



Legislation Details (With Text)

File #: 22-0468 **Version:** 1 **Name:** COA/ SOA Lake, LLC/ SFI Properties Aurora, LLC/ Tri-Party Agreement
Type: Resolution **Status:** Passed
File created: 6/7/2022 **In control:** City Council
On agenda: 6/28/2022 **Final action:** 6/28/2022
Title: A Resolution Authorizing the Execution of a Tri-Party Agreement Between the City of Aurora, SOA Lake, LLC, and SFI Properties Aurora, LLC to Share in the Cost of Installing a Public Sanitary Sewer Line to Induce Development for a Future Outlot Parcel Located at 970 N. Lake Street.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A Tri-Party Agreement 6.21 clean with attachments, 2. Exhibit B Legal Description, 3. Tri-Party Agreement 6.21 REDLINED TRACK CHANGES with attachments

Date	Ver.	Action By	Action	Result
6/28/2022	1	City Council	approved on the Consent Agenda	
6/21/2022	1	Committee of the Whole	(PLACED ON CONSENT AGENDA)	
6/16/2022	1	Finance Committee	forwarded with no recommendation	Pass

TO: Mayor Richard C. Irvin

FROM: Alex Minnella, Senior Planner

DATE: June 8, 2022

SUBJECT:

A Resolution Authorizing the Execution of a Tri-Party Agreement between the City of Aurora, SOA Lake, LLC, and SFI Properties Aurora, LLC to share in the cost of installing a public sanitary sewer line to Induce Development for a future outlot parcel located at 970 N. Lake Street. MOED2022-183 (Ward6/Saville).

PURPOSE:

To obtain the approval of the City Council of a proposed resolution that would authorize the Mayor to execute a tri-party agreement between the City of Aurora and SOA Lake, LLC, and SFI Properties Aurora, LLC to financially assist with the design and construction expenses of the Public Sanitary Sewer Line from Palace Street to the west side of a proposed outlot to Induce Development at 970 N. Lake Street; for a City of Aurora cost of not to exceed \$45,000.

BACKGROUND:

The site, at 970 N. Lake St., is the former Carson Pirie Scott department store, now owned by Storage of America (SOA) which last year donated the building to set up one of the vaccination sites for the city of Aurora.

The property is currently zoned B-3 Business and Wholesale District and consists of

approximately 128,000 square feet of former Carson's Department store space on 7.97 acres west of Lake Street, south of Manor Place and east of Palace Street; within TIF #5.

SOA has plans to redevelop the current building to consist of indoor climate-controlled units and new retail space facing Lake Street. In addition, SOA is looking to create a commercial outlot at the southeast corner of the property on which SFI Properties Aurora, LLC has expressed interest and formally provided SOA with a letter of intent for the construction of a new carwash.

SFI Properties Aurora LLC is the contract purchaser of the proposed Outlot from SOA Lake, LLC and is an affiliated company with Super Sudz Aurora Inc. Super Sudz intends to construct a new carwash on the Outlot.

Utilities currently serve the former Carson's, but a public sanitary sewer is needed to be brought in to support the creation of a new development on the proposed outlot. According to both their consultant and our Engineering Department, the most viable and least expensive option is to create a connection extending from the existing line on Palace Street.

DISCUSSION:

SFI Properties Aurora, LLC, the expected purchaser, and SOA, the seller, have hired a consultant to prepare engineering plans and a detailed cost estimate for the extension. The current estimated cost is \$135,000. The cost estimate includes the pipe (approximately 635 linear feet of 8" PVC), manholes, and pavement patching. City staff has reviewed the plans and the cost estimate for the sanitary sewer and finds them acceptable. The cost estimate will be used to determine the amount of security deposit required to issue the permit.

This cost is significant. And City Staff recommends that the City of Aurora share in the cost of the new public sewer line to support the redevelopment efforts. This new sewer line could also help bring additional redevelopment opportunity in the northwest corner of Northgate shopping center. Over the last few years there has been developer interest to create a new outlot in that area but the cost of utilities has deterred any such plans. The proposed sewer extension would serve the outlot that SFI Properties Aurora, LLC proposes to create now and also the outlot to the south that another developer may create in the future.

Key financial points in the Tri-Party Agreement are:

- The city will contribute a 1/3 of the estimate cost of construction. (\$45,000 of \$135,000 estimate)

- SOA and SFI will each contribute the remaining 2/3 of the estimate cost of construction. (\$45,000 each)

- If the cost exceeds the estimate cost of construction the overage will be split between SOA and SFI

- The City agrees to adopt a recapture ordinance to reimburse the three parties if in the future another property connects onto the proposed sanitary sewer. This recapture would be split equally 3-ways.

IMPACT STATEMENT:

The development made possible through the approval of this agreement will have a positive impact on the economic health of the City of Aurora and the Lake Street Corridor including but not limited to the following:

A long blighted and vacant property will be brought back to an active and attractive use. New businesses will enhance the tax base of the City of Aurora. The development will be constructed of high-quality materials, with enhanced building facades, landscaping including trees and plantings and a new sidewalk. As with all new developments in the corridor, the project will advance the vision to improve the look of the corridor.

The City's \$45,000 would come from account 235-1830-465.55-63.

RECOMMENDATIONS:

Staff recommends approval of the resolution authorizing the execution of a Tri-Party Agreement between the City of Aurora, SOA Lake LLC, and SFI Properties Aurora LLC to share in the cost of installing a public sanitary sewer line to Induce Development for a future outlot parcel located at 970 N. Lake Street.

ATTACHMENTS:

Exhibit A Tri-Party Agreement
Exhibit B Legal Description

cc:

Alderman Carl Franco, Chairperson
Alderman Sherman Jenkins, Vice Chairperson
Alderman Edward Bugg
Alderwoman Scheketa Hart-Burns
Alderwoman Shweta Baid



CITY OF AURORA, ILLINOIS

RESOLUTION NO. _____
DATE OF PASSAGE _____

A Resolution Authorizing the Execution of a Tri-Party Agreement Between the City of Aurora, SOA Lake, LLC, and SFI Properties Aurora, LLC to Share in the Cost of Installing a Public Sanitary Sewer Line to Induce Development for a Future Outlot Parcel Located at 970 N. Lake Street.

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, SOA Lake, LLC is the owner of certain property located at 970 N. Lake Street, Aurora, Illinois, ("Subject Property") and is an affiliated company with Storage of America LLC, a Utah limited liability company (together with SOA Lake LLC shall collectively be referred to herein as "SOA"); and

WHEREAS, SOA intends to redevelop the existing vacated Carson Pirie Scott building, and create commercial outlots on the Subject Property as; and

WHEREAS, SFI Properties Aurora LLC is the contract purchaser from SOA Lake, LLC of certain property legally described on Exhibit "B" (the "Outlot-Lot 2"), and is an affiliated company with Super Sudz Aurora Inc. (SFI and Super Sudz Aurora Inc shall be collectively referred to herein as "Sudz"); and

WHEREAS, Sudz intends to construct a new carwash on the Lot 2; and

WHEREAS, the installation of approximately 635 feet of 8" PVC public sanitary sewer line is estimated to cost approximately one hundred and thirty-five thousand dollars (\$135,000); and

WHEREAS, The City hereby agrees to contribute forty-five thousand dollars (\$45,000) (the "City Obligation") towards the design, permitting and construction of the public sanitary sewer line; and

WHEREAS, the installation of a public sanitary sewer line at the property of 970 N. Lake Street would serve to benefit all Parties and the future development of certain adjacent parcels; and

WHEREAS, SOA hereby agrees to contribute forty-five thousand dollars (\$45,000) towards the design, permitting and construction of the public sanitary sewer line; and

WHEREAS, Sudz agrees to contribute forty-five thousand dollars (\$45,000) to the construction and installation of the sanitary sewer; and

WHEREAS, SOA and Sudz will equally share any cost in excess of one hundred and thirty-thousand dollars (\$135,000) should the construction and installation of the sanitary sewer line exceeds one hundred and thirty-five thousand dollars, (\$135,000); and

WHEREAS, The City agrees to adopt a recapture ordinance to reimburse the three parties if in the future another property connects onto the proposed sanitary sewer. This recapture would be split equally 3-ways; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Aurora, Illinois, as follows: that the attached tri-party costsharing agreement (Exhibit A) between the City of Aurora, SOA Lake, LLC, and SFI Properties Aurora, LLC to share in the cost of installing a public sanitary sewer line to Induce Development for a future outlot parcel located at 970 N. Lake Street be approved, in an amount not to exceed \$45,000 of the design and construction of the sewer line; and hereby authorizes the execution of the before mentioned agreement attached hereto, and that the Mayor shall be and hereby is authorized to execute an amended lease agreement that substantially confirms to the amendment set forth in Exhibit A to this Resolution or a similar amendment or memoranda which accomplishes the purposes of this resolution and does not adjust any additional material term of the existing lease agreement.