



Legislation Details (With Text)

File #: 20-284 **Version:** 1

Type: Ordinance **Status:** Agenda Ready

File created: 2/24/2020 **In control:** City Council

On agenda: 6/2/2020 **Final action:** 6/2/2020

Title: Adopt the resolution approving a purchase and sale agreement for the property located at 329-333 Center Street

Sponsors:

Indexes:

Code sections:

Attachments: 1. Orazio's Resolution, 2. PSA May 27 2020R

Date	Ver.	Action By	Action	Result
6/2/2020	1	City Council	adopted	Pass

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Adopt the resolution approving a purchase and sale agreement for the property located at 329-333 Center Street

DEPARTMENT: Transportation, Engineering and Development

SUBMITTED BY: William J. Novack, Director of TED/City Engineer

BOARD/COMMISSION REVIEW:

NA

BACKGROUND:

The Naperville Metra Station is the second busiest suburban station in the entire Metra network, with about 4,000 commuters using the station daily. The City of Naperville owns many of the properties on both sides of the Burlington Northern Santa Fe railroad line near the 4th Avenue train station. The City's holdings have been acquired individually over the years for a variety of purposes, mostly to support commuter parking and access to the train station. Most of the parking for commuters is located on the north side of the tracks, with the only parking lots south of the tracks being the Parkview, Serpentine and DuPage Children's Museum lots.

329 and 333 Center Street are the northern-most private properties located between the train station and the Parkview lot. While there is vehicular access between the train station and the Parkview lot, it is narrow and somewhat restrictive. Acquiring these parcels to provide better cross access is a benefit to our commuters.

The land could be used for a variety of needs ranging from commuter parking, to a ride share drop-off and pick-up zone to enhancing the circulation of the commuter buses. Staff estimates that

approximately 40 more parking spaces can be provided if these parcels are acquired and the buildings torn down.

With the limited parking on the south side of the tracks, and most of our commuter permit holders living south of the tracks, this acquisition would greatly benefit our commuters, whether parking, using a ride share or riding on the bus. For these reasons, the acquisition of these properties is strategic for the City.

DISCUSSION:

The property owner's real estate broker approached the City last fall inquiring if we were interested in purchasing the property from his client. We indicated that the property was of value to the City and our interest. Through negotiations a price of \$950,000 was agreed to by both parties.

The City initiated a due diligence process which included Phase I and Phase II environmental testing and reports. The reports indicate environmental conditions on the property that will need to be addressed by working with the Illinois Environmental Protection Agency to obtain a No Further Remediation Letter (NFR). In addition, there is asbestos in buildings on the property which will need to be removed by a licensed contractor as part of the building demolition.

The cost to obtain the NFR and mitigate the asbestos is estimated to be \$80,975. Since these are existing conditions they affect the value of the property, the property owner has agreed to sell the property at a reduced price (\$869,025) to reflect the costs of addressing the environmental conditions. The purchase and sale agreement includes provisions that if it costs the City less than \$80,975 to obtain the NFR and mitigate the asbestos, then the City will pay that difference to the seller. If it costs the City more to do this work, then the additional costs would be borne by the City, and we will not look to the owner for any other financial assistance.

Since the property is being acquired to support and enhance commuter operations at the downtown train station, funds to purchase the property and address the environmental conditions will come from the Burlington Northern Commuter Fund.

FISCAL IMPACT:

This acquisition will cost \$869,025 to purchase the property and an estimated \$80,975 to address the environmental conditions.