

Village of Oak Park
Barrie Park Investment Program
Oak Park, Illinois

BUYOUT PROGRAM GUIDELINES

A. PROGRAM PURPOSE

The Village of Oak Park seeks to purchase properties from eligible property owners in Barrie Park Areas 1 and 2, who voluntarily decide to sell their property to the Village for the purpose of allowing the Village to conduct remediation and repair of the property and return it to the open market. The buyout program's purpose is to allow those Barrie Park area property owners whose properties test above the action levels ascertained by the voluntary residential sampling program as set forth in the Village's Remedial Objectives Agreement (VROA), the opportunity to avoid the remediation process. In purchasing eligible properties, the goal is to compensate the owner for the property at fair market value comparable to what he or she would have received in the open market.

B. ELIGIBILITY

Property owners in Barrie Park Area 1 and Area 2 are eligible for the buyout program if their property tests above the action level ascertained by the voluntary residential sampling program as set forth in the Village's Remedial Objectives Agreement (VROA), and they have not entered into a remediation agreement with the Utilities. The action level used to determine eligibility is the original action level negotiated and agreed to by the Village in the Village's Remedial Objectives Agreement (VROA). To be eligible, property owners are required to relinquish all property damage claims against the Village. Testing must occur before December 31, 2005.

In the specific case of one multi-family building that converted to a condominium during the Barrie Park project period and has tested above the VROA, the entire six unit building would be eligible for the buyout, but individual unit owners would not.

The Buyout Program does not preclude the Board's right to purchase any property at any time in accordance with state law.

C. PURCHASE PROCESS

Step 1 Eligible property owners will receive written notice that their property qualifies for the buyout program. The eligibility letter will briefly describe the process and request that the property owner indicate a desire to enter into the buyout process. The property owner will have 45 days from the date of the notice to sign and return the letter. As

additional properties in Areas 1 and 2 are tested and become eligible, the property owners will be sent a letter of eligibility. The buyout offer period will end after testing results are received from any and all tests conducted through December 31, 2005.

- Step 2** If the owner agrees to enter into the sales process, conducting the appraisal is the next step. The Village will contract with three appraisal firms to conduct all of the Barrie Park appraisals. The property owner can select one of the appraisers from the list of three and the Village staff will select one. If there is more than a 10% variance between the two appraisals, the remaining third appraiser from the list of three appraisers will be used to average with the other two, as long as the third appraisal is not lower than the lowest or higher than the highest of the other two appraisals. If the third appraisal is not used in average with the other two original appraisals, then the two original appraisals will be averaged together to determine the fair market value of the property. Once the fair market value is determined the Village's State and County Transfer Taxes will be deducted as normal seller obligations. The Village will pay for title insurance, survey charges and recording fees. The Village is not asking for an application fee. The appraisal fees will be borne by the Village.
- Step 3** After the proposed purchase price has been established by the method described above, it will be presented to the Board in executive session along with the method of calculation for Board review and direction to present the proposed purchase price. (or not)
- Step 4** If the Board so directs staff, it will present the proposed purchase price to the property owner. The owner will have 60 days from the date the offer is presented to the owner for consideration and acceptance of the Village's proposed purchase price. The price offered will be firm and non-negotiable. If the proposed purchase price is not acceptable to the owner the buyout process ends. However, the owner may still participate in the loan and grant program to the extent they are eligible.
- Step 5** If the price offered is acceptable to the owner, it will be included in a final sales agreement consistent with the terms of the program that shall be prepared by and acceptable to the Village. The final sales agreement executed by the seller will then be presented to the Board for execution. The seller will pay the fees for his or her legal representation.
- Step 6** The closing will occur thereafter, usually within 60 days, at a title company and will be like any other residential real estate closing.

D. VILLAGE REMEDIATION, REPAIR AND REHABILITATION PROCESS (After acquisition of the property)

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- Step 1** The property will be video taped and inspected.
- Step 2** The Village will begin the steps necessary to remediate and repair the property.

- Step 3** A Village team will assess the condition of the property. A Scope of Work will be developed and the work bid for any necessary repairs or property improvements needed to return the property to the private market.
- Step 4** The property will be listed for sale through a licensed broker obtained through an RFQ process.

E. FINANCING

The Village will establish a line of credit with a local bank or banks. This line of credit will be drawn upon at closing to secure the property. The Village will pay the interest on the line of credit.

F. DISCLAIMER APPLICABLE TO ALL ASPECTS OF THE BARRIE PARK INVESTMENT PROGRAM

Nothing in the Barrie Park Investment Program is intended by the Village of Oak Park to constitute, or shall be construed to constitute, an admission, belief, opinion, finding or conclusion of the Village of Oak Park that: (1) any residential properties have been diminished in value, or that their market price has been affected due to, related to, or in spite of, contaminants that were or are present in, on, under or around the Barrie Park Site and the surrounding area, or the remediation of said Site and the surrounding area; or (2) the Barrie Park Site and/or surrounding area constitute or present an imminent threat to human health and/or the environment.

Nothing in this investment program shall be considered or construed to be a property right of the eligible participants and the Village reserves the right to make any additions, deletions and changes to the program as needed.

Monies received under this program may have tax implications. Please consult your tax advisor to determine how this program applies to your individual situation.