

# VILLAGE OF HOMEWOOD



## BOARD AGENDA MEMORANDUM

DATE OF MEETING: April 26, 2022

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**To:** Village President and Board of Trustees

**From:** Napoleon Haney, Village Manager

**Topic:** Purchase of Properties located at 17900 Dixie Highway and 2066 Ridge Road

### PURPOSE

The Village desires to purchase two commercial office properties - one located at 17900 Dixie Highway and the other at 2066 Ridge Road. Both buildings are located within the Downtown Transit Oriented Development (TOD) Tax Increment Financing District (TIF). The properties, 17900 Dixie Highway and 2066 Ridge Road, were offered for sale by the single owner.

The properties are owned by one individual and as a condition of sale, the Village and owner agree that the properties are to be sold and purchased as a package. The terms and conditions of the real estate purchase contracts are also contingent upon the simultaneous execution of both the 17900 Dixie Highway contract (Dixie Office Center, LLC and the Village) and the 2066 Ridge Road contract (Ridge-Harwood Building, LLC and the Village) and the simultaneous closing of the properties.

### PROCESS

#### *2066 Ridge Road – mixed-use/residential-retail*

In line with the downtown TOD plan and supportive developments occurring in the downtown (Amtrak ADA - station and platform upgrades, Metra Station renovation, Hartford Building mixed-use development, etc.), the Village desires to purchase and redevelop the 2066 Ridge Road building into a mixed-use residential use.

Transit Oriented Development project typically creates vibrant, livable, and sustainable communities. Also known as TOD, it is the creation of compact, walkable, pedestrian-oriented, and mixed-use residential communities centered around high-quality train systems. This makes it possible to live a less stressful life without complete dependence on a car for mobility and survival.

#### *17900 Dixie Highway – new elevated water tank*

The Village desires to purchase and redevelop the 17900 Dixie Highway for public use. The Village's current downtown elevated water tank located at 2020 Chestnut Road will soon be retired from service because of its age. A new elevated water tank will be constructed at the 17900 Dixie Highway.

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Prior to negotiations with the property owners to purchase the two sites, the Village performed appraisals on the target properties, which served as a starting point in negotiating the respective sale prices. The sale price for the two properties were based, in large part, on their respective February 2022 appraisals.

### February 2022 Appraisals

1. 17900 Dixie Highway appraisal - \$560,000
2. 2066 Ridge Road appraisal - \$505,000

After negotiations, the final sales price for the properties were agreed upon:

1. 17900 Dixie Highway - \$655,000
2. 2066 Ridge Road - \$505,000

### **OUTCOME**

The negotiated total sale price for both properties is \$1,160,000. The Village anticipates a closing on or before May 27, 2022. The seller is paying all customary closing costs, including the owner's title insurance policy and ALTA surveys for both properties.

The Village attorney coordinated the preparation of the real estate purchase and sale contracts and a resolution approving the contracts for Board consideration and approval.

### **FINANCIAL IMPACT**

The general fund has sufficient funds to cover the cost to purchase the 2066 Ridge Road property. Because the property at 17900 Dixie Highway has a water infrastructure purpose and end use, the Village's water fund will cover the cost of the purchase.

### **Funding Sources:**

- **General Fund:** \$505,000
- **Water Fund:** \$655,000
- **Total:** \$1,160,000

### **LEGAL REVIEW**

Completed

### **RECOMMENDED BOARD ACTION**

Pass a resolution authorizing the Village President to enter into two (2) real estate purchase contracts with Virginia A. Budny, seller for 17900 Dixie Highway and 2066 Ridge Road Homewood, IL; and, authorize the Village President, Village Manager, Village Attorney and other necessary Village officials to take all actions required to complete the purchase and acquisition of the properties as provided in the real estate purchase contracts.

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### ATTACHMENT(S)

- Real Estate Purchase Contracts for 17900 Dixie Highway and 2066 Ridge Road
- Resolution Approving Purchase Contracts