 existing and 9 proposed station areas within its jurisdictional service district. The study's aim is promoting economic development in the south suburbs by capitalizing on the region's commuter rail network and highlighting the health-related environmental and social benefits of transit. The Initiative, as it relates to the Homewood Station area, identifies existing conditions and community desires, resulting in the assignment of one of four station area typologies to describe the character, scale, intensity, and type of development envisioned for the area.

The Initiative recognizes Downtown Homewood is one of the most expansive and aesthetically appealing suburban downtowns in the Chicago metro area. Commercial redevelopment is the foremost priority for downtown Homewood in order to regain economic growth, followed by residential development. The Initiative characterizes the Homewood station area as a Multi-Use Transit Center which is envisioned as a place that has the potential to or currently serves as the economic and cultural center of the community. Characteristics of a Multi-Use Transit Center include:

- supporting of a diversity of economic / community activities;
- at least 25 trains per day, 7 days a week;
- moderate density, mix of residential, commercial, employment and civic/cultural uses; and
- community and local serving retail with some destination retail opportunity.

The Initiative relative to the Homewood Station area includes a series of Developer Typology Assignments that are intended to help communities in targeting specific types of developers using a more efficient and effective marketing and recruitment strategy. The assignments are also beneficial to the development community in helping to identify potential sites in a more user-friendly manner. The Homewood Station Area has been assigned the following Developer Typologies:

- **MU: Multi-Use** – This type of developer specializes in construction of sites with a combination of residential, commercial, industrial, office and/or institutional uses.
- **C: Commercial** – This type of developer selects commercial sites that are typically located closer to the center of the community and are already served by public infrastructure.
- **R-LD: Residential Infill: Low Density (below 5 stories)** – This type of developer has expertise in the design and construction of a variety of low to medium density housing products.
- **G-Y: Greyfield / Adaptive Reuse** – This type of developer has expertise in the rehabilitation of properties that are occupied by declining or abandoned commercial buildings such as shopping malls and big-box retail stores into market-supportable uses.
Zoning Regulations

The City’s Zoning Map, updated in 2009, designates the majority of the Homewood Station area within the Downtown Overlay (DO) district. The purpose of this district is to supplement the B-1 zoning district while allowing greater flexibility to promote a transit-oriented downtown through increased densities, adjusted parking regulations and stricter design controls for new developments of appropriate scale. Standards for the Downtown Overlay District include the following:

- **Minimum Lot Area:** 25,000 square feet
- **Residential Dwellings (per unit):** 1,100 square feet
- **Minimum Yards:** zero (if a yard is provided at the front or side it must be at least 5 feet in depth)
- **Maximum Building Height, Principal Building:** 4 stories
- **Maximum Building Height, Accessory Building:** 30 feet, but not to exceed the height of the principal building

Off-street parking requirements in the district have been reduced to encourage transit-oriented development. This deviation is allowed in recognition of the unique characteristics of the downtown area:

- Elderly Housing: 0.5 spaces / dwelling unit
- Multiple-Family Dwelling: 1.3 spaces / dwelling unit
- Townhouses: 1.5 spaces / dwelling unit
- Retail Uses: 1/300 square feet of gross area
- Sit-down Dining: 1/250 square feet of gross area
- Carry-out Dining: 1/350 square feet of gross area
- Offices: 1/300 square feet of gross area

Shared, off-street parking facilities for separate uses may be provided if the total number of spaces is not less than 50% of the separate requirements of each use, the respective hours of operation do not substantially overlap, and a legal agreement has been provided to the village. Publicly owned parking within 300 feet of the subject parking may be included as part of the required parking.

Village of Homewood Station Area Zoning
A small portion of the station area, including the Village Hall complex is designated as PL-2, Public Lands / Open Space. The purpose of this district is to protect and maintain public properties owned by the Village, the park district, school districts, and privately-owned country clubs. Standards for the PL-2 District include the following:

- **Minimum Yards:** front, side and rear yard of most restrictive adjoining zoning district
- **Maximum Floor Area Ratio:** 0.5 FAR
- **Maximum Building Height, Principal Building:** 35 feet
- **Maximum Building Height, Accessory Building:** 40 feet
- **Maximum Building Height, Accessory Structure:** 140 feet

Standards for off-street parking in the PL-2 District include the following:

- **Multi-family Dwellings:** 1.5 parking spaces / dwelling unit
- **Single-family Dwellings:** 2 parking spaces / dwelling unit
- **Most Retail Uses:** 1 space / 250 square feet of gross area
- **Restaurants:** 1/100 square feet of gross area
- **Offices:** 1 space / 300 square feet
Downtown Master Plan
The Downtown Master Plan, created in 2005, evaluated the key community asset’s land use and physical conditions and provided recommendations for enhancing the area as a thriving, mixed-use district focused on transit-oriented development. Among the key objectives identified in the Master Plan include the desire to:

- Sustain and enhance Downtown Homewood as a regional draw for the South Suburbs.
- Encourage mixed-use development of key opportunity sites to create a more active “18-hour” downtown.
- Increase commercial development to provide more goods and services for residents and visitors while enhancing the economic base of the Village.
- Increase residential densities, while providing a wider range of housing products to support transit use and new commercial activity.
- Increase ridership on both Metra and Amtrak rail lines.
- Increase and enhance open space within Downtown.
- Significantly improve physical conditions by expanding streetscape improvements to all Downtown blocks, upgrading street furniture, and improving the pedestrian tunnel and viaducts under the tracks.
- Improve multi-modal (e.g. vehicular and pedestrian) access and circulation in Downtown and to/from the abutting neighborhoods.

To promote increased density and residential uses near the train station, new mixed-use development is shown on blocks along Chestnut and Ridge Road as well as the northeast corner of Chestnut Road and Village Hall and on the block bounded by Harwood, Chestnut, Martin and Ridge.
Chestnut Station Development Proposal

The Chestnut Station development proposal was submitted to the Village in 2006 for creation of a significant mixed-use complex on the site of the Village of Homewood Municipal Parking Lot. The proposed development was the first new transit-oriented development within the Village and included a single mixed-use building fronting Harwood Avenue between Elm Road and Chestnut Road. The proposed 4 story building included surface parking for 55 spaces, 2,830 square feet of ground floor retail, and 45 residential units. The area to the rear of the building included surface parking to support the retail uses. The economic recession of 2007 prohibited the project from being implemented.

Making Smart Choices: Transit-Oriented Development Selector Analysis of South Suburban Corridors

The Center for Neighborhood Technology led, Making Smart Choices TOD Selector Analysis of the South Suburban Corridors study was completed in March of 2009. The study includes a preliminary analysis of the potential for TOD in 33 south suburban station areas.

Out of the 33 stations evaluated, the TOD Selector Analysis ranked Homewood:

» 19th in ease of land assembly
» 14th in market strength for Town Center development
» 14th in market strength for Community Area development
» 23rd in market strength for Residential development

The study concludes that Homewood demonstrates a strong potential to develop as a Town Center TOD. The study indicates that the Homewood Station holds the second highest position as an existing Town Center because it harbors one of the richest mixes of convenience and specialty retail businesses in a south suburban station area and serves market functions for neighboring communities. The study also indicates that Homewood shows less potential for retail growth because it shares its market area with a power center along Halsted Street but if additional dense housing and office development were built in Homewood, this would help attract retail businesses while ensuring the area’s position as a regionally significant TOD Town Center.
EXISTING CONDITIONS / VISUAL ASSESSMENT

In order to be able to effectively and efficiently plan for development that is feasible in consideration of political and market realities, it is imperative that the underlying physical and market conditions impacting a site be carefully evaluated and understood. In relation to the identified study area site for Homewood, this process involved an assessment of the existing land use, access/circulation, infrastructure, and market conditions of the specified sites and where appropriate surrounding contextual areas. This scope of this assessment is not intended to represent a traditional due diligence evaluation for the site. The evaluation and assessment are based upon the following elements identified below and prepared in conjunction with this study as well as the consultant team’s collective and individual knowledge regarding the study site:

» review of available background planning, studies, reports, regulations, and proposed development programs;

» interviews with site and community stakeholders including property owners, municipal officials, developers, brokers, and local agencies/institutions; and

» visual assessments of the site and its respective development context in conjunction with evaluation of available infrastructure and real estate market conditions.
The Homewood study site is comprised on an “L” shaped collection of parcels with partial frontage along Harwood Avenue (150 feet), Ridge Road (125 feet), Chestnut Road (300 feet), and Martin Avenue (300 feet). The 1.5 acre site is currently occupied by commercial/office (Great Lakes Bank) and auto-oriented (John’s Auto Service) uses along with their supporting surface level parking. The site is located in the heart of Downtown Homewood, abutting the Metra Electric District Line, Metra Station and Amtrak Station to the west and surrounded by small scale mixed-use development to the east and south. The Homewood Village Hall, Fire and Police Department and their associated surface parking are located to the north of the study site. Additional mixed-use development is located along Dixie Highway as well as St. Joseph’s Catholic Church and School.
Access and Circulation

Vehicular access to the study site is provided directly by Chestnut Road, Martin Avenue, and Harwood Avenue. These local streets are fed via Dixie Highway (north/south) or Ridge Road (east/west), both of which serve as collectors for vehicles moving into and through Downtown Homewood. Ridge Road is a direct connection to the Metra Station for vehicles traveling from east to west and terminates at the Harwood Avenue in front of the Station. Despite the ease of access directly to the site, Downtown Homewood is sometimes perceived as difficult to find for non-residents due to its isolated position from surrounding areas to the north and west as a result of how the train tracks diagonally cut through the area. Unfortunately, this is an issue that is unlikely to be resolved.

In addition to vehicular access, transit service to the study site is available via both Metra commuter and Pace suburban bus service. As mentioned previously, the Homewood Metra Station, along the Metra Electric Line, is located immediately adjacent to the study site to the west and provides direct trains to and from the City of Chicago. Average daily ridership from the station is approximately 1,456. Pace has three routes in proximity of the site. These include Routes 356, 359 and 372 which have stops at the Homewood Metra Station.

Non-motorized (a.k.a. pedestrian) access to the study site is provided via existing sidewalks along Harwood Avenue, Ridge Road, Martin Avenue, and Ridge Road. A below grade pedestrian (i.e. tunnel) track crossing is provided near the site to allow persons to safely cross between the east and west sides of the Metra tracks. The pedestrian tunnel also serves to connect the commuter parking lots located on both sides of the tracks. Bicycle parking is located adjacent to the Metra station, along Harwood Avenue as well as at Village Hall to the north of the site.

Infrastructure

Municipal Utilities

The study site is serviced by public water supply facilities. There are a 20” and 6” water mains on Harwood Avenue, a 10” water main on Chestnut Road, a 12” water main on Martin Avenue, and a 10” water main on Ridge Road. Chestnut Road, Ridge Road, and Harwood Avenue contain 10” Village-owned sanitary sewer lines. These lines continue north along Harwood Avenue and then outlet into Dixie Highway right-of-way. There is a Village-owned storm sewer south and east of the study area including an 8” storm sewer collection system on Martin Avenue, extending from Ridge Road to Chestnut Road and then outleting to Dixie Highway. There is also a small segment of storm sewer at the intersection of Ridge Road and Harwood Avenue that outleting to the railroad right-of-way.

Public Utilities

Communications utilities near the study area are provided by AT&T and Comcast. Overhead power lines extend on the east side of Harwood Avenue to serve the site. The overhead lines enter the property south of the auto service shop and extend to Martin Avenue. For natural gas supply, the study area is served by an existing low pressure 2” line that runs along Chestnut Street, Harwood Avenue, and Ridge Road.

Drainage

The most recent Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map and National Wetlands Inventory Map for Homewood were reviewed to determine if the property is in either the 100-year or 500-year flood zone. The site does not appear to be in the flood zones or within the National Wetland Inventory.
**Real Estate Market Observations**

The existing characteristics of Downtown Homewood, established as a traditional 19th century “central business district”, and coupled with relatively high average household incomes ($75,000), existing business anchors, and location of the Metra Station offers meaningful development opportunities for nearby properties (e.g. study site). As a community, Homewood has strong income and education levels as well as overall sales tax revenues (includes the Downtown and Halsted Street Corridor). The identified study site is located within a 5-minute drive market containing nearly 11,000 employees and 21,000 residents.

As mentioned, the positive aspects of the Downtown Homewood do provide opportunities for the study site but these must be balanced with the individual realities of the site itself. Specifically, the site’s limited visibility from a commercial perspective, low traffic counts, and perceptual access difficulties for non-residents/visitors narrow the number of potentially viable development options. To overcome some but not likely all of these issues, future development on the site should be geared toward non-auto dependent uses and/or unique or destination-oriented uses in a way that makes people willing to “discover” them in a less auto-accessible location. The type, configuration and percentages of development (retail, office, entertainment, residential, other) will be dependent on market demands. Within the current economic conditions (circa 2012), a combination of mixed-use commercial/residential with a stronger focus on market rate rental products may present the greatest opportunity in the near term.

**Municipal Incentives and Utilization Tolerance**

During its long history the Village of Homewood has used various financial development incentives to attract and support desired business, industry, and institutions throughout the community. In regards to the Village’s key commercial/retail and industrial districts these have included but are not limited to:

- Tax Increment Financing
- Property Tax Rebate
- Sales Tax Rebate
- Cook County Class 6b Designation
- Cook County Class 8 Designation
- Planned Unit Development (PUD)
- Zoning Variances

Tax Increment Financing for a variety development projects including the Halsted Street corridor (e.g. Washington Park TIF and 175th Street TIF), Downtown, and Ridge Road have been implemented by the Village. The Washington Park TIF includes both sides of Halsted Street near the former Washington Park race track. The district has supported major commercial development in the area for the past twenty years. The 175th Street/Halsted Street TIF includes the former Homewood Hotel and is designed to support commercial and industrial development. Two TIF districts exist in the downtown. The original Downtown TIF is set to expire in three years and has been used to implement many of the recognizable area improvements (e.g. façade renovation, streetscape enhancements). A new district along the north and south side of Ridge Road will serve to support new development and growth for this key east-west corridor through the downtown.

In addition to the use of various TIF incentives, Homewood has also extensively used the Planned Unit Development (PUD) process, zoning variations, sales and property tax rebates, as well as Cook County’s Class 6 and Class 8 property tax incentives to assist in securing desired development projects. The provision of the appropriate municipal development incentives are reviewed and approved on a case by case basis to ensure their ability to efficiently deliver the intended results for the municipality.

Village elected officials and staff are open to consideration and flexible in regards to the use of all reasonable municipal initiatives which may be necessary to further develop this study area in the downtown.
Stakeholder Interviews

In order to understand the development desires, potential, and limitations inherent at the project study site, interviews were conducted with a representative collection of stakeholders in the community. Stakeholders were individually contacted and asked to provide their input on topics including the history of their property, any plans for expansion, renovation or sale, whether proximity to the Metra station was seen as an amenity, and any assistance that could help them progress towards their goals.

The following is a summary of input/comments collected during each of the respective stakeholder interviews. The individual responses have been organized and paraphrased where appropriate to reflect a focused overview of the applicable study site location and its immediate surroundings. A summary overview of the responses for the site is also provided.

VILLAGE OF HOMEWOOD

As part of our stakeholder outreach process, the Land Vision team met with a representative collection of stakeholders in and around the project site. These stakeholders included the Village of Homewood, representatives from Great Lakes Bank and Ravisloe Country Club and owners of various properties along Ridge Road. At the direction of the Village, the Land Vision team also interviewed the Director of the Kohl Children’s Museum of Greater Chicago. The following stakeholders were interviewed through this process:

- Paula Wallrich, Community Development Director - Village of Homewood
- Mark Franz, Village Manager (former) - Village of Homewood
- Jim Marino, Assistant Village Manager - Village of Homewood
- Mike Burns, Owner and Tenant - Tin Ceiling Tavern – 2012 Ridge Road
- Mike Ryan, Owner and Tenant - 18022 Dixie Highway
- Joshua Budny, Owner and Tenant - 18017-18020 Harwood Avenue
- Bill Butcher, Owner and Tenant – 2044 Ridge Road
- Tom Angler, President - Great Lakes Financial Resources – 2034 Ridge Road
- Mike Mizyed, Tenant of Marathon Gas Station – 2000 Ridge Road
- Patti Barnum, Owner and Tenant – 2018 Ridge Road
- Louis Siciliano, Owner and Tenant – 2050 Ridge Road
- George and Wilma Chiagouris, Owner – 2022 Ridge Road
- Herman Tieri, Owner - 2048 Ridge Road
- Claude Gendreau, Owner - Ravisloe Country Club
- Sheridan Turner, Director - Kohl Children’s Museum of Greater Chicago
Interview Summary

The Homewood study site is viewed by the Village of Homewood as potential catalyst site for greater downtown development. After reviewing stakeholder feedback it is clear that redevelopment efforts should focus on the Great Lakes Bank property. The Bank property includes an older building with the capacity for adaptive reuse as well as large, underused surface parking and drive-through areas. The proximity and visibility from the Homewood Metra Station makes the Bank property a critical redevelopment site for the station area. Because of its size and ownership patterns, the potential for a significant project in this location is greater than in other areas along the fine-grained Ridge Road corridor. Feedback from the interviews suggests that apart from Great Lakes Bank and the Ryan Funeral Home, most smaller stakeholders were generally content with retaining ownership and operation of their properties. By focusing our efforts on the area with the highest likelihood of potential change, we will be able to create financially and politically realistic development scenarios while assisting the Village in understanding key implementation steps. By removing many of the Ridge Road parcels from the focus area, we are identifying “areas of preservation” while lessening redevelopment fears and helping to build support for greater downtown investment.

The challenges to redevelopment of the study site include but are not limited to the lack of significant drive-by traffic and visibility on three sides of the block, issues relating to condition and potential for adaptive reuse, and the creation of feasible parking solutions for higher intensity development. Generating viable concepts for redesign or relocation of the auto service use on Harwood Avenue will also be integral to the success of the study site redevelopment.

The next steps in the planning process should involve a more detailed look at development prototypes for the study site with a strong focus on mixed-use configurations and implementable parking solutions. Additional conversations with the Village of Homewood, Great Lakes Bank and John’s Auto Service may also be necessary in determining implementation steps and project phasing as well as general concept feasibility.
Village of Homewood
Stakeholder Interview Contacts:
Paula Wallrich – Community Development Director
Mark Franz – Village Manager (former)
Jim Marino – Assistant Village Manager

» The Great Lakes Bank is discussing selling and vacating the 2034 Ridge Road property. Currently, the Bank employs less than 10 employees in the building.

» In addition to Bank employees, there are currently 15-20 employees at the insurance company on the second floor. The insurance company is also planning on vacating the Great Lakes Bank Building.

» The Village recognizes the significance of this change to downtown and is interested in exploring adaptive reuse concepts for the Great Lakes Bank building as well as complete redevelopment of the property.

» In terms of implementation funding, the Village of Homewood is interested in knowing the criteria for using SSMMA transit-oriented development grant funds, which were allocated by the Department of Housing and Urban Development (HUD).

» The Village may have some hesitation about rental housing based on previous proposals. The Village feels that such a project would have to be high-quality and generally appeal to an upscale market.

» The Village has considered a children’s museum in downtown Homewood and has been discussing this concept with the Kohl Children’s Museum. At this time, the Kohl Children’s Museum is not planning on expanding to Homewood, though there may be other groups that could be interested.

» The Village has developed a series of feasibility concepts for site locations for a children’s museum including the Ryan Funeral Home building. The Ryan Funeral Home is looking to consolidate operations to their other funeral home at Dixie Highway and 183rd Street.

» In 2005, Mesirow Stein / Morningside Equities proposed a redevelopment called Chestnut Station which was to include 48 condominiums on the surface parking lot next to Village Hall. This proposal never went forward due to real estate market conditions worsening in 2006.

» The Village is interested in age-restricted housing as an element of downtown development and may want to see the concept explored on the study site.

» The Village feels that by building off of surrounding unique assets, especially the Ravisloe Country Club, downtown can become more of a local and regional destination. The Ravisloe Country Club has been very successful and is seeing high bookings for weddings and special events. Successful outdoor concerts have also been occurring at Ravisloe, drawing hundreds of people to central Homewood.

» In assessing redevelopment concepts, the Village feels that densities and heights for new buildings downtown are “wide open.” Through this process, the Land Vision team will analyze a range of development intensities that are both feasible and appropriate for downtown Homewood.
**2012 Ridge Road – Tin Ceiling Tavern**

**Stakeholder Interview Contact:**
Mike Burns – Property Owner and Tenant

» The Burns family are long-term stakeholders in downtown and have owned the Tin Ceiling Tavern for 16 years.

» They are interested in making minor building improvements including tuckpointing and awning replacement. In order to enable these improvements, they are considering applying for TIF funds. The Burns family would be interested in redoing the upstairs apartment in the future.

» The Tin Ceiling Bar includes an upstairs apartment where the owner’s children live. Because of the noise from the bar below, the apartment upstairs is most ideal for younger folks.

» The Burns family would consider selling their business and retiring in a few years. Their children generally aren’t interested in taking over the tavern.

» Proximity to Metra is seen as a major benefit to their location on Ridge Road. Several customers stop at the Tavern on the way home from work.

» There are a total of 9 parking spaces located behind the bar. The Burns family hasn’t had any problems with parking demand.

» In general, the family feels that it is important to have a cluster of good restaurant options in the downtown area. This cluster will help to create a district that will benefit both new and existing businesses.

**18022 Dixie Highway – Ryan Funeral Home**

**Stakeholder Interview Contact:**
Mike Ryan – Property Owner and Tenant

» Mr. Ryan was on the Village Zoning Board for 12 years and has been a long-time supporter of downtown Homewood.

» The Ryan family has another funeral home in the area and doesn’t see the need for two overlapping facilities. He has listed and is actively trying to sell the funeral home property, which he has owned since 1963. The property is listed for approximately $800,000. There are no environmental issues on the property.

» Mr. Ryan feels that Downtown Homewood has a welcoming pedestrian environment and would generally be open minded to additional streetscape and sidewalk improvements that help support this character.

» He generally feels that there is a lack of parking for some businesses in the Downtown. This observation seems to focus on the need for convenient customer parking in highly visible locations.

» Mr. Ryan feels that Downtown has to have unique attractions in order to draw people and become a true local and regional destination.

» He feels that the Village should be building off of the proximity to the Metra train while creating a high-quality walking community. Mr. Ryan thinks it is great the Village is being proactive in attracting transit-oriented development to the station area.

» In terms of land uses, Mr. Ryan feels that there is a lack of quality hotel space in the Homewood area, especially in the vicinity of downtown. He generally feels that there are too many beauty parlors downtown that offer the same types of services.

» Because of the range of retail and services as well as transit access and walkability, Mr. Ryan believes that Downtown Homewood is the perfect place for senior housing.

» Mr Ryan is also very interested in knowing what incentives are out there for redevelopment, other than TIF.
18017-18020 Harwood Avenue
Stakeholder Interview Contact:
Joshua Budny – Property Owner and Tenant

Mr. Budny is primarily involved in brokerage sales and leasing management. Mr. Budny bought 18017-18020 Harwood Avenue in 2004 as an income property. When purchased, the building needed a lot of work, most of which has been completed. He generally feels that his building is ideal for lawyers or other small office users.

His building is directly across from the Metra Station, has a total of 8 office units with 1 current vacancy. Juice nutrition and Mary’s Health are current tenants in the building. The current tenants pay approximately $1,850 / month for 1,300 sf.

He feels that rumors of downtown redevelopment have made it more difficult for him to rent space in his building. He feels that possible tenants are unsure about the Village’s goals for downtown and fear being removed as part of an urban renewal process. Mr. Budny and his family are worried about redevelopment and concerned that the Village is making it difficult for them to control their property.

Mr. Budny feels that the proximity to the Metra station is a major amenity for his property.

In terms of area context, they are generally indifferent to the auto repair shop next door.

The Budny’s believe that they have more than enough parking to suit their needs though assigned parking could help make it more difficult for commuters to park illegally within their lot.

Though he generally tries to avoid renting to riskier businesses, Mr. Budny would consider any allowable uses, including restaurants or retail if approached by a prospective tenant.

The Budny’s would also consider selling the building in the future.

2044 Ridge Road
Stakeholder Interview Contact:
Bill Butcher – Property Owner and Tenant

Mr. Butcher is a probate attorney and purchased 2044 Ridge Road in 2000. He feels that his location is very appealing for attorneys, especially since they can get downtown and back easily via Metra.

He doesn’t have many parking needs for his business and feels it is not hard to park in Downtown Homewood. He believes that it is often a parking perception problem rather than an actual parking problem.

Mr. Butcher would like to remain in his building for some time. Moving to a new location would be difficult as he feels that this is the best local area for his business.

Mr. Butcher would consider long term redevelopment of his property including the addition of housing over the existing office space as this would actually help gain him a tax break.

He is interested in redevelopment happening downtown and uses La Grange as an example of local community that has seen successful redevelopment.

Mr. Butcher feels that businesses are always changing, especially retail and isn’t particularly concerned with recent vacancies in the downtown area. In general he would love to see more upscale boutiques downtown to help draw people from surrounding areas. He also feels that Homewood restaurants are considered upscale and draw from a regional area.

He feels that a lot of south suburbs are currently struggling and that Homewood is holding on better than most.

Mr. Butcher thinks that the Homewood Amtrak station needs to be redeveloped and that a brewpub, similar to the one at the Flossmoor Metra station would be a great addition.

In terms of housing development, he feels that residential units in Homewood have to be below $300,000 to be feasible.
2034 Ridge Road – Great Lakes Bank
Stakeholder Interview Contact:
Tom Angler – President

» The Bank bought the 2034 Ridge Road property in 1988.

» Plans for the Bank include selling the property or leasing out a small portion of any redeveloped buildings for a smaller Bank branch.

» The principal building on the site, fronting Ridge Road, is approximately 25,000 sf.

» At one time, the bank discussed buying the auto service shop near the Metra station. They were unsuccessful in this Endeavour.

» About 8 years ago the Bank was approached by a developer who was interested in building a 4-story mixed-use project. The Bank feels that the Homewood Planning Commission was not very supportive of this proposal, which ultimately was unfulfilled.

» At one time, the Bank also discussed swapping the 2034 Ridge Road property with another local property owner.

» In the creation of a new development on the study site, the Bank could possibly be a lender on the project.

» The Bank could foresee a joint development RFP with the Village. Mr. Angler feels that there needs to be three players in any successful redevelopment: The Bank, a developer, the Village.

» The insurance company which is located on the 2nd floor will be vacating the building shortly, leaving only Bank employees in the building.

» Mr. Angler generally feels that downtown needs a jumpstart and a catalyst project for redevelopment.

» In terms of redevelopment of the study site, there are no known environmental issues on the property.

» At this time, the Bank doesn’t utilize the drive-through area of the facility at all.

» The Great Lakes Bank officials currently are having a hard time “seeing their way out of this property.”
2000 Ridge Road – Marathon Gas Station

Stakeholder Interview Contact:
Mike Mizyed - Manager

- The owner bought the gas station at 2000 Ridge Road in 2008. The Marathon company has 2 years left on their existing lease as well as an option for a 5 year extension.
- $38,000 has been spent in upgrading the property. The station owner took advantage of a green grant for some of the improvements.
- The station has generally been having “decent, steady” business over the last year.
- Mr. Mizyed, the manager of the gas station, loves working in Downtown Homewood. As a location, he feels that the site has easy access because of its corner orientation. He also feels that because of its convenience, a lot of pedestrians stop at the station to buy food or snacks on the way to the Metra station.

2018 Ridge Road

Stakeholder Interview Contact:
Patti Barnum – Property Owner and Tenant

- Ms. Barnum runs the Karate for Kids studio at 2018 Ridge Road. She has been in business for 25 years and in the building for 22 years. Her studio has been rated in the top 15% of martial arts schools nationwide.
- Previously, Ms. Barnum owned 2022 Ridge Road, the property at the northeast corner of Ridge Road and Martin Avenue.
- Before opening her studio, she was formerly the superintendent of the Country Club Hills Park District. Ms. Barnum was also one of the first female martial arts trainers in the area.
- Her business is down due to additional local competition. There are 3 new martial arts schools that have recently opened in the downtown Homewood area.
- She generally draws students of all ages from about a 4 mile radius of downtown Homewood. Most students are dropped off at her building, though some children arrive via Metra. At times visitors to the region come from Downtown Chicago on Metra to train and work out at her facility.
- She feels that there is a lack of parking enforcement in the area, often times commuters will illegally park in her lot.
- The studio is generally busiest during the evenings when students arrive after school or work.
- The building at 2018 Ridge Road is approximately 4,000 square feet in size. Ms. Barnum has no current plans for expansion.
- In terms of a downtown mix, she feels that her business could have compatibility with dance and music studios and also thinks that a children’s museum would be a great fit in Downtown Homewood.
- Ms. Barnum would like to see more shopping options downtown and feels that the downtown environment is very pedestrian friendly and attractive.
- In the future, Ms. Barnum may be open to sell the 2018 Ridge Road building.
**2050 Ridge Road**

**Stakeholder Interview Contact:**
Louis Siciliano – *Property Owner and Tenant*

» Mr. Siciliano bought the 2050 Ridge Road building in 2001. The historic building was constructed sometime around 1930.

» In purchasing the building, he felt that the proximity to the Metra station was a tremendous asset. He often takes Metra into downtown Chicago for both business and pleasure.

» Mr. Siciliano is interested in rehabbing the 2050 Ridge Road structure sometime in the next 3 years. He has architectural plans to double the space of his office by adding to the back of the buildings. In addition to this, he would also like to add a garage to the rear.

» Mr. Siciliano believes that Homewood is an attractive community and is generally stable. He lives on the west side of the Village near 184th Street. He feels there will be a large pent-up demand for real estate as we come out of the recession.

» His son lives in a residential unit on the upper floor and is a local fireman.

» He generally feels that the surface parking lot to the rear of his building could be better organized.

» He would like to see more creative businesses in downtown Homewood in order to elevate its status as a local and regional destination.

» Mr. Siciliano doesn’t think any physical streetscape improvements are necessary and that the walking environment, especially on Ridge Road, is in good shape.

» In general, he thinks present structures in downtown Homewood should be rehabbed to retain the historic charm and character of the community.

**2022 Ridge Road**

**Stakeholder Interview Contacts:**
George Chiagouris – *Property Owner and Tenant*
Wilma Chiagouris – *Property Owner and Tenant*

» The Chiagouris family purchased the 2022 Ridge Road property near the corner of Ridge Road and Martin Avenue in 1994. This property includes a wide variety of local businesses including the Homewood Skate Shop, the Chamber of Commerce, the Health Hut and an insurance company.

» The Homewood Skate Shop is a staple of downtown Homewood and has been in this location for nearly 30 years.

» In terms of repairs, they recently installed a new roof, air conditioning and a furnace to the property.

» The Chiagouris family likes to generally keep rents affordable in order to retain tenants. None of their spaces are ever empty for more than 2 months. Current rental include:
  ▫ **Chamber of Commerce** - $650 / month.
  ▫ **The Health Hut** - $700 / month.
  ▫ **Homewood Skate Shop** - $500 / month.
  ▫ **Insurance company** - $750 / month.

» Two upstairs apartments over the commercial uses typically rent for $500 - $595 / month.

» The Chiagouris family will be considering rent increases in the near future.

» The family doesn’t feel that they have a parking problem as they have 8 spaces to the rear of the building. In the past, they have worked out shared parking arrangements with Ryan Funeral Home for the Funeral Home’s uses.

» The Chiagouris Family feels that Homewood has always been a nice, stable community.

» They have no short or long-term plans to sell their property.
**2048 Ridge Road**

*Stakeholder Interview Contact: Herman Tieri – Property Owner*

- Mr. Tieri has owned the building at 2048 Ridge Road for over 40 years. Because of family issues, Mr. Tieri is considering selling his property. He is generally interested in liquidating some of his real estate assets.
- 2048 Ridge Road was built around 1910 and is one of the oldest buildings in downtown Homewood. Over the years, Mr. Tieri has done quite a bit of renovating work to keep the property in good shape.
- In terms of tenants, the overall occupancy of the building is usually around 80%. Mr. Tieri currently has 5 tenants with 100% occupancy.
- The building includes a 2-bedroom apartment on the second floor where one of the commercial business owners lives.
- Mr. Tieri feels that many of his tenants have located to his building due to the close proximity of the Metra station.
- His rents include the following:
  - 1,000 square foot spaces on the ground floor for about $875/month
  - 1,000 square foot spaces on the second floor for about $725/month
- Up until the recent recession, Mr. Tieri believed that downtown Homewood had been very healthy, lively and active.
- Mr. Tieri generally feels that Homewood is a stable community and will do well in the future.

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**Ravisloe Country Club**

*Stakeholder Interview Contact: Claude Gendreau – Property Owner and Tenant*

- Mr. Gendreau purchased the Ravisloe Country Club several years ago. When he was first looking at acquiring the property, the proximity of the Metra station essentially sold him on the investment.
- Mr. Gendreau feels that the Great Lakes bank property is the “best address in the Village,” especially with its proximity to the Metra Station.
- He would like to see more mixed-use development and density in downtown Homewood. He may be interested in investing in the adaptive reuse of older buildings.
- Mr. Gendreau believes that it makes sense to try to develop more urban lifestyles. He thinks we should increase the gas tax to promote transit use and that as a society we need to promote good behavior as a way of helping the environment.
- He feels we need to improve both public transportation and the downtown Homewood environment in order to increase investment.
- Mr. Gendreau has a goal of drawing more visitors to the Country Club by advertising in Downtown Chicago hotels.
- He feels that Homewood has many positive characteristics and wants to be a part of Homewood long-term.
- In addition to downtown properties, Mr. Gendreau feels that there is some underutilized space on the Country Club property that could also be developed.
- The Country Club includes an outdoor concert venue that has been very successful, all concerts so far have been sold out. Building off of these types of events could help the greater downtown area.
Kohl Children’s Museum of Greater Chicago
Stakeholder Interview Contact:
Sheridan Turner – Director

» The Kohl Museum is totally independent and requires no public funding.

» They currently have 18,000 square feet of indoor space along with 2 acres of outdoor space in Glenview and draw approximately 350,000 people a year.

» Though the Village has discussed the topic of opening a downtown museum with them recently, the Kohl Children’s Museum has no current expansion plans.

» Ms. Turner would be willing to assist the Village in a consultant role if they wanted to move forward with plans for a museum with another group.

» She feels that Homewood should conduct a feasibility study for a children’s museum before factoring it into the long-term vision for downtown.

» Ms. Turner expresses that there are costs in running and sustaining a museum over time and that the Village needs to carefully consider the concept in its totality.

» The closest children’s museum to Homewood is in Oak Lawn, about 15-20 miles away.

» Ms. Turner believes that the success of a museum will be heavily dependent on local financial capacity.

» The Kohl museum hosts many school groups and birthday parties and they generally draw customers from a radius of 15-20 miles. She doesn’t think they get many kids from the south side.

» Attendance has been pretty stable over the past 5 years though she feels they could do a bit more marketing to attract new customers.

» Because of the economy, they are seeing more birthday parties, but less field trips and corporate events have been reduced dramatically.
Defining the preliminary Conceptual Development Vision for the study site takes into consideration a diversity of competitive but equally important components. These include but are not limited to the:

» expressed development desires of the community;
» underlying zoning, land use, and infrastructure capacity and suitability;
» site acquisition and/or ownership willingness to participate in development/redevelopment initiatives;
» market/financial feasibility of the envisioned product type(s);
» identification and engagement of the proven private sectors partners; and
» political will to assist in successful project implementation.

Through the site and market evaluations, stakeholder interviews, and expressed desires of the community, the following preliminary Conceptual Development Vision Statements have been physically and financially tested for the study site. Two concepts for the site have been evaluated to allow for comparison of both a moderate/high and low/moderate intensity development for the site.
VILLAGE OF HOMEWOOD – Study Site

Concept A – Moderate/High Intensity:

Homewood’s downtown study site is benefited by the district’s established mixed-use character and diverse collection of retail, commercial, office, and entertainment uses as well as adjacency to the Metra Station. These assets, combined with overall size of the development site and adaptive reuse potential of the Great Lakes Bank building help to guide the conceptual development opportunities for the site. The Great Lakes building’s existing prominence along Ridge Road has the potential via adaptive reuse to serve a combination of retail, office, and/or entertainment uses. The northern portions of the site (currently used for surface parking) with their reduced visibility but enhanced proximity to the Metra Station demonstrate opportunities for residential uses and some limited commercial or mixed-use along Harwood Avenue. Beyond the Great Lakes building, structural heights may be between 4-6 stories depending on adjacent uses.

Access and circulation to the site will continue to be provided via the existing grid network with ingress/egress to be provided from Ridge Road, Harwood Avenue, Chestnut Road and/or Martin Street. Pedestrian accessibility will come from the existing sidewalk network with internal circulation as appropriate to ensure convenient connectivity to the Metra station and over all downtown district.

Dedicated open space and landscaping may be provided via a pocket park at or near the corners of Chestnut Road and Harwood Avenue and/or Martin Avenue as well as along the periphery of the site. Given the strong urban fabric of the downtown district, large open spaces are not envisioned to be included as part of the project.

Off-street parking for the envisioned uses may be provided at a ratio of 1.3 spaces per residential unit within a midblock parking structure. Lower per unit parking ratios may be possible depending on the type of residential development selected for the project. The structure may be able to be developed so as to allow for shared public and/or commuter parking, thereby addressing an expressed issue within the downtown (i.e. shortage of parking). A public-private partnership may be able to be explored to assist in financing the shared parking structure.
Homewood Concept A – Moderate/High Intensity:

Site Area: 90,678 square feet (2.08 acres)

Building Height: 5 stories (56 feet)
» 5 stories residential
» 2 partial stories parking

Building Square Footage: 164,120 square feet
» Residential total: 106,048 square feet
» Garage total: 58,072 square feet

Residential Units: 94 units (950 square feet/unit)

Adaptive Reuse: 14,150 square feet

Parking: 154 spaces (2-level structure)
Concept B – Low/Moderate Intensity:
Preservation of district character, specifically as it relates to height and density, may be balanced with the financial realities of modern site acquisition and development costs. The trade-offs necessary to achieve this balance may come from both creativity and flexibility on the part of the City and developer in regards to development requirements for the project. Immediate adjacency to the Metra station may allow for 3-4 story, market-rate rental residential uses to be viable if carefully designed and constructed to meet the specific demands of the target user. Unit sizes, amenities, building materials, and finishes will all effect the financial viability of the project. Adaptive reuse of the Great Lakes building or redevelopment will be dependent on the physical condition of the structure.

Access and circulation to the site will continue to be provided via the existing grid network with ingress/egress to possibly be provided from Ridge Road, Harwood Avenue, Chestnut Road and/or Martin Street. Pedestrian accessibility will come from the existing sidewalk network with internal circulation as appropriate to ensure convenient connectivity to the Metra station and over all downtown district.

Open space and landscaping may be provided as an aesthetic buffer along the periphery of the site. The proximity to Irwin Park and the Homewood Railfan Park on the west side of the Metra tracks reduce the need to provide dedicated open spaces within the project.

Off-street parking for the envisioned uses may be provided at a ratio of 1.3 spaces per residential unit, 1 space per 300 square feet for office/retail or other similar uses. Surface level parking may be provided at the rear of proposed structures to be located on the site.
**Homewood Concept B – Low/Moderate Intensity:**

- **Site Area:** 90,678 square feet (2.08 acres)
- **Building Height:** 4 stories (45 feet)
  - 3 stories residential
  - 1 story parking
- **Building Square Footage:** 158,559 square feet
  - 35,809 square feet per story
  - Residential total: 107,427 square feet
  - Garage total: 51,132 square feet
- **Residential Units:** 96 units (950 square feet/unit)
- **Adaptive Reuse:** 14,150 square feet
- **Parking:** 136 spaces (1st floor structure)
Preliminary Pro-Forma Evaluations

To begin to understand the potential feasibility of market desired development projects for the stakeholder community development site, a series of preliminary pro-forma evaluations were prepared for the identified study site. These preliminary evaluations were designed to correspond with the Conceptual Development Visions designated by Homewood. On the site, a low/moderate and a moderate/high intensity development option was designed and tested.

The preliminary pro-forma evaluations demonstrate the relationship between density, tenant revenue, rental rates, and developer capitalization rates as they relate to project type and mix and thereby inform and strengthen the decision making process. The preliminary pro-forma evaluations provide the Village of Homewood with a broad “bird's eye” view as to whether the project is practical and feasible. Where the practical and financial validity of the proposed concept is verified, the stakeholder municipality can then determine the appropriateness of soliciting interest from the development marketplace. It should be noted that the preliminary development pro-forma evaluations are not intended to represent or replace the need for a developer’s formal pro-forma. Such detailed pro-forma’s can only be prepared by a developer once the project is made available to the marketplace.

The preliminary pro-forma evaluation tables (as read from left to right) provided below each of the conceptual development visions are intended to do the following:

- Apply market feasible rent per square foot estimates to produce the approximate annual revenue (a.k.a. gross income) that may be generated for each conceptual project (deductions for new building operating expenses can be made by a developer as part of a more detailed pro-forma).
- Calculate a project value for each development by utilizing the annual project revenue estimates and applying a market supportable capitalization rate (a.k.a rate of return) of 8%.
- Identify and examine the development costs (i.e. hard, soft, parking, and land preparation costs) to build the conceptual project in consideration of the identified project value and cash flows generated with an 8% rate of return.
- Calculate a land value by subtracting the construction costs, soft costs, parking costs, and site preparation costs (including detention) from the estimated project value. The total of development costs subtracted from project value will equal the amount which the developer can pay for the land (e.g. $+ or $0 or $-). In the case of a negative land value ($-) the developer would pay nothing for the land and the conceptual project is still in the hole assuming the requisite 8% rate of return for the developer. The land value is the last entry because the value of the land is what the project allows the value to be not what a property owner wants or what an appraisal might suggest.
- Identify market comparable “estimated land value” as found for comparative rates/prices for similar sized land in the region. Based upon the comparables found in the marketplace, the cost of land does not appear to be significant factor/calculation in these scenarios.
For each of the scenarios presented, it should be noted that municipal partnering will be required. Such partnering may involve at a minimum land purchase and/or infrastructure improvements. Other incentive participation may also be necessary. Tax Increment Financing (TIF) is anticipated to be used as a primary partnering resource in cooperation with other potential sources as part of a broad “municipal tool kit.”

The scenarios as presented begin to demonstrate to the stakeholder municipality how practical the conceptual project may be and how manipulation of the input assumptions may significantly alter the potential feasibility of the project (e.g. rent assumptions, capitalization rate, construction costs, site prep costs, others). If the TIF increment over the life of the TIF is adequate to cover the deficit in the projected conceptual project pro-forma with a reasonable municipal investment (i.e. reasonable municipal investment as a percent to total project costs) then the stakeholder municipality may view the conceptual project as practical.

As stated previously, these preliminary pro-forma evaluations are intended to assist the stakeholder municipality in understanding the magnitude of potential financial partnering that may be necessary with developers to undertake these conceptual projects and whether or not the project elements (rents / quality) correspond to their development vision and expectations. It provides an answer to the question, “Should we proceed with developer solicitations in the marketplace?”

The input data and parameters used in the generation of the preliminary pro-forma evaluations were collected and tested from multiple sources so as to establish a set of conservative/practical assumptions based on the marketplace. Specifically:

- A wide range of rents for new construction from as low as $1.30 p/sf (from a very large developer) to $1.45/$1.50 p/sf (our general read of the marketplace) to $1.60 p/sf to as high as $1.70 p/sf were identified based on review of on-going, planned, and proposed development projects within the metropolitan area. For purposes of this study a rent of $1.50 p/sf (assumes a 950 sf apartment is $1,425.00/month) was selected.

- We identified various building construction cost estimates for moderate/high quality buildings that ranged from $160.00 p/sf (lowest from a very large developer) to $250.00 p/sf. Building construction cost estimates as provided on the RS Means website ranged from $138.00 p/sf (low); $154.00 p/sf (median); and $192.00 p/sf (high). The National Construction Estimator database projections that include hard and soft costs is $186.78 (adjusted for Chicago). Based upon these findings the construction cost of $186.78 p/sf was selected as it is: 1) from the national data base; 2) within the RS Means website data; and 3) close enough to the $160.00 to be considered comparative.

- Construction costs for structured parking were identified to range from as low as $20,000 to as high as $38,000-$40,000 per space. Historically, BDI has used a per space cost for structured parking of $27,000. As the structured parking in the majority of the development concepts must also support not just parking floors but also multiple residential floors, a structured parking cost estimate of $25,000 per space was utilized.

- Land preparation costs including but not limited to site grading, stormwater management, public and private utilities, and landscaping/streetscaping were estimated based on the conceptual development plans and review of available municipal resources. The land preparation cost estimates were incorporated into the preliminary pro-forma evaluations to represent the total anticipated land preparation costs for the representative conceptual development project.

- A capitalization rate of 8% was selected based on the anticipated risk associated with the development of new construction projects (i.e. requires extensive tenanting). A rate of 8% is traditionally higher than the rate of return which would be utilized when purchasing a completed and fully tenanted building.
Estimated Financial Assistance/Incentives Participation

Using the conservative/practical assumptions identified above, the preliminary pro-forma evaluations of the conceptual development scenarios represent some interesting comparisons. As a broad rule of thumb, it is suggested that municipal participation in any single project be less than 20% of project cost or project value. The municipal participation calculation is the deficit or negative land value shown in the respective tables divided by project cost or by project value (we suggest use of the project cost calculation). The further below the 20% municipal participation threshold a project can be shown to demonstrate, the better the potential project from the municipalities perspective. Again, these calculations assume an actual land value of zero. The development cost/value benchmarks for the project as shown below:

<table>
<thead>
<tr>
<th>Project</th>
<th>Cost</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homewood A</td>
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<td>15.7%</td>
</tr>
<tr>
<td>Homewood B</td>
<td>13.0%</td>
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</tr>
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</table>

The scenarios presented on the following pages represent a positive start for the Village of Homewood. While manipulating the various input numbers to produce even more positive results is always possible but that does not seem like a prudent exercise. For example;

» Dropping the building costs from $186.79/square foot to the lowest cost number we have heard ($160.00) would significantly improve the scenarios through a reduction in the projected deficit. However, that would be speculative and deviate from our objectives of utilizing a conservative approach to the calculation projections.

» Raising the rent from $1.50 to $1.60 per square foot would also improve the scenario. However, the issue is the true marketability of the project: $1.30 p/sf = $1,235/month; $1.50 p/sf = $1,425/month; $1.60 p/sf = $1,520/month. Reducing the size of the proposed units to 850 square feet would also affect rent ($1.50 p/sf is $1,275/month). The potential options are endless. Ultimately it is the marketability of the project which the developer (and the financing institution/bank) will use to determine the rent.

» The 8% capitalization rate is appropriate given the typical risk exposure for new development projects in the region. Lowering it does not seem practical. Raising it suggests the developer thinks the project is high risk and may be unlikely to pursue the project. The developer and financing institution will have significant input into the final capitalization rate.

» As per the direction of the study communities, the projects represented in the development visions are envisioned as moderate/high quality for their respective locations. Dropping the product quality may reduce costs and allow for corresponding reductions in the monthly rent. Eliminating structured parking with different design (e.g. all surface parking) may also reduce the development costs. However, the municipalities have requested a high quality project. Under any scenario where rents are reduced it is probable that the rent will still be higher than current rents (older buildings).
<table>
<thead>
<tr>
<th>Use</th>
<th>Residential Units</th>
<th>Residential Unit Square Footage</th>
<th>Total Residential Floor Square Footage</th>
<th>Parking Spaces</th>
<th>Average Rent PSF</th>
<th>Net Income</th>
<th>Estimated Value</th>
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<td>$2,774,752</td>
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Estimated Financial Incentive Participation (cost/value): 13.6% / 15.7%

Estimated Annual Taxes: $454,920
Estimated 23-Year Increment Taxes: $10,463,200
Estimated Net Present Value: $5,599,300
### Homewood Concept A
**Moderate/High Intensity**

#### Site Data:
- **Site Area:** 90,678 square feet (2.08 acres)
- **Building Height:** 5 stories (56 feet)
  - 5 stories residential
  - 2 partial stories parking
- **Building Square Footage:** 164,120 square feet
  - Residential total: 106,048 square feet
  - Garage total: 58,072 square feet
- **Residential Units:** 94 units (950 square feet/unit)
- **Adaptive Reuse:** 14,150 square feet
- **Parking:** 154 spaces (2-level structure)

#### Pro-Forma Data Table

<table>
<thead>
<tr>
<th>Construction Costs (Hard Costs)</th>
<th>Soft Costs</th>
<th>Parking Costs</th>
<th>Land Preparation Costs</th>
<th>Estimated Total Cost</th>
<th>Estimated Land Value</th>
<th>Estimated Market Comparable Land Value</th>
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- **Estimated Financial Incentive Participation (cost/value):** 13.6% / 15.7%
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### Site Data:

**Site Area:** 90,678 square feet (2.08 acres)

**Building Height:** 4 stories (45 feet)
- 3 stories residential
- 1 story parking

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- 35,809 square feet per story
- Residential total: 107,427 square feet
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<td>$3,400,000</td>
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<td>$25,166,155</td>
<td>$1,641,600</td>
<td>$20,520,000</td>
</tr>
<tr>
<td>$1,273,500</td>
<td>$191,025</td>
<td></td>
<td></td>
<td>$1,464,525</td>
<td></td>
<td></td>
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<tr>
<td>$18,722,330</td>
<td>$2,808,350</td>
<td>$3,400,000</td>
<td>$1,700,000</td>
<td>$26,630,680</td>
<td>-$3,457,555</td>
<td>$362,419</td>
</tr>
</tbody>
</table>

**Estimated Financial Incentive Participation (cost/value) 13.0% / 14.9%**

**Estimated Annual Taxes** $463,460

**Estimated 23-Year Increment Taxes** $10,659,600

**Estimated Net Present Value** $5,754,300
### Development Assumptions

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parking Space SF</td>
<td>350</td>
</tr>
<tr>
<td>SF/Acre</td>
<td>43,560</td>
</tr>
<tr>
<td>Coverage</td>
<td>0.85</td>
</tr>
</tbody>
</table>

**Typical, but assume LV's coverages**

### Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soft Costs</td>
<td>0.15 Percent</td>
</tr>
<tr>
<td>Land Preparation/SF</td>
<td>Per Land Prep Spreadsheet vs. Typical $3.50</td>
</tr>
<tr>
<td>Land Cost/SF</td>
<td>$4.00</td>
</tr>
<tr>
<td>Cap Rate</td>
<td>8.00%</td>
</tr>
</tbody>
</table>

**Listings range from $1.25PSF to $5.00PSF**

### Per Sources

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Rent/SF</td>
<td>$13.00</td>
</tr>
<tr>
<td>Apartment Rent/SF (H)</td>
<td>$1.08</td>
</tr>
<tr>
<td>Apartment Rent/SF (Top Product)</td>
<td>$1.50</td>
</tr>
<tr>
<td>Retail/Commercial Rent (Better Product)</td>
<td>$15.00</td>
</tr>
<tr>
<td>Garage Parking Cost/Space</td>
<td>$25,000.00</td>
</tr>
<tr>
<td>Covered Parking Cost/Space</td>
<td>$14,000.00</td>
</tr>
<tr>
<td>Surface Parking Cost/Space</td>
<td>$6,000.00</td>
</tr>
</tbody>
</table>

### Apartment Average SF

- 950

### TH Average SF

- 1,550

### Land PSF--Selected Listings

- $3.25
- $4.54
- $1.25 Concrete Plant, South Holland
- $4.00
### Market Construction Costs (PSF at Highest PSF)

<table>
<thead>
<tr>
<th>Building Type</th>
<th>Costs per square foot of floor area</th>
</tr>
</thead>
<tbody>
<tr>
<td>APARTMENT, 2-3 STORY</td>
<td>$139.82</td>
</tr>
<tr>
<td>APARTMENT, 4-7 STORY</td>
<td>$162.43</td>
</tr>
<tr>
<td>OFFICE, 2-3 STORY</td>
<td>$193.75</td>
</tr>
<tr>
<td>STORE, RETAIL</td>
<td>$144.27</td>
</tr>
<tr>
<td>RESTAURANT</td>
<td>$237.72</td>
</tr>
</tbody>
</table>

Per Green Chicago

**Estimated Adaptive Re-use Costs Chicago Area ($80-$100 PSF)**

- **APARTMENT, 2-3 STORY (Costs per square foot of floor area)**
  - Building Parameters: 2 Story, 10 Ft Story Height, 15,000 Square Feet
  - Exterior:
    - Wood siding on stud frame: $148.90
    - Brick veneer on stud frame: $152.60
    - Stucco on stud frame: $148.30
    - Brick, concrete block back-up: $157.10
    - Decorative concrete block: $154.20

- **APARTMENT, 4-7 STORY (Costs per square foot of floor area)**
  - Building Parameters: 6 Story, 11 Ft Story Height, 65,000 Square Feet
  - Exterior:
    - Decorative concrete block, steel frame: $180.00
    - Brick, concrete block back-up, steel frame: $182.50
    - Brick, concrete block back-up, reinforced concrete frame: $162.10
    - Precast panels, steel frame: $186.80
    - Precast panels, reinforced concrete frame: $156.80

- **OFFICE, 2-3 STORY (Costs per square foot of floor area)**
  - Building Parameters: 3 Story, 12 Ft Story Height, 23,000 Square Feet
  - Exterior:
    - Wood siding on stud frame: $175.30
    - Brick veneer on stud frame: $179.10
    - Stucco on stud frame: $174.70
    - Decorative concrete block: $181.90
    - Brick, concrete block back-up, steel frame: $217.70
## Construction Cost Assumptions

### STORE, RETAIL (Costs per square foot of floor area)

**Building Parameters:** 1 Story, 14 Ft Story Height, 35,000 Square Feet

<table>
<thead>
<tr>
<th>Exterior</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brick, concrete block back-up, steel frame</td>
<td>$162.10</td>
</tr>
<tr>
<td>Precast panels, steel frame</td>
<td>$165.20</td>
</tr>
<tr>
<td>Decorative concrete block, steel frame</td>
<td>$160.20</td>
</tr>
<tr>
<td>Tilt-up panels, steel frame</td>
<td>$156.50</td>
</tr>
<tr>
<td>Stucco on stud frame</td>
<td>$137.00</td>
</tr>
</tbody>
</table>

### RESTAURANT (Costs per square foot of floor area)

**Building Parameters:** 1 Story, 12 Ft Story Height, 5,000 Square Feet

<table>
<thead>
<tr>
<th>Exterior</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wood siding on stud frame</td>
<td>$252.90</td>
</tr>
<tr>
<td>Brick veneer on stud frame</td>
<td>$258.00</td>
</tr>
<tr>
<td>Brick, concrete block back-up, steel frame</td>
<td>$267.10</td>
</tr>
<tr>
<td>Decorative concrete block, steel frame</td>
<td>$263.20</td>
</tr>
<tr>
<td>Stone veneer, block back-up, steel frame</td>
<td>$296.40</td>
</tr>
</tbody>
</table>

### ILLINOIS

<table>
<thead>
<tr>
<th>City</th>
<th>Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago</td>
<td>0.89</td>
</tr>
<tr>
<td>Peoria</td>
<td>0.89</td>
</tr>
<tr>
<td>Rock Island</td>
<td>0.88</td>
</tr>
<tr>
<td>Rockford</td>
<td>0.88</td>
</tr>
</tbody>
</table>

## Land Preparation Cost Assumptions

### Homewood

<table>
<thead>
<tr>
<th>Concept Plan</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>$1,200,000</td>
</tr>
<tr>
<td>B</td>
<td>$1,700,000</td>
</tr>
</tbody>
</table>
Tax Revenue Increment Assumptions

» Taxes are 2% per year of project value (re-verified to the greatest extent possible).

» A flat value assumption was used to create tax increment calculations. This means that no appreciation of the building value over the 23-year life span of a TIF has not been assumed. This provides a conservative estimate, since the building will likely appreciate in value over time.

» No annual payments have been included from the TIF increment to the school district based on dollar per head counts of students living in the building. The expectation is that the student head count would be very low.

» Net present values of the increment for each site scenario over the 23-year life span of the TIF have been calculated at 6.0%. This relates the cash flow to the present day value which could either be bonded or use a combination of bonding with an annual “pay-as-you-go” agreement with the developer.
KEY ACTION ITEMS

Village of Homewood

To assist the Village of Homewood in moving their respective TOD development site to the next level a series of community specific action items has been identified. Implementation of these items in conjunction with the larger Predevelopment Tool Kit recommendations can assist the community in establishing the foundations for successful development of their key TOD redevelopment site.

Village of Homewood

- Update the Village Comprehensive Plan to reflect the development goals, objectives and vision as outlined within the study report.
- Coordinate with and understand all aspects of the proposed adaptive reuse hotel development on the former Great Lakes bank site. Key issues to determine will include if the hotel parking requirements will need to utilize the entire block or if there continues to be an opportunity for an apartment development on the site and, if so, the potential plans of the hotel developer in this regard.
- Determine if any brownfield conditions exist on the site through execution of a Phase I environmental review.
- If additional residential development is anticipated, be prepared to require a market analysis from the proposed developer to determine absorption rates for new apartment units as the development will be at higher price points than existing Homewood units.
Predevelopment Toolkit

To assist stakeholder communities within the SSMMA jurisdictional area, the Predevelopment Toolkit section of the Initiative for the Chicago Southland Transit Region Implementation Study provides detailed descriptions and practical examples concerning municipal preparation for economic development. The descriptions and examples address site identification and planning, and subsequent site redevelopment/development from project initiation through completion including the potential utilization of various municipal developments. The following Predevelopment Tool Kit has been prepared and addresses the following themes:

- strengthening internal municipal capacity mechanisms;
- effectively planning for desired TOD development;
- evaluating the potential impacts of the development;
- soliciting interest from the development community, and
- determining, where appropriate, public policy variances and/or municipal financing commitment levels as part of any development project.

The Initiative for the Chicago Southland Transit Region Implementation Study Predevelopment Tool Kit includes four sections which summarize the relationship between the priorities and requirements of the private sector when considering development and the public objectives of the municipality in pursuing a vision for the TOD/development area. These sections are as follows:

1. The Municipal Checklist:
   Representative Municipal Inquiries
   The purpose of The Municipal Checklist is to provide a user friendly overview of the report which highlights the questions which municipal staff and elected officials might ask relative to each stage of the development process. The checklist highlights these questions, answers, and then directs the user to the more complete narrative in the report to provide the answers to these questions.

2. An Economic Development Framework For Municipalities:
   The “Three-Legged Stool” Approach
   An Economic Development Framework for Municipalities – The “Three-Legged Stool” Approach discusses the relationship between potential market supportable development; the ability of the public and private sector to agree on a vision based upon market realities; and, the location of land and buildings which can support the development potential.

3. The Municipal Review Process:
   Guidelines for Evaluating PUD Approval, Zoning Variances, and/or Financial Assistance
   This underwriting guide provides municipalities with a framework to determine how and when to best use different types of development financing incentives. Included within the guide are sample letters, documents, and other information that are typically provided by a municipality to potential developers and other stakeholders involved in the development and redevelopment process.

4. Portfolio of Municipal Economic Development Incentives and Tools:
   The Portfolio of Municipal Economic Development Incentives and Tools includes a list of strategies and development mechanisms and tools that are successfully utilized by municipalities throughout the country, including numerous sources for additional information and a suggested program for organizing these key economic development and redevelopment efforts.
Municipal Inquiry: What broad type of support might developers be seeking from my municipality? Why does the private sector need municipal support at times? What are the key factors that create the need for this support?

Response: See page 46 which has a concise list of the seven broad types of support a developer might seek and the seven reasons why particular elements related to a site might require municipal support in order to have a successful development.

Municipal Inquiry: What are the things we can do in advance of actual dialogue about a site with a developer to establish the proper atmosphere for development in our community? Do I need to have a general feel for where the site opportunities may be in my community through a prioritized community inventory?

Response: See page 47 for the list of nine items which a municipality can pursue to create the proper atmosphere for development. Yes, an inventory of sites is necessary as discussed on page three.

Municipal Inquiry: I understand that establishing development priorities is described as a “three legged stool” process involving:

- The Private Sector Review of Project Potential;
- The Relationship of Potential Projects to Municipal Goals and Objectives;
- The Ability of the Site to Sustain the Project.

Municipal Inquiry: What broad type of support might developers be seeking from my municipality? Why does the private sector need municipal support at times? What are the key factors that create the need for this support?

Response: See pages 48-49 for the nine items related to private sector review; the eleven items related to municipal goals and objectives; and the eight key issues related to the site which are important if the development is to be successful. Yes, a scoring system could be helpful and it is discussed next.

Municipal Inquiry: Until I reviewed these lists, I was not aware that there could be this number of important areas to understand. It sounds like there is a lot of work to do with elected officials and citizens before we actually have a potential development that is going through municipal review. As we bring the three legs of the stool together into our highest priority for sites is there any kind of scoring system which could be helpful?

Response: You are absolutely correct about the pre-development preparation work. This is often the most overlooked area by municipalities. Lack of preparation often leads to developer frustration whereby priorities and rules are being “made up on the fly” by the municipality leading to a lack of municipal direction and excessively long timeframes for the developer.

See page 50 for a potential scoring system and the reasoning behind the system.

Municipal Inquiry: What is a “by right” development request? How is the purpose of this Predevelopment Toolkit different than “by right” development? What is the reason for non-“by right” development requests from developers and property owners?

Response: “By right” development is development where the proposed project fits exactly with zoning and existing municipal policy (i.e. “development approval by the right of zoning and existing established public policy”). Non-“by right” development cannot be done within existing zoning and public policy. Typically, a developer or property owner is attempting to achieve or maximize property value through development not allowed by existing zoning. See page 51 for the seven broad reasons why a non-“by right” request might be made to a municipality and the nine potential reasons peculiar to a site which will require special (non-“by right”) municipal review.
Municipal Inquiry: So, non-“by right” is going to: require much more information from the develop/property owner; much more involvement of all levels of government (and also citizens); and a very proactive approach. This almost sounds like what a bank might do when evaluating a loan. Are there any similarities?

Response: Correct....correct.....correct! Please see page 52 for a summary of the similarities between bank lending and decisions about municipal partnering with the private sector in development.

Municipal Inquiry: What are the six stages of municipal development review and what are the elements within each stage?

Response: See pages 54-58 for a summary of the six stages of development review and the elements within each stage:

- Pre-proposal meeting (nine elements from the developer; seven elements from the municipality)
- Application (eleven elements)
- Due diligence (nine elements)
- Elected official review
- Documentation
- Closing

Municipal Inquiry: I know that at some point in the process we will be reviewing a complex developer financial pro-forma but how do I calculate a “bird’s eye view” of the overall financial feasibility of this project? If the project needs the financial help of my municipality how do I determine how much is enough (or too much)?

Response: Page 57 makes reference to a detailed explanation in the earlier text of the report (pp 31-33) which summarizes how the “bird’s eye view” is calculated. Page 58 also makes reference to page 33 in the text which describes the potential decision matrix relative to the “right amount of municipal support in a project” while also offering further explanation in this regard.

Municipal Inquiry: Separate from being approached by an individual developer or property owner I understand there are occasions where our community will seek out multiple developer interest relative to a site via a RFQ and/or an RFP process. It is assumed that the municipality either controls the site or is in partnership with a cooperative owner before an RFQ and/or RFP is considered. What are the pro’s and con’s of each process and could you describe the various elements in a well written RFQ and RFP?

Response: See page 59 for a discussion of the pro’s and con’s of RFQ’s vs. RFP’s and page 60 for a summary of the key elements in a well written RFQ/RFP document. There is also reference to some actual examples from a community which successfully executed and RFQ and then an RFP developer solicitation.

Municipal Inquiry: What is the portfolio of economic development tools available to municipalities and how or where do I find more data on some categories?

Response: See pages 73-75 to review a summary of the tools including internet references to learn more about potential state, regional and national resources.

Local Tools:

- TIF (including a summary of sixteen TIF eligible expenses)
- SSA’s (Special Service Assessment Districts)
- Business Districts (Special Districts to Capture Additional Sales Tax Revenue)
- Other local tool options
  - Commercial economic development tools through DCEO
  - Low/Moderate income tax credits
  - Historic building preservation options
AN ECONOMIC DEVELOPMENT FRAMEWORK FOR MUNICIPALITIES

The “Three-Legged Stool” Approach:

Overview of Development Scenarios
When determining the future vision of a TOD site, development/redevelopment district, or community as a whole, municipalities have many different potential development scenarios to consider. In regards to transit-oriented development (TOD), these options range from building new and/or adaptive reuse of shared retail and office spaces, industrial uses, single family or multi-family residential uses and multi-use combinations of the these options to name a few.

In order to achieve these scenarios, developers may desire and in specific instances require financial incentives for the project to be feasible. These incentives may take various forms including but not limited to:

- TIF funds
- Property tax rebates
- Municipal financed infrastructure improvements that would otherwise be paid for by the private sector
- Grants such as façade improvement rebates,
- Waiving of impact fees
- Waiving of liquor license fees
- Support for tax credit projects
- Other waived local required costs
- Request assistance and help in coordination of property assembly and ownership
- Access to South Suburban Land Bank and Development Authority
- Loan funds

The reasons as to why a property owner (or a business tenant), developer, or both may seek municipal financing incentives/support may include:

- Land values appropriate for the development are below what is being requested by the land owner.
- A restrictive financing market that doesn’t cover required borrowing costs (i.e. a 30-40% equity requirement for a loan may be too great a burden).
- Upfront costs to initiate development (which cannot be financed) are large enough to create a cash burden on the developer/project which cannot be overcome.
- For residential projects, the added cost of parking requirements which are supplemental to market-based price-points for units may create the need for subsidies to move a project forward.
- Significant environmental remediation costs associated with development/re-development of a specific site.
- Costs associated with required historic development and/or green development may not be able to be absorbed into the basic business model.
- The operating plan based on business sales projections (which drives all other items) may need a financing cushion until the business or development/redevelopment has established a balanced cash-flow or profit margin.
Given the complexity of development/redevelopment scenarios and a developer’s unique financing needs, an underwriting guide has been developed which provides standards for municipalities to evaluate the potential of public-private partnership funds. These standards are based upon an assessment of need and the ability of the project to return the investment to the municipality. At times, some of the return may be viewed as “soft” meaning the full return may not be apparent; however, a new business or project may still have the potential to significantly stimulate TOD and/or district revitalization, making it a desirable long-term investment opportunity for municipal administrators.

The Role of Municipal Government
Successful economic development often times occurs when a municipality assumes a leadership role and actively builds proper partnerships. As such, having a flexible framework for working through the many different paths of a development/redevelopment can be a significant asset and help save valuable public funds. Such is often required in the complex urban redevelopment scenarios such as TODs, where municipalities must evaluate their role in attracting, stimulating and perhaps cooperating with the private sector. In these scenarios, the role of government can include, but is not be limited to:

- Assistance in marketing and advertising to attract private sector development/redevelopment interest.
- Attendance at various industry based meetings to help build private sector interest.
- Advise and counsel property owners and potential developers and tenants.
- Provide access to resources such as the South Suburban Atlas and scoping sheets/initial site review information.
- Improve the environment for the public sector through infrastructure development and maintenance.
- Ongoing enforcement of codes and regulations to maintain the proper environment for successful private sector commerce.
- Flexible zoning, density and height review, and design guidelines to match development/redevelopment requirements with the municipal vision.
- Establishment of an effective developer and tenant review process which renders decisions in a timely and effective manner.
- Potential partnering with the private sector through the use of the aforementioned tools plus other tools such as tax increment financing (TIFs), tax rebates, sponsorship of grant requests, Special Service Assessment (SSA) districts, and other tools, as appropriate.
In advance of the potential role of government as summarized above, municipalities should consider prioritizing opportunities for development/redevelopment through the use of tools such as SSMMA Housing Investment Tool (HIT). These “prioritized opportunities” are essentially an evaluation of the site-by-site opportunities which exist in the TOD district for either full redevelopment (new construction) or rehabilitation of existing parcel and/or buildings. Analysis of sites and buildings can and often will encompass multiple traditional economic development scenarios (such as retail, commercial, residential, and multi-use) as well as other scenarios which support non-traditional development scenarios (municipal buildings, not-for-profit entities, tourism space, recreational space, open space, etc).

The analysis of these opportunities by site has been organized into a three-phased process which can be described as the “Three Legged Stool” approach, in which each “leg” or tenet of economic development is vital to the successful realization of the proposed project.

1. Private Sector Analysis
Based on the perspective of the development community the market potential analysis should factor in:
- Potential anchor tenant(s) and current business cluster strength.
- Site access and traffic counts.
- Purchasing power within 5- and 10-minute drive times.
- Regional economics, market competition, and potential for market growth.
- Developer awareness and perception of local issues.
- Local costs of doing business, including development costs.
- Municipal development review and administrative processes.
- Local consensus on development vision within the TOD district and surrounding environs.
- Resources provided by South Suburban Atlas including scoping sheet/site review information.

2. Relationship of Potential Project to Municipal Goals and Objectives
Based on the capability of the property owner(s) and the municipality, the following items should be considered as potential goals and objectives of the project:
- Determine if ownership of the parcel should be retained or sold.
- Consider what type of use is desired / warranted (by both the owner and municipality).
- Determine the level of urgency for completing the desired project.
- Establish realistic expectations considering the existing real estate market (this in particularly relevant during economically challenging times).
- Recognize and state the need to cooperate with municipal government and interests.
- Understand the contemporary development process.
- Provide for adequate support mechanisms (legal, financial, etc).
- Produce a centralized form of decision making (head of partnership, etc.).
- Foster municipal consensus on the project vision the project and use of necessary and appropriate financial tools.
- Establish an efficient municipal development review process.
- Ensure municipal relationships with other state agencies as necessary and appropriate for approval of the desired project.
3. Ability of the Proposed Site to Sustain the Project
The ability of the site location, land, and buildings to meet market, property owner, and municipal mutual requirements involves evaluating:
- Site access and traffic counts.
- Visibility, size, and configuration of the site.
- Brownfield, wetland, and relative remodeling costs (i.e. asbestos issues.)
- Infrastructure support.
- Land costs.
- Building adequacy or ability to remodel or raze structures, as needed.
- Impact of neighboring properties and abutting districts.
- Current zoning, height, density and design regulations and guidelines.

Frequently, municipalities must determine the priority level of a potential project and the related question may be how to create a scoring system which “ranks” projects. Aided by tools like the SSMMA Housing Investment Tool (HIT), this is not unreasonable. However, what must be kept in mind is that the process and projects being discussed here are not simple “by right” projects (“by right” projects can be built “by right” of existing zoning:

- the existing zoning allows for the project; the land owner wants to proceed;
- the land owner is either the developer or has partnered with a developer/builder; and
- no unusual issues which require municipal review exist (i.e. environmental; unique traffic issues; etc.).

For projects outside of “by right,” which is the focus of this toolkit, a priority system may be appropriate. Accordingly, relative to a proposed project, each leg of the “three legged stool” (private sector review of project potential; relationship of potential project to municipal goals and objectives; and the ability of the proposed site to sustain the project) could be ranked from 1-3 (1 = excellent; 2 = above average; 3 = average)

However, an important consideration in using this scoring system is the following two realities: 1) The United States is in the worst development environment of the last 50 years and it is expected to continue for at least the next three years; and 2) municipal time and resources are severely stretched in this difficult environment and therefore there is little (if any) flexibility in working with “average” opportunities (and certainly no flexibility in working with below average projects).
As a result, the following scoring system is recommended:

**Private Sector Review of Project Potential**

Required Score: 1 = Excellent

In this development environment, it is unreasonable to pursue any project that the private sector has not identified as an excellent opportunity based upon the eight factors listed under Private Sector Analysis on page 98. Only excellent opportunities in this marketplace are going to get financed and have the full opportunity to be successful.

**Relationship of Potential Project to Municipal Goals and Objectives**

Required Score: 2 = Above Average

The project should have an above average ability to meet all eleven of the eleven listed goals and objectives listed under Relationship of Potential Project to Municipal Goals and Objectives on page 98. Some may not be ranked as a “2” on the first day the project is discussed but the municipality must feel that they can move all of the items to a “2” within a reasonable amount of time (i.e. six-nine months).

**Ability of the Proposed Site to Sustain the Project**

Required Score: 2 = Above Average

Whatever site issues keep the site from being above average immediately must be able to be rectified at a reasonable cost (within six-nine months).

Again, it is hard to imagine why a project with a ranking less than excellent in category one would be pursued. For the other two categories, Above Average scores which can be achieved in no more than six-nine months are strongly recommended. Pursuing projects with less than above average scores represent a risk to the municipality which they must evaluate before continuing.

Strong “three-legged stools” raise a property to the highest priority. Once this analysis is complete, the municipality may continue district-level development in the following order:

- apply their community vision to the set of strong “three-legged stool projects” to develop final priorities;
- establish a strategic plan for various site development/redevelopment; and
- begin to apply the available tools within the role of government as identified by the strategic plan.

Subsequently, government applies the same level of accountability, timelines, budgets, communication techniques, and evaluative process to its strategy as would be expected in any business operation. Included in the plan will be alternate scenarios to consider as the success of any development/redevelopment process or economic scenario may diminish over time.
THE MUNICIPAL REVIEW PROCESS

Guidelines for Evaluating Projects Requiring PUD Approval, Zoning Variances, and/or Financial Assistance

Introduction

Municipalities regularly review requests from developers, individual property owners, business owners, and even not-for-profit entities to approve proposals that require changes to the developmental or operational processes of an existing entity. These requests go beyond a simple “by right” permitting process, where there is no unique approval requirement beyond meeting the rights specified by zoning.

Municipalities routinely handle these requests by examining:
- Overall rational of the specific request.
- The relationship of the request to the vision for the area as part of a “PUD Type” process.
- Degree of variance from the requirements of the existing code and/or regulations.
- Impact on surrounding property and districts.
- The relationship of the requested development to prior decisions which may be similar in nature.
- Potential requirements of municipal financial support.
- Overall impact of the project on the progress of the established municipal goals.

However, in some cases the overall magnitude of the requested changes warrants much more information than required by the standard review process. Accelerated reviews are typically associated with larger residential development or business development projects (commercial or retail) which often fit one or more of the following criteria:
- Considered part of a “special planning area” (such as the “PUD” type) requiring full municipal review, approval, and perhaps annexation in order to proceed.
- Prohibited by existing zoning.
- Dependant on financial assistance from the municipality.
- Sized differently than projects which have been built in the municipality.
- Significant visibility and positively or negatively impact surrounding properties.
- Reliant on greater community consensus than is normally required.
- Produce a significant financial impact on the municipality.
- Produce significant traffic impacts.
- Require an increase in municipal support services once built relative to the overall impact of the project.

Any time such development projects exceed “by right” approval (meaning within the existing zoning and requiring no municipal financial assistance), they are eligible for a more detailed review by the municipality. Certainly, the request for financial assistance (tax rebate, TIF funds, local municipal funds for economic development, waiving of permit fees, etc.) triggers a more intensive review. However, depending on the size of the request, a significant zoning change or the requirements of a “special planning area” could trigger a similar review.

Regardless of whether or not financial assistance is part of a development request, there are two key elements that constitute a maximum municipal review which are: the need for much more project information and the need for a much more expansive municipal review. “Maximum” municipal review means much more information is required about all aspects of the proposed project including detailed information about the projects financing, proposed tenants and the ability of the development team to successfully meet goals and timelines. This is not normally requested relative to a “by right” project. Secondly, “maximum” municipal review means that since the project is outside typical zoning or public policy much more time will be allocated for elected official and citizen review than would be necessary on a “by right” project.
As municipalities customize their review process to appropriately address the individual situation, they may choose to dilute certain conditions as unnecessary. However, when considering simplifying such requirements for developers, municipalities should keep the following considerations in mind:

- **Information:**
  Municipalities should gain as much information about every aspect of the proposed development/redevelopment as possible if the municipality is prepared to spend significant staff and elected official time on the review and if the development/redevelopment will have a measurable and long term impact on the community.

- **Review Process:**
  To the extent that the proposed project is visible and perhaps a deviation from municipal “business as usual,” it is important to provide the public with a appropriately rigorous review process in advance of project approval or rejection.

The following pages provide a prototypical phased approach to undertaking project review of development/redevelopment proposals which meet the special circumstances described above. Throughout this approach, municipalities should remain cognizant of the following tenets:

- **Reasonable Expectations:**
  Municipalities should foster an atmosphere of reasonability regarding the extent to which developers are fulfilling municipal requirements. This of course necessitates that municipalities establish the parameters of what is considered reasonable and should be impartial to whether or not the developer wants to provide the required data, so long as information requests are in fact being met. If the project is within a special planning area (e.g. TOD zoning or overlay district), requires significant zoning review, and/or financial assistance is being requested, a reasonable request should be honored.

- **Fiscal Focus:**
  When a special planning area exists or municipalities themselves are one of a development project’s financial partners, the evaluation process will greatly benefit when conducted in the manner typically used by banks as opposed to the planning/policy conformance and market analysis processes commonly conducted by municipalities (such as standard reviews of unsubsidized housing and simple commercial development proposals). As an example, before proceeding with a loan, a bank will consider the following:
  » What percentage does this proposed loan represent to our overall capital and how does the allocation of this capital affect other future lending opportunities?
  » How does the project compare with the “vision statement” the bank has prepared to guide its’ operations?
  » How does the quality of the project relate to the bank’s loan scoring system?
  » Is the rate of return to the bank adequate?
  » Does the developer have a track record?
  » Does the developer have enough of their own money involved in the project?
  » Are the timelines sufficient to assure that project closure will be achieved in a manageable amount of time?
  » While every project has risk, is the risk reasonable and is the risk protection adequate?
  » Separate from the inner workings of the loan committee, would the bank be comfortable in having its’ Board, shareholders and customers know more about the loan?
A municipality should ask the same questions.

- **Accountable Actions:**
  The following process applies objective evaluation criteria that are designed especially for special planning areas or instances when municipal financial investment is requested. This process goes beyond the normal zoning and code conformance evaluation since the community has invested significant time in creating a vision for the area and a responsibility exists to ensure a proposed development/redevelopment (and developer) meets the goals and objectives of that vision. Furthermore, in the case of a request for government financing, there is an equally strong accountability requirement since the municipality acts in the capacity of an equity partner or a banker depending on whether the assistance is a grant or a loan.

- **Responsive vs. Proactive Engagement:**
  The following process is designed for the highest threshold of evaluation in a non-RFQ/RFP environment (i.e. the municipality did not seek out developers in a competitive process controlled by the RFQ/RFP guidelines). While the initial reaction of the municipality is responsive (receiving the initial thoughts and ideas of the developer/property owner) once it is determined that this is not a “by right” project the entire municipal approach is proactive.
STAGE ONE: Pre-Proposal Meeting
Whenever a developer contacts a municipality regarding the possibility of a development/redevelopment project, the municipality should invite the developer to a pre-proposal meeting. This informal meeting with the leading staff member(s) within the municipality is an opportunity to establish a relationship and share information on the physical, financial, and political feasibility of a project. Such meetings are confidential and should not be discussed beyond the immediate participants.

The developer should be prepared to answer at a minimum, these questions at the meeting:

1. What is the experience of the team in developing similar projects?
2. Who are the team members? It is expected that this list would include:
   » Architects, Planners, and/or Engineers
   » Lawyers
   » Partners
3. What ownership rights does the team have?
4. What is the development concept?
5. Are there any unusual physical or access issues that the developer wants to discuss?
6. What level of tenant commitment does the project currently have (if any)?
7. What are the basic economics of the project (anticipated rents, special financing)? Are those assumptions economically feasible?
8. How much government assistance may be needed, and in what format?

If no request is being made the additional steps of this process may not be necessary; however for a special planning area, the process will continue regardless of the potential for financial assistance.

At this pre-proposal meeting, the municipality should not provide feedback on the content of the project (unless it is clearly outside of the parameters of the special planning area), but should provide any and all factual information necessary to complete a development application. That information includes:

1. Maps and development/redevelopment documents that designate flood plain and zoning for the development site.
2. A list of both public and private individuals who may be contacted to assist in the development. This list may include, but is not limited to:
   » A primary staff contact who can provide planning documents.
   » Contacts at each public and private utility.
3. Project application forms for all permits and planning processes.
4. A copy of the relevant administrative procedures and zoning information that may be purchased for a reasonable fee.
5. A copy of any special planning area documents (as applicable).
6. Municipal design guidelines (as applicable).
7. A thorough explanation of the application process and anticipated timelines for review based upon the municipalities history with similar projects. Timelines can vary based upon the complexity of the project. However, once a fully completed application has been submitted and assuming that calendars can be coordinated for key meetings it is not unreasonable to assume that project approval can be achieved within three-six months.

Following this meeting, it will typically take a developer up to two months to compile the appropriate information and documentation relative to the project application.
STAGE TWO: Application
Once the developer is ready to formally seek municipal approval, he/she should submit more precise and detailed information related to the project. It is expected that the press and local interest groups should be notified of the general development/redevelopment proposal at this time, excluding all financing and tenant information which should be kept confidential unless announced by the developer. The written submittal from the developer should include:

1. Details on the development team’s experience including resumes and references.
2. A site plan that includes engineering, landscaping, and elevation information.
3. A summary of all other relevant approval processes to be conducted (i.e. those required by transportation and environmental agencies, and others).
4. Letters of intent from respective tenants for 70% space.
5. A pro-forma evaluation showing:
   - Anticipated rents / incomes.
   - Anticipated cash on cash return.
   - The financing gap.
6. A petition for the government funding to close the gap by increasing income (i.e. government rebates, property taxes, etc.) or decreasing project capital costs (i.e. government pays for infrastructure).
7. A financing proposal that shows funding sources for construction with contact information and lists of all government participation necessary to build the project.
8. A project budget.

STAGE THREE: Due Diligence
The municipal response to the application should entail a thorough analysis of the physical proposal and careful consideration of the request for financial support. In the case of a special planning area, the conformance of the project to the vision of the municipality’s plan is of prime importance.

As part of this process, the municipality should request that independent market analysis, traffic/parking, fiscal impact, and land use studies be conducted by the municipality’s regular consultants and paid for by the developer. While the developer is completing municipal requested studies, the staff should undertake due diligence. The due diligence process includes:

1. Check Developer Credentials:
   - Verify references.
   - Confirm banking relationships.
   - Interview any existing tenants of a developer’s current real estate holdings.
   - Conduct site visits of controlled properties/projects.
   - Confirm land control issues.
2. Perform a Market Analysis for Project Feasibility (paid for by the developer):

3. Conduct Traffic/Infrastructure Studies (paid for by the developer):
   - Determine capacity of area roadways.
   - Identify required access improvements.
   - Identify water/sewer and utility connections and capacity.
   - Calculate costs and assign amounts to the appropriate financial stakeholder (federal, state, or local government, developer, etc.).

4. Conduct a Land Use Impact Study (paid for by the developer):
   - Evaluate the anticipated impact on adjacent properties.
   - Contemplate the potential impact on competing businesses (competition should not necessarily be viewed as undesirable).
   - Consider the potential for spin-off projects.

5. Conduct a Fiscal Impact Study (paid for by the developer):
   - Calculate potential increased tax revenue from the completion of the project.
   - Ascertain the positive and/or negative impact on tax revenue to the surrounding area.
   - Determine if there are increased safety costs associated with the project.
   - Factor in the cost of providing infrastructure outside of the project site boundaries.
   - Weigh the cost of investment against the anticipated revenues to gauge cost effectiveness of the project.

6. Determine Conformance to Community Policy and Goals:
   - Consider how the project fits with community standards and expectations.
   - Consider how well the project corresponds with the established special planning area vision.
   - Confirm the market analysis is accurate.
   - Evaluate the potential for new employment that the project may generate.
   - Ensure that the project’s appearance enhances the local environment.
   - Utilize tools to evaluate the sustainability aspects of a project.
   - Consider how the project improves the overall quality of life within the project area and overall community.

7. Evaluate Site, Building, and Engineering Plans:
   - Check conformance with applicable zoning regulations.
   - Check conformance with infrastructure requirements and capacity.
   - Check conformance with municipal design guidelines (as appropriate).
   - Evaluate the level of progress being made toward completion of the municipal or regional comprehensive plan(s).
8. Establish Legal Protections:
- Determine the legality of the financial commitment.
- Ensure the process is not in conflict with other municipal governing processes.

9. Municipal Underwriting of Financials and Requested Assistance:
- Draw up a financial and construction timeline.
- Develop a contingency plan for cost overruns.
- Identify a separate funding source(s) for operating business tenants and calculate five years worth of financial projections.
- Review and/or develop the project marketing plan.
- Identify how the requested incentives relate to overall investment and profitability.

The magnitude of municipal financial involvement (if requested) will vary significantly by municipal size, project scale, market trends, and overall economic conditions. Ultimately, the municipality must determine:

- The overall strength of the project with or without municipal financial support.
- The role of municipal financial support in achieving current market capitalization rates or profitability factors for various project types.
- The return on the municipal investment.
- The risk factors associated with the return of the municipal investment.
- The importance of the project to achieving the municipal vision for the area (i.e. more risk might be considered for a pioneer project as opposed to a proposal within a “successful” area).
- Community consensus regarding the project.

Pages 31 to 33 of the report clearly outlines the arithmetic process whereby a municipality can work with a developer to determine a “birds eye view” of where there are “holes” (inadequate financial coverage) in a project which make it unprofitable or slightly profitable but too risky to proceed. The assumptions that are part of the process which is detailed for review are on pages 38-41 of the report. This information can be utilized on a year-to-year basis by updating the data sources and receiving periodic updates from the consultant and developer communities. It is important to note that two data fields (land preparation costs) and tax revenue from the project can utilize approximations but lend themselves to more specific analysis through a civil engineering firm and a firm that specializes in TIF creation and TIF projections. This “bird’s eye view” does not replace the detailed developer pro-forma which will be required later in the process.
Page 33 of the report outlines potential levels of municipal support in a proposed project. While there are no “absolute” rules, the following may be helpful:

- Except in rare instances, municipal participation should not exceed 20% of a project. The farther below 20% the better. The more the participation exceed 20%: the more risk there is for the municipality; and the higher the probability that the municipality is building a project which the marketplace would not build on its’ own.

- Municipal participation typically does not exceed the funds the developer has in the project.

- Risk goes beyond how the project “looks and feels.” Municipalities could be liable for project shortfalls with a bank just like the developer.

- TIF law may be changing. TIF planning should not always assume today’s law is permanent. (visit http://www.illinois-tif.com for latest laws in Illinois)

This stage should result in a staff recommendation detailing the project conditions that must be met in order to commit municipal approval and, as applicable, municipal funding. Additionally, a comprehensive summary of all aspects of the project (including financial) should be developed which details the “who, what, when, and how” of both developer requirements and municipal requirements.

STAGE FOUR: Elected Official Review
After the staff and the developer agree on the terms and conditions of project approval and the contents of the term sheet, a public workshop is held to present the project. The purpose of this workshop is to forge agreement on the concept plan, grant authorization to proceed with the drafting of a redevelopment agreement, and provide an opportunity for public comment on the project.

STAGE FIVE: Documentation
Assuming the municipality authorizes the drafting of a development/redevelopment agreement, such is prepared and negotiated by the staff. As necessary, the municipality then enacts legislation to establish: project approvals; a public private partnership; and, the public funding commitment.

STAGE SIX: Closing
The municipality examines the same proof of performance that bank investors require such as title survey, leases, insurance, development/redevelopment agreement, and construction contracts. This examination must take place prior to final project approval and the transferring of funds (where applicable) to the developer. Although funds are not transferred until the project is completed, the potential financial commitment of the municipality is understood to be part of the equity considered by other financing entities.
**Additional Requirements of an RFQ / RFP Process**

When a municipality acquires land and then chooses to seek developers, a Request for Qualifications (RFQ) / Request for Proposals (RFP) process will often be initiated (this may also happen in the rare instance when the municipality agrees to “partner” with a private sector owner who controls land but who has agreed to act in a cooperative manner with the municipality).

The municipality must first decide whether an RFQ / RFP process or an RFP-only process will be initiated. There is no “right answer” in this regard. The RFQ / RFP process has a lower initial threshold requirement (RFQ) for the development community and therefore has the opportunity to attract the highest level of interested applicants. Accordingly, projects which are complicated and require the greatest creative vision (which are usually larger) often begin with an RFQ in order to encourage the largest developers to apply, such as those who retain the capability and vision as well as the willingness to exploit multiple development opportunities and therefore seek the most efficient entry into the municipal review process. When such firms make the “short list” for the subsequent RFP process, they know that their time-consuming and costly efforts to complete the RFP process have a higher potential return-on-investment since they are on the “short list.”

Various uses of RFQ and RFP are reasonable depending on the needs of the municipality. Recently, municipalities have been utilizing a process whereby a developer is actually selected after an RFQ process (without a subsequent RFP) and then the municipality goes directly into negotiations with a developer on multiple project issues.

**Summary of Pro’s and Con’s to RFQ’s and RFP’s:**

<table>
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<th>Cons</th>
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| **RFQ** | » Easier to/for developers to respond  
» Better probability for wider developer response  
» Easier to draft  
» Provides more options for developer creativity relative to the site  
» Easier to evaluate  
» In difficult current marketplace, almost mandatory, absent a very unique site | » Less specific detail about the site and plans for the site  
» A second level of more detailed developer(s) review will be required later in the process (either and RFP or specific discussions/negotiations with a single developer)  
» Considering # 2, a longer overall timeline from beginning to final developer selection |
| **RFP** | » More specific detail relative to developer plans and developer capability  
» Shorter overall timeline | » Severely limits the number of developer responses  
» Limits developer creativity relative to the site  
» Harder to draft  
» Requires much more detailed consensus in advance of issuing the RFP at all levels of government and perhaps even with citizens  
» More time required to evaluate the first phase of developer responses |

Again, it may also be appropriate to issue an RFQ and then an RFP (to a more limited audience) in sequence.
The RFQ / RFP process should be comprehensive yet very concise. Developers are not interested in reviewing potential contracts with the municipality or legal documents at this stage. If there is something in those documents that is particularly significant, it can be pointed out in a simple manner. The following are the key sections that RFQ and RFP documents should contain. Each should provide a concise explanation of what the municipality expects from potential developers:

- **Cover Letter:** The cover letter should include (in the following order):
  1. a brief summary of the RFQ/RFP process to be followed;
  2. a brief summary of the location and site characteristics; who controls the site and their role;
  3. how does the municipality prioritize this development opportunity;
  4. municipal planning/preparation steps already taken; municipal flexibility relative to developer creativity about the site;
  5. information as to how developers respond and within what timelines;
  6. date of pre-submittal meeting/conference call; other municipal contact information.

- **Project Overview:**

- **Development Objectives:** A clear statement of the goals and objectives the municipality hopes to accomplish with the project.

- **Role of the Municipality:** The municipal role in the development process and what other roles the municipality will consider taking on, based upon the quality and impact of the development plan.

- **Description of the Developer Selection Process**

- **RFQ Requirements** (if RFQ is used): Should include submittal document format and 6-8 key elements to be contained in the submittal.

- **RFQ Basis for Evaluation**

- **RFP Submittal Requirements:** (if RFQ is used): Initially, the municipality is advising the developer as to what will be required for those on the “short list”.

- **RFP Basis for Evaluation:**

- **Next Steps for Selected Developer:** Should include a request for a “Developer of Record Designation”/ timeline to negotiate a final contract with the municipality.

- **Proprietary Information:**

- **Response Deadline / Due Date:**

- **Method of Submittal:** Provide a postal address for sending a hardcopy response and/or an email address if the municipality wishes to receive the documentation in electronic format. If the latter, it is standard practice to send a confirmation email to the submitter to ensure the documentation was received.

- **Attachments and Additional Information:** This can be extensive and include: comprehensive plans, a master plan, design guidelines, zoning maps and ordinances, site plans, renderings, and any/all other available information about the project site. Such information should be posted on a municipal website as opposed to sending an overwhelming package of hardcopy documents.

Again, these concepts can be modified to meet individual municipal requirements; however, the municipality should always balance its “need to know” with the requirements of the established process.

Finally, this underwriting guide is meant to be a sample framework which can be adapted to individual municipal needs. Likewise, documents such as “applications” can be crafted to meet internal requirements.
Dear «FIRST_NAME»:

On behalf of the City of          , please find a Solicitation of Developer Interest/Request for Qualification for the site of the former            City Hospital site.  This approximately five-acre site lays between and in close proximity to downtown         and the University of           campus. The site is fully controlled by the City and has been prepared for redevelopment in advance of this solicitation, including clearing the site of the former hospital buildings. Redevelopment of this site and the revitalization of the neighborhood in which it exists is a very high priority of the           City Council.

We believe that all the necessary steps have been taken to properly prepare for generating the interest of the private sector: In addition to acquiring and clearing the site; a Tax Increment Financing District (TIF) has been established; a Master Plan has been prepared (see attached image); a plan for other City investment in public open space and streetscape improvements is being developed; an RFQ/RFP process has been developed which is focused on facilitating one of the highest priorities of the developer—an understandable and efficient process in a reasonable timeline; and, the City has established this project as a priority and organized to ensure a time-efficient developer review process and project implementation. Also, while much time and energy has gone into this preparation, we remain flexible and open minded about the ultimate development solution as we begin the selection process, as our ultimate goal is a project that makes sense for the neighborhood, the developer and the City.

We sincerely hope that you will review the information and submit an indication of your interest. The Master Plan for the site and neighborhood redevelopment plan can be found on the City’s web site at:           .  The deadline for your RFQ response is 5:00 p.m. on January 17, 2005 and we expect to notify a very limited number of qualified developers of our interest in a more complete RFP by February 11, 2005.  To answer your questions, a pre-submittal meeting will be held at the            City Building,         ,          on January 7, 2005 at 1:30 p.m. in the Council Chambers.  We will summarize the answers to all questions at the pre-submittal meeting and thereafter in a document that will be sent to all RFQ applicants.

In addition to the pre-submittal meeting and the website information, please call         or e-mail at:                for answers to questions you might have after the initial review.  All responses should be sent to my attention at the City of           ,               ,               .  We appreciate your interest.

Sincerely,

Planning Director
City of 

Urban Residential/Neighborhood District Redevelopment Project

The Hospital Site

Avenue and Street
Between Downtown and The University of

Solicitation of Developer Qualifications

And

Request for Proposals

Overview

The City of , is seeking interested and qualified development firms to create a residential neighborhood that adds a unique housing choice to the market and capitalizes on the emerging contemporary urban character of the area.

The City is prepared to partner with the proposed developer and has already invested significant time and resources in: acquiring the land; preparing it for development; establishing a Tax Increment Financing (TIF) District; planning for the development of the public areas and business districts near the site; and establishing a framework of understanding with the City Council to facilitate the developer review and implementation process.

The project site is located between the revitalized downtown and the campus of the University of . The property surrounding the project site includes existing multi-family residential, a park and waterway planned for major public improvement and commercial business districts to the west and the north. The development site is served by the public bus transportation network, which fully connects to the campus as well as the balance of .

The City of developed this information to seek qualified development entities and is responsible for selecting a development team, providing a partnering relationship, and offering direction throughout the development process. The City seeks an interested and qualified developer with a proposal to maximize the positive impact of the new construction on the larger neighborhood and to provide a return to the developer and to the City on their respective investments in the project.

The City has developed and adopted the Redevelopment Master Plan that presents the detailed context for the project. The Executive Summary from this Master Plan is appended to this document and the full plan is available directly from the City and through its web site. Key objectives as outlined in the Master Plan and in the original Project Goals are as follows:

- Create an urban neighborhood that is attractive to a diverse group of people.
- Develop the site in a way that is a catalyst for change in the surrounding neighborhood.
- Take advantage of the site location to link Downtown and Campustown (University of ).
- Generate TIF increment to repay bonding and additional infrastructure support.
Description of the Site and Development Area

The Site
The site (shown in the attached exhibits) is approximately 5.19 acres located in a mature neighborhood. The City owns the site and it has been cleared and prepared for quick development. The City expects to receive a No Further Remediation (NFR) letter from the IEPA in the spring of 2005. The City utilized a TIF District to facilitate the preparation of the site. The public (bus) transit system in serves the site with connections to the University of and the metropolitan area. Located between downtown and the campus of the University of , which is also its “gateway” to the campus, the site has multiple amenities within walking distance including neighborhood commercial districts to the west on Street and to the north on Avenue. Both commercial districts are expected to revitalize as an expansion of Downtown success. The site is also within walking distance of Campustown, the retail corridor which primarily services the students and faculty of the University of . The site is an approved “high priority” of the City Council.

Development Area Surrounding the Site
The City has invested substantial resources in the development of several areas related by function and proximity to the site. The related areas are described in the attached exhibits and briefly below.

Downtown
The City has invested millions of dollars in the downtown to improve infrastructure, enhance streetscape and provide economic incentives for the redevelopment of vintage buildings. The downtown’s eating, drinking and retail businesses have become popular gathering spots for both University students and local residents. Most recently, the City successfully partnered with a developer in the construction of a mixed-use retail, office and upper story residential condominium project on property controlled by the City. The success of this development has led the same developer to propose a second development partnership for construction on nearby City owned land.

The East Side Neighborhood and the University of Campus
The East Side Neighborhood is located north and west of the site. This neighborhood contains a mixture of uses, including the north Street area, commercial and service businesses and a limited number of residential units. Streetscape improvements have recently been completed on Avenue to the north of the site and along Street. Street links on and are playing a key role in connecting downtown and Campustown. Although the University campus is primarily to the and of the site, the development site is within walking distance of both Campustown and the campus of the University of . The East Side Neighborhood contains the Creek, an important drainage control element that will be improved through the construction of a detention basin as part of the development of a park amenity just west of the site, east of Street and south of Avenue. Park, which is just south of the site, provides an attractive amenity for potential new residents in the development. Additional investment is being considered for the park. Other infrastructure improvements to the perimeter of the site will be considered once the final development plan has been determined.
Development Objectives

- The primary objective of the site redevelopment is to create an urban, primarily residential neighborhood that is fully integrated into the surrounding residential, commercial and public open space land uses. The proximity of these uses to the site has already formed the basis of a “mixed-use” development. New urban-styled residential development will add a living opportunity that currently does not exist in the market for a diverse population. Development of this site with residential, the enhancement of the public land into a more attractive amenity and the proposed investment in the commercial areas on Street and Avenue represent a comprehensive mixed-use vision for the neighborhood. The City intends to enter into a partnering relationship with the selected developer that maximizes this visionary opportunity for the site while providing a positive atmosphere for private investment and a long-term relationship with the City as a “development partner.”

- The development of residential housing on the site is expected to act as a catalyst for the enhancement and redevelopment of other properties in the neighborhood, particularly along Street and Avenue. The City intends to assure that its further investment in the area, with particular emphasis on open land and infrastructure, is consistent with the development plan jointly agreed upon with the developer.

- The emerging success of downtown _________ and the close proximity of the University of _________ and the site to both areas represent an opportunity to create a neighborhood connection between the two that is attractive to both pedestrian and non-pedestrian traffic. It is anticipated that the neighborhood will become the desirable location for the urban resident, young, middle-aged and old, who desires the multiple experiences offered by an entertaining downtown and a world-class university in a contemporary urban living setting.

- The City has sold $7.815 million dollars in bonds to buy, clear and prepare the site. It is the City’s objective to select the development that generates sufficient tax increment to pay the bonds and, to the extent possible, provide additional funds to achieve other objectives of the TIF Plan. The City may consider modifying its revenue objectives if the project can exhibit significant value in achieving the other “neighborhood redevelopment” objectives. The leadership of the City is also prepared to facilitate a review of the developer proposals and the implementation of a final developer plan in a process and timetable that is consistent with the City’s need to seek a return on its investment and the developer’s interest in doing the same. Accordingly, while the broad vision articulated in this document and the Master Plan is a framework which should guide developer review, the City is open to other creative concepts which maximize City and developer return on investment and neighborhood revitalization. However, as the TIF is already in place and bonds have been sold, the timing of the developed project and the ability of the developer to move forward quickly will be an important consideration.

Role of the City of _________

The City Council has publicly stated its commitment to the redevelopment of this site and has engaged and supported its highly qualified staff and experienced consultants to advance the process. The City of _________ controls the land and has prepared it for development. A Tax Increment Finance District (TIF) and bonds have been sold. The City has commissioned the Master Plan that is available for developer review. The City Council has been fully involved in the...
market analysis, the economic analyses and the development of the Master Plan. Given these actions to date, the City is prepared to assist in the development of a partnering relationship with the selected developer that maximizes the vision of neighborhood redevelopment in concert with a successful development environment and an adequate return to the City on its investment. The City fully understands that pace of the process involved in selecting the developer and implementing the development in addition to its commitment to a long-term partnership that tracks the ability of the market to absorb the development is critical to the overall success of the development of the Hospital site. Pending review of proposals, potential roles of the City could include, but not be limited to: utilizing some of the City owned land as equity; use of TIF increment to support the project; flexible zoning and density considerations; additional infrastructure improvements in the surrounding area; and, facilitating the development approval process. These potential roles will be defined during the final negotiation process based upon the quality and impact of the proposed development.

Developer Selection Process

The first step in the selection process is a Request For Qualifications (RFQ). On the basis of the qualifications submitted, the Council will identify the most qualified developer team. In the second step, the Council will issue a Request For Proposal (RFP) to a very limited group of the most qualified development teams. Recipients of the RFP can be assured that the number of final applicants is limited; the timelines for review are concise; and, the final review by the Council will be within a framework that the development teams will find clear, timely and direct. The team offering the most desirable proposal within the objectives outlined earlier will be designated the “Developer of Record” and will be asked to negotiate a final development agreement with the City.

The City of fully reserves the right to reject any and all submittals of both the RFQ and RFP if the City, in its sole discretion, determines that the submittals do not meet its goals and objectives for the development of this site.

Request for Qualifications

Prospective development teams should submit a statement of interest and qualifications. The information submitted should be explicit and informative. Ten (10) copies of each should be submitted. Submissions should be limited to thirty (30) pages.

Letters of interest should be submitted to the Office of The Planning Director. The deadline for submissions is noted in the cover letter enclosed with this document and below.

The City of staff and consultant will review qualifications and recommend development teams to interview with the City according to the following timeline:

- Deadline for RFQ submittal:
- Interviews with selected teams: to
- Recommendation to the City Council:

After review by the City staff and consultant and the related interviews, if the credentials and experience of one team far exceeds those of all other teams, the City Council, acting on the recommendation of staff, may choose to designate that team as the proposed “Developer of Record” and request that only one team submit the required RFP documentation. Otherwise a limited number of teams will be asked to submit.
**RFQ Submittal Requirements (limited to 30 pages)**

- A letter of interest.
- While a detailed plan is not required at the RFQ stage, the City requires a concise narrative clearly indicating the nature and type of development that would be pursued on the site.
- The names and responsibilities of all organizations participating in the development team.
- For each organization, a description of overall qualifications, specific experience on similar projects, and references for those projects.
- For each organization, identification of key persons assigned to the project and the person in overall charge of the project.
- Evidence demonstrating the development team’s capability to finance a project of this magnitude (confidential if requested).
- Any additional information that will support the development team’s capability and experience with projects of a similar nature.
- The City prefers to develop the entire 5.19-acre site. However, the City may consider an RFQ response that proposes to utilize only portion, but not all, of the site.

**RFQ Basis for Evaluation**

- Developer Expertise—Priority will be given to the development team that has a history of successful real estate development and demonstrates the interdisciplinary expertise required for this type of project. Also of prime consideration is a track record of high quality development sensitive to the client and the setting, design expertise, innovative packaging and the ability to attract and retain quality buyers/tenants.
- Expertise on Similar Projects—Experience on similar residential redevelopment projects is considered essential. Comparable projects that are relevant and transferable must be described.
- Organization and Personnel—In addition to the development team’s overall capabilities and experience, attention will be focused directly on the personnel assigned to the - Hospital site and the manner in which they will be organized and managed.
- Financial Capability—Financial capability of the development team will be a major factor.
- Creativity, appropriateness and catalytic potential of the narrative concept plan.

**Request for Proposals**

Following the evaluations, the City Council will invite the most qualified development team(s) to submit a proposal consistent with the RFP terms and conditions outlined in this prospectus. On the “Basis of Evaluation” outlined below, the Staff, with Council approval, will designate a “Developer of Record.” The team designated “Developer of Record” will be given exclusive rights to negotiate with the City, for a limited and timely period, for implementation of a mutually satisfactory redevelopment project and plan for the Hospital site.
**Developer of Record**

The development team selected as “Developer of Record” must be prepared to promptly enter into a development agreement with the City. The agreement will specify each party’s specific roles and obligations in the implementation of the redevelopment project. The timeframe for negotiations will be subsequently determined.

**RFP Submittal Requirements (limited to 30 pages)**

The content of each invited proposal must address four major requirements:

- The proposed type, number and market-price points of the product(s)
- Documentation of the market for the proposed product(s)
- The organization, accessibility and character of the products
- The proposed role of the City of

Each of these requirements is explained below. Proposals must be submitted within 30 days of notice from the City Council.

- **Proposed type, number and market-price points of the product**---The City will want to clearly understand the type of product anticipated, the price points for the product and the anticipated customers for the product. Understanding this objective will clearly assist the City in evaluating the overall impact of the proposed project on the vision for the neighborhood.

- **The design concept**---The proposal must ensure that the development will be designed and implemented with a character and scale compatible with the neighborhood. Broad design guidelines for the site are available from the City as part of the “additional information” package. The design professionals to be utilized, if not part of the development team, must be identified along with evidence of their experience and skills. No elaborate design presentations are expected at this stage. The proposed design should be presented in a selected number of concept sketches with accompanying narrative. Items to be addressed include, but should not be limited to: building mass and height relationships both within the development and in contrast to surrounding uses; functional flow of pedestrian and vehicular traffic; parking and loading; overall architectural style or character; and the proposed treatment of public and open spaces.

- **The proposed role of the City**---The City has already invested significantly in the land acquisition and in the preparation of the site for development. Other investments are anticipated in the future for the public areas surrounding the site. Other roles for the City will be considered. The requests for City involvement (financial and otherwise) shall clearly outline how that involvement will fit into the working of the total development package. Sufficient supporting information shall be supplied so that it can be determined that requested incentives are necessary for the proposed development to be accomplished at competitive fair market costs and adequate returns to the developer.

**RFP Basis for Evaluation**

The proposals invited by the City of a very limited number of qualified developers will be evaluated on the basis of the following criteria:

- **Compatibility with the Master Plan**---The concepts outlined in the Master Plan represent the vision that the City hopes to achieve as the market allows over time.
Return on the City’s investment—While the City recognizes its role in “priming the pump” for economic and neighborhood development, the ability to receive an acceptable return on its investment in both the short term and over the life of the TIF will be a key consideration in the evaluation.

Adequacy of financial package—The information supplied on the proposed method(s) of financing must be complete and in sufficient detail to enable the City to evaluate feasibility. If financial involvement is requested of the City, the involvement must clearly indicate the City’s role relative to market price points, construction costs and the developers’ return on investment. Those plans, which leverage the City’s overall investment into the highest neighborhood impact in concert with the greatest return on the City’s investment, will receive the highest priority.

Compatible design plan—The design concept shall be imaginative, reflecting a quality of materials, linkage to the activities and important elements of the surrounding area, and the site’s importance to the connectivity between downtown and the University of . There are no constraints in architectural style.

Best overall solution—A combination of neighborhood enhancement; a return on the City’s investment; an interest and ability to form a successful partnership with the City; the long term viability of the project; site design and overall project appearance; and the track record and current resources and financial capability of the development team

Proprietary Information
Any restrictions on the use of information contained within a proposal shall be clearly stated as such within the proposal. The City will only be able to comply with a request for confidentiality to the extent allowed by law.

Response Due Date
Responses to this Solicitation of Developer Interest and Request for Proposal shall be submitted no later than day, , 2004. Responses received after this time will be considered non-responsive and, at the discretion of the City, may not be considered.

Where To Submit Responses
Please submit responses to this Solicitation/Request to:
Planning Director
City of

Attachments and Additional Information
Attachments:

Additional Information: The City of has established a web site containing the Master Plan and all other relevant information. The web site can be accessed at:

Questions concerning the Solicitation/Request or the site should be directed to ; or e-mail at:
PROPOSED COVER LETTER FROM —TO BE SENT 2-11-05

Individual letters to each of the three finalists:
• Burnham Redevelopment, LLC (Mesirow Stein, etc)
• New England Builders
• The Pickus Companies and VOA Associates

RE: Request for Proposal

Dear Mr. :

On behalf of the City of , thank you for submitting a response to our Request for Qualifications for the Hospital site. Based on your qualifications, you have been selected to receive this Request for Proposal. Please be advised that, in order to assure the finalists that their further investment of time is reasonable, only three firms have been asked to submit a proposal. Also, it is the intent of the City to interview each of the three finalists so that everyone will have a full opportunity to express their plans for this site and the credentials that they bring to this development opportunity.

Our original RFQ clearly outlined the very high importance that the City Council places on the redevelopment of this site and the related positive impact on the surrounding neighborhood. Hopefully, the tight and focused process, which has been utilized to solicit your interest, clearly indicates our commitment to advancing this priority project in a timely manner.

Your proposal is due by 4:00 PM on Tuesday, March 29, 2005. Please note that it is the intent of the City to successfully negotiate a final contract agreement with the selected developer within 45 days from the time of selection. While this is further evidence of our commitment, we obviously expect that the selected firm will be prepared to participate in such negotiations and in the indicated timeline.

The enclosed Request for Proposal outlines in detail the requirements of the submittal. Please remember that we are looking for proposals that balance neighborhood revitalization and an appropriate return to the City for its financial investment in a manner that provides a reasonable return to the developer. Of prime importance is the type of product; its density and land use; access, circulation and parking; the proposed price points and the market for the price points; the project phasing; your ability to finance and build the project; and, very specific expectations about the role of the City of (financial and otherwise).

We will be pleased to receive your calls, e-mail or a request for a pre-scheduled visit if you would like more information ( ). All responses should be sent to my attention at the City of . We appreciate your ongoing interest.

Sincerely---

Planning Director

Sample of a RFQ Response Letter and Next Steps for Selected Developer (for a Proposal)
Completion of the Qualifications Process
The City of is very pleased that you submitted your qualifications in the RFQ process and that your firm has been selected for a short list of firms which are being requested to submit a proposal. Previously, you received an overview of the project; a description of the site and development area; development objectives; the role of the City of; and, an overview of the developer solicitation RFQ/RFP process. The following is a reiteration of the RFP process with the insertion of some key dates for your review.

Request for Proposals
Now that the initial qualifications process is complete, the City Council is inviting the most qualified development team(s) to submit a proposal consistent with the RFP terms and conditions outlined in the original prospectus.

On the “Basis for Evaluation” outlined below, the Staff, with Council approval, will designate a “Developer of Record.” The team designated “Developer of Record” will be given exclusive rights to negotiate with the City, for a limited and timely period, for implementation of a mutually satisfactory redevelopment project and plan for the .

Developer of Record
The development team selected as “Developer of Record” must be prepared to promptly enter into a development agreement with the City. The agreement will specify each party’s specific roles and obligations in the implementation of the redevelopment project. The exact timeframe for negotiations will be subsequently determined. However, it is the strong intent of the City that the Council will receive a final development agreement from staff with a recommendation of approval in no more than 45 days from the date of the Developer of Record designation.

RFP Submittal Requirements (limited to 30 pages)
The content of each invited proposal must address four major requirements:

- The proposed type, number and market-price points of the product(s)
- Documentation of the market for the proposed product(s)
- The organization, accessibility and character of the products
- The proposed role of the City of

Each of these requirements is explained below.

Sample of a Request-for-Proposals Submittal Requirements
Proposed type, number and market-price points of the product---The City will want to clearly understand the type of product anticipated, the price points for the product and the anticipated customers for the product. Understanding this objective will clearly assist the City in evaluating the overall impact of the proposed project on the vision for the neighborhood.

The design concept---The proposal must ensure that the development will be designed and implemented with a character and scale compatible with the neighborhood. Broad design guidelines for the site are available from the City as part of the “additional information” package, which is on the City’s web site. The design professionals to be utilized, if not part of the development team, must be identified along with evidence of their experience and skills. The proposed design should be presented in a selected number of illustrations with accompanying narrative. Items to be addressed include, but should not be limited to: building mass and height relationships both within the development and in contrast to surrounding uses; functional flow of pedestrian and vehicular traffic; parking and loading; overall architectural style or character; and the proposed treatment of public and open spaces.

The proposed role of the City of [City Name]---The City of [City Name] has already invested significantly in the land acquisition and in the preparation of the site for development. Other investments are anticipated in the future for the public areas surrounding the site. Other roles for the City will be considered. Requests for City participation should be very specific in terms of the amount and duration of financial participation; specific zoning or regulatory relief; infrastructure considerations; and, any other ancillary issues. The requests for City involvement (financial and otherwise) shall clearly outline how that involvement will fit into the working of the total development package. Sufficient supporting information shall be supplied so that it can be determined that requested incentives are necessary for the proposed development to be accomplished at competitive fair market costs and adequate returns to the developer.

RFP Basis for Evaluation

The proposals invited by the City of [City Name] a very limited number of qualified developers will be evaluated on the basis of the following criteria:

- Compatibility with the Master Plan---The concepts outlined in the Master Plan represent the vision that the City hopes to achieve as the market allows over time.
- Return on the City’s investment---While the City recognizes it role in “priming the pump” for economic and neighborhood development, the ability to receive an acceptable return on its investment in both the short term and over the life of the TIF will be a key consideration in the evaluation.
- Adequacy of financial package---The information supplied on the proposed method(s) of financing must be complete and in sufficient detail to enable the City to evaluate feasibility. If financial involvement is requested of the City, the involvement must clearly indicate the City’s role relative to market price points, construction costs and the developers return on investment. Those plans, which leverage the City’s overall investment into the highest neighborhood impact in concert with the greatest return on the City’s investment, will receive the highest priority.
- Compatible design plan---The design concept shall be imaginative, reflecting a quality of materials, linkage to the activities and important elements of the surrounding area, and the site’s importance to the connectivity between downtown and the University of [University Name]. There are no constraints in architectural style.
Best overall solution—A combination of neighborhood enhancement; a return on the City’s investment; an interest and ability to form a successful partnership with the City; the long term viability of the project; site design and overall project appearance; and the track record and current resources and financial capability of the development team.

**Proprietary Information**

Any restrictions on the use of information contained within a proposal shall be clearly stated as such within the proposal. The City will only be able to comply with a request for confidentiality to the extent allowed by law.

**Response Due Date**

Responses to this Solicitation of Developer Interest and Request for Proposal shall be submitted no later than Tuesday, March 29, 2005 at 4:00 PM. Responses received after this time will be considered non-responsive and, at the discretion of the City, may not be considered.

**Where To Submit Responses**

Please submit responses to this Solicitation/Request to:

Planning Director
City of

**Additional Information**

Additional Information: The City of has established a web site containing the Master Plan and all other relevant information: . Follow the instructions to the information.

Questions concerning the Solicitation/Request or the site should be directed to at or e-mail at:
A PORTFOLIO OF MUNICIPAL ECONOMIC DEVELOPMENT INCENTIVES AND TOOLS

Municipal economic development incentives are commonplace for communities seeking to offer the greatest flexibility in regards to development/redevelopment assistance. The following list of tools federal, state and local opportunities and capabilities and are packaged as a potential portfolio of municipal options all oriented to economic development. This list of tools represents the composite list of options currently available to municipalities.

**Traditional Local Tools**

**Tax Increment Financing (TIF):**
The following areas are subject to improvement via the use of TIF funds:
» Public infrastructure
» Streetscape
» Land write down
» Land acquisition
» Planning costs
» Sewer and drainage
» Traffic control
» Landscaping
» Park improvements
» Bridge construction and repair
» Demolition
» Utilities
» Street reconditioning and lighting
» Water supply
» Environmental remediation
» Parking structures

**Special Service Assessment Districts:**
These districts generate revenue in the form of a special property tax, approved by property owners, in a defined district. The proceeds from this tax may then used to fund development/redevelopment improvements which benefit the property owners within the district. Typical eligible expenses include:
» Marketing
» Planning
» Streetscapes
» Maintenance
» Public/Private Management Organizations

**Business Districts (BD’s):**
Similar to SSA’s, these are specific areas which allow municipalities to capture up to an additional 1.0 % in sales tax which must be reinvested into the respective area. TIF eligibility standards are utilized to define Business Districts.
Other Tools and Development Strategies

- Property tax, equipment tax, and sales tax rebates.
- Façade improvement grants which may include consideration of internal build-outs and landscaping as an additional eligible expense.
- Liaison with IDOT for private development.
- Utilization of currently owned municipal land for development purposes (i.e. no TIF funds would be required for an acquisition or land write down).
- Working capital loans (a municipal support mechanism with substantial risk).
- Creation of improved public transportation services.
- The use of liquor licenses to stimulate quality food and beverage business, which can be used in concert with façade improvement funds, as applicable.
- Municipal equity positions in quasi-private buildings (i.e. convention centers).

- Parking improvements (includes construction of new parking and improvement of existing lots and facilities. Also, the subsidizing of parking rates can be implemented in an effort to encourage public use).
- Granting of zoning and easement modifications.
- Acceleration of the municipal review process.
- Reductions or elimination of fees for selected development initiatives.
- Grants / loans for sustainable projects (i.e. green development).
- Assistance to the private sector in the recruitment of candidates for jobs and employee housing options.
- Providing municipal security and/or enhanced maintenance for special areas.
- Providing capital for marketing events, community initiatives, and/or tenant recruitment.

Additional information related to the above-mentioned tools, and others, is provided below:

Commercial Economic Development: The State of Illinois administers state (and federal) funds through the Department of Community and Economic Opportunity (DCEO) www.commerce.state.il.us/dceo/. A comprehensive array of programs are offered including but not limited to grants to municipalities; the Advantage Illinois Program (small business lending, start-up’s, venture capital); local government assistance and training; low income population support; job training; a revolving business incentive fund; the Main Street Program; urban assistance, and others.

Low-Moderate Income Housing Support: The Low Income Housing Tax Credit Program has been widely used to support residential development throughout the United States. The following website provides an excellent summary of these programs and the process municipalities can follow to access support: www.danter.com/taxcredit.

Historic Building Preservation Support: The Illinois Historic Preservation Agency administers the tax credit program which supports the costs associated with the renovation of historic buildings. To access this information: www.illinoishistory.gov.

Based on the variety of tools and strategies available to municipalities, communities should organize their support for economic development within four packages or categories and select the appropriate level of support on an annual basis. These packages/categories include:

- New Development
- Existing Building/Site Renovation
- External Recruitment of Developers and Tenants
- Downtown / Business District Marketing and Events
Chicago Southland Economic Development Corporation:
CSEDC is responsible for identifying, organizing, and collecting public and private resources in order to promote local businesses. As a result, initiatives led by the CSEDC provide economic growth, job opportunities, and development potential throughout the Chicago southland. (csedc.info)

South Suburban Mayors & Managers Association:
Located south of the City of Chicago, SSMMA is an intergovernmental agency providing technical assistance and joint services to 42 municipalities representing a population over 650,000 in Cook and Will Counties. SSMMA members work cooperatively on transportation, legislation, land use, economic development, housing, storm water and open space planning, infrastructure, public safety, human resources, recycling and purchasing. (www.ssmma.org)

Chicago Southland Housing & Community Development Collaborative:
The Collaborative is an inter-jurisdictional approach to address housing and community development in the southern suburbs of Chicago. Through advocacy and by leveraging resources and partnerships, the Collaborative develops regional solutions, programs and educational opportunities to advance the goals of the member communities. (cshcdc.org)

South Suburban Land Bank Development Authority:
The South Suburban Land Bank and Development Authority is a newly forming organization which aims to incentivize economic development through the management and development of vacant, abandoned, and tax-foreclosed properties. Through the Authority municipalities in the southern suburbs can effectively transform these properties back into productive parcels that reinvest in the community.

Cook County Department of Planning & Development:
The Cook County Department of Planning and Development (http://www.cookcountygov.com) is the principle regulatory body for planning and development issues throughout the county. The Department offers a variety of tools and incentives aimed at promoting economic opportunities and business development. The goals of these tools is to promote:

- Sustainable community investment.
- Business growth, attraction, and retention.
- Affordable housing.
- Regional planning.
- Workforce development.