

8/19/96 Legal 10

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REDEVELOPMENT AGREEMENT

This Redevelopment Agreement is made and entered into by and between the Village of Arlington Heights, Illinois, a municipal corporation, 33 S. Arlington Heights Road, Arlington Heights, Illinois, hereinafter referred to as "Village", and M & J Wilkow, Ltd., 180 N. Michigan Avenue, Suite 200, Chicago, Illinois, hereinafter referred to as "Wilkow" and General Electric Capital Corporation, 209 West Jackson Blvd., Chicago, Illinois, hereinafter referred to as "GE".

The Village Board of Trustees has authorized the Administration to negotiate with Wilkow and GE for the implementation of the Rand Road/Arlington Heights Road Redevelopment Plan.

THEFORE, in consideration of the mutual covenants hereinafter set forth, it is agreed by and between the parties as follows:

1. The Village, having advertised request for proposals in accordance with State Statute, designates Wilkow as the exclusive developer and GE as the lender to participate in the development of a detailed proposal for the development of a retail shopping center at the southwest corner of Arlington Heights and Rand Roads, in Arlington Heights, Illinois, substantially in accordance with the Rand Road/Arlington Heights Road Redevelopment Plan and the site plan attached hereto as Exhibit A and made a part of this Agreement.
2. The proposed retail center consists of an approximate 60,000 square foot addition to the existing Annex of Arlington Shopping Center located to the west along Rand Road. The site consists of approximately five acres and is legally described in Exhibit B attached hereto and made a part of this Agreement.
3. Upon completion of the expansion of the shopping center Wilkow agrees to demolish a portion of the east wing of the existing Annex of Arlington Shopping Center in order to provide necessary parking and reconstruction in general conformance with the site plan attached hereto as Exhibit A.
4. Wilkow shall be required to petition the Village to rezone the property to B-2 (General Business District), and to amend the existing Annex of Arlington Planned Unit Development.

Land Acquisition

5. The following process shall be followed with regards to land acquisition:
 - a) Wilkow shall make a good faith effort to purchase all seven properties within the project area as described in Exhibit B. Good faith effort shall include an initial offer to purchase each property, and when necessary, a second offer shall be made to each property owner within 15 days of execution of this agreement. Wilkow will provide the property owners

DEPT-01 RECORDING 435.50
 T80008 TRAN 8220 11/13/96 15:43:00
 46361 * B.J. * -96-866795
 COOK COUNTY RECORDER
 DEPT-10 PENALTY 432.00

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**RETURN TO:
BOX 111**

**LEGAL DEPARTMENT
VILLAGE OF ARLINGTON HEIGHTS
33 South Arlington Heights Rd.
Arlington Heights, IL**

A96-018 / R96-042

3550
3200
67.50
A96-018

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a minimum of 2 weeks acceptance period. Documentation of any offers made by Wilkow and responses/counter-offers received from the property owners shall be submitted to the Village.

i) Wilkow will continue good faith negotiations to get property under contract with those owners responding favorably to the second offer to purchase.

ii) Wilkow will advise the Village of all progress in the negotiations.

b) Wilkow will obtain Phase 1 and 2 environmental studies as necessary, and will disclose to the Village all information contained within each environmental study undertaken.

c) If Wilkow is unable to acquire one or more of the properties described in Exhibit B after making a good faith effort to do so, then the Village intends to exert its best efforts to acquire the real estate through negotiation and/or condemnation subject to standard real estate practices such as but not limited to Phase 1 and 2 environmental analysis for property described in Exhibit B attached hereto. Upon receipt of written documentation of offers to purchase as outlined in item 5 a) the Village shall:

i) make written offers to purchase the property within 15 days of completion of Wilkow's good faith negotiation efforts.

ii) pursue good faith negotiations to get property under contract with those owners responding favorably to the purchase offer.

iii) begin condemnation proceedings against property owners unwilling to negotiate and accept fair market value for their property as determined by the Village. Condemnation proceedings shall not commence until all necessary environmental studies are completed, an acceptable remediation plan has been developed, the financing has been approved by GF and a letter of credit posted pursuant to Section 8 (d).

d) If the Village acquires property either through negotiation or condemnation, Wilkow agrees that it will acquire the property from the Village within 30 days of the Village acquiring the property. Efforts will be made by both parties to close on all property simultaneously.

e) Wilkow agrees to submit a zoning application within 15 days of obtaining controlling interest in all properties, and Wilkow further agrees to begin construction within 120 days, weather permitting, of closing and controlling all property.

6. No party shall proceed to acquire the properties unless an acceptable environmental remediation program has been agreed upon in writing by the parties or the parties otherwise agree in writing to proceed with the acquisition having been satisfied that no

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remediation program is necessary. Prior to the proposed acquisitions, Wilkow will perform appropriate environmental due diligence to place the parties in a position to make the aforementioned decision.

Wilkow acknowledges the existence of an environmental problem on site 2 which must be remediated or be capable of being remediated prior to Wilkow acquiring any of the properties. If an acceptable remediation program has been agreed to for all properties, Wilkow will proceed and accept environmental liability inherent in property acquisition.

7. The Village will use its best efforts to acquire a suitable site for relocation of the Motorola Tower. As an eligible up front cost, Wilkow shall fund 50% of the cost to purchase the site as well as fund 50% of the cost to relocate and construct the new tower and related facilities serving the tower. The "Motorola Tower Relocation Agreement", a separate agreement between the Village, Wilkow, and Motorola, will be necessary and forthcoming. If an agreement with Motorola can not be reached, then this Redevelopment Agreement will have to be renegotiated.

Financing

8. Concerning the financing of the project, the Village, Wilkow and GE agree that the following will apply:

- a) The Village will issue general obligation bonds in an amount equal to 50% of eligible up front costs, with a maximum bond amount of \$2.5 million dollars. Eligible up front costs shall be defined as the following:

- i) land acquisition;
- ii) relocation of the Motorola tower;
- iii) environmental remediation;
- iv) demolition of existing structures, grading, and public utilities within the TIF District, and;
- v) legal fees.

- b) Wilkow will pay the remaining 50% of the eligible up front costs, and will reimburse the Village for all costs incurred to issue the bonds. Costs incurred above \$5.0 million dollars (\$2.5 million Village's share, \$2.5 million Wilkow's share) will be 100% Wilkow's obligation. Wilkow shall advance any up front earnest money. Contracts should be negotiated for refundable earnest money. Earnest monies advanced by Wilkow shall be applied towards Wilkow's commitment to 50% of up front land acquisition costs.

- c) GE will finance Wilkow for these and other project costs subject to its normal credit and underwriting criteria and credit committee approval. The Village will not commence performance of its obligations, including bond issuance and condemnation, until a letter of credit has been posted and full project financing approval has been obtained from GE.

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d) The Village, Wilkow and GE shall not be obligated to fund any of the amounts until all funds are available for use simultaneously. Wilkow/GE shall post a letter of credit for \$2.5 million dollars to the Village covering its proportionate share of the estimated costs of land acquisition and environmental remediation prior to condemnation/land acquisition. If Wilkow does not construct the phase two addition, then any funds expended for the project by the Village will be reimbursed to the Village from the letter of credit, with any remainder released to Wilkow. The letter of credit will be released upon opening of the major anchor tenant.

In the event that no land has been acquired prior to December 31, 1998 and Wilkow/GE elect to abandon the condemnation/land acquisition and terminate this Agreement, Wilkow/GE shall reimburse the Village or in the alternative the Village may draw down from the letter of credit a sufficient sum for all out of pocket costs incurred by the Village. Wilkow will also assume responsibility for payment of property owners costs and fees related to condemnation proceedings if condemnation is abandoned.

9. The Village and Wilkow agree to create an "adjusted" sales tax base for TIF District #3. This figure shall be calculated as the total annual sales taxes generated by tenant's in the TIF District minus the base year (1995) sales taxes generated by: 1) tenants located in the TIF District, and; 2) tenants located in the wing to be demolished. Wilkow will provide 1995 sales tax figures for each tenant to be relocated from the existing center to the TIF #3 addition.
10. All parties agree that all incremental property tax revenue from TIF #3 and the Village's share of sales tax revenue generated by businesses in the TIF district (as adjusted) will be allocated towards the Village's debt service and other Village costs before any incremental revenues are used to reimburse the developer for eligible project costs. The total amount of reimbursable eligible project costs funded via bond shall not exceed \$2.5 million dollars.
11. If the Village debt service is retired prior to expiration of TIF District #3, the Village then will, upon written request from Wilkow, reimburse Wilkow for eligible project costs incurred by Wilkow through the use of incremental property tax revenues from TIF #3 and the Village's share of sales tax revenues as adjusted. 100% of incremental property taxes and 100% of the Village's share of sales taxes (after Village costs are covered) as adjusted shall be reimbursed to the developer for eligible project costs on an annual basis. The total additional reimbursement to the developer shall only cover the gap between the total project costs and the value of the addition, and shall not exceed \$1.25 million dollars. Total project costs shall be substantially in conformance with Exhibit A.

Prior to any payments to Wilkow for additional reimbursement of eligible project costs, two appraisals of the phase two TIF #3 addition will be undertaken by MAI certified appraisers, and averaged in order to determine the current market value of the shopping

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to development of the property described in Exhibit B. This agreement and any such future agreements shall be recorded against the title of the Annex of Arlington Shopping Center.

19. Wilkow will assist by paying to the Village their proportionate share, \$7,500, for a retail market study being conducted for the Village.

Dated this 19 day of April, 1996.
Signed in Duplicate

The Village of Arlington Heights, Illinois

By: *Arlene J. Mulder*
Arlene J. Mulder, Village President

ATTEST: *Cheryl Goss*
Village Clerk

M&I Wilkow, Ltd.

By: *[Signature]*
President

ATTEST: *[Signature]*
Secretary

General Electric Capital Corporation

By: *[Signature]*

ATTEST: *[Signature]*

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M&J WILKOW CONCEPT PLAN

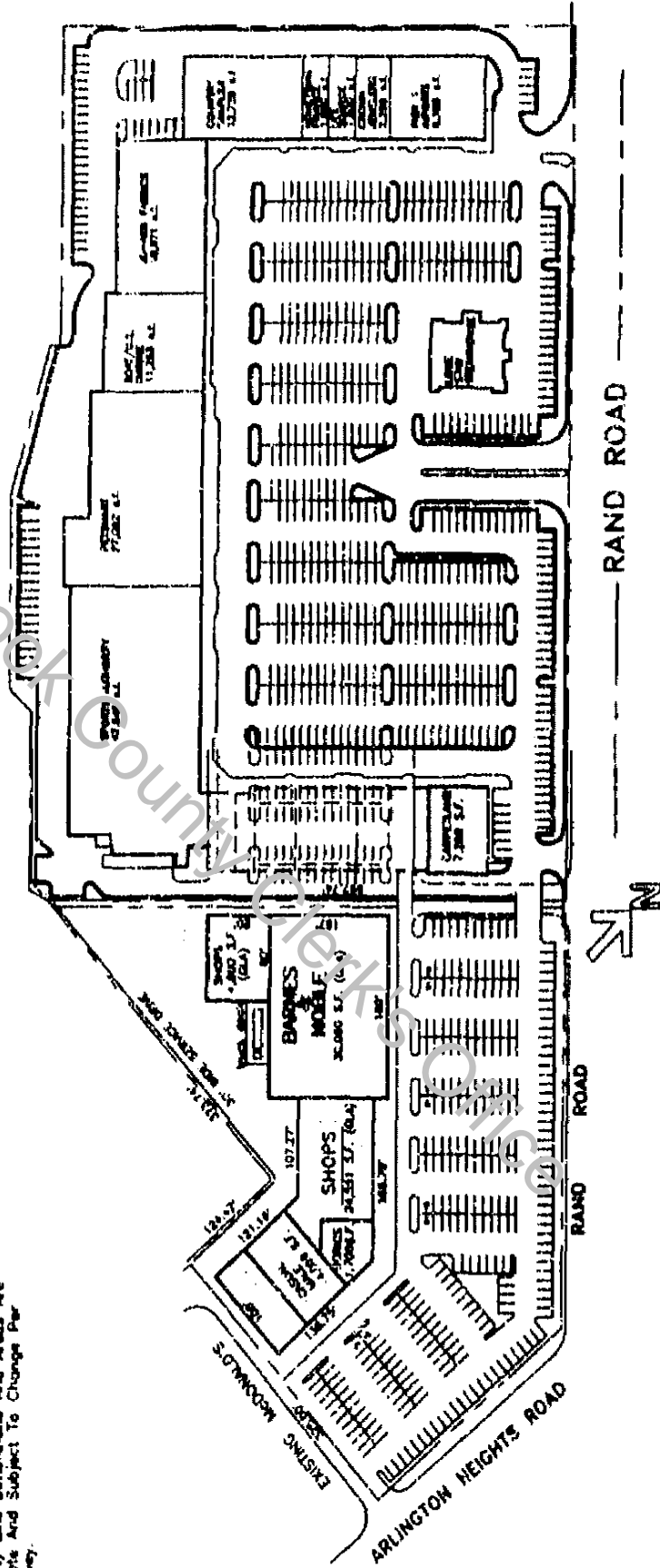
SITE ANALYSIS

SITE:	
TOTAL PROJECTED SITE AREA	210,167 S.F. 4.825 ACRES
NEW CONSTRUCTION	
TOTAL ANCHOR GLA	35,573 S.F.
TOTAL SHOPS GLA	23,638 S.F.
TOTAL PROJECT GLA	59,411 S.F.
COVERAGE	28.27%

PARKING:

Total parking required by Village	198 CARS
TOTAL PROJECT PARKING PROVIDED	281 CARS
	4.73 CARS/1000 S.F.(GLA)

NOTE:
All Property Line Dimensions And Areas Are
Approximate And Subject To Change Per
Final Survey.



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EXHIBIT B

All that part of the West 1/2 of the Southwest 1/4 of Section 17, Township 42 North, Range 11 East of the Third Principal Meridian lying south of Rand Road described as follows:

Beginning at a point on the centerline of Rand Road that is 450 feet northwesterly of the intersection of said line with the East line of the said West 1/2 of the Southwest 1/4 of Section 17, said intersection being 936.53 feet north of the South line of said Section, thence southeasterly 615.50 feet to a point in a line 775 feet north of and parallel with the South line of said Section and 568.75 feet east of the west line of said West 1/2 of the Southwest 1/4 of said Section; thence east along the north line of the north 775 feet of said Section to the west line of the East 375 feet of the West 1/2 of the Southwest 1/4 aforesaid; thence south along said west line to the north line of the South 650.53 feet of said West 1/2 of the Southwest 1/4; thence east along said North line 375 feet to the East line of said West 1/2 of the Southwest 1/4; thence north along said East line to the point of beginning, excepting therefore all that part thereof taken for Rand Road and Arlington Heights Road. All in Cook County, Illinois.

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