

**TO:** Mayor Thomas J. Weisner

**FROM:** Bill Wiet, Chief Development Services Officer

**DATE:** May 17, 2016

**SUBJECT:**

This memorandum, prepared by Invest Aurora President and CEO Dave Hulseberg, 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, commonly known as the Soderstrom Pallet Company.

**PURPOSE:**

To get vacant dilapidated buildings off the river, and to work to market the now vacant property to prospective developers.

**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..

**DISCUSSION:**

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.

Funding will come from Tax Increment Financing District No. 5 Account No. 235-1830-465.73-99.

**IMPACT STATEMENT:**

This action would have a positive impact on the community by removing vacant and dilapidated buildings along the river and make this is a viable development site.

**RECOMMENDATIONS:**

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

cc: Alderman O'Connor, Chairman  
Alderman Mervine  
Alderman Bohman  
Alderman Mesiacos, Alternate



CITY OF AURORA, ILLINOIS

RESOLUTION NO. \_\_\_\_\_  
DATE OF PASSAGE \_\_\_\_\_

A Resolution Authorizing the Execution of a Redevelopment Agreement Between the City of Aurora and Sandri Properties LLC for Property Located at 115 West Indian Trail Road.

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, Sandri Properties LLC is owner of property at 115 West Indian Trail Road, and the buildings located on property are vacant, blighted, dilapidated, in serious disrepair, preventing redevelopment of this area, and are a threat to the health, safety and welfare of the residents of the City; and

WHEREAS, the City and the owner desire the buildings be demolished, thereby making the property and surrounding area available for redevelopment that will serve the needs of the City and the community; and

WHEREAS, the City and owner desire to enter into a Redevelopment Agreement for the City to provide funding to demolish the buildings on the property, under the provisions contained in the Redevelopment Agreement; and

WHEREAS, funding is available for the demolition (\$285,000.00) by way of a budget transfer to Tax Increment Financing District Number 5 account number 235-1830-465.73-99 (Improvement - Other)

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Aurora, Illinois, as follows:

RESOLUTION NO. \_\_\_\_\_  
DATE OF PASSAGE \_\_\_\_\_

1. That the Mayor and City Council of the City of Aurora hereby find that it is in the best interests of the City and its residents that the Redevelopment Agreement with Sandri Properties LLC be entered into by the City of Aurora to be substantially in the form attached hereto and made a part thereof As Exhibit A.
2. That the Mayor and City Clerk of the City of Aurora, Kane, DuPage, Kendall, and Will Counties, Illinois, are hereby authorized to execute for and on behalf of the City of Aurora, the aforesaid Redevelopment Agreement.