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Agreement reached on South and Harlem development

An agreement has been reached with Morningside Equities Group, Inc. on the terms for a new \$30-million mixed-use project at South Boulevard and Harlem Avenue, the Village Board and the Oak Park Development Corporation announced today. The project will be the first redevelopment of Village-owned property specifically planned to take advantage of mass transit literally at the new residents' front door.

The development will contain 96 condominium units and 12,500 square feet of new retail space in the heart of the downtown shopping area. The current site's 143 parking lot spaces will be replaced with 245 easily accessible public parking spaces in a new public garage conveniently located in Oak Park's primary shopping district. The public spaces are in addition to dedicated on-site parking for the condominium owners.

In keeping with Oak Park's commitment to environmental sustainability, the building will be designed and constructed to achieve certification through the Leadership in Energy and Environmental Design (LEED) green building rating system.

"This property at South Boulevard and Harlem Avenue is ideally situated for a transit-oriented development such as this," said Village President David Pope. "The substantial investment that Morningside will make is a strong indication of the attractiveness of this Oak Park location and of the increasing vibrancy of our downtown area in general."

Calling the Morningside project a sign of the growing momentum of investor interest in Oak Park, OPDC President John Eckenroad said, "An investment of this size and scope will be the cornerstone for the area and will act as a bridge from the South Marion neighborhood to the downtown business district."

Eckenroad also noted the significance of the development providing new condominiums at mid-range price points. This will complement the predominantly upscale pricing of many of the more recent residential developments in the community, thus helping to strengthen and diversify the housing mix in the downtown, he said.

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Negotiations with Morningside began in October 2006, following a competitive request for proposals (RFP) process that brought developers to Village Hall for public presentations of their concepts. The Morningside proposal, called Chelsea Station, was overwhelming favored by the Village Board and neighborhood residents.

The project has gone through various revisions during the negotiations. These include increasing the amount of public parking to respond to the needs of the surrounding area, improved landscaping to soften the streetscape and a pledge to incorporate environmentally sustainable materials and practices into the construction wherever possible.

No public subsidies or new Tax Increment Finance (TIF) district funds will be allocated to the project, Village officials say. The Village will provide about \$1.9 million to fund the 102 new parking spaces, or about \$18,600 per space, which is well below the typical cost of new parking in an enclosed facility. The Village also will provide the land in exchange for the developer assuming the cost of replacing the 143 parking spaces that currently exist on the lot with new enclosed spaces in the facility. The Village originally purchased the land several years ago for about \$3 million to help provide transit-oriented public parking.

A formal redevelopment agreement between the Village and Morningside is expected to be signed before the end of the year. The project then would enter the planned development process, which includes opportunities for public comment.

Morningside is a 14-year-old company that deals exclusively in mixed-use developments in suburban downtowns, with a heavy emphasis on sites adjacent to public transit.

For more information on the project or process, call 708.358.5644 or e-mail devsvcs@oak-park.us.

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