

## MEMORANDUM

**TO:** Thomas Weisner, Mayor  
**FROM:** David Hulseberg, President/CEO Invest Aurora  
**DATE:** May 3, 2016  
**SUBJECT:** 115 West Indian Trail (AKA, Soderstrom Pallet Company) PIN # 15-10-352-043

This memorandum requests approval of a Forgivable Loan in the amount of \$285,000 from the City of Aurora to Sandri Properties, LLC. for the purpose of remediating and demolishing their property at the above-captioned address.

### **BACKGROUND:**

The property is located north of Indian Trail Road and adjacent to the Fox River Trail on the west side of the Fox River. The property is 4.87 acres in area. There is a large dilapidated building on the site and a residential structure as well.

The property owner, Paul Soderstrom deceased in October of 2012. The executor of the estate is Gary Piccony and the sole beneficiary is his daughter Karna Sandri. The estate lacks the financial resources to pay for the demolition and remediation of the property and thus, make it ready for development. The property has been cited by the City for property maintenance violations. The property has redevelopment opportunities and is located within a TIF District and the River Edge Zone.

A copy of the plat of survey (Attachment A) has been provided. The property has been appraised with a land value of \$635,000 (Attachment B). The property sits outside of the floodplain as estimated by Engineering Enterprises, Inc. (Attachment C). The City of Aurora also owns property nearby to this property which would likely be included as part of a future redevelopment of the subject property (Attachment D). There are City water mains that run through the property (Attachment E). A Phase II Environmental was conducted on the subject property (Attachment F). Additional soil borings were requested as part of a focused Phase II Environmental (Attachment G). An Asbestos Study was conducted by Gabriel Environmental Services (Attachment H). A copy of the Title Insurance (Attachment I) and a copy of the Warranty Deed (Attachment J) have been provided for the original ownership. The property has been transferred to the Trust and now to Sandri Properties LLC. Those documents are forthcoming as they have been recorded in the last week.

The LLC has provided bids for the necessary work. The demolition bid came in at \$140,565 (Attachment K). The Asbestos abatement bid came in at \$136,755 (Attachment I). The insurance premium cost is \$5,870 (Attachment M).

The property owner is to be reimbursed up to \$285,000 for the "Demolition Project". The "Demolition Project" is to be for the removal of asbestos and the demolition of the structures on the property. The owner has been given a strict timeline to perform in accordance with Section 3 of the agreement. The owner will have five (5) years to redevelop the property with a building having a minimum construction

value of \$2,500,000. Should the property not be redeveloped in accordance with Section 5 of the agreement, the City shall have a mortgage and note which would then be in default.

**RECOMMENDATION:**

The Board of Director of Invest Aurora reviewed this request and unanimously approved recommending a Forgivable Loan of \$285,000.

Attached are the following Documents:

A copy of the plat of survey (Attachment A)

Appraisal with a land value of \$635,000 (Attachment B)

The property sits outside of the floodplain as estimated by Engineering Enterprises, Inc. (Attachment C)

The City of Aurora also owns property nearby to this property which would likely be included as part of a future redevelopment of the subject property (Attachment D)

There are City water mains that run through the property (Attachment E)

A Phase II Environmental was conducted on the subject property (Attachment F)

Additional soil borings were requested as part of a focused Phase II Environmental (Attachment G)

An Asbestos Study was conducted by Gabriel Environmental Services (Attachment H)

A copy of the Title Insurance (Attachment I)

A copy of the Warranty Deed (Attachment J)

The demolition bid came of \$140,565 (Attachment K)

The Asbestos abatement bid of \$136,755 (Attachment I)

The insurance premium of \$5,870 (Attachment M)

Soderstrom Redevelopment Agreement (Attachment N)

Soderstrom Mortgage (Attachment O)

Soderstrom Note (Attachment P)

Affidavit of Karni L Sandri (Attachment Q)