

VILLAGE OF ORLAND PARK

14700 Ravinia Avenue
Orland Park, IL 60462
www.orland-park.il.us



Meeting Minutes

Thursday, May 15, 2014

7:00 PM

SPECIAL MEETING

Village Hall

Board of Trustees

Village President Daniel J. McLaughlin

Village Clerk John C. Mehalek

*Trustees, Kathleen M. Fenton, James V. Dodge, Jr., Edward G. Schussler,
Patricia Gira, Carole Griffin Ruzich, and Daniel T. Calandriello*

CALL TO ORDER/ROLL CALL

The meeting was called to order at 7:00 PM.

Present: 7 - Trustee Fenton, Trustee Dodge, Trustee Schussler, Trustee Gira, Trustee Griffin Ruzich, Trustee Calandriello and President McLaughlin

PROPOSED DEVELOPMENT WITHIN MAIN STREET TRIANGLE AREA**2014-0298 Letter of Intent with University of Chicago Medical Center - Main Street Triangle**

Village Manager Grimes reported that staff is pleased to present to the Village Board of Trustees. Exhibit C - the Letter of Intent (LOI) between the University of Chicago Medical Center (UCMC) and the Village of Orland Park (VOP). This LOI is the culmination of months of shared visioning and negotiations between the parties to develop a 120,000 square foot medical office center in the Village's downtown (TIF district). The proposed development will result in daytime activity and people visiting the Downtown, with an estimated annual patient/visitor base of 22,400. The employment at the center is estimated to be over 100. The complimentary use of the property is well matched with other expected tenants - that will be more active on nights and weekends. The UCMC private investment is estimated to be \$61million.

Director of Development Services Karie Friling reported that the contemplated lease to purchase agreement includes 3.48 acres of Village owned land at the corner of LaGrange Road and 143rd Street (Exhibit A). The overall direct economic impact to Orland Park is approximately \$25.5million in additional revenue over the proposed 25 year lease (Exhibit B). At the end of the lease, the property ownership will be transferred to the UCMC. The Letter of intent of (Exhibit C).

A summary of the key deal terms include the following:

3.48 Acres - corner of 143rd & LaGrange

120,000 square feet Medical Office Center with first floor retail pharmacy

580 space parking structure - one level subgrade/one level surface

25 year lease/purchase - \$18,150,000 in lease revenue over term

Property is transferred to UCMC at end of 25 year lease

VOP delivers pad ready site - provide utilities, Jefferson street, soil removals and all environmental clean-up

VOP would be responsible for any future SSA assessment payment - for initial lease.

Exclusivity Clause - Would apply for similar uses of occupants in building and pharmacy

Unrestricted shared parking in subgrade level of structure (100 spaces) for the future proposed restaurant to be located immediately south of 142nd

UCMC will agree to construct an additional 50 surface spaces immediately to the proposed restaurant location, with the Village reimbursing them for these spaces (\$237,500).

UCMC will agree to construct and share in 50% of the costs of construction of an additional 50 subgrade spaces under the above mentioned surface spaces for the restaurant (\$850,000 Village share).

The remaining spaces will be available for free public parking between 6pm and 4am (week days) and all day on weekends

After the execution of the LOI, staff will immediately begin working with UCMC on finalizing the delivery schedule timeline, that will include finalization of the lease, initiation of the Village entitlement and public hearing process and other due diligence items. It should be noted that the conceptual site plan included with the LOI is not the final site plan for the project. The UCMC will need to start the site plan/entitlement/public hearing process. The Village will also need to begin final engineering for the completion of the infrastructure requirements.

The overall direct economic impact to the Village of Orland Park for the 25 year term is estimated to be \$25,522,813 (Exhibit B). After deducting the Village's obligations and expenses, the net project revenues to be received are approximately \$18.4 Million. Additionally, the value of the parking garage is estimated to be approximately \$12 Million.

Vice President, H.S.A. Commercial Real Estate Tim Blum spoke before the Board to express how happy he is with the University of Chicago who also embraces the vision of the downtown area.

University of Chicago Medicine's vice president of facilities planning, design and construction Marco Capicchioni spoke before the Board stating that Orland Park is a great location. This facility will be the University's largest outpatient care center and be much more comprehensive in terms of services offered.

Trustee Fenton welcomed the University of Chicago Medical Center to the Village of Orland Park. She added that there are many great restaurants for patients and staff to visit and wonderful shopping opportunities.

This project calls for the medical center to allow public use of its 580-space parking garage during evenings and weekends at no cost to the Village.

President McLaughlin stated that there are many more steps to be taken on this project and this is the first step approving the Letter of Intent.

The Village is very happy that the University of Chicago chose Downtown Orland Park as its location of choice in the Chicago metro market. This development will bring people and activity to the downtown area during the day, resulting in a true mixed-use, transit-oriented development. This will be a great addition to our community. The proposed mixed-use building is expected to employ over 100 people and create more than 200 construction jobs.

Trustee Dodge stated that the University of Chicago is a great organization on many levels. The Board has had a vision and strategy plan on what was needed to be done from an economic development perspective and this type of use on many dimensions fits exactly with what was wanted to be accomplished in this area.

Trustee Gira stated that she is very happy to see the University of Chicago, a premier medical center, come to Orland Park.

Trustee Schussler stated that with the success of Ninety 7 Fifty it's nice to know now there is a second catalyst with the University of Chicago in this area. He echoed that this will be a high quality development and hopefully there will be many more great things to happen in the triangle.

Trustee Ruzich stated that the Board looks forward to working with the University of Chicago.

Trustee Calandriello welcomed the University of Chicago to Orland Park and echoed everything that has been stated by the Trustees.

President McLaughlin along with the entire Board thanked Village Manager Paul Grimes, Assistant Village Manager Ellen Baer, Director of Development Services Karie Friling, Senior Staff, Vice President, H.S.A. Commercial Real Estate Tim Blum, and all who worked so diligently on this project.

I move to approve the Letter of Intent between the Village of Orland Park and University of Chicago Medical Center as attached and outlined, and authorize staff to begin negotiations to finalize the lease documents.

A motion was made by Trustee Fenton, seconded by Trustee Dodge, that this matter be APPROVED. The motion carried by the following vote:

Aye: 7 - Trustee Fenton, Trustee Dodge, Trustee Schussler, Trustee Gira, Trustee Griffin Ruzich, Trustee Calandriello, and President McLaughlin

Nay: 0

ADJOURNMENT - 8:35 PM

A motion was made by Trustee Fenton, seconded by Trustee Dodge, that this matter be ADJOURNED. The motion carried by the following vote:

Aye: 7 - Trustee Fenton, Trustee Dodge, Trustee Schussler, Trustee Gira, Trustee Griffin Ruzich, Trustee Calandriello, and President McLaughlin

Nay: 0

/nm

APPROVED:

Respectfully Submitted,

John C. Mehalek, Village Clerk