

December 1, 2020

RE: Consultant Considerations for Downtown Property Listing

To Mayor Richard C Irvin and Aurora City Council

In December 2019, Invest Aurora hired Caton Commercial Real Estate to consult on an analysis of available properties in the Downtown. Invest Aurora staff had identified a trend that could potentially lead to cannibalization of new and existing businesses in the Downtown. The City had made a number of significant investments into the downtown over the past 2-3 years, and we wanted to ensure that our future attraction efforts did not negatively impact the businesses that were already located in the area. Using data from a survey conducted in 2018 and with the Caton team's retail real estate expertise, this analysis was to identify potential uses to meet the demands from that survey. This analysis would also identify opportunities to fill in any gaps in the retail, restaurant and services business mix in the downtown area.

As a part of our analysis of available properties in the downtown, the team also evaluated seven city-owned properties and what their highest and best use would be. Again, using data from our survey, comparable real estate sales and leases in the surrounding area, our team created the document you have in the packet originally submitted for Finance Committee. This document provides examples of the types of businesses, not recommending these specific businesses, but the types of businesses that would complement the existing business mix in the downtown. This document also provides data on suggested lease rates, tenant improvement expenses and recommendations on whether the City should lease or sell.

It was at the conclusion of this process in June that Invest Aurora would make the recommendation for the City of Aurora to continue our partnership with Caton Commercial Real Estate. The following are the criteria Invest Aurora used in making this recommendation:

- Recent leasing activity in the downtown
- Broker's lists of represented tenants
- Current activity in the downtown and around town

In addition to these criteria, Invest Aurora evaluated if the broker(s) were a local firm and had a strong understanding of suburban downtown markets, and of the western suburbs.

After evaluating five firms on all of these criteria consideration, Invest Aurora made the recommendation to move forward with Caton Commercial Real Estate as the master listing agent for this pilot program.

Thank you for your time in this effort.

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