



July 27, 2009

The Village Board
Village of Oak Park
123 Madison Street
Oak Park, IL 60302

Dear President Pope and Trustees,

At its June 29th Board meeting, the Village Board approved a Redevelopment Agreement with Sertus Capital Partners for the development of the corner of Lake Street and Forest Avenue. Because of Village and OPDC scheduling conflicts the Oak Park Development Corporation did not speak at that meeting nor did it submit a formal public letter regarding the proposed development.

OPDC is well versed on the Lake and Forest development and had a presentation by Sertus Partners' principal Michael Glazier last fall. We recognize that Lake and Forest is a prime location for development in the central business district of Oak Park. The prospect of 70 additional new residential units, new retail, new restaurant and another hotel will add to the vitality of our entire community.

I am pleased to report that after careful consideration and review at its recent July meeting, the OPDC Board of Directors enthusiastically endorsed the Redevelopment Agreement for the Sertus project at Lake and Forest.

OPDC supports the Village Board's decision on this project for several reasons:

- 1. We believe that this, like other significant investments, will serve as a catalyst for further development and an expanded tax base in Oak Park.** In these uncertain and difficult economic times, it is laudable that an enterprise like Sertus Capital Partners would commit to invest in and build an estimated \$85 million development.
- 2. It is appropriate and forward-thinking that the Village Board invests in a project of this magnitude.** We have reviewed the break-even projections of the public investment and project financial analyses and find them to reasonably state the expected return within the time assumed. Of course, the longer return on investment will benefit all taxing authorities for years to come.

- 3. The structure of the redevelopment agreement requires performance by the developer and mitigates the Village's risk.** If the project scope is changed, by necessity or market, the Village has the ability to renegotiate or cancel its participation. Further, OPDC commends the Village Board for restricting the contribution of its funds until the conclusion of construction.
- 4. OPDC has long been a proponent for an additional hotel with meeting space to be located in the central business district and therefore supports the inclusion of a hotel as a key element in the development.** It is not unusual to provide some level of incentive for new business. The use of subsidy to assist the hotel in its first two years of operation should be supported by a specific use tax on that hotel which would be used to repay the subsidy.
- 5. It is a private-public partnership.** By including the Village-owned land as a credit to the larger development and sharing its proportional cost of constructing new public spaces, the Village investment brings substantially more benefit for nearly the same cost as replacing the existing deck. This is a parking structure that has been determined to need expensive repair or total replacement within the next 3-5 years; its cost would be borne in any event. This agreement allows for the deck to be rebuilt and with a development around it, while retaining control of the public parking, even in the event of sale of the development.
- 6. We believe that with good management the parking in the Lake and Forest development is sufficient to market the project, including the 28,000 s.f. of new retail.** This development has raised the issue of better utilizing existing parking to meet the needs of customers and employees in downtown Oak Park. We recognize that concerns have been raised about the amount of parking provided in this development. More parking at this site would be preferable but the substantial cost may not support its construction. We understand that the deck at Lake and Forest is not the only new parking being considered in downtown Oak Park.
- 7. The proposed plan is a bold design with massing that intends to be respectful of long-standing institutions.** It is exciting to contemplate a dramatic design on the corner of Lake and Forest. As the plan proceeds through the various commissions and hearings, we trust that architectural decisions will be made that are not only economically feasible for the developer but also enhance the overall architectural experience of the Village. We encourage the Village to provide strict oversight during review and construction to keep the architectural outcome as close to the approved plan as possible.

It is encouraging to see continued interest in Oak Park from developers. They, like we, understand the potential that exists in our vibrant community. The Board should be proud to be contemplating, negotiating and announcing a structure of this size and complexity, particularly at this time in a difficult economic environment. This development needs our attention and support, and, most importantly, our understanding that it is a valuable public-private partnership.

Finally, OPDC appreciates the opportunity to provide counsel on any developments contemplated by the Village. The company welcomes the opportunity to work together for the betterment of our community.

Thank you for your leadership and your thoughtful deliberations on behalf of Oak Park.

Sincerely,



Sara J.R. Faust
President