

**NOTICE OF A SPECIAL MEETING
OF THE
VILLAGE BOARD OF TINLEY PARK**

A Special Meeting of the Mayor and Board of Trustees of the Village of Tinley Park is scheduled for January 3, 2019 beginning at 6:00 p.m. in the

Council Chambers located at the
Village Hall of Tinley Park
16250 South Oak Park Avenue
Tinley Park, Illinois

A copy of the agenda for this meeting is attached hereto and can be found at www.tinleypark.org.

Kristin A. Thirion
Clerk
Village of Tinley Park

MEETING NOTICE

NOTICE IS HEREBY GIVEN that the Special Meeting of the President and Board of Trustees of the Village of Tinley Park, Cook and Will Counties, Illinois will be held on January 3, 2019, beginning at 6:00 P.M. in the Council Chambers at the Village Hall of Tinley Park, 16250 South Oak Park Avenue, Tinley Park, Illinois.

- 6:00 P.M. CALL TO ORDER
- PLEDGE OF ALLEGIANCE
- ROLL CALL

ITEM #1

SUBJECT: RECEIVE COMMENTS FROM STAFF

COMMENTS: _____

ITEM #2

SUBJECT: RECEIVE COMMENTS FROM THE PUBLIC

COMMENTS: _____

ITEM #3

SUBJECT: CONSIDER ADOPTING RESOLUTION NUMBER 2019-R-001 APPROVING AN EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT BETWEEN THE VILLAGE OF TINLEY PARK AND MELODY SQUARE, LLC. – **Trustee Berg**

ACTION: Discussion: In November of 2017, the Village Board conducted a search for a private development team to partner with in creating a development plan for the State-owned former Tinley Park Mental Health Center (MHC). Through a request for qualifications (RFQ) and a request for proposal (RFP) process, the Village Board identified three qualified development partners. To advance the development and potential acquisition process for the MHC, staff and the Village’s retained consultant, SB Friedman, recommend to enter into an Exclusive Negotiating Rights Agreement (“ENRA”) with Melody Square, LLC. The ENRA will allow the Village and Developer to continue to explore acquisition options for the Property for a period of six months. Also during this time period, the Village and Melody Square, LLC will continue to negotiate and discuss all land use and incentive proposals. Any final agreements and/or zoning entitlements will eventually be reviewed by the Village Plan Commission and Village Board respectively. **This Resolution is eligible for adoption.**

COMMENTS: _____

ITEM #4

SUBJECT: RECEIVE COMMENTS FROM THE BOARD

COMMENTS: _____

ADJOURNMENT

STAFF COMMENT

**PUBLIC
COMMENT**



Interoffice Memo

Date: January 3, 2019

To: Mayor Vandenberg and Village Board

Cc: David Niemeyer, Village Manager
Paula Wallrich, Community Development Director

From: Patrick Hoban, Economic Development Manager

Subject: Mental Health Center Exclusive Negotiating Rights Agreement

Background:

In anticipation of the State of Illinois completing the State-owned Mental Health Center site appraisal staff has identified five interested developers via a Request for Qualifications (RFQ) process. Of those five, the Village invited the following three; Melody Square, Renaissance Downtowns and Urban Street Group to submit responses to the Request for Proposal (RFP) the Village Board approved on July 10th, 2018. Staff distributed the RFP Responses to the Village Board for review.

A team comprised of Trustee Glotz, Trustee Younker, Village Manager Niemeyer, Assistant Village Manager Carr, Community Development Director Wallrich, Planning Manager Clarke and Economic Development Manager Hoban reviewed and performed a preliminary Strengths, Weaknesses, Opportunities, and Threat (SWOT) analysis on the responses.

The review team also agreed on seeking external review of the financial portion of the RFP responses. The Village hired SB Friedman to review the RFP Responses and make a recommendation on their findings.

Timeline

- | | |
|--|-------------------|
| • Committee of the Whole: Timetable Presentation. | November 14, 2017 |
| • Economic Commercial Commission: Timetable Presentation | December 4, 2017 |
| • Village Board: RFQ Approval | December 12, 2017 |
| • RFQ Issuance | December 15, 2017 |
| • RFQ Amended | January 23, 2018 |
| • Developer Forum | February 7, 2018 |
| • Deadline for any questions | February 16, 2018 |
| • RFQ due @ 4:30 p.m. | February 23, 2018 |
| • Firm interviews | May 1-29, 2018 |
| • RFP Issuance | July 10, 2018 |
| • RFP Intent letter | August 1, 2018 |
| • Questions | August 31, 2018 |
| • RFP Due @ 4:30 p.m. | October 1, 2018 |

Summary of Responses:

All three responses are on the Village website and take philosophically different approaches.

Melody Square

Development team formed of Chicago area partners K. Hovnanian, M/I Homes, David Payton's Jax Yards, Rick Heidner, and Dave Dorgan. The project features a variety of residential types (TOD, single family, senior), commercial, large open spaces and multiple public amenities. The public amenities should lead to an increase in tourism. Melody Square proposes a two-year timeline and requests \$68 million in incentives.

Renaissance Downtowns Urban Holdings

Development team formed of Chicago and New York area partners. They have multiple projects in their portfolio of cleanup projects totaling over \$3 Billion invested. They believe Tinley Park lacks senior housing, studio apartments, and medical services. Development team believes walkable TOD's will be in high demand in the future. They believe Top Golf, Kid Zania, and other experience-based commercial projects will do well on site. Renaissance Downtowns will determine the incentive for the two-year project based on the community feedback findings.

Urban Street Group LLC

Chicagoland based development team with 30 years of experience. They purchased the contaminated 300+ acre Motorola campus in Schaumburg. They have attracted a variety of development to the site. They use mixed development to generate critical mass attracting multiple specialized developers. They believe different tiered residential (starter, single family, senior) and commercial (entertainment, office, etc.) will be successful on site. Urban Street proposes a four-year timeline and requests \$50 million in incentives.

Next Steps:

Enter into an Exclusive Negotiating Rights Agreement (ENRA) with a development team. SB Friedman recommends partnering with Melody Square. Melody Square's vision is the most complete of the three proposed and aligns the closest with the feedback received from the public.

The ENRA will allow the Village and the Developer to continue to explore acquisition options for Property for six months. Also during this period, the Village and Melody will continue to negotiate and discuss all land use and incentive proposals. Any final agreements and or zoning entitlements will eventually need to be reviewed by the Village Plan Commission and Board respectively.

Strategic Plan Checklist:

1. Short-Term Complex, Tier 1: Finalize our consensus Master Plan for the redevelopment, use, and character of the old State Mental Health Center; develop RFP for developers, determine if Village will purchase.
2. Long-Term Complex, Tier 1: See substantial start to the old State Mental Health Center property redevelopment with projects underway and remediation completed.

Benefits:

1. Ability to approach the State with a partner.
2. Initiate the cleanup of Tinley Park's southeast entrance.
3. Move the MHC Master Plan process forward.

Staff Recommendation:

Following SB Friedman's lead staff recommends entering into an Exclusive Negotiating Rights Agreement with Melody Square. This item is eligible for adoption.

Melody Square

Development team formed of Chicago area partners. First project together. Master Plan shows a small amount of commercial, a large portion of senior housing (K. Hovnanian), TOD (M/I Homes) for sale townhomes near train station, public space (Jax Yard's by David Payton (hopes to attract travel team) with a wakeboard cable entertainment park and a small solar field. K. Hovnanian (similar to Dell Webb) builds 200-300 homes per year and has no capital restrictions. Project is backed by Rick Heidener who owns 2,000,000 SF of commercial real estate with 700 tenants including the 7-11 on Oak Park and the Jewel Center in Tinley. Dave Dorgan was involved with a \$750,000 brownfield cleanup in Aurora, a \$300,000 brownfield ComEd cleanup and plans to build on slabs homes and use turf on the ball diamonds to encapsulate contaminants. Melody Square believes the MHC can support minimal commercial due to taxes, but does have 90% of the site committed.

	Units	Acres		Amenities	
Detached Single Fam	500	120	43%	Wakeboard Park	NF*
Attached Single Fam	100	16	6%	Baseball Diamonds	NF*
Senior Housing	200	7	6%	Solar Parking Canopy	NF*
Total	800	143	47%		
				Timeline	
Commercial		10	4%	Land Acquisition	201904
Quality of Life		42	16%	Demo Phase I	201904
Parks, Open Space, Wetlands		85	30%	Environ Phase I	201904
Total		137	53%	Road	201907
				Infrast Phase I	201907
				Detention	201908
				Utilities Phase I	201908
				Demo Phase II	201910
				Environ Phase II	201910
				Infrast Phase II	202003
				Residential	202003
				Baseball	202007
				Ownership	
					?
Incentive					
Demolition	\$6,000,000				
Environmental Remediation	\$6,500,000				
Infrastructure	\$12,850,000				
Development Subsidy	\$5,600,000				
Soft Costs	\$750,000				
TIF Reserve	\$2,300,000				
Developer Interest	\$1,000,000				
Hotel Rebate	\$4,336,238				
TIF Note interest	\$29,519,647				
	\$68,855,885				
Increment	\$100,534,649				

*NF = Not Funded

Strengths

Tinley feedback in mind
Large open space
National home builder

Weaknesses

First project
Amenities not funded
Large incentive request
Building material relief
Typical site plan
Unfunded Village services

Opportunities

Increase hotel stays
Increase restaurant demand

Threats

State of Illinois
National economy

Renaissance Downtowns Urban Holdings

Development team formed of Chicago and New York area partners. They have multiple projects in their portfolio of cleanup projects totaling over \$3 Billion invested. They specialize in pivoting master planned projects communities do not embrace (similar to our situation) with crowd sourcing to create development that is accessible by the entire community. They plan to use the Farr plan as a starting point. They embrace green LEED certified development techniques. They believe Tinley Park lacks senior housing, studio apartments and medical services. Development team believes walkable TOD's will be in high demand in the future. They believe Top Golf, Kid Zania and other experience based commercial projects will do well on site. They are backed by private equity partners, but did not identify them. They believe environmental cleanup will be larger than \$12M due to water table.

	Units	Acres	Amenities
Detached Single Fam	200	%	Incubator & Co-Work
Attached Single Fam	200	%	
Total	400	%	Timeline
			Com Engage 201901
Commercial	20000	%	Action Plan 201901
Quality of Life		%	Zoning 201904
Parks, Open Space, Wetlands		%	Land Closing 201910
Total		%	Pre-Construction 201910
			Environmental 202001
Incentive	\$		Phase I Construction 202001
Increment	\$		Phase II Construction 202008

Either all at once or in phases

Ownership

Strengths

Community Process
Taste of Chicago
Mix of Office, Residential, Industrial
Portfolio of work
Have redeveloped brownfields
Distinctive Architecture

Weaknesses

Starting over
Limited projections
Limited plans
Unfunded Village services

Opportunities

Unknown due to lack of plans

Threats

State of Illinois
National economy

Urban Street Group LLC

Chicagoland based development team with 30 years of experience. They purchased (\$26M) contaminated 300+ acre Motorola campus in Schaumburg. They have attracted over \$400M of development to site. They use mixed development to generate critical mass attracting multiple specialized developers (commercial, DR Horton residential, hotel, medical, Top Golf, etc). As master planners they oversee all development (with experience in all) unlike sub-dividers. They plan to purchase entire site and turn it into an 18 hour community, based on Farr plan. They believe different tiered residential (starter, single family, senior) and commercial (entertainment, office, etc) will be successful on site. They are backed financially by Huizenga. They recommend removing all contaminants (not cap).

	Units	Acre	Acres		Amenities
Detached Single Fam	785	71	25%		Top Golf(maybe)
Attached Single Fam	306	41	14%		
TOD Apartments	500	20	7%		Timeline
Senior Housing	200				Acquisition 2018
Total	1,791	132	47%		Planning Zoning 2020
					Infrast 2021
Commercial		14	5%		Pre-Sales 2022
Quality of Life		78	28%		Absorption 2023-37
Parks, Open Space, Wetlands		57	20%		
Total		148	53%		Ownership Entire

Incentive

Demolition	\$6,533,000
Asbestos Abatement	\$3,193,000
Environmental Remediation	\$2,915,000
Infrastructure	\$12,186,327
Park Improvements	\$18,944,000
Relocation Metra Parking	\$1,462,500
Development Subsidy	\$5,000,000
	\$50,233,827

Increment \$152,850,242

Strengths

Large increment projected
 Similar experience in Schaumburg
 Large open space
 National home builder
 Optional extended commercial
 Controlled growth

Weaknesses

Large amount of residential
 Unfunded Village services

Opportunities

Increase hotel stays IF
 Top Golf comes

Threats

State of Illinois
 Public pushback
 School pushback
 National economy

MEMO

To: Village of Tinley Park
From: Geoff Dickinson, SB Friedman Development Advisors
312-384-2404, gdickinson@sbfriedman.com
Date: December 14, 2018

RE: Preliminary Review of Developer Proposals TPMHC Site

SB Friedman Development Advisors ("SB Friedman") was engaged by the Village of Tinley Park (the "Village") to review submitted proposals for the development of the Tinley Park Mental Health Center ("TPMHC") site generally bound by Harlem Avenue to the east, 183rd Street to the south, the Metra Rock Island District Line to the north and 80th Avenue to the west (the "Site").

The Village issued a Request for Proposals (RFP), dated July 10, 2018. Three development teams submitted proposals to the Village in response to the RFP. The three teams are referred to in this memo as:

- 1) Melody Square, LLC ("Melody Square")
- 2) Urban Street Group
- 3) Condor/Renaissance Downtowns Urban Holdings, LLC ("RDUH")/Edwards Realty ("Condor Team")

The purpose of SB Friedman's preliminary review is to assist the Village in selecting a preferred development partner. To date we have conducted a limited review of the submittals in the context of overall completeness and responsiveness to the RFP. We have not independently validated the information asserted by the development teams and anticipate conducting additional due diligence on the Village's selected Preferred Developer going forward.

Key issues to be analysed regarding the Village's Preferred Developer could include: market and financial feasibility, gap analyses, tax increment financing revenue projections, evaluation of the financial strength of the Preferred Developer, operational considerations for certain aspects of the plan and fiscal impacts for the Village and other affected taxing bodies.

The memo recommends that the Village move forward with Melody Square as the Preferred Developer for the Site.

Findings

We reviewed and summarized the three developer submittals in **Appendix A**. Key conclusions from that summary and review exercise are summarized below:

- 1) **Melody Square**
 - Melody Square, LLC has presented a relatively complete proposal that includes teammates who plan to develop the site as a largely 55+ community plus some additional housing such as townhomes and single family residences. Limited commercial development is also included in the program. The Master

- Plan includes over 80 acres of recreational amenities, including the development of a sports complex that would remain under the Village's ownership but will be programmed and operated by Jax Yard.
- Development partners have been identified including K Hovnanian, MI Homes, West Point Builders, Avenida and Jax Yard.
 - Melody Square appears to have put forward the most new effort and has submitted the most complete proposal and has include key teammates within their development team.

2) **Urban Street Group**

- Urban Street Group has presented a flexible proposal that offers a primarily single-family home development with some multifamily and senior housing in a new urbanist setting around the Metra Station. Their proposal also includes a significant commercial development component including destination and entertainment retail
- Partners have not been identified but Urban Streets will develop first TOD component to demonstrate they have "skin in the game"
- Urban Street Group has relied heavily on the prior planning work on the Site conducted by the Village. They have relevant experience but have a less fully developed team and development concept than Melody Square.

- 3) **Condor Partners & RDUH** proposed to conduct a planning effort rather than a development project. This submittal does not substantially respond to many key requirements of the RFP and no development partners have been identified.

Conclusions

As a first step in the public private partnership formation process, this memorandum evaluated each proposal based on completeness of RFP submittal and team composition. SB Friedman recommends that the Village move forward with Melody Square as the Preferred Developer.

There are many details and additional analyses that will be required before the Village should enter into a redevelopment agreement with Melody Square. In the next phase of work, we recommend that the Village and the Developer collaborate to address key deal terms related to land uses, private financing, public financial support, phasing, operations, land and building ownership, and many other issues. Ultimately, the goal would be to arrive at a partnership that allows the Village to achieve key policy goals, manages Village risk and allows the developer and the Village to be successful.

We look forward to continuing to assist the Village in this process.

APPENDIX A – Summary Matrix

Program			
	Melody Square, LLC	Urban Street	Condor/Renaissance Downtowns Urban Holdings, LLC ("RDUH")/Edwards Realty
Program Description	Primarily a 55+ community with some townhomes and single family residences. 80+ acres of recreational facilities	Transit Oriented apartments near to the train station, a variety of for-sale single family detached and attached housing types, retail and entertainment venues where feasible and several park and recreational opportunities.	N/A. Team will undertake a "process-before-plan" approach to determine mix of uses. This process would take approximately six months to one year.
Industrial	n/a	n/a. May consider flex as an option in the 183rd/Harlem District	
Office	n/a	30,000 sq. ft. in 183rd/Harlem District	
Retail/Hotel	Amount and tenants TBD due to Cook County considerations. Potential interest in hotel and strip mall with a Starbucks and movie theater	<ul style="list-style-type: none"> • 125,000 sq. ft. in three nodes (Metra/TOD, Harlem Avenue, 183rd/Harlem) • Would pursue entertainment oriented retail and possible flex buildings as alternative uses. • 183rd/Harlem District could be developed later phase in the project could potentially support destination and entertainment based retail. 	
Residential - Townhomes	100 units	306 units	
Residential - Single Family	60 units on zero lot lines	785 units	
Residential - Apartments (market rate)	n/a	500 units	
Senior Housing	435 units of SF; 200 unit luxury senior apartment	200 units, including active adult and assisted living	
Recreational	<ul style="list-style-type: none"> • Sportsplex. Tournament baseball complex with eight fields • Harmony Park - next to Metra - a themed public outdoor entertainment park including small amphitheatre with covered stage, spray pad/play apparatus, and severa; Freenotes outdoor musical percussion instruments. • Melody Station Cable Wakeboard Park - a 20-acre outdoor water sporting venue using motorized cables. • Entertainment venue will include full-service clubhouse featuring a training facility, retail shop, sand volleyball, live entertainment, and restaurant. Will be outfitted for lessons, camps and private parties 	n/a.	
Other	Solar canopy over a portion of the parking area to offset some of the project's electrical usage.		

Other Program Elements			
	Melody Square, LLC	Urban Street	Condor/Renaissance Downtowns Urban Holdings, LLC ("RDUH")/Edwards Realty
Conceptual plans, drawings and elevations for each use and/or phase	<ul style="list-style-type: none"> • Site plan was provided 	<ul style="list-style-type: none"> • Two site plans provided. One is more flexible for commercial uses in the 183rd/Harlem District 	<ul style="list-style-type: none"> • Actual site plan not provided • Provided conceptual site plan with and conceptual land use strategy • Mix of uses is TBD
Ownership by Area	<ul style="list-style-type: none"> • K Hovnanian (130 acres) • MI Homes (16 acres) • WestPoint Builders (18 acres) • Avenida (6 acres) • Commercial (6-10 acres) • Sportsplex (Village) • 30% of site is open space for public recreation areas, stormwater management, natural buffers and trails 	Partners have not yet been identified	Partners have not yet been identified
Community Engagement	<ul style="list-style-type: none"> • IDOT style public hearing with exhibits for each area of the development with experts present, including developers, engineers and environmental consultants. • Following the public hearing a focus group of citizens would be formed to further adapt the plan to the community's needs and desires. 	<ul style="list-style-type: none"> • Meet with stakeholders and community members throughout the zoning and planning process. • Hold regular meetings with Village staff, trustees and community members • Interactive website with updates and drone videos of construction progress for the community • Build a marketing center on site that will be open to the public 	<ul style="list-style-type: none"> • Extensive 6-month to 1-year engagement process grounded in Crowdsourced Placemaking (CSPM)
Sustainability Considerations	Photovoltaic solar parking facility in the Jax Yards parking lot area (implemented by energy consultant, Green Circuit)	Not explicitly discussed.	Not explicitly discussed
Market Study	<ul style="list-style-type: none"> • Acknowledged SB Friedman's previous study • Provided separate market study from K Hovnanian Homes documenting market support for senior and active adult development 	<ul style="list-style-type: none"> • Acknowledged SB Friedman's Market Study. • Hired Linda Goodman & Associates to review the Market Study and she found it to be well researched and valid. • Worked with Ryan Homes to determine potential prices from for sale product. 	<ul style="list-style-type: none"> • Provided preliminary market assessment, building on SB Friedman's prior work • Team will engage additional consultants as part of planning study to continue to refine market potential
Branding	The overall concept of Melody Square is to create a live work play environment stemming from the Village's branding efforts of "Life Amplified". Music will be incorporated into public areas. Adjacent to the Metra parking is Harmony Park. A themed public outdoor entertainment park for all ages and includes a small amphitheatre with covered stage, spray pad/play apparatus and several Freenotes outdoor musical percussion instruments.	Name of community is TBD. Will align with Tinley Park's music based branding efforts wherever possible from naming streets, distinct neighborhoods; parks and buildings to communicate the energy that "Life Amplified" has brought to Tinley Park	Encourage music-focused businesses, enthusiasts and musicians to call Tinley Park home. Goal is to bring neighborhoods together through similar branding efforts and help Tinley park grow while creating a unified marketing effort.
Timeline/Phasing	Provided	Provided	Provided

Other Program Elements			
	Melody Square, LLC	Urban Street	Condor/Renaissance Downtowns Urban Holdings, LLC ("RDUH")/Edwards Realty
Acquisition, Demo/Remediation Considerations	Acquire site as a whole and act as single point of responsibility. Would demolish all existing structures	Acquire site as a whole and act as single point of responsibility. Would explore adaptive re-use of some of the iconic existing structures for senior housing	Once the overall development plan is established, the Team would determine whether to close on the entire parcel or close on one portion of the land at a time in order to develop the specific phase associated with that sub-parcel.
Sportsplex Considerations	Sportsplex would remain under the Village's ownership but will be programmed and operated by Jax Yard	N/A	N/A

DRAFT

Partners		
Melody Square, LLC	Urban Street	Condor/Renaissance Downtowns Urban Holdings, LLC ("RDUH")/Edwards Realty
Melody Square, LLC (Master developer)	Urban Street Group, LLC (Master developer). Urban Street Group will also develop the initial TOD apartments as a catalyst to attached other developers. Consultant team members listed below have assisted on previous projects but do not appear to be confirmed. Development partners have not been identified	Condor Partners. National real estate development and investment firm founded in 2014 by Solomon Barket. Origins go back to 1994. Significant projects overseen include: North Avenue Collection in Lincoln Park Chicago and Roosevelt Collection in South Loop.
K Hovnanian (responsible for development of 130-acre active adult age-restricted community with full amenities for 440 units of single-family homes. Khov is national company with significant experience.)	Antunovich Associates (Land planner)	Edwards Realty Company Orland Park-based developer focused on commercial projects working throughout the Midwest. Functions primarily as a family office with the ability to invest their own capital in projects and have the flexibility to underwrite long term investment horizons.
MI Homes (100 units of townhomes. MI Homes is a publicly traded company and is currently building this product in the Chicago area)	Spaeco, Inc. (Engineer)	RDUH - National master developer. NY-based company that focuses on largescale redevelopment efforts. Focuses on community engagement using Crowdsourced Placemaking (CSPM) and Unified Development Approach ("UDA")
West Point Builders (60 single family homes on zero lot line parcels. WestPoint Builders has experience building in Tinley Park.)	Christopher B. Burke Engineering, LLC (CBBEL) (wetlands consultant)	Team will also assemble a consultant team of local and national experts
Avenida (luxury active adult facilities of 200 apartment units)		
Jax Yard (Tournament baseball complex with eight fields. New company owned by David Payton, TP business man. Jax Yard has never developed a sportsplex but is "eager")		
Heidner Properties (commercial - amount and tenants TBD due to Cook County considerations. Potential interest in hotel and strip mall with a Starbucks and movie theater. Developer has substantial experience with more than 3,000 commercial properties)		
Hitchcock Design Group (planners and landscape architects)		
V3 (Civil Engineers)		

Capacity/Resources			
	Melody Square, LLC	Urban Street	Condor/Renaissance Urban Holdings, LLC ("RDUH")/Edwards Realty Downtowns
The number, location and magnitude of projects currently on the prospective Developer's work plan for the next two calendar years	Each partner provided information about existing projects but no information regarding pipeline projects	<ul style="list-style-type: none"> • States that they have ample capacity to undertake this project • Currently working on four projects at different stage in their lifecycles: <ul style="list-style-type: none"> • Motorola Campus redevelopment • Element at Veridian • Woodmoore in Lombard • Arlington Heights/Hawthorn Woods 	<ul style="list-style-type: none"> • The Boulevard - St. Louis, MO – Condor Partners & Edwards Realty Company – currently working on phase II (400,000 SF of mixed-use development) • Pilsen – Condor Partners – potential to develop 200,000 SF of commercial space on one acre of land • 1815 Ridge – Evanston, IL – Condor Partners & Ridgeline Management – senior living project • New Rochelle, NY – RDUH – master development • Southampton, NY – RDUH – master development • Hampsted, NY – RDUH – master development • Huntington Station, NY – RDUH – master development • Several other projects as identified in the response.
Financial Capacity	SBF did not verify audited financial statements	SBF did not verify audited financial statements	SBF did not verify audited financial statements
	Provided references	Provided references	Provided references
	Provided at least one proposed source of financing	Provided at least one proposed source of financing	Provided at least one proposed source of financing
	SBF did not receive information on pending litigation	No pending litigation	Currently under litigation
	SBF did not receive information on bankruptcy filings	No bankruptcy filings	Did not respond
Financial Assistance Requested	Requested \$43.5 million in TIF assistance: Funding would be for extraordinary costs (demolition, environmental remediation, and infrastructure). Form: Any current available TIF funds upfront to jump start process and a TIF note.	Did not provide specific request. Outlined that funding for extraordinary costs previously identified would require TIF assistance. Has some concerns about additional costs. Will explore other brownfield grants and subsidies.	Did not provide specific request. Develop a true partnership with municipality in which the Village is an actual partner in the development project; sharing in the upside. Specific request not outlined

Project Benefits			
	Melody Square, LLC	Urban Street	Condor/Renaissance Urban Holdings, LLC ("RDUH")/Edwards Realty
Revenue projections by land use (property tax, sales tax, occupancy tax, income tax, by use/phase)	\$90.5 Million in undiscounted property tax revenue. <i>SB Friedman has not verified calculations at this time.</i>	\$19.5 in property taxes annually. \$163.4M in total undiscounted property taxes. Provided revenue assumptions. <i>SB Friedman has not verified calculations or assumptions at this time.</i>	Provided sample revenue projections by land use since actual land uses are to be determined. <i>SB Friedman has not verified calculations or assumptions at this time.</i>
Public benefits	<ul style="list-style-type: none"> • Open space • Walkable environment • Provide housing products not widely available within Tinley Park 	<ul style="list-style-type: none"> • Provide variety of housing options • Preserving wetlands and natural habitats • Providing new parks, sports fields, lakes and water features that will serve as recreation areas • Building new roads and infrastructure (including bike paths and running trails) • Bring new retail and entertainment options to Village • Create over \$683 in value at full build out • Over 7,000 construction jobs • Permanent employment for commercial components <i>SB Friedman has not verified economic impacts</i>	<ul style="list-style-type: none"> • Create local jobs • Public and open space (10% of site as publicly accessible civic space and 5% as private open space) • Could implement zoning regulations that provide increased development flexibility in exchange for provision of specific community benefits or payment into a community benefit fund. • Provided sample economic benefits but since program is to be determined, this analysis would need to be refined.

DRAFT

THE VILLAGE OF TINLEY PARK

Cook County, Illinois

Will County, Illinois

RESOLUTION

NO. 2019-R-001

**A RESOLUTION APPROVING AN EXCLUSIVE NEGOTIATING RIGHTS
AGREEMENT BETWEEN THE VILLAGE OF TINLEY PARK AND MELODY
SQUARE, LLC PERTAINING TO THE TINLEY PARK MENTAL HEALTH CENTER**

**JACOB C. VANDENBERG, PRESIDENT
KRISTIN A. THIRION, VILLAGE CLERK**

**MICHAEL J. PANNITTO
BRIAN H. YOUNKER
CYNTHIA A. BERG
WILLIAM P. BRADY
MICHAEL W. GLOTZ
JOHN A. CURRAN
Board of Trustees**

Published in pamphlet form by authority of the President and Board of Trustees of the Village of Tinley Park
Peterson, Johnson, & Murray Chicago, LLC, Village Attorneys
200 W. Adams, Suite 2125, Chicago, IL 60606

VILLAGE OF TINLEY PARK

Cook County, Illinois

Will County, Illinois

RESOLUTION NO. 2019-R-001

A RESOLUTION APPROVING AN EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT BETWEEN THE VILLAGE OF TINLEY PARK AND MELODY SQUARE, LLC PERTAINING TO THE TINLEY PARK MENTAL HEALTH CENTER

WHEREAS, Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois provides that any municipality which has a population of more than 25,000 is a home rule unit, and the Village of Tinley Park, Cook and Will Counties, Illinois, with a population in excess of 25,000 is, therefore, a home rule unit and, pursuant to the provisions of said Section 6(a) of Article VII, may exercise any power and perform any function pertaining to its government and affairs, including, but not limited to, the power to tax and to incur debt; and

WHEREAS, the Corporate Authorities of the Village of Tinley Park, Cook and Will Counties, Illinois, have determined that it is in the best interest of Village of Tinley Park and its residents to enter into the Exclusive Negotiating Rights Agreement attached hereto as Exhibit 1 (“the Agreement”) with Melody Square, LLC pertaining to the Tinley Park Mental Health Center Property in; and

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF TINLEY PARK, COOK AND WILL COUNTIES, ILLINOIS, STATE AS FOLLOWS:

SECTION 1: The foregoing recitals shall be and are hereby incorporated as findings of fact as if said recitals were fully set forth herein.

SECTION 2: That the President and Board of Trustees hereby approve said Agreement with the Melody Square, LLC substantially in the form attached hereto as Exhibit 1; and the Village President and/or Village Manager are hereby authorized to execute said Agreement, subject to review and revision as to form by the Village Attorney.

SECTION 3: Any policy, resolution, or ordinance of the Village that conflicts with the provisions of this Resolution shall be and is hereby repealed to the extent of such conflict.

SECTION 4: That the Village Clerk is hereby ordered and directed to publish this Resolution in pamphlet form, and this Resolution shall be in full force and effect from and after its passage, approval, and publication as required by law.

PASSED THIS ____ day of _____, 2019.

AYES:

NAYS:

ABSENT:

APPROVED THIS ____ day of _____, 2019.

VILLAGE PRESIDENT

ATTEST:

VILLAGE CLERK

STATE OF ILLINOIS)
COUNTY OF COOK) SS
COUNTY OF WILL)

CERTIFICATE

I, KRISTIN A. THIRION, Village Clerk of the Village of Tinley Park, Counties of Cook and Will and State of Illinois, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. 2019-R-001, “A RESOLUTION APPROVING AN EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT BETWEEN THE VILLAGE OF TINLEY PARK AND MELODY SQUARE, LLC PERTAINING TO THE TINLEY PARK MENTAL HEALTH CENTER,” which was adopted by the President and Board of Trustees of the Village of Tinley Park on January, 3, 2019.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Village of Tinley Park this _____day of January 2019.

KRISTIN A. THIRION, VILLAGE CLERK

EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT
(TINLEY PARK MENTAL HEALTH CENTER)

This Exclusive Negotiating Rights Agreement (the "ENRA") is entered into as of January ____, 2019 (the "Effective Date") by and between the Village of Tinley Park, a public body, corporate and politic (the "Village"), and Melody Square LLC, an Illinois limited liability company (the "Developer"), with reference to the following facts:

RECITALS:

A. The Village is currently working with the State of Illinois to acquire rights to that certain real property in the Village limits commonly known as the former site of the Tinley Park Mental Health Facility consisting of approximately _____ acres and consists of _____ ("the Property").

B. The Village has agreed to grant an exclusive right for the Developer to conduct due diligence on the property and to negotiate the ultimate acquisition of the Property. The purpose of this ENRA is to establish procedures and standards for the negotiation by the Village and the Developer of an agreement allowing for the acquisition by Developer of the Property and development of the Project thereon ("Agreement"). As more fully set forth in Section 4.1, this ENRA in itself does not obligate the Village to sell the Property or any portion thereof to the Developer or obligate the Developer to purchase the Property or any portion thereof, nor does this ENRA grant the Developer the right to purchase or develop the Property.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties mutually agree as follows:

ARTICLE 1
EXCLUSIVE NEGOTIATING RIGHT

Section 1.1 Good Faith Negotiations/Due Diligence. The Village and the Developer shall negotiate diligently and in good faith, during the Negotiating Period described in Section 1.2, the terms of an Agreement for the acquisition and development of the Project. Moreover, Developer shall conduct its due diligence during this Period in good faith. During the Negotiating Period, the parties shall use good faith efforts to accomplish the respective tasks outlined in Article 3 to facilitate the negotiation of a mutually satisfactory Agreement.

Among the issues to be addressed in the negotiations are land disposition and methodology and price for the Site, physical and title conditions of the Site, the development schedule for the Project, financing of the Project's development, marketing and management of the Project, design and aesthetic considerations of the Project, and the provision of public improvements related to the Project.

Section 1.2 Negotiating/Due Diligence Period. The negotiating/due diligence period under this ENRA (the "Negotiating Period") shall be six (6) months from the date of this ENRA, subject to extension as provided below. The Agreement may be extended by written agreement signed by both parties.

Section 1.3 Exclusive Negotiations. During the Negotiating Period, the Village shall not negotiate with any entity, other than the Developer, regarding the sale or development of the Site or any portion thereof, or solicit or entertain bids or proposals to do so.

ARTICLE 2 THE DEVELOPER

Section 2.1 Identification of Developer Representatives. The Developer, its address, and its authorized representatives to negotiate the Agreement with the City are as follows:

Melody Square LLC
c/o Robert C Kenny
Schain, Banks, Kenny & Schwartz
70 W Madison Street, Suite 5300
Chicago, IL 60602

Section 2.2 Development Entity. The Developer shall make full disclosure to the Village of all information pertinent to the ownership, control and financial capacity of the Developer.

ARTICLE 3 NEGOTIATION/DUE DILIGENCE TASKS

Section 3.1 Overview. During the Negotiating Period, the parties shall use reasonable good faith efforts to accomplish the due diligence tasks set forth in this Article 3 and to accomplish the negotiation of a mutually acceptable Agreement. To facilitate negotiation of the Agreement, the parties shall use reasonable good faith efforts to accomplish the tasks set forth in this Article 3 in a timeframe that will support achievement of these goals.

Section 3.2 Reports. The Developer shall provide the Village with copies of all reports, studies, analyses, and similar documents, prepared or commissioned by the Developer with respect to this ENRA, the Property and the Project, promptly upon their completion. The Developer acknowledges that the Village will need sufficient, detailed information about the proposed Project (including, without limitation the financial information described in Section 2.2) to make informed decisions.

Section 3.3 Utilities. The Developer shall consult with the utility companies serving the area of Property to determine if existing utility facilities require expansion, relocation or underground installation in connection with development of the Project. The Village shall assist and cooperate with the Developer in such consultations.

Section 3.4 Purchase Price for the Site. The Village and the Developer shall seek to agree upon the purchase price for the Property, and the nature, timing and cost of other Village assistance to the Project, if any.

Section 3.5 Financial Proforma Analysis. The Developer shall provide the Village with a detailed financial proforma for the Project containing, among other matters typically contained in such proformas, a detailed development cost budget and a detailed operating income and expense estimate (excluding confidential or proprietary information) based on the current design concepts. The financial proforma will be used to evidence the financial feasibility of the Project and to assist in the negotiations of any required financial assistance from the Village.

Section 3.6 Progress Reports. Upon reasonable notice, as from time to time requested by the Village, the Developer shall make oral or written progress reports advising the Village on studies being made and matters being evaluated by the Developer with respect to this ENRA and the Project.

ARTICLE 4 GENERAL PROVISIONS

Section 4.1 Limitation on Effect of Agreement. This ENRA shall not obligate either the Village or the Developer to enter into an Agreement or to enter into any particular agreement. By execution of this ENRA, the Village is not committing itself to or agreeing to undertake acquisition, disposition, or exercise of control over any Site or any portion of the Site. Execution of this Agreement by the Village is merely an agreement to conduct a period of exclusive negotiations in accordance with the terms hereof, reserving for subsequent Village Board action the final discretion and approval regarding the execution, if any, of an Agreement and all proceedings and decisions in connection therewith. Any Agreement resulting from negotiations pursuant to this ENRA shall become effective only if and after such Agreement has been considered and approved by the Village Board, following conduct of all legally required procedures.

Section 4.2 Notices. Formal notices, demands and communications between the Village and the Developer shall be sufficiently given if, and shall not be deemed given unless, dispatched by certified mail, postage prepaid, return receipt requested, or sent by express delivery or overnight courier service, with signature required or sent via email, to the office of the parties shown as follows, or such other address as the parties may designate in writing from time to time:

Village: Village Manager
16250 S. Oak Park
Tinley Park, IL 60477

With a Copy to

Patrick Connelly
Peterson Johnson & Murray-Chicago

200 W Adams, Ste 2125
Chicago, IL 60606
pconnelly@pjmchicago.com

Developer: Melody Square LLC
c/o Robert C. Kenny
Schain, Banks
70 W Madison Street, Suite 5300
Chicago, IL 60602
rkenny@schainbanks.com

With a copy to:
Christopher J. Goluba
Christopher J. Goluba, P.C.
5277 Trillium Blvd.
Hoffman Estates, IL 60192
chris.goluba@galubalaw.com

And a copy to:
Valerie Haugh
Haugh & Associates
525 Dee Lane, Suite 200
Roselle, IL 60172
v.haugh@haughlawgroup.com

Such written notices, demands and communications shall be effective on the date shown on the delivery receipt as the date delivered or the date on which delivery was refused.

Section 4.3 Waiver of Lis Pendens. It is expressly understood and agreed by the parties that no lis pendens shall be filed against the Property, or any portion of the Property, with respect to this ENRA or any dispute or act arising from it.

Section 4.4 Costs and Expenses. Except as otherwise specified herein, each party shall be responsible for its own costs and expenses in connection with any activities and negotiations undertaken in connection with this ENRA, and the performance of each party's obligations under this ENRA.

Section 4.5 No Commissions. The Parties agree that neither the Village nor the Developer shall be liable for any real estate commissions or brokerage fees that may arise from this ENRA or any Agreement that may result from this ENRA.

Section 4.6 Default and Remedies.

(a) Default. Failure by either party to negotiate in good faith as provided in this ENRA shall constitute an event of default hereunder. The non-defaulting party shall give written notice of a default to the defaulting party, specifying the nature of the

default and the required action to cure the default. If a default remains uncured thirty (30) days after receipt by the defaulting party of such notice, the non-defaulting party may exercise the remedies set forth in subsection (b).

(b) Remedies. In the event of an uncured default by the Village, the Developer's sole remedy shall be to terminate this ENRA. Following such termination, neither party shall have any further right, remedy or obligation under this ENRA.

In the event of an uncured default by Developer, the Village sole remedy shall be to terminate this ENRA. Following such termination, neither party shall have any right, remedy or obligation under this ENRA; provided, however, that the Developer's obligation to turn over work pursuant to Section 3.2 shall survive such termination.

Except as expressly provided above, neither party shall have any liability to the other for damages or otherwise for any default, nor shall either party have any other claims with respect to performance under this ENRA. Each party specifically waives and releases any such rights or claims they may otherwise have at law or in equity.

Section 4.7 Assignment. The Developer may not transfer or assign any or all of its rights or obligations hereunder except with the prior written consent of the Village, which consent shall be granted or withheld in the Village's sole discretion, and such attempted transfer or assignment without the prior written consent of the Village shall be void.

Section 4.8 No Third Party Beneficiaries. This ENRA is made and entered into solely for the benefit of the Village and the Developer and no other person shall have any right of action under or by reason of this ENRA.

Section 4.9 Construction of Agreement. Each party to this ENRA has had an equal opportunity to consult with its attorneys. Therefore, the usual construction of an agreement against the drafting party shall not apply to this ENRA.

Section 4.10 Governing Law; Venue. This ENRA shall be governed by and construed in accordance with the laws of the State of Illinois. Venue shall be in Cook County, Illinois

Section 4.11 Entire Agreement. This ENRA constitutes the entire agreement of the parties regarding the subject matters of this ENRA.

Section 4.12 Counterparts. This ENRA may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement. Signatures may be provided by facsimile or scanned pdf signatures and shall be deemed valid upon receipt provided that an original shall be provided at the request of either party.

Section 4.13 Authority to Execute. The undersigned represent and warrant they are each duly authorized to execute this ENRA on behalf of the respective party and to take the actions necessary to perform hereunder without the need to seek further authorization from the entity each represents.

VILLAGE:

Village of Tinley Park,

By:

DEVELOPER:

Melody Square LLC, an Illinois limited liability company

By: HPI Management Inc., an Illinois corporation, its manager

By:

Rick Heidner, President

BOARD COMMENT

ADJOURNMENT