

Downtown Oswego Development Alexander Lumber Yard Site



Village Acquisition of the Alexander Lumber Site

- On November 29, 2016, the Village Board voted unanimously to purchase the 2.38 acre former lumber property, located at 59 S. Adams Street.
- The contract price is \$1,492,500, which is the average of the Village's appraisal (\$1.35 million) and the property owner's appraisal (\$1.635 million).
- The Village is proceeding with the due diligence period prior to closing by December 30, 2016.

What is the Significance of this Site?

- The Village Board has identified redevelopment in Downtown Oswego as a top priority.
- The Village's 2015 Comprehensive Plan identifies the development of the former lumber yard as a key project for Downtown Oswego.
- Development of the lumber yard site is one of the main goals of the Village's Tax Increment Financing (TIF) District, approved in September, 2016.
- Development of the lumber yard site will serve as a catalyst for future redevelopment in Downtown Oswego.
- The scale of the lumber yard site is large enough to provide needed public parking, residential units, and restaurant/retail development in Downtown Oswego.
- The lumber yard closed in 2006; there has been a decade of inactivity on the site and there has not been a formal development proposal for the site since 2010.

Value of the Property for TIF

- By owning the property, the Village gains significant control and discretion over how the property ultimately develops to ensure the right mix of commercial uses, residential units, and public parking.
- It allows the Village to accelerate potential development, instead of waiting for a deal between a developer and property owner.
- Purchasing the property at a reasonable price now avoids speculative price inflation.
- Development of the lumber yard will drive Downtown development by making the first investment of this magnitude in many years.

Next Steps

- Once acquired, the Village of Oswego can accelerate discussions with interested developers to ensure the highest and best use of the site is realized.



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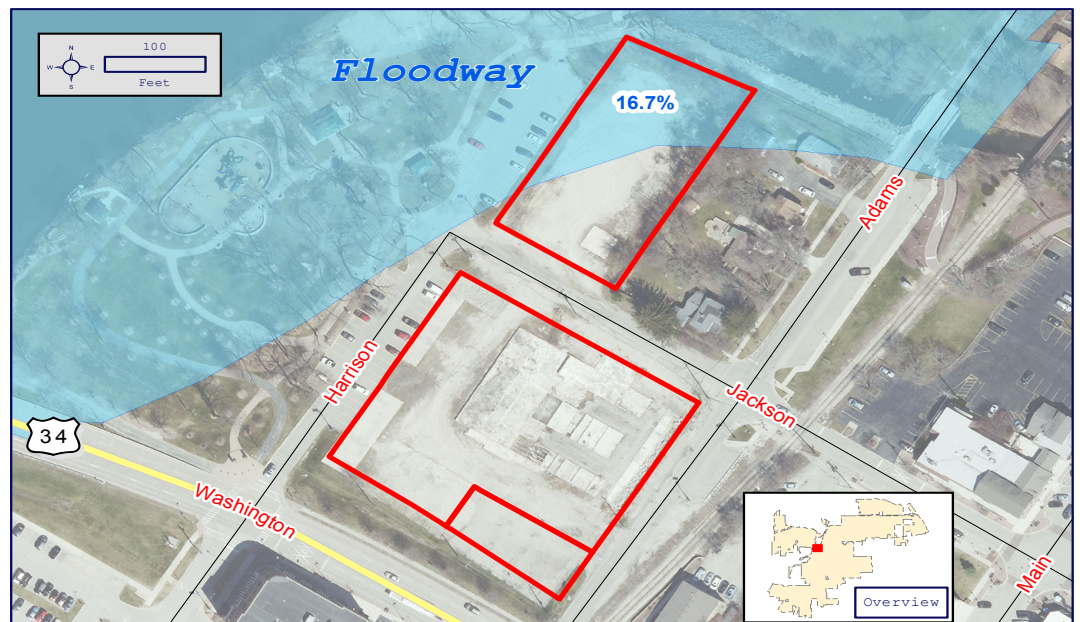


How is the Village funding the Purchase of this site?

- The Village has the money available in reserves to front the purchase. Reserve funds are not used to fund the general operating budget.
 - Reserve funds are intended for special circumstances only and are not used to fund the general operating budget.
- The Village plans to reimburse itself through the sale of the current Police Facility at 3525 Rt. 34, which has an appraised value of \$1.5 million.
- Property acquisition is a TIF eligible expense, should the Village decide to reimburse the sale through future TIF increment.
 - The TIF fund collects property tax revenue as property values within the TIF District increase over their base 2016 amount. As funds are accumulated over the 23 year life of the TIF, the Village could elect to use the TIF fund to repay all or a portion of the \$1,492,500 expenditure. This decision can be made at any time.
- No special assessment or special service area ("SSA") funding is anticipated.
 - In other words, no additional incentives, fees, or taxes are necessary to fund this transaction. The Village can fund the purchase with existing funds and can reimburse itself through the sale of the current Police Facility and/or through TIF increment.

Is the Property in a Flood Zone?

- Approximately 83% of the total property is free and clear of the Regulatory Special Flood Hazard Area and can be built upon with minor accommodations.
 - Such accommodations include (1) ensuring that the ground level of buildings are built above the Base Flood Elevation, and (2) providing compensatory storm water storage elsewhere in the water shed to account for the storage lost on site.



- Approximately 17% of the total property is within the Regulatory Special Flood Hazard Area and has limited potential for vertical development, however can be used for surface parking, open space or park land.
 - This restricted area comprises of approximately 50% of the secondary northern parcel along Waubonsie Creek (see above).