AGENDA
President and Board of Trustees
Village of Arlington Heights
Committee-of-the-Whole
Community Room
33 S. Arlington Heights Rd., Arlington Heights, IL 60005
June 5, 2017
7:30 PM

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL OF MEMBERS

IV. NEW BUSINESS

A. TIF 4 Selection of Developer - Corner Property

V. OTHER BUSINESS

VI. ADJOURNMENT

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact David Robb, Disability Services Coordinator, at 33 S. Arlington Heights Road, Arlington Heights, Illinois 60005, (847)368-5793 (Voice), (847)368-5980 (Fax) or drobb@vah.com.

Item: TIF 4 Selection of Developer - Corner Property

Department: Planning & Community Development

Background

In March 2017 the Village received three proposals in response to a Request for Proposals to develop 1.4 acres of Village owned property at the corner of Golf Road and Arlington Heights Road in TIF 4. The sealed bids were opened and read aloud by the Village Clerk at the Board's April 3, 2017 meeting. Staff has reviewed the proposals and has ranked each as outlined in the attached memo. The three proposals are also attached. Proprietary information is not included.

Recommendation

It is recommended that the Board select their preferred development proposal and authorize staff to commence negotiations on a contract / development agreement.

ATTACHMENTS:

Description	Type
Memo	Memorandum
Strategic Real Estate Paragon Proposal	Exhibits
The Twins Group Proposal	Exhibits
Troutman Dams Proposal	Exhibits

Memorandum

To: Randy Recklaus, Village Manager

From: Bill Enright, Deputy Director Planning and Community Development

Date: May 30, 2017

Subject: Village Board:- TIF 4 Request for Proposals – Corner Property

The following report summarizes the three proposals received by the Village for redevelopment of the 1.4 acre northeast corner of Golf Road and Arlington Heights Road in TIF 4. The RFP was due March 31, 2017 and the sealed bids were opened by the Clerk and read aloud at the Board's April 3, 2017 meeting.

Proposals

Three proposals submitted include the following:

Taco Bell / Wendy's – Submitted by Taco Bell franchisee owner John Kallergis and Nicholas Kallergis, who are teaming with Wendy's franchisee owner Michael Hamra. Taco Bell would be relocating from their existing location on Algonquin Road east of New Wilke Road in Arlington Heights. The developer has offered $1,000,000 for the land. Each restaurant is projected to generate $1.5 million in sales for $3.0 million total.

McDonald's – Submitted by Eric Dams and Jim Troutman of Troutman Dams. McDonald's would relocate from their existing location in Arlington Heights on Golf Road just east of this site. The developer has offered $1,200,000 for the land. The dual drive through is projected to generate $3.25 million in sales.

Retail Center –Submitted by Steve Leonard of Strategic Real Estate Services and Tom Williams of Paragon Real Estate. The proposal includes 9,780 square feet of commercial space. It is the developer's intent that if selected, they will approach various commercial businesses who may be interested in this site. The developer has offered $1,200,000 for the land. Depending on tenants, the developer projects that the development will generate $1.95 million in sales.

Goals of the TIF 4 Redevelopment Plan

The development of the corner will help to facilitate the following goals of the TIF 4 area:

*Establish a Focal Point and provide future cross access easement.

*Integration with future development.

*Would not preclude long term options.

Process of Evaluation / Selection of Developer

Staff has evaluated the submitted proposals and had follow up questions of each. Those questions and the developer's responses are attached. Village Manager Randy Recklaus, Charles Witherington Perkins and Bill Enright met to discuss the proposals and follow up responses from the developers, and discussed the attributes and concerns with each proposal. The following summarizes the discussions points.

<u>Taco Bell / Wendy's</u>

Positives:

> Allows for expansion of an existing Taco Bell (increasing sales to $1.5 million) and brings in new sales of $1.5 million for Wendy's, which is not currently located in the Village.
>
> Wendy's franchisee has provided letter of intent to acquire the site pad and construct the Wendy's with Taco Bell franchisee building their building.
>
> Nice architecture for both buildings. Developer agreed to modify site plan to provide more green space and relocate a driveway (plan attached).

Concerns:

> $1.0 million offer is $200,000 less than the other two bids.
>
> Taco Bell may end up building a new facility as part of redevelopment of their current site at Algonquin and New Wilke if they are not selected for this site.

<u>McDonald's</u>

Positives:

> $1.2 million for land is $200,000 more than one bid and the same offer as the other bid.
>
> Increase sales to $3.25 million with two drive- through lanes.
>
> Ample perimeter landscaping; good site plan.
>
> Letter of Intent to build from McDonald's.

Concerns:

> Already have McDonald's in close proximity so this would be a relocation which limits net gain to Village and would create a vacancy at the existing site.
>
> McDonald's typically would have a non compete for their existing site, therefore the site very well may not be sold for another restaurant. May be difficult to get a new tenant with the non compete.

Commercial Center

Positives:

Developer bid $1.2 million, which is same as one developer and $200,000 more than the other.

Allows for opportunity to attract new tenants to the market versus relocation of existing restaurants. Sales projected at $1.95 million, which could possibly include new businesses to the Village/market.

Nice perimeter landscaping; opportunity for good architecture.

Concerns:

Developer does not have any tenants lined up, so there is a degree of uncertainty on which tenants would locate here.

Sales harder to project as tenants unknown at this time.

Staff Ranking

Each proposal was assigned a point total 1 to 5 with 5 being the highest for each of four categories as follows:

	Taco Bell/Wendy's	Commercial Center	McDonalds
Site Plan	4	5	5
Tenants	5	3	3
Sales Volume	5	3	2
Acquisition Offer	4	5	5

Staff ranks the proposals in the following order:

#1. Taco Bell / Wendy's (18 points)

This proposal includes two businesses with letters of intent, including expansion of an existing Arlington Heights business and a new business locating to Arlington Heights. Overall new sales volume and thus sales and food and beverage taxes highest with this proposal. The offer is $200,000 less than the other proposals but the other factors outweigh this relatively small margin in the offers.

#2. Commercial Center (16 points)

Proposal has possibly the largest up side depending on which businesses lease from the developer. Has potential for attracting new businesses to the Village however it is not known for sure at this point which tenants would sign leases. If the Board were to select this proposal the Village could give the developer a certain time frame to obtain letters of intent.

#3. McDonalds (15 points)

Expansion of an existing business is a positive however it will result in a vacancy at the current McDonalds. McDonalds typically would have a non compete for the current site therefore it's unlikely that a fast food restaurant would re-occupy the current building.

Next Steps

*Upon selection of a developer commence negotiations on a contract / development agreement.

*Continue to evaluate long term options for TIF 4.

Recommendation

It is recommended that the Board select their preferred development proposal and authorize staff to commence negotiations on a contract / development agreement.

C: Charles Witherington Perkins, Director Planning and Community Development

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March 31, 2017

ORIGINAL

Confidential RFP Proposal

Charles Witherington-Perkins, AICP
Bill Enright
Village of Arlington Heights
Department of Planning and Community Development
33 S. Arlington Heights Road
Arlington Heights, Illinois 60005

Re: Northeast Corner of Arlington Heights Road and Golf Road, Arlington Heights, IL 60005.

Dear Charles and Bill:

Thank you for the opportunity to submit the attached proposal for the property located at the northeast corner of Arlington Heights Road and Golf Road in Arlington Heights, IL. Enclosed please find five sets of the RFP response including one complete set containing original signatures marked ORIGINAL and left unbound. Also included is a $500 nonrefundable deposit in the form of a certified check payable to the Village of Arlington Heights.

The Development team is comprised of a joint venture partnership between Strategic Real Estate Services Corp led by Steve Leonard and Paragon Real Estate led by Tom Williams. Steve Leonard is an experienced, entrepreneurial executive with more than thirty years of leadership experience within both large international and small local companies. Tom Williams is a managing partner and co-founder of Paragon responsible for every aspect of Paragon's business including sourcing structuring development and investment opportunities. The partnership's entrepreneurial structure allows for quick decision-making and action.

The partnership between Strategic Real Estate Services Corp and Paragon Real Estate brings a capital source and immediate availability of our $200M Retail Development and Acquisition Fund as well as experience developing several million square feet of retail properties.

Our proposed "Project" consists of 9,780 square feet of retail and restaurant space. This Project will be comprised of two buildings that will greatly enhance the property and bring additional employment and shoppers to the Arlington Heights and Golf Road area.

It is the intent of the Development team to build a long-term, mutually beneficial relationship with the Village of Arlington Heights through our approach with honesty, integrity and enthusiasm. We feel the strength of our development team and the quality of our Project will have a positive effect on the overall economic development in the area.

Thank you in advance for your consideration of this RFP response and we look forward to working with you on this project. In the interim, please call me at [redacted] with any questions.

The Developer's team certifies that the information contained in this RFP response is true and correct.

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Sincerely,

Paragon Real Estate, LLC

Tom Williams
Managing Partner
Direct: [redacted]
E-mail: [redacted]

Strategic Estate Services Corp

Steve Leonard
President
Direct: [redacted]
E-mail: [redacted]

Enclosures

BID

Village Of Arlington Heights

Board of Trustees

Sale of Property at the Northeast Corner of Golf Road and Arlington Heights Road

PIN #:08-09-402-023; 08-09-402-026; 08-09-402-027; 08-09-402-028

Arlington Heights, IL 60005

The undersigned hereby acknowledges and accepts the instructions and specifications of the Request for Proposals and offers the following price for the sale of the property notes.

Bid Price: $1,200,000.00

Bidder Name: Paragon Real Estate, LLC & Strategic Real Estate Services Corp

Address: 1900 Spring Road, Suite 503

City/State/Zip: Oak Brook, IL, 60523

Phone Number: [redacted]

Phone Number: [redacted]

Fax Number: ______

Email Address: [redacted]

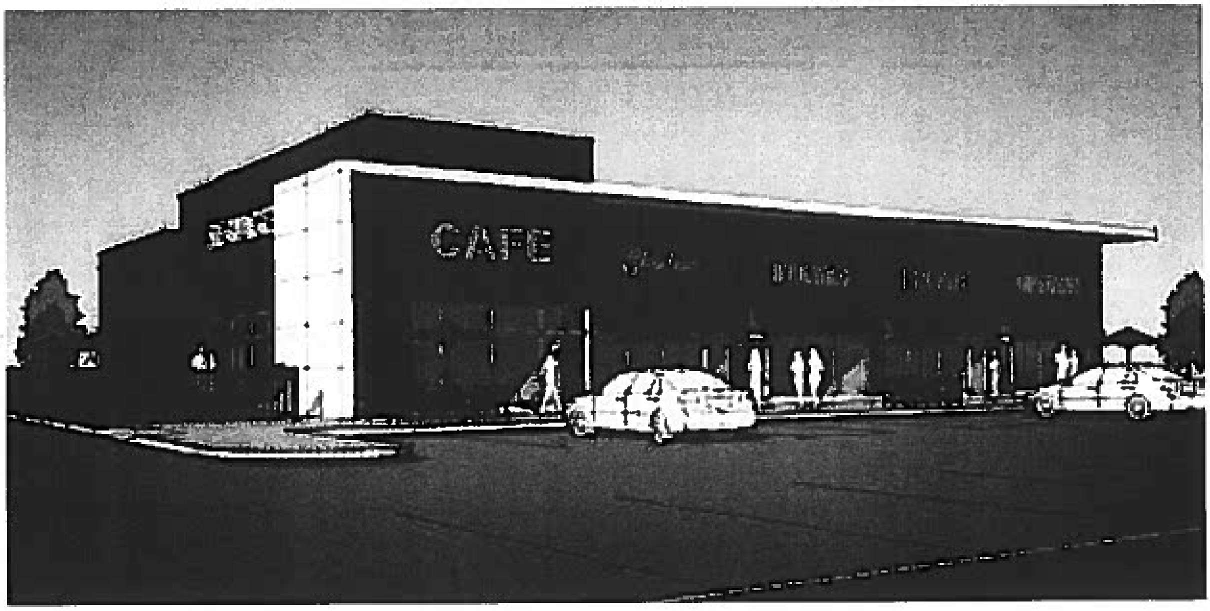
Email Address: [redacted]

Date: 03-31-17

Bidder Signature: ______

Bidder Signature: ______

ARLINGTON HEIGHTS RFP SUBMITTAL



Proposed 9,780 SF of New Retail Multi-Tenant Space

Property Located at:
NEC of Arlington Heights Road and Golf Road
Arlington Heights, IL 60005

March 31, 2017

Development Team Joint Venture Partnership:
Strategic Real Estate Services Corp
1035 Mohawk Road
Wilmette, IL 60091

Paragon Real Estate, LLC
1900 Spring Road, Suite 503
Oak Brook, Illinois 60525

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TABLE OF CONTENTS

EXECUTIVE SUMMARY

Wilmette, IL based Strategic Real Estate Services Corp and Oak Brook, IL based Paragon Real Estate, LLC wishes to acquire and develop a property located at the northeast corner of Arlington Heights Road and Golf Road in Arlington Heights, IL. The property currently is vacant and consists of three separate parcels owned by the Village of Arlington Heights. The proposed retail development would contain 9,780-square feet of new retail space with 67 parking stalls. The total project costs are estimated to be $4.0 million.

Project Highlights

- The Development team of Strategic Real Estate Services Corp and Paragon Real Estate plan to build a very high quality "gateway" project incorporating excellent architectural materials and design celebrating the entrance to the Village of Arlington Heights.

- We intend to create an entry feature at the northeast hard corner of Arlington Heights Road and Golf Road with attractive illuminated lettering stating "Welcome to Arlington Heights".

- The Development team intends to design and lease the project with an eye toward the future development of the larger International Plaza Redevelopment.

- It is the intent of the Development team to attract the highest quality tenants to this A+ location. A mix of restaurant and traditional retailers would be the optimal mix.

- The proposed project will generate additional sales tax revenue and incremental real estate taxes to the Municipality, and local schools. If we assume $200 per sf in average sales for the 9,780-square foot retail project, the project will yield approximately $39,000 annually in sales tax given the standard and home rule rates in place. Total real estate taxes are estimated to be in excess of $8/sf or approximate $78,000 annually.

DEVELOPMENT TEAM / KEY TEAM MEMBERS

Paragon Real Estate, LLC

Paragon Real Estate, LLC (www.theparagoncompany.com) is a well-capitalized, privately owned real estate development and investment company. We look to develop or acquire senior living, retail and industrial properties throughout the United States.

As a well-capitalized, privately held firm, Paragon swiftly delivers results for its tenants and partners, whether they are municipalities, brokers, lenders or property owners. Paragon has cultivated a network of trust that keeps its development and acquisition activity running smoothly.

The Paragon Advantage

Expertise
Paragon's strengths stem from our commitment to building long-term relationships with partners and our dedication to fostering a culture of innovation and transparency in our transactions. We have exceptional experience and a clear understanding of commercial real estate values, capital markets and the trends that impact these factors. We pride ourselves on understanding the complexity of each deal and crafting a flexible and mutually beneficial solution.

Capital
By tapping into Paragon's internal funds, there's no need to search for outside resources to raise money for each project or acquisition, which means a quick and certain close. This capital strength allows Paragon to execute transactions simultaneously, in multiple markets across the country, and structure competitive and flexible leasing arrangements for our clients.

Knowledge
Paragon orchestrates a seamless real estate experience for its clients, navigating the development process from client vision to reality, from project planning through entitlements and construction to project closeout. Paragon's people, technical know-how and local market expertise converge to bring about the best possible facility at the lowest possible cost.

Flexibility
Paragon collaborates with clients and municipalities at every stage of the streamlined development process and takes time to listen to their business strategy. By investing our time and effort to understanding their story, we foster a long-term relationship that is advantageous for both parties. Paragon's client-first approach focuses on doing whatever it takes to meet its client's business needs

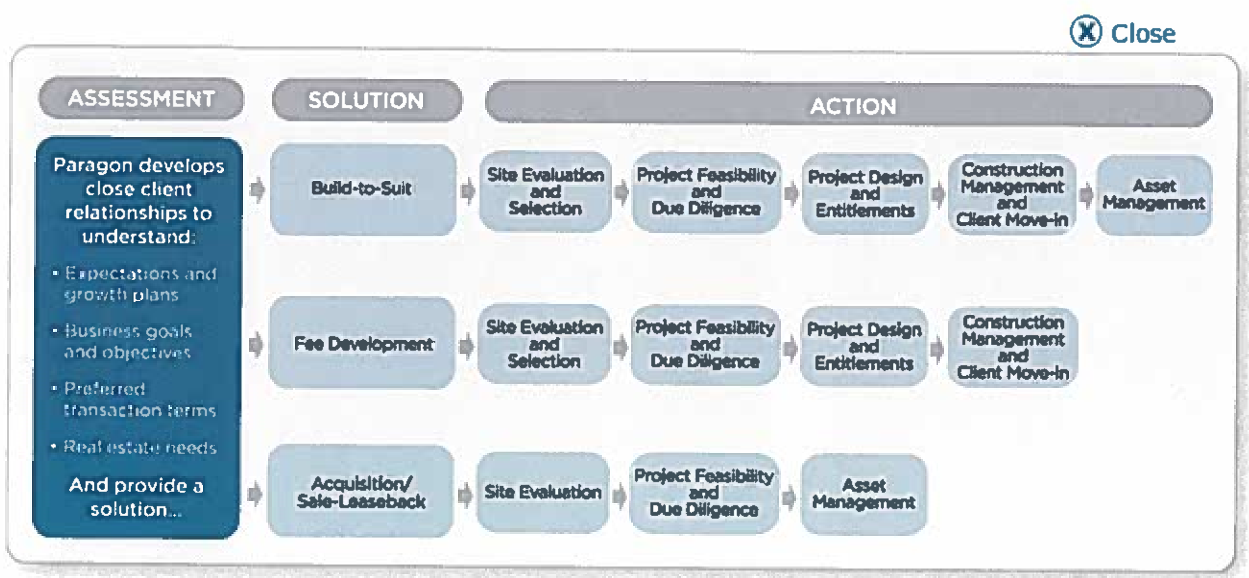
DEVELOPMENT TEAM / KEY TEAM MEMBERS

Our Process

Taking a development from the client's initial vision to a successful project requires a carefully thought-out process. Paragon's development process includes reassessing the project with its client at each phase to ensure that the end project remains viable in terms of economics, schedule and mission.

As a process-driven company with proven performers, Paragon Real Estate's vision is based on a positive outlook with realistic expectations. Our process and solutions give our clients the freedom to focus on their core business and operations, while we handle their real estate needs. For complete principal biographies please see our website.

From initial introduction to the closing of a transaction, we conduct our business swiftly, efficiently and with a clear understanding of our tenant's goals. We recognize their time is valuable and have developed our strategic delivery process providing straight forward responses at deal inception and throughout the transaction in a timely manner.



DEVELOPMENT TEAM / KEY TEAM MEMBERS

Based in Oak Brook, IL, Paragon was founded in early 2009 by two principals. Tom Williams and Greg Van Landingham offer an extensive background in development and acquisitions that make Paragon an ideal partner.

Tom Williams

As Managing Partner and Co-Founder of Paragon, Tom Williams is actively involved in every aspect of Paragon's business including sourcing and structuring development and investment opportunities.

Prior to forming Paragon, Mr. Williams served as Managing Director for InSite Real Estate, where he sourced and oversaw development and investment opportunities from build-to-suit developments to value-add acquisition projects throughout the United States. Prior to joining InSite, Mr. Williams worked in Joseph Freed & Associates' development group where he sourced and managed large-scale residential, retail and mixed-use development projects throughout the Midwest. Mr. Williams also worked in Jones Lang LaSalle's development group managing real estate advisory, acquisition and disposition assignments for their corporate, institutional, municipal and not for profit clients.

Mr. Williams received an M.B.A. from Kellogg School of Management at Northwestern University, and a B.S. in Electrical Engineering from Marquette University. He is an active member of the International Council of Shopping Centers and was appointed to the Plan Commission of the Chicago suburb where he lives with his wife and two young children.

Greg Van Landingham

As Managing Partner and Co-Founder of Paragon, Mr. Van Landingham is pivotal to the company's business operations.

Prior to forming Paragon, Mr. Van Landingham served as Director for InSite Real Estate. At Insite Mr. Van Landingham lead the development and construction group where he was responsible for overseeing all phases of the development process. Prior to joining InSite, Mr. Van Landingham played a vital role at Forest River Inc., a subsidiary of Berkshire Hathaway, Inc., where he managed their real estate division. While there, Mr. Van Landingham oversaw the acquisition and development of new facilities, in addition to overseeing the asset management activities for the 2.5 million square feet of warehouse and manufacturing space the company owned.

Mr. Van Landingham earned a B.S. in Finance from Indiana University. He is an active member of the International Council of Shopping Centers and the Urban Land Institute.

Strategic Real Estate Services Corp (SRES)

Steve Leonard is an experienced, entrepreneurial executive with more than thirty years of leadership experience within both large international and small local companies. Steve has distinguished himself as a results oriented leader and manager throughout his career. Focusing on the expansion process within the retail industry, Steve is responsible for more than thirty million square feet of new development spanning nearly twenty states in the U.S. He has worked with large companies such as Wal Mart, Target and The Home Depot as well as local businesses and municipalities. Steve is recognized nationally as an industry expert in both the strategic and tactical process of real estate development.

Steve founded Strategic Real Estate Services Corp (SRES) in 2000 as the realization of a dream to create an entrepreneurial venture capitalizing on the skills and relationships acquired during his successful career. SRES is now a full service retail real estate firm specializing in development, brokerage and consulting for retailers throughout the country. Clients include Target, Wal Mart, The Home Depot, Meijer, Menards, Kohl's Department Stores, Office Depot, Gander Mountain, Starbucks, The Fresh Market, Culver's Restaurants and many others. SRES has been responsible for numerous shopping center projects, the largest being a 500,000 sf, $80 million shopping center on the south suburbs of Chicago. Anchors include Meijer, Menards, Ross Dress for Less, and Michaels Arts and Crafts.

Steve held several important leadership positions with national retailers prior to forming SRES. As head of the expansion program for the fastest growing division of The Home Depot, Steve was responsible for over 200 new stores, leading a team of more than 100 real estate professionals to successfully role out an expansion program making The Home Depot the clear dominant retailer within the Midwest trading areas. During this experience, Steve honed his negotiation and technical legal skills. While Steve was running this team, it became the single most active and prolific real estate development operation in the country.

The Chairman of Crate and Barrel recruited Steve to become head of real estate responsible for the most significant new store roll out in the Company's history. In this position, Steve created a new department, taking responsibility for all aspects of the process including construction, architecture, and development. This experience at Crate and Barrel acted as a necessary transition from the large company environment to the small footprint services firm where he has found so much success.

Prior to Home Depot, Steve worked as Executive Vice President of Mark IV Realty Group, a Midwest focused real estate development firm where Steve was responsible for all aspects of the Company's management including development, property management, leasing and operations.

Steve began his career at Walsh, Higgins and Company, a multi-faceted real estate development company competing in the office, industrial and retail markets. It was at Walsh Higgins that Steve became involved in retail projects, forging a specialty within the industry.

Steve received an MBA from the University of Chicago in 1986 and a BS in Finance from Miami University (OH) in 1984. Steve lives with his wife of 26 years and two children outside of Chicago, IL.

FINANCIAL DATA

Paragon Real Estate formed a fully committed $200 million real estate development and acquisition fund to expand Paragon's net lease portfolio in the Midwest retail real estate market. Paragon is leveraging its experience and relationships with retailers, brokers, property owners and municipalities to offer new retail developments with long term triple net leases.

The fund's main investor is Peter Liegl. Pete Liegl founded Forest River in 1996, which today makes all classes of RVs, cargo trailers, utility trailer, pontoon boats, light and medium-duty buses (primarily shuttle buses, not inner-city transit buses), portable offices, and structures to use for temporary schools. Forest River Inc., is located in Elkhart, Indiana and operates multiple manufacturing facilities throughout the Midwest and West Coast. Today the company operates out of 86 manufacturing locations boasting over 8 million square feet of manufacturing facilities, and employs over 11,000 people. The company has grown to over $4 billion in total revenue.

Forest River Locations

DEVELOPER REFERENCES

We have a long and established history of municipality and lender relationships.

1. Heather J. Rowe, AICP
   Economic Development Coordinator
   Village of Libertyville
   Schertz Municipal Building
   200 E Cook Avenue
   Libertyville, IL 60048
   Phone[redacted]
   Direct: [redacted]

2. Michael D. Kopp
   Assistant City Manager
   City of Elmhurst
   209 N York St
   Elmhurst, IL. 60126
   Direct:[redacted]
   Mobile:[redacted]

3. Michael G. O'Rourke
   President
   Signature Bank
   6400 N. Northwest Highway
   Chicago, IL 60631
   Off[redacted]
   Mobile:[redacted]

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PARAGON REAL ESTATE DEVELOPMENT | ACQUISITION | MANAGEMENT

RETAIL PROJECT EXPERIENCE / CASE STUDIES

We are selective developers and investors, and disciplined underwriters and asset managers. Simply stated, we are "value adders". Show us an opportunity to create value with our own expertise, and we will pursue it.

Our past and current projects include the following list and case studies:

- The Home Depot (SRES)
  - 4 Illinois area purchase transactions
  - 1 Chicago area lease transaction
  - 2 Oregon purchase transactions
- Target
  - 1 Chicago area purchase self-development transaction
- Wal-Mart
  - 2 Chicago area purchase transactions
- Gander Mountain
  - 1 Chicago area lease transaction
  - 2 NY area lease transactions
- Office Depot
  - 3 St. Louis area lease transactions
- Kohl's Department Stores
  - 6 Florida purchase transactions
  - 6 Florida lease transactions
- Fresh Market
  - 9 Chicago area lease transactions
- Culvers
  - 14 Chicago area purchase transactions
  - 6 Chicago area lease transactions
- Starbucks
  - 2 Chicago area lease transactions
- Menards
  - 1 Chicago area purchase transaction
- Meijer
  - 2 Chicago area purchase transactions
- Michael's Arts and Crafts
  - 1 Chicago area lease transaction
- Ross Stores
  - 1 Chicago area lease transaction
- The Fresh Market
  - 3 Chicago area lease transactions
- The Home Depot (in house)
  - New stores in the following states which were mostly purchase transactions

        - Illinois, Indiana, Ohio, Michigan, Minnesota, Wisconsin, North Dakota, South Dakota, Missouri, Kansas, Nebraska
- Crate & Barrel (in house)
    - New stores in the following metro areas which were all lease transactions
        - Chicago, San Francisco, Los Angeles, Houston, Dallas, Washington DC, Portland, OR, Atlanta, GA

FOR MORE INFORMATION CONTACT
Tom Williams
630.368.1099
Tom@TheParagonCompany.com

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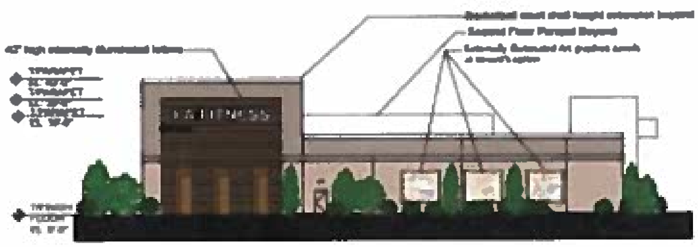
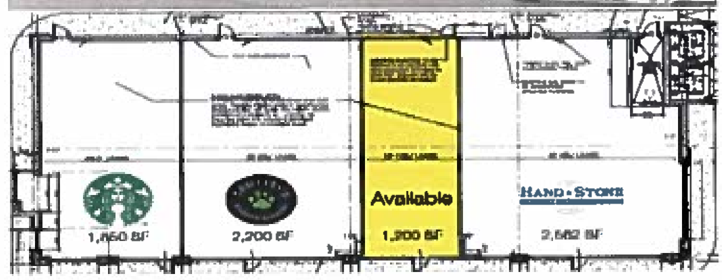
LA FITNESS HEALTH CLUB ANCHORED RETAIL DEVELOPMENT





Paragon is currently redeveloping the southwest corner of York Road and Industrial drive in Elmhurst, Illinois. The retail center is anchored by a 37,000 square foot LA Fitness and also consists of an 8,000 square foot retail center on the hard corner anchored by Starbucks with a drive-through.

Paragon worked with the City of Elmhurst to rezone the property and obtain the necessary entitlements. Paragon also worked with the City to secure $500,000 in tax increment financing to offset the costs of the extensive remediation and demolition of the former hotel property originally on the site. The 4.8-acre project will revitalize this section of Elmhurst that has long been an industrial area. The total project cost is approximately $15.4M.

WHY PARAGON?

Paragon specializes in developing build-to-suit facilities for multi-unit retailers and senior housing operators. Paragon's extensive infrastructure and unique operating practices provide a "competitive edge" over other developers:

Company Talent and Experience: A highly experienced team, technical know-how and market expertise all converge to create the best possible facility at the lowest possible cost. Paragon has cultivated a network of trust among tenants, municipalities, brokers and lenders keeping its development and acquisition activity running smoothly.

Internally Funded Equity: Project equity is internally funded by Paragon enabling us to deliver projects in both good and bad finance markets, and react quickly and decisively to desirable market opportunities.

National Coverage: Paragon has no geographical preferences or limitations and has significant experience in all markets throughout the country allowing the client to secure facilities from a single, familiar, proven developer no matter where the opportunity is located.

Paragon will prove to be the build-to-suit provider that you want to work with on a repeat basis.

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FOR MORE INFORMATION CONTACT
Tom Williams
630.368.1099
Tom@TheParagonCompany.com

TRADER JOE'S GROCERY ANCHORED RETAIL DEVELOPMENT

Paragon procured this build-to-suit development project through our strong relationship with the tenant representative for Trader Joe's, our strong reputation for closing on time with land sellers and our reputation for executing retail developments for national tenants.

Paragon was able to secure a 3-acre site in Libertyville, Illinois after a competitive bid process with the seller. Recognizing the need for a specialty grocery store in the Libertyville market, Paragon quickly engaged Trader Joe's and their tenant representative in the Chicago area and designed a site plan that satisfied Trader Joe's needs. Paragon secured all of the necessary governmental entitlements and recently finished a 12,500 square foot build-to-suit facility and an adjacent 8,000 square foot multi-tenant retail building anchored by Sherwin-Williams. The total project cost was $6.8M.

WHY PARAGON?

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Paragon will prove to be the build-to-suit provider that you want to work with on a repeat basis.

DELIVERING A PATTERN OF EXCELLENCE

Paragon Real Estate
1900 Spring Road, Suite 503 | Oak Brook, IL 60523 | 630.368.1099 | www.TheParagonCompany.com

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FOR MORE INFORMATION CONTACT
Tom Williams
630.368.1099
Tom@TheParagonCompany.com

ART VAN FURNITURE RETAIL DEVELOPMENT

In 2013, Art Van Furniture, the "Midwest's No. 1 furniture and mattress retailer", made plans to break into the Chicago market. The retailer, which had 36 stores at that time, focused on five specific markets for their initial Chicago expansion. Knowing Art Van's specific criteria, Paragon identified a 42,500 square foot former Wickes Furniture building in Batavia, Illinois, one of Art Van's targeted markets. Paragon worked closely with Art Van's real estate group to establish rent levels and lease terms that would help Art Van execute their expansion strategy.

Paragon closed on the acquisition of the real estate and structured a mutually accepted lease with Art Van, thus giving them the ability to deploy their capital for future growth. The total project cost was $3.8M.

WHY PARAGON?

Paragon specializes in developing build-to-suit facilities for multi-unit retailers and senior housing operators. Paragon's extensive infrastructure and unique operating practices provide a "competitive edge" over other developers:

Company Talent and Experience: A highly experienced team, technical know-how and market expertise all converge to create the best possible facility at the lowest possible cost. Paragon has cultivated a network of trust among tenants, municipalities, brokers and lenders keeping its development and acquisition activity running smoothly.

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Paragon will prove to be the build-to-suit provider that you want to work with on a repeat basis.

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FOR MORE INFORMATION CONTACT
Tom Williams
630.368.1099
Tom@TheParagonCompany.com

AAA AUTO GROUP BUILD-TO-SUIT DEVELOPMENT

AAA Auto Group provides membership, travel, insurance and financial services offerings to more than 8.4 million members through a network of nearly 8,000 employees in approximately 300 office locations. AAA Auto Group was challenged with finding additional ways to connect with their membership. They decided to offer automobile service centers, open to the public but discounted for auto club members. These retail locations could also house AAA offices offering additional auto club consumer products.

Paragon procured this build-to-suit development project through our strong relationship with the tenant representative for AAA Auto Group. The development required special city governmental approvals because of the location and use. Paragon provided full-service development and construction management services, coordinated and managed all due diligence, entitlement, permitting, utility, design and construction for the redevelopment of the site. The total project cost was $1.8M.

WHY PARAGON?

Paragon specializes in developing build-to-suit facilities for multi-unit retailers and senior housing operators. Paragon's extensive infrastructure and unique operating practices provide a "competitive edge" over other developers:

Company Talent and Experience: A highly experienced team, technical know-how and market expertise all converge to create the best possible facility at the lowest possible cost. Paragon has cultivated a network of trust among tenants, municipalities, brokers and lenders keeping its development and acquisition activity running smoothly.

Internally Funded Equity: Project equity is internally funded by Paragon enabling us to deliver projects in both good and bad finance markets, and react quickly and decisively to desirable market opportunities.

National Coverage: Paragon has no geographical preferences or limitations and has significant experience in all markets throughout the country allowing the client to secure facilities from a single, familiar, proven developer no matter where the opportunity is located.

Paragon will prove to be the build-to-suit provider that you want to work with on a repeat basis.

DELIVERING A PATTERN OF EXCELLENCE

FOR MORE INFORMATION CONTACT
Tom Williams
630.368.1099
Tom@TheParagonCompany.com

KIDS 'R' KIDS LEARNING ACADEMY BUILD-TO-SUIT DEVELOPMENT

When Kids 'R' Kids Learning Academy needed to build a new 19,334 square foot childcare facility in Crystal Lake, Illinois on a tight timeframe, they chose Paragon. Paragon's development team had to meet a shortened development and construction schedule in order to deliver the building to Kids 'R' Kids by the end of July 2010 and coincide with fall enrollment and school schedules. Another challenge was groundbreaking in the month of January, which resulted in constructing the facility through a tough Chicago winter.

Paragon immediately met with the city, formulated project numbers and engaged the landowner in contract discussions. Paragon was able to deliver the facility on time and received the highest quality award from Kids 'R' Kids corporate. The opening was a huge success and today the facility is at capacity with an average of 225 children in attendance. The total project cost was $4.6M.

WHY PARAGON?

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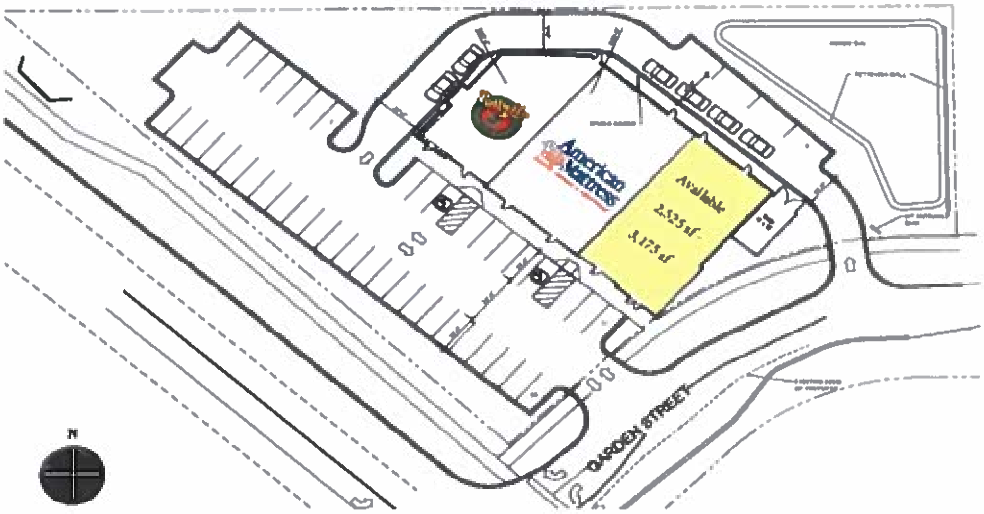
PARAGON
REAL ESTATE
DEVELOPMENT | ACQUISITION | MANAGEMENT

JOLIET, IL RETAIL MULTI-TENANT DEVELOPMENT



Paragon procured this build-to-suit development project through our strong relationship with the tenant representative for Potbelly Sandwich Works, our strong reputation of closing on time with land sellers and our reputation for executing retail developments for national tenants.

Paragon assembled three separate residential properties in Joliet, Illinois and rezone the property for commercial retail use with a drive-thru. Paragon recently finished a 9,000-square foot multi-tenant building anchored by Potbelly. The total project cost for the entire project was $3.8M.

WHY PARAGON?

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VISION / PROJECT OVERVIEW

Overall Project Vision

The project incorporates the northeast corner of Arlington Heights Road and Golf Road. The Development Plan includes two multi-tenant buildings occupied by retail and restaurant tenants.

We see this corner project as accomplishing two goals. First, we hope to build a very high quality project incorporating excellent architectural materials and design celebrating the entrance to the Village. We intend to create an entry feature at the hard corner with attractive illuminated lettering stating "Welcome to Arlington Heights". Secondly, we intend to design and lease the project with an eye toward the future development of the larger International Plaza Redevelopment. This smaller corner development will set the stage for the larger project with special attention going to curb cuts, traffic flow, tenant choice, etc. The corner development will be considered Phase 1 of the overall larger project.

As with all shopping center developments, the choice of tenants stand out to define the project. It is our intention and firm belief we will be able to attract the highest quality tenants to this A+ location. A mix of restaurants and traditional retailers would be the optimal mix. We will work closely with the Village staff to recruit tenants satisfying the needs and desires of both the developer and the Village.

Benefits for the Village of Arlington Heights

- Adds a distinguished corner to the area enhancing business retention and recruitment for the Golf Road corridor.
- Revitalizes a former retail site by introducing new and vibrant retailers to the area.
- Brings additional employment and shoppers to the Golf Road Corridor.
- The proposed project will generate additional sales tax revenue and incremental real estate taxes to the Municipality, and local schools.
- From our perspective, if this project does not benefit both the Village and the Developer, we have failed in our mission. It is our desire to greatly enhance the Village of Arlington Heights by constructing an attractive, high quality "gateway" type of project making an excellent first impression on visitors to the Village at its southern entry point.
- Not only will the high-quality design and materials set the standard for future development on the south side of the town, but it will offer a preview of things to come as International Plaza is eventually redeveloped.
- Lastly, the project will bring new retail offerings to southern Arlington Heights which will be appreciated and enjoyed by customers both within and outside of the Village.

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SITE DATA

PROPOSED SITE AREA	1.49 ACRES
BUILDING DATA:	
TOTAL BUILDING AREA	9,780 SQ FT
PARKING DATA:	
SPACES REQUIRED	
RESTAURANT	3,000 S.F. (1/100 SF) = 30
RETAIL	6,780 S.F. (1/200 SF) = 34
SPACES PROVIDED	67
ZONING:	
ZONING	C3 = SERVICE COMMERCIAL

GRAPHIC SCALE IN FEET
0 20 40 60

N

SHEET NO. CP-1

PARAGON REAL ESTATE
SITE IMPROVEMENT PLAN

ARLINGTON HEIGHTS, ILLINOIS

CONCEPT PLAN

WOOLPERT

1815 South Meyers Road
Suite 120
Oakbrook Terrace, IL 60181
630.424.9080
FAX: 630.495.3731

PROJECT No: 78884
DATE 03/16/17
DES.
DR.
CKD.

No.	DATE	REVISION

PROPOSED ELEVATIONS

DEVELOPMENT SCHEDULE

Paragon's Development Process is designed to seamlessly execute projects from entitlements, through construction and building occupancy. We employ a process-driven approach of project realization that (1) increases effectiveness by (a) avoiding mistakes and (b) providing transaction "transparency" throughout, and (2) increases efficiency by (a) providing a proven methodology based on the cumulative experiences of the company.

PURCHASE AGREEMENT -
MAY 2017

DESIGN / ENTITLEMENT PROCESS -
SUMMER/FALL 2017

DRAWINGS / PERMITTING -
FALL/WINTER 2017

CONSTRUCTION PROCESS -
SPRING 2018

PROJECT COMPLETION / OPERATIONS -
FALL 2018

PARAGON
REAL ESTATE
DEVELOPMENT | ACQUISITION | MANAGEMENT

March 31, 2017

Charles Witherington-Perkins, AICP
Bill Enright
Village of Arlington Heights
Department of Planning and Community Development
33 S. Arlington Heights Road
Arlington Heights, Illinois 60005

RE: LETTER OF INTENT for Northeast Corner of Arlington Heights Road and Golf Road, Arlington Heights, IL 60005 ("The **Property**").

Dear Charles and Bill:

In response to the Village of Arlington Heights Request for Proposals, we are submitting our response including this Letter of Intent ("Letter") for the purchase by a Joint Venture between Paragon Real Estate, LLC and/or an affiliate and Strategic Real Estate Services Corp ("Purchaser") for the Northeast corner of Arlington Heights Road and Golf Road, Arlington Heights, Illinois, on the following terms and conditions.

1. **Property to be Purchased and Conveyed**

   The above-referenced Property consisting of a land parcel of approximately 1.4-acres, including the land and improvements (the "Property").

2. **Purchase Price**

   The purchase price for the property shall be $1,200,000.00

3. **Terms of Payment**

   The Price, inclusive of any earnest money deposit, shall be paid in cash at closing, plus or minus any pro-rations. Seller shall credit Purchaser for all accrued and unpaid real estate taxes.

4. **Contract for Purchase and Sale**

   After mutual execution and delivery of this Letter, Purchaser shall prepare an agreement outlining the terms of the property redevelopment and the responsibilities for both the Purchaser and the Seller satisfactory to each of us and our respective attorneys, ("Purchase Agreement"). While Purchaser and Seller are negotiating such Purchase Agreement, Seller shall neither offer the Property for sale to, nor accept any offer of sale for the Property, nor negotiate regarding the sale of the Property with any other party. Nor shall the Seller modify, extend or renew any contracts affecting the Property or enter into any new contracts without the Purchaser's prior written consent. The Purchase Agreement will contain, among other things, the following provisions:

a. Reasonable warranties and representations, regarding among other things, environmental matters, zoning, access, drainage, any pending litigation or condemnation proceedings, the status of and reassessments affecting real estate taxes, and Seller's authority to convey the Property.
b. Title to the Property will be conveyed to Purchaser by general warranty deed with title commitment exceptions that are not objected to by the Purchaser. If so requested by Purchaser, Seller will cooperate with Purchaser in attempting to remove any exceptions to which Purchaser timely objects.

5. **Title Commitment and Survey**

Within ten (10) days after the acceptance of this Letter of Intent, Seller shall deliver to Purchaser, at Seller's cost, copies of the existing owner's title policy and survey. The Purchase Agreement shall provide that within ten (10) days after its execution, Seller shall deliver to Purchaser a current commitment for an owner's ALTA Title insurance policy with extended coverage in the amount of the purchase price issued by a title insurance company acceptable to Purchaser together with true, complete, and legible copies of all documents described in the title commitment; and an updated ALTA survey of the Property prepared by a surveyor licensed in the state in which the Property is located.

6. **Purchaser's Investigation**

Purchaser shall have **90 days** following the execution of a formal purchase agreement by all parties and receipt of all due diligence documents required per the Purchase Agreement for the subject property (such time, the "Investigation Period") to investigate the Property.

Purchaser shall have the right to inspect the Property and perform any studies with respect to structural, mechanical, environmental and regulatory title. Purchaser's inspection shall include, but not be limited to, the following: (i) physical condition of the Property; (ii) the status of compliance with laws, regulations or ordinances issued or imposed by a governmental or public authority having jurisdiction over the Property; (iii) verification of adequate visibility of the site; (iv) soil conditions; (v) utility availability, including adequate sewer capacity; (vi) zoning certification or ability to achieve necessary zoning certification; (vii) Purchaser's ability to obtain title insurance to the Property subject only to standard exceptions; and (viii) presence or absence of hazardous substances, limited to a Phase I Environmental survey.

After such investigation, if Purchaser, in its sole discretion, determines that the Property is not satisfactory by Purchaser, Purchaser may terminate the contract in writing no later than the end of inspection period. If Purchaser terminates the Purchase Contract, the Earnest Money Deposit shall be returned to the Purchaser and Purchaser shall be released from liability under the Contract.

7. **Governmental Approvals**

Purchaser shall have an additional **90 days** after the expiration of the Inspection Period (the "Approvals Period"), to obtain all necessary governmental approvals of its proposed development or redevelopment of the Property, including without limitation, approval of zoning, annexation, use, setbacks, drive-thru lanes, parking and platting of the Property, and obtaining such other governmental approvals, licenses and permits as Purchaser deems necessary for the development of the Property, including Village incentives (collectively, Governmental Approvals"). If Purchaser is unable to obtain all necessary governmental approvals of its proposed development or redevelopment of the Property or due to a Seller's default under the Agreement, the Earnest Money Deposit shall be returned to the Purchaser and Purchaser shall be released from liability under the Contract. To the extent that the 90 days is not enough time for this project to move through the Village's meeting schedule, the Government Approval period shall be extended to meet the required approval process timeframe designated by the Village.

8. **Earnest Money**

Within 21 days of designation, Purchaser shall deposit $120,000 into an escrow account. The escrow trustee shall be a title company acceptable to Purchaser. The earnest money will be applied to the purchase price at closing. In the event Purchaser elects not to purchase the property, for any reason, the earnest money will be immediately refunded to Purchaser upon Purchaser's sole request. At the end of the Approvals Period (including any Extensions), the money escrowed with the Title Company will become non-refundable.

9. **Purchaser's Closing Contingencies**

Purchaser shall not be obligated to close the Purchase Agreement unless the following contingencies have been met to Purchaser's satisfaction:

(A) The Property shall constitute or be comprised of (i) a legally separate and distinct lot (or lots), and (ii) separate tax lot (or lots);
(B) No underground storage tanks shall be located on or at the Property;
(C) No violation of any law, ordinance, governmental statute or regulation shall exist including no violation of any building, zoning, or environmental law; and
(D) Receipt of a Focused No Further Remediation letter from the IEPA.

10. **Closing**

It is the intent of the parties to close no later than 60 days after the expiration of the end of the Approvals Period, as extended (The "Closing Date"). Seller shall give exclusive possession of the Property to Purchaser at Closing.

Seller shall pay:

A. The cost of the title policy and extended coverage;
B. One-half (1/2) of all closing fees charged by the escrow agent and/or the title company;
C. Seller's legal fees and expenses;

D. All County & State transfer taxes; and
E. All the documentary stamp taxes.

Purchaser shall pay:
A. The fee for the recording of the deed;
B. One-half (1/2) of all closing fees charged by the escrow agent and/or the title company; and
C. Purchaser's legal fees and expenses.

11. **Broker/Agent**

There are no brokers involved in this transaction.

12. **Representations and Warranties**

The Purchase and Sale Agreement shall contain standard and customary representations, warranties, and covenants.

13. **Confidentiality**

Purchaser and Seller shall not disclose any terms of this transaction to any third party, except Purchaser may disclose said terms to its agents and consultants as well as any mortgagee, prospective mortgagee, or prospective purchaser of the Property.

We look forward to a favorable conclusion of negotiations and would like very much to work with you on this transaction.

PARAGON
REAL ESTATE
DEVELOPMENT | ACQUISITION | MANAGEMENT

AGREED TO AND ACCEPTED BY:

PURCHASER:

By: **PARAGON REAL ESTATE, LLC,** an Illinois limited liability company, as agent for Purchaser

By: ______________________

Name: Tom Williams

Title: Managing Partner

Date: 3/30/2017

Address: 1900 Spring Road, Suite 503

Oak Brook, IL 60523

Pho[redacted]

E-mail: [redacted]

By: **STRATEGIC REAL ESTATE SERVICES CORP,** an Illinois corporation, as agent for Purchaser

By: ______________________

Name: Steve Leonard

Title: President

Date: 3/30/2017

Address: 1035 Mohawk Road

Wilmette, IL 60091

Phon[redacted]

E-mail: [redacted]

SELLER:

By: ______________________, a(n) ______________________, as agent for Seller

By: ______________________

Name: ______________________

Title: ______________________

Date: ______________________

Address: ______________________

____

Phone: ______________________

Fax: ______________________

E-mail: ______________________

The Twins Group **CORPORATE OFFICE**

March 27, 2017

Mr. Charles Witherington-Perkins, AICP
Director of Planning and Community Development
Village of Arlington Heights
33 S. Arlington Heights Road
Arlington Heights, IL 60005

RE: Request for Proposal (RFP) for Land at Northwest corner of Arlington Heights Road and Golf Road

Dear Mr. Witherington-Perkins:

We would like to submit a bid for the parcel of land and propose the following in regards to the RFP:
A. To remediate any environmental contamination required by the IEPA.
B. The development team would consist of my brother Nicholas Kallergis and me to develop a free standing Taco Bell restaurant with a drive through on approximately 50% of the property and to develop a Wendy's restaurant on the remaining 50% of the property. Nick and I have own and operate as franchisees of Taco Bell Corp. 42 Taco Bells in the Midwest. We have built over 12 of these restaurants in the last 10 years and remodeled the majority of the other restaurants in the last 20 years. The majority of these restaurants have been built by Jonah Development. Mr. Gary Schneider is the President of Jonah Development and he has built and remodeled hundreds of fast food restaurants in the Midwest. We, along with Gary Schneider, have built 3 new free standing Taco Bells in the last year in Huber Heights, OH, Shelbyville, IL and Huber Heights, OH. We have also built brand new stores in Palatine, Schaumburg and Mt. Prospect, IL
The Wendy's restaurant would be built by the Hamra team, who own and operate 90 Wendy's restaurants along with many other restaurants and hotels. Mr. Michael Hamra is the CEO/ Owner Operator of the Hamra team.
Mr. Jeff Johnson, Mayor of Shelbyville, IL would be a reference for our reliability and commitment to the community. His telephone number is 217-259-6978.
C. We have sufficient equity in our company (The Twins Group, Inc.) to buy the land and build the stores. Our bank is First Midwest Bank and have committed to the resources for the land and development of the stores.
Mr. Daniel Salazar is our banker and he can be reached at 312-631-7152.
D. The Twins Group, Inc., John Kallergis and Nicholas Kallergis have not been involved in any legal actions regarding a debtor in bankruptcy, a defendant in a lawsuit for deficient performance under a contract or any project or criminal action.
E. Site plan is enclosed in the packet.
F. The tenants will be a free standing Taco Bell restaurant and a free standing Wendy's restaurant.
G. We expect the timeline to be completed in late 2017.
H. The property tax revenues will be approximately 60,000 per year for the next 10 years with increases imposed upon the property and the sales tax revenues will be approximately 10% of $3,000,000 annually or $300,000 per year.
I. The estimated project costs for the Taco Bell will be $1,200,000 and $1,600,000 for the Wendy's. Land cost is in the bid.

The above information is a certified statement showing that it is true and correct.

John Kallergis
[redacted]

3019 S. Kettering Blvd., Moraine, OH 45439 PH- 937.262.7536 FAX- 937.262.7905

John Kallergis (The Twins Group, Inc.)
Projected Property Tax and and Sales Tax Revenues
RFP for the Sale of Property at the Northwest Corner of Golf Road and Arlington Heights Road
March 27, 2017

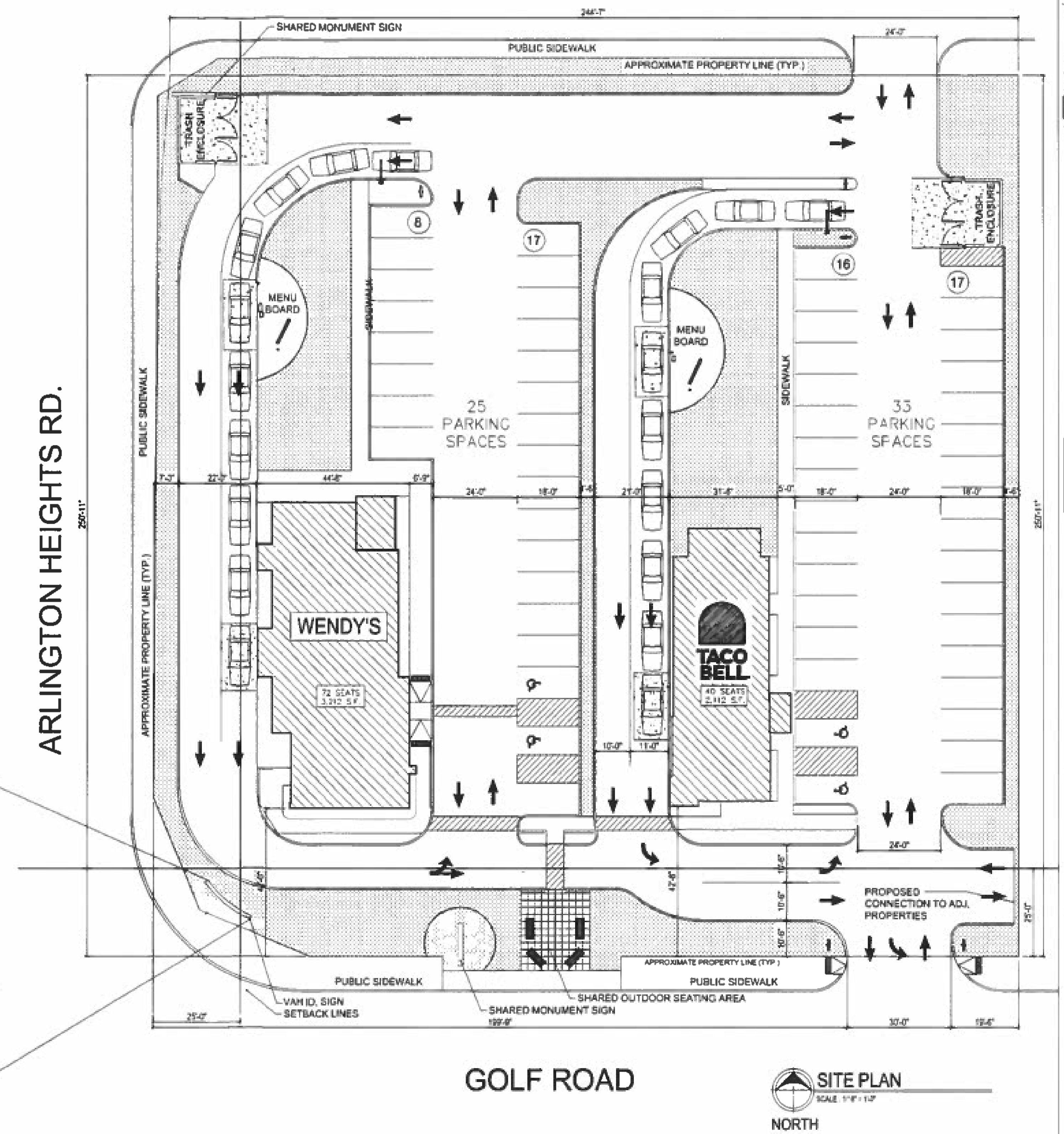
	YEAR	Property Taxes	Sales Tax Revenues	Sales Taxes
	2018	60,000	3,000,000	300,000
	2019	60,900	3,060,000	306,000
	2020	61,814	3,121,200	312,120
	2021	62,741	3,183,624	318,362
	2022	63,682	3,247,296	324,730
	2023	64,637	3,312,242	331,224
	2024	65,607	3,378,487	337,849
	2025	66,591	3,446,057	344,606
	2026	67,590	3,514,978	351,498
	2027	68,603	3,585,278	358,528
Totals for 10 years beginning in 2018		642,163	32,849,163	3,284,916

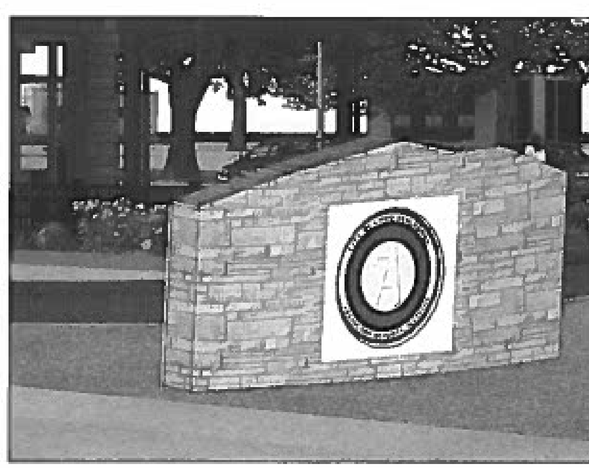
Building Values-Cost of Construction Taco Bell and Wendy's	$ 2,800,000	
Land Value	Sealed Bid	
Sales Tax Revenues:		
Taco Bell		$ 1,500,000
Wendy's		$ 1,500,000

PARKING CALCULATION:

TACO BELL - 550 S.F. DINING + 1,562 S.F. GENERAL = 2,112 S.F.
WENDY'S - 1100 S.F. DINING + 2,112 S.F. GENERAL = 3,212 S.F.
TOTAL DINING S.F. = 1,650 S.F. / 45 = 37 PARKING STALLS
TOTAL GENERAL S.F. 3,674 S.F. / 300 = 13 PARKING STALLS

TOTAL PARKING STALLS REQUIRED: 50
TOTAL PARKING STALLS PROVIDED: 58





VILLAGE OF ARLINGTON HEIGHTS MONUMENT SIGN

MRV ARCHITECTS, INC.

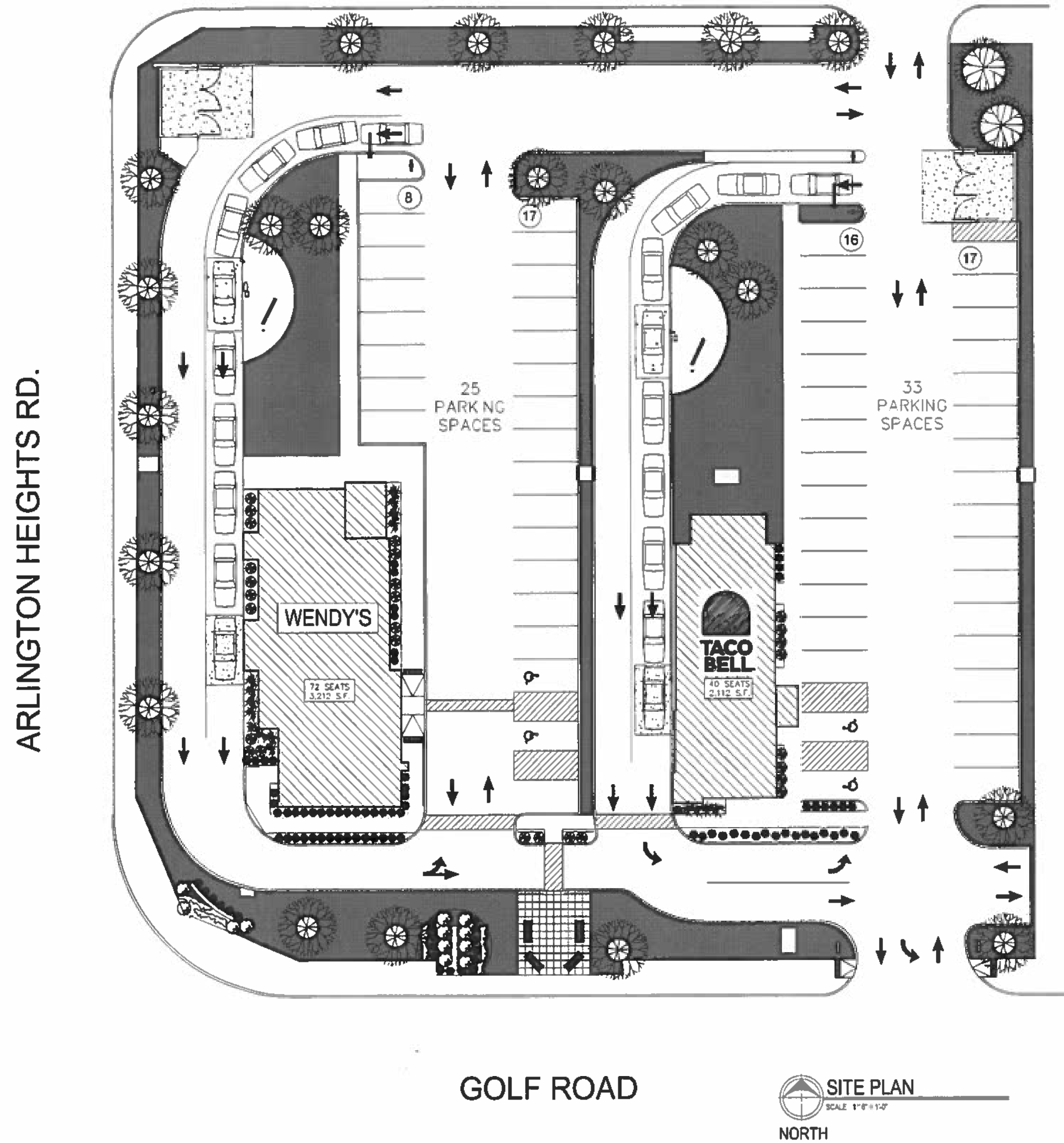
TACO BELL

Wendy's

CONTRACT DATE 03.16.17
BUILDING TYPE EXPLORER MED40
PLAN VERSION MARCH 2017
SITE NUMBER XXX-XXX
STORE NUMBER XXXXX

TACO BELL / WENDYS

GOLF RD. & ARLINGTON HEIGHTS RD
ARLINGTON HEIGHTS, IL



LANDSCAPING KEY NOTES:

- TREES TO BE PLANTED (VARIOUS SPECIES TO BE DETERMINED)
- GRASS AREAS (SOD)
- SHRUBS AND GROUND COVER IN SOFT-SCAPE AREAS (VARIOUS SPECIES TO BE DETERMINED) MULCH AND RIVER ROCK FOR PLANTING BEDS
- ORNAMENTAL FENCING
- PARK BENCH AND BIKE RACK FOR OUTDOOR SEATING AREA

MRV ARCHITECTS, INC.

TACO BELL

Wendy's

CONTRACT DATE	03 16 17
BUILDING TYPE	EXPLORER MED40
PLAN VERSION	MARCH 2017
SITE NUMBER	XXX-XXX
STORE NUMBER	XXXXX

TACO BELL / WENDY'S

GOLF RD & ARLINGTON HEIGHTS RD
ARLINGTON HEIGHTS, IL

EXTERIOR RENDERING
SCALE: NTS

INTERIOR DINING ROOM
SCALE: NTS

INTERIOR DINING ROOM
SCALE: NTS

EXTERIOR RENDERING
SCALE: NTS

NEW WENDY'S FLAGSHIP RESTAURANT - 2016

MRV
ARCHITECTS, INC.
409 N. WILLE ST., MT. PROSPECT, IL 60056
TEL: 847-373-5005 FAX: 224-735-3514

TACO BELL

Wendy's

CONTRACT DATE	03 16 17
BUILDING TYPE	EXPLORER MED40
PLAN VERSION	MARCH 2017
SITE NUMBER	XXX-XXX
STORE NUMBER	XXXXX

TACO BELL / WENDY'S

GOLF RD & ARLINGTON HEIGHTS RD
ARLINGTON HEIGHTS, IL

EXTERIOR RENDERING
SCALE: NTS

INTERIOR DINING ROOM
SCALE: NTS

INTERIOR DINING ROOM
SCALE: NTS

EXTERIOR RENDERING
SCALE: NTS

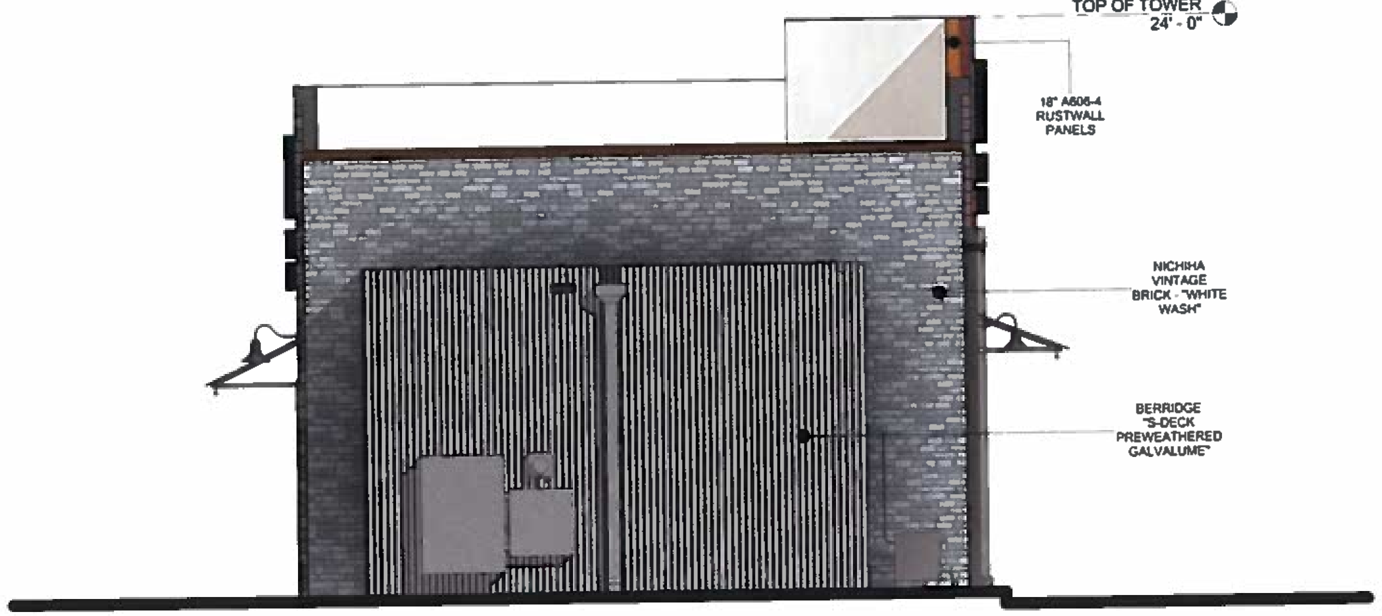
NEW TACO BELL EXPLORER RESTAURANT - 2016

MRV
ARCHITECTS, INC.
409 N. WILLE ST., MT. PROSPECT, IL 60056
TEL: 847-373-9105 FAX: 224-735-3514

CONTRACT DATE	03 16 17
BUILDING TYPE	EXPLORER MED40
PLAN VERSION	MARCH 2017
SITE NUMBER	XXX-XXX
STORE NUMBER	XXXXX

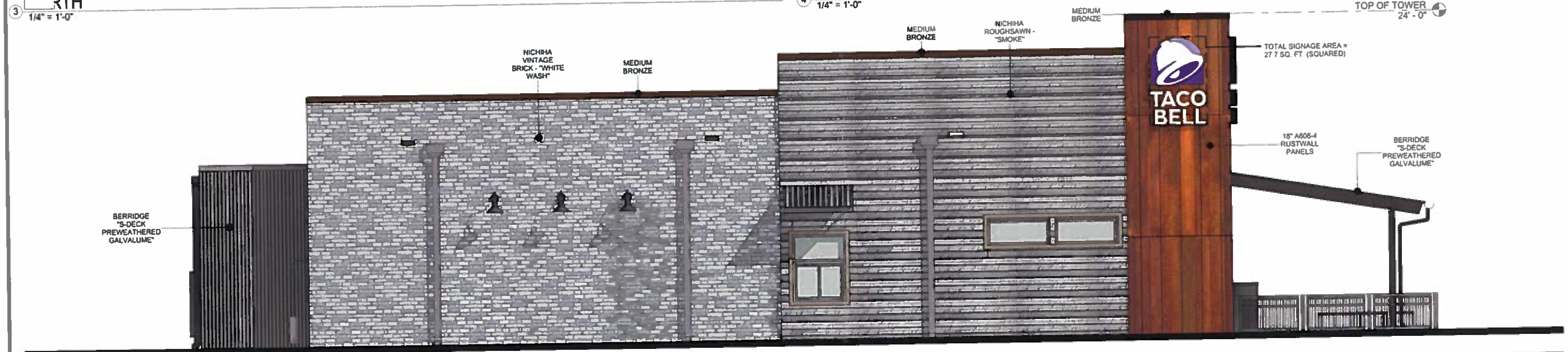
TACO BELL / WENDY'S

GOLF RD & ARLINGTON HEIGHTS RD
ARLINGTON HEIGHTS, IL



3 NORTH
1/4" = 1'-0"

4 SOUTH
1/4" = 1'-0"



2 WEST
1/4" = 1'-0"

1 EAST
1/4" = 1'-0"

MRV
ARCHITECTS, INC.

409 N. WILLE ST., MT. PROSPECT, IL 60056
TEL: 847-373-5015 FAX: 224-735-3514

CONTRACT DATE	03 16 17
BUILDING TYPE	EXPLORER MED40
PLAN VERSION	MARCH 2017
SITE NUMBER	XXX-XXX
STORE NUMBER	XXXXX

TACO BELL / WENDY'S

GOLF RD & ARLINGTON HEIGHTS RD
ARLINGTON HEIGHTS, IL

Village of Arlington Heights

Request for Proposals

NEC Arlington Heights Road and Golf Road - Arlington Heights

Table of Contents

Troutman & Dams Commercial Real Estate

March 30, 2017

Mr. Charles Witherington-Perkins, AICP
Director of Planning and Community Development
Village of Arlington Heights
33 S. Arlington Heights Road
Arlington Heights, IL 6005

Re: Request for Proposals / Sealed Bids
SEC Arlington Heights Road and Golf Road

Dear Mr. Witherington-Perkins

Troutman & Dams Commercial Real Estate is pleased to submit this proposal for the purchase and redevelopment of the 1.4 acre vacant parcel at the northeast corner of Arlington Heights Road and Golf Road in Arlington Heights.

As you will see, we propose to acquire the property at what we feel is market value and ground lease the property to McDonald's USA for the development of a new restaurant with dual drive through lanes. The project does not require any municipal financial assistance in the form of TIF or a sales tax rebate.

This is not a speculative proposal that involves marketing the project to future tenants, this is a "Here and Now" project which can move forward immediately. McDonald's is ready to move forward once due diligence confirms that the environmental and site conditions will permit the development of their new store.

We look forward to your favorable consideration of this proposal and would welcome the opportunity to discuss any aspects of it with you.

We hereby certify that the information contained in this response is true and correct.

Sincerely

TROUTMAN & DAMS LLC

James R. Troutman, Manager

Eric G. Dams, Manager

Village of Arlington Heights
Request for Proposals
NEC - Arlington Heights Road and Golf Road

Development Team
Troutman & Dams Commercial Real Estate

Developer

Troutman & Dams LLC, an Illinois limited liability company, is a commercial real estate developer specializing in retail development. The Company was established in 2008 by James Troutman and Eric Dams, both of whom had previously been partners at one of the most active retail developers in the greater Chicago area. Troutman & Dams LLC has focused on the development of complex single-tenant projects since its formation and has developed multiple sites for McDonald's in the greater Chicago area, Illinois and Wisconsin.

James Troutman is a Member and Manager of Troutman & Dams LLC. Mr. Troutman is a 1978 graduate of Indiana University's Kelly School of Business with a bachelor's degree in accounting. He is a registered Certified Public Accountant in the State of Illinois and a licensed real estate broker in the states of Illinois, Indiana, Wisconsin and Minnesota. Mr. Troutman gained his initial work experience in the Chicago Metro office of Price Waterhouse & Co. He has over 30 years of experience in the real estate business, as both an employee and partner in several well-known development firms and as head of Midwest U.S. real estate lending operations for Sumitomo Trust. His most recent position prior to Troutman & Dams LLC was as Chief Financial Officer of Bradford Real Estate, a position he held for 14 years.

Eric Dams is a Member and Manager of Troutman & Dams LLC. He is a 1990 graduate of Illinois State University with a bachelor's degree in Criminal Justice Administration, and is a licensed real estate broker in the State of Illinois. Mr. Dams gained his initial development and construction experience with his family's construction business, parlaying this into a position as Development Manager for Best Buy Stores, where he was responsible for the development and opening of over 200 stores throughout the U.S. during their rapid expansion in the 1990's. His most recent position prior to Troutman & Dams LLC was as Vice President of Development for Bradford Real Estate, a position he held for 10 years.

Attorney

Craig Gertz – Daspin & Aument LLP, Chicago, Illinois. Craig Gertz has developed a well-rounded breadth of experience in real estate and corporate transactions and general business matters and has represented a wide variety of business concerns as well as owners, developers, lenders, investors and managers in real estate purchases, sales, development, financing, leasing, property management, private placement syndications and Section 1031 exchanges.

Mr. Gertz has been actively involved in most asset classes of real estate throughout his career, including retail, office, industrial, multi-family, mixed use and hotel projects, and has creatively negotiated a wide variety of partnership, operating and related agreements.

Mr. Gertz also had the honor of serving as a trustee for the Village of Grayslake, Illinois, and as vice chairman of the village's Environmental and Open Space Commission. In addition, he has served on the Planning Commission for the Village of Long Grove, Illinois.

Tenant

McDonalds USA, LLC
One McDonald's Plaza
Oak Brook, IL 60523

The following consultants are likely members of the Development Team, based upon previous projects and current proposals:

Engineer
Watermark Engineering Resources, LTD
2631 Ginger Woods Parkway
Suite 100
Aurora, IL 60502

Architect
Lingle Design Group
158 West Main Street
Lena, IL 61048

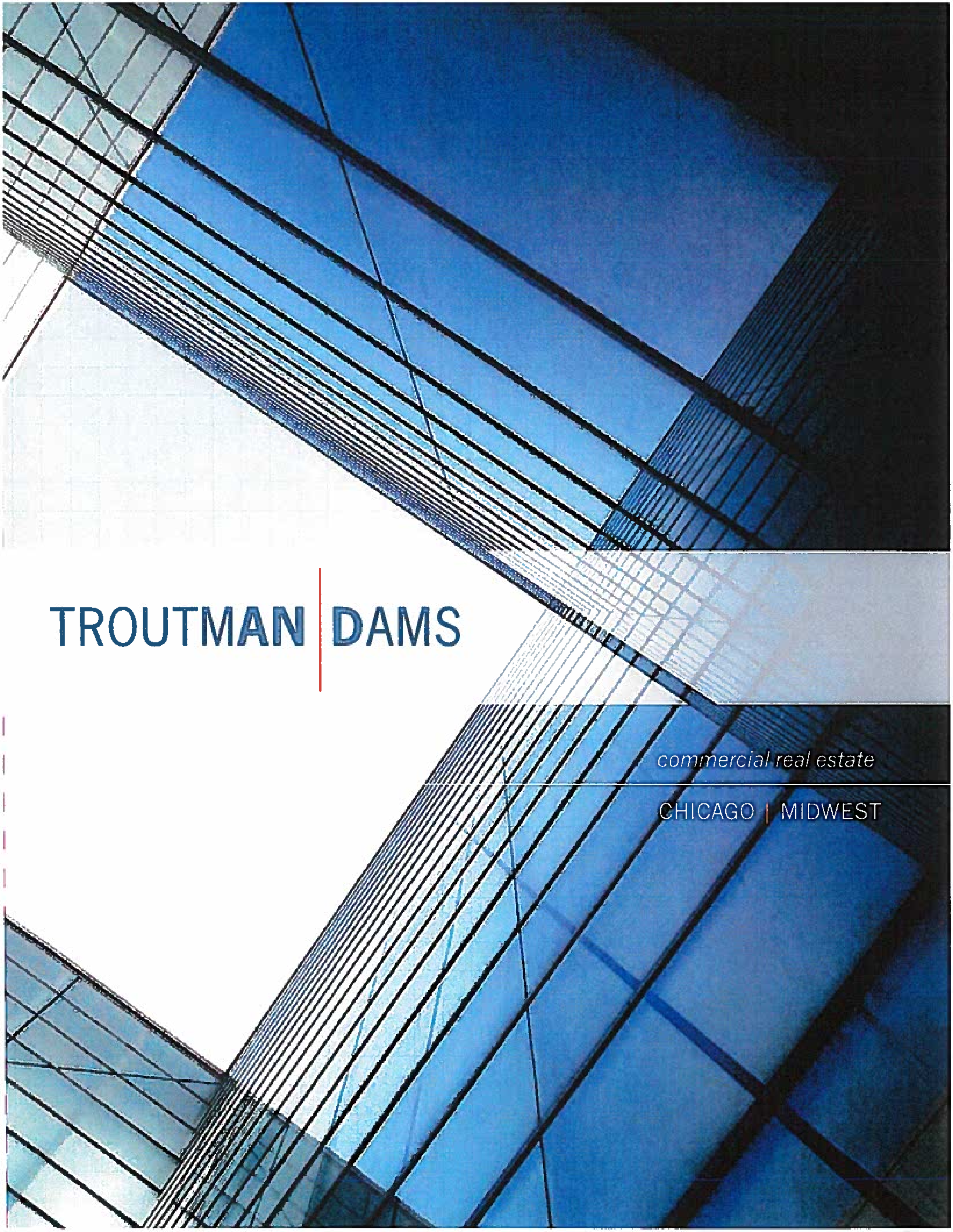
Landscape Architect
Daniel Weinbach & Partners
Monadnock Building
53 Jackson Blvd – Suite 250
Chicago, IL 60604

Traffic Consultant
Kenig, Lindgren, O'Hara, Aboona, Inc.
9575 West Higgins Road
Suite 400
Rosemont, IL 60018

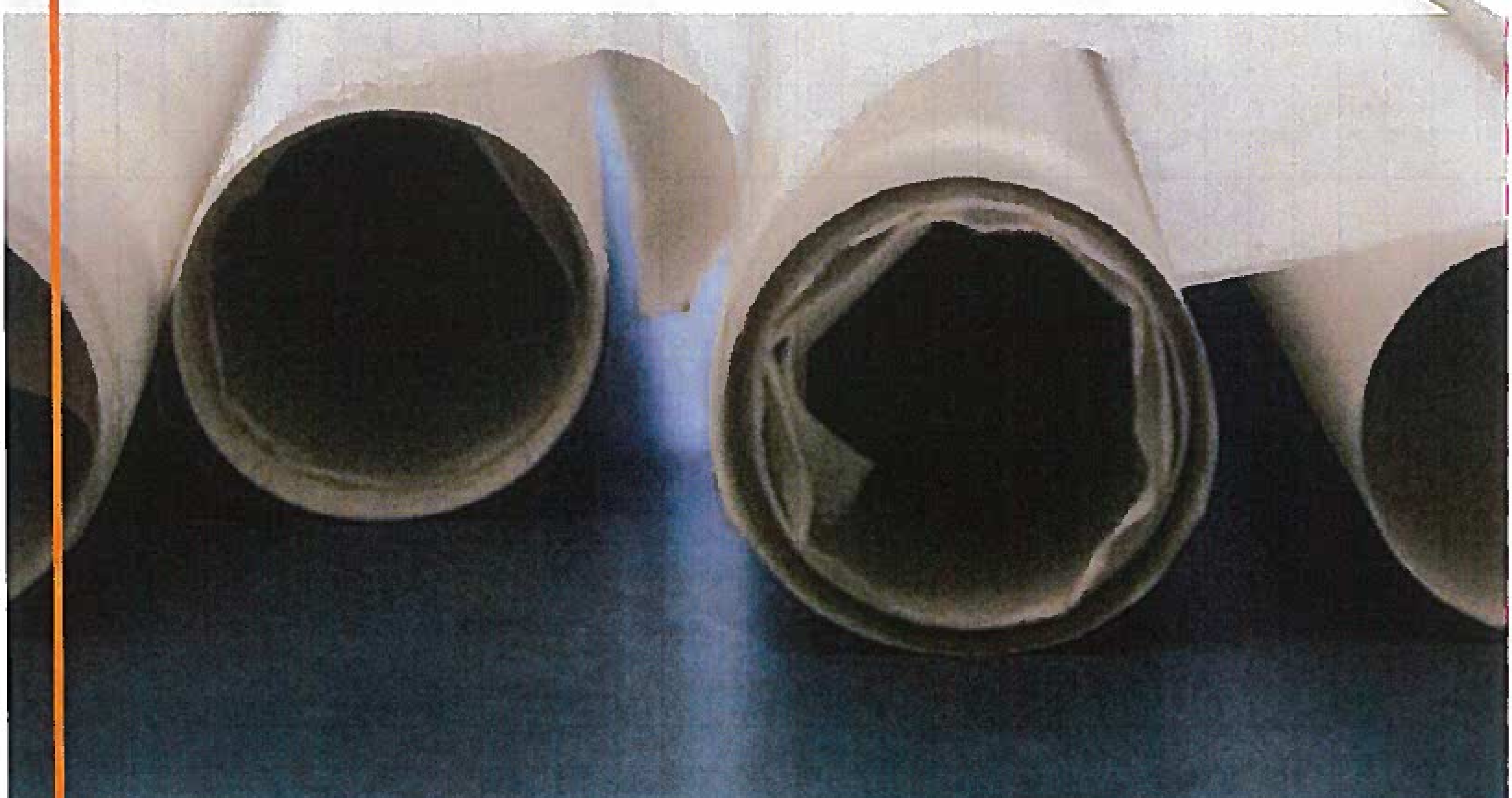
Environmental Consultant
Seeco Environmental Services, Inc.
7350 Duvan Drive
Tinley Park, IL 60477

Geotechnical Consultant
Seeco Consultants, Inc.
7350 Duvan Drive
Tinley Park, IL 60477

Surveyor
Compass Surveying LTD
2631 Ginger Woods Parkway
Suite 100
Aurora, IL 60502


TROUTMAN | DAMS
commercial real estate
CHICAGO | MIDWEST

COMMERCIAL PROPERTY DEVELOPMENT *SERVICES*



TROUTMAN & DAMS LLC is a **commercial real estate developer** which focuses on **retail development**. The company was formed by two partners with extensive experience in the ***greater Chicagoland real estate market***.

The principals of Troutman & Dams LLC have participated in the development of over **10 million square feet** of retail shopping centers, small community retail centers, and single tenant properties.

| **Acquisition & Due Diligence**

| **Municipal Approval**

| **Development**

| **Leasing/Sales Administration**

| **Finance & Accounting**

TROUTMAN | DAMS

TROUTMAN | DAMS

COMMERCIAL
PROPERTY DEVELOPMENT
EXPERIENCE

TROUTMAN | DAMS
commercial real estate

RETAIL

Aldi
Auto Zone
Best Buy
CVS
Dollar General
Dollar Tree
Family Dollar
Home Depot
JCPenney
Jewel
Kohl's
Lowes
Meijer
Menards
Office Max
Sam's Club
Staples
Walgreens
Walmart

RESTAURANTS

Burger King
Chipotle
Corner Bakery
Dunkin Donuts
Jamba Juice
Jimmy Johns
KFC
La Hacienda
Longhorn Steakhouse
McDonalds
Noodles
Panda Express
Panera Bread
Pizza Hut
Portillos
Potbelly
Starbucks
Taco Bell
TGI Fridays

SPECIALTY RETAIL

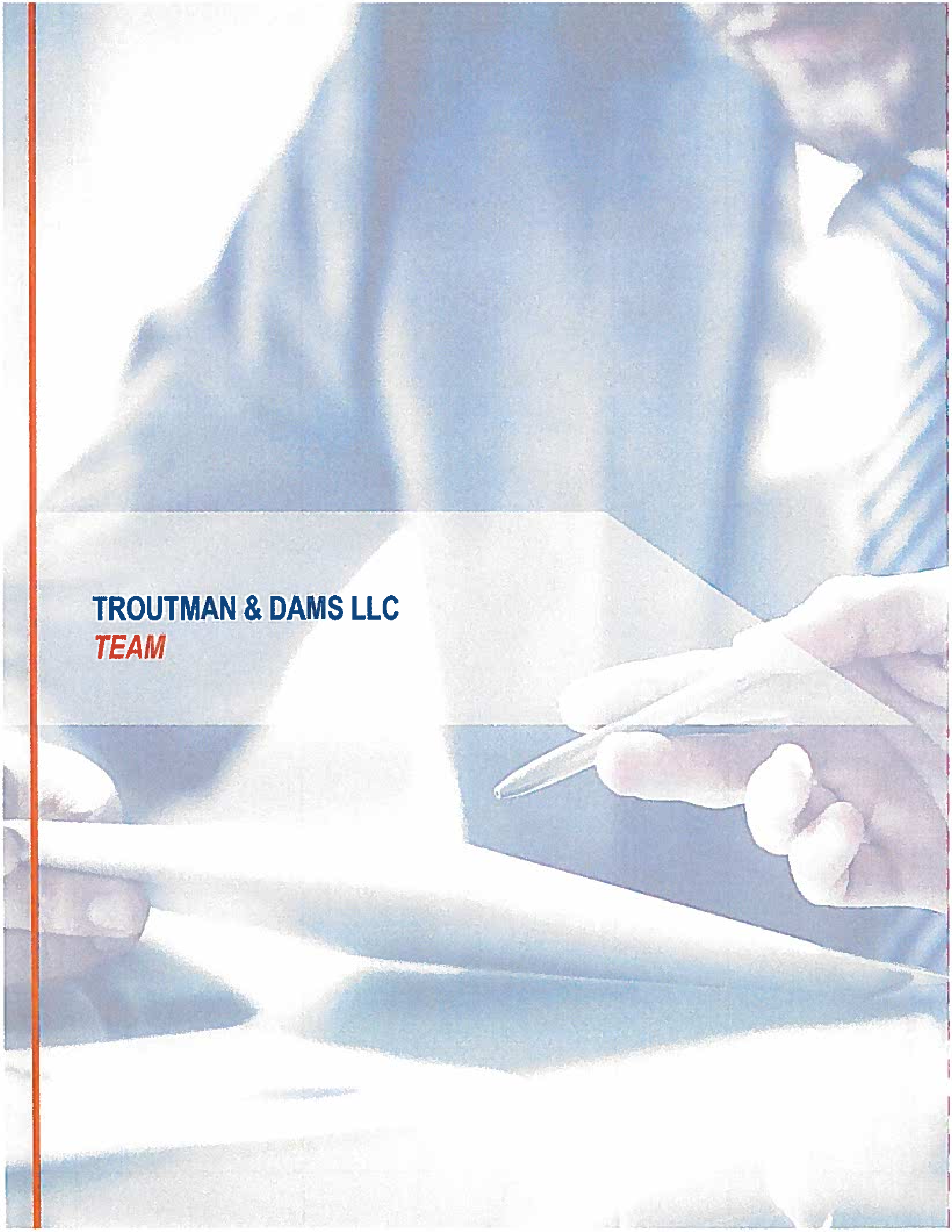
at&t
Back to Bed
GNC
Sportclips
Verizon
Vitamin Shoppe
Winestyles

SERVICES

Extended Stay America
LA Fitness
XSport

BANKS

Bank of America
Chase Bank
MB Bank
US Bank



TROUTMAN & DAMS LLC
TEAM

TROUTMAN & DAMS LLC, an Illinois limited liability company, is a commercial real estate developer specializing in retail development. The company was established in 2008 by James Troutman and Eric Dams, both of whom had been partners at Bradford Real Estate, one of the most active retail developers in the greater Chicagoland area. While at Bradford, Mr. Troutman and Mr. Dams actively participated in the ground-up development of approximately 9 million square feet of retail projects in Illinois, Indiana and Wisconsin. Troutman & Dams LLC has focused on the development of single-tenant projects since its formation.

JAMES TROUTMAN is a graduate of Indiana University's Kelley School of Business with a bachelor's degree in accounting. He is a registered Certified Public Accountant in Illinois and a licensed real estate broker in Illinois, Indiana, Wisconsin and Minnesota. Mr. Troutman gained his initial work experience in the Chicago Metro office of Price Waterhouse & Co. He has over 30 years of experience in the real estate business, as both an employee and partner in several well-known development firms and as head of Midwest U.S. real estate lending operations for Sumitomo Trust. His most recent position prior to Troutman & Dams LLC was as Chief Financial Officer of Bradford Real Estate.

ERIC DAMS is a graduate of Illinois State University, and is a licensed real estate broker in Illinois. Mr. Dams gained his initial development and construction experience with his family's construction business, parlaying this into a position as Development Manager for Best Buy Stores, where he was responsible for the development and opening of over 200 stores throughout the U.S. during their rapid expansion in the 1990's. His most recent position prior to Troutman & Dams LLC was as Vice President of Development for Bradford Real Estate.

JACK WESTFALL, Vice President
Mr. Westfall is a graduate of Indiana University's Kelley School of Business with a Bachelor of Science in Marketing. Mr. Westfall also received an MBA in Real Estate Finance and Investment from DePaul University's Kellstadt Graduate School of Business. He is a licensed real estate broker in Illinois. Mr. Westfall gained his initial real estate experience at Millco Investments doing site selection work for Arby's and Dollar General. In 2007, he joined Atwater Group where he brokered and assisted in the development of over 150 Family Dollar stores throughout the Midwest and other parts of the country. He joined Troutman & Dams LLC in 2013 to work on retail development projects.

TROUTMAN | DAMS
commercial real estate

The principals

James R. Troutman, a CPA with nearly thirty (30) years of experience in retail development, management, and finance. Jim initially started with Price Waterhouse and Co., and then went on to management positions with local and national real estate development firms.

Eric G. Dams, with twenty (20) years of experience in the industry was most recently a vice president with his last company. Prior to that, Eric worked for Best Buy's corporate real estate department as a Development Manager developing over 100 stores for Best Buy, initially in Chicago and then coast to coast.

Troutman & Dams LLC
2211 N. Elston, Suite 304
Chicago, IL 60614

James R. Troutman
312.441.0344
jim@troutman-dams.com

Eric G. Dams
312.441.0343
eric@troutman-dams.com

Village of Arlington Heights
Request for Proposals
NEC - Arlington Heights Road and Golf Road

Relevant Project Experience
Troutman & Dams Commercial Real Estate

See Attached:
**

<u>Relevant Project Experience</u>
**
Recent McDonald's Projects
**
Other Recent Projects
**

<u>Directly Relevant Project Experience</u>
**
Case Studies on Four Comparable McDonald's Projects
**

Village of Arlington Heights
Request for Proposals
NEC - Arlington Heights Road and Golf Road

Financial Data
Troutman & Dams Commercial Real Estate

Troutman & Dams LLC intends to finance the acquisition of the subject property using a conventional bank construction loan from First Midwest Bank, who has reviewed the Development Proforma and Budget and proposed deal terms which Troutman & Dams finds acceptable. Troutman & Dams LLC has the internal funds for the equity requirement under the First Midwest proposal.

The First Midwest loan requires the following conditions precedent to closing:

- Property is under contract with commitment for clean title insurance
- McDonald's lease fully executed with all contingencies waived
- All development approvals and permits issued

McDonald's USA will fund the site work, building cost and restaurant equipment from internal funds.

This simple finance structure has worked well on the McDonald's projects that Troutman & Dams LLC has completed. Details of these previous projects is included in the Relevant Project Experience section of the RFP submittal.

See attached:
**

First Midwest Bank Letter
**

Project Proforma and Budget
**

First Midwest Bank

Karl Hershberger
Vice President
7800 W. 95th Street
Hickory Hills, IL 60457
Telephone: 708.876.8835
karl.hershberger@firstmidwest.com

March 28, 2017

Village of Arlington Heights
Planning and Community Development Department
33 S. Arlington Heights Rd.
Arlington Heights, IL 60005

Re: NEC of Arlington Heights Rd. and Golf Rd., Arlington Heights, IL
Redevelopment Plan and Project
Letter of Financing Interest (Troutman-Dams)

To Whom It May Concern:

With regard to the above referenced redevelopment plan and project, please be advised:

- Troutman-Dams is an existing client of First Midwest Bank.
- First Midwest Bank has financed similar projects for Troutman-Dams, which were successful.
- First Midwest has reviewed the preliminary pro-forma and budget for the referenced project.
- First Midwest would favorably view opportunity to provide financing for the project.
- Troutman-Dams have shown financial and real estate wherewithal to successfully complete projects similar to the subject.

Contact me with any questions.

Regards,
First Midwest Bank

Karl Hershberger

Karl Hershberger
Vice President

Village of Arlington Heights
Request for Proposals
NEC - Arlington Heights Road and Golf Road

Project Approach
Troutman & Dams Commercial Real Estate

Troutman & Dams Commercial Real Estate is a "tenant driven" retail developer. This RFP submittal is not based upon marketing the project to potential tenants or property speculation. It is a direct result of the desire of McDonald's USA to construct a new store with dual drive though lanes at the subject site.

Troutman & Dams has completed many similar projects on behalf of McDonald's as detailed in the Relevant Project Experience section of this submittal.

The process and sequence of events for this project would be:

- Troutman & Dams enters into a contract and development agreement for the acquisition of the property from the Village.
- McDonald's USA and Troutman & Dams execute a ground lease based upon the attached Letter of Intent using the standard McDonald's documentation used in previous transactions.
- McDonald's USA and Troutman & Dams jointly perform project and site due diligence and obtain all project approvals and permits within the 180 day period prescribed in the ground lease.
- Troutman & Dams closes on the acquisition of the property and turns possession of the site over to McDonald's and their contractor.
- McDonald's constructs and opens within 120 days.

<u>Benefits to the Village from the proposed McDonald's project:</u>

- Return the subject property to the tax rolls with a strong sales tax generating QSR.
- Certainty of execution with a definitive timeline.
- Construction of an attractive new McDonald's restaurant with a welcoming corner element at a currently blighted corner at a gateway intersection.
- Retention within the Village of a desirable tenant that has a relocation need.

Village of Arlington Heights
Request for Proposals
NEC - Arlington Heights Road and Golf Road

References
Troutman & Dams Commercial Real Estate

Financial References

Mr. Karl Herschberger
Vice President
First Midwest Bank
7800 W. 95th Street
Hickory Hills, IL 60457
708-876-8835
karl.herschberger@firstmidwest.com

Mr. Jerry Rotunno
Senior Vice President
Associated Bank
525 W. Monroe Street
Chicago, IL 60661
312-544-4633
jerry.rotunno@associatedbank.com

Mr. Mike Kohlstedt
President
Byron Bank
200 N. Walnut Street
Byron, IL 61010
815-234-6103
Mkohlstedt@ByronBank.com

Municipal References

Mr. Michael Cassidy, Manager
Village of Mount Prospect
50 S. Emerson Street
Mount Prospect, IL 60056
847-392-6000
MCassady@mountprospect.org

Mayor Roger Byrne
Village of Vernon Hills
290 Evergreen Drive
Vernon Hills, IL 60061
708-420-5493
RogerB@vhills.org

Mayor John Noak
Village of Romeoville
1050 West Romeoville
Romeoville, IL
815-886-7235
Jnoak@romeoville.org

Ms. Julie Fitzgerald
Director of Community Development
Village of Schaumburg
101 Schaumburg Court
Schaumburg, IL 60193
847-923-3867
jfitzgerald@ci.schaumburg.il.us

Mr. Daniel DiSanto
Village Administrator
Village of Oswego
100 Parkers Mill
Oswego, IL
630-551-2360
DDiSanto@oswego.org

Mr. Scott Niehauss
Village Manager
Village of Lombard
255 E. Wilson Avenue
Lombard, IL
630-620-5705
niehauss@villageoflombard.org

Village of Arlington Heights
Request for Proposals
NEC - Arlington Heights Road and Golf Road

History
Troutman & Dams Commercial Real Estate

Responses on Behalf of:

Troutman & Dams LLC and all Affiliates
James R. Troutman
Eric G. Dams

Bankruptcy:	NONE
Lawsuits:	NONE
Administrative Actions:	NONE
Other legal actions:	NONE

Village of Arlington Heights
Request for Proposals
NEC - Arlington Heights Road and Golf Road

Concept Site Plans
Troutman & Dams Commercial Real Estate

See Attached:
**

Concept Site Landscape Plan by Daniel Weinbach & Partners, Ltd.
**

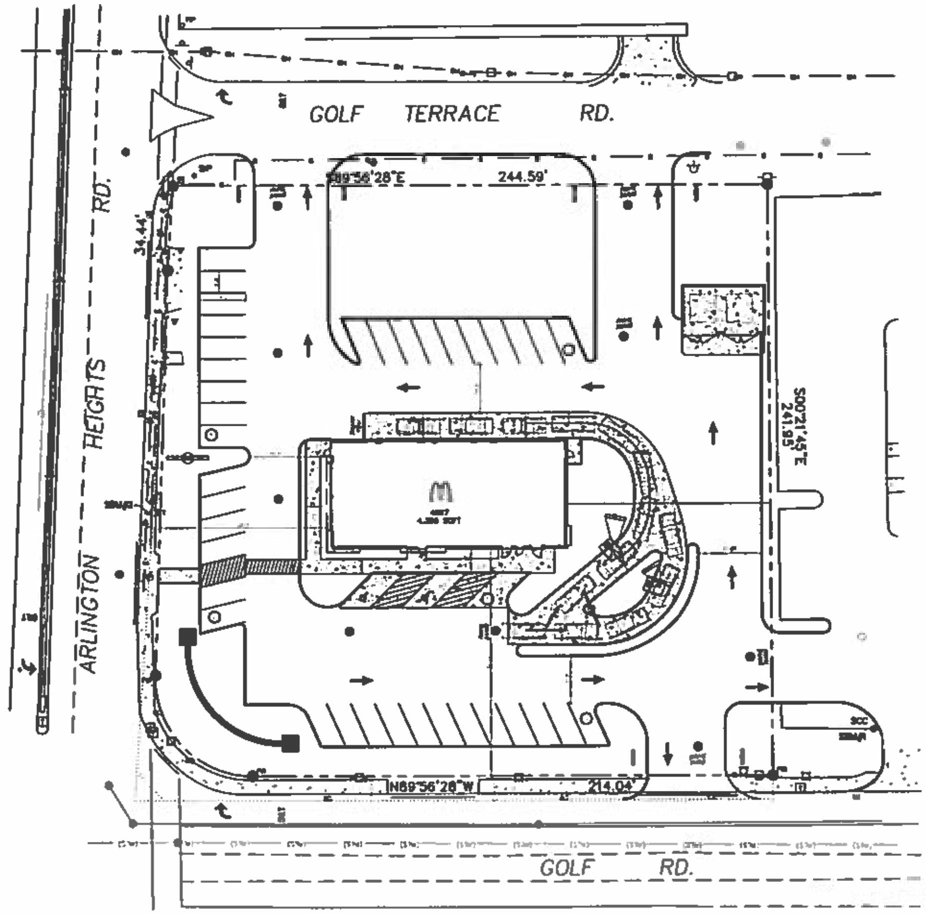
Schematic Site Plan dated 03-24-17 by Lingle Design Group
**

DANIEL WEINBACH & PARTNERS, LTD.
Landscape Architects

McDONALD'S
ARLINGTON HEIGHTS

CONCEPT PLAN
SCALE: 1"=40'-0"

LSK-1



PARKING LEGEND	
PARKING:	38
HC SPACES :	2
TOTAL PARKING:	40

LOT SIZE
PROPOSED LOT: 60,984 SQ FT

003

SCHEMATIC SITE PLAN

McDonald's

GOLF RD & ARLINGTON HEIGHTS RD
ARLINGTON HEIGHTS, IL

OWNER / TENANT:

SCALE: N.T.S.

THIS SCHEMATIC WAS PRODUCED FROM A GRAPHIC REPRESENTATION OF THE SITE. AN ENGINEER SURVEY SHOULD BE COMPLETED TO VERIFY ALL EXISTING CONDITIONS

Village of Arlington Heights
Request for Proposals
NEC - Arlington Heights Road and Golf Road

Architectural Elevations
Troutman & Dams Commercial Real Estate

See Attached:
**

Daytime and Nighttime Elevation Renderings
**

Preliminary Corner Element Depiction
**

Exterior Color Scheme and Materials
**


McDonald's
Welcome
McDonald's
THANK YOU


McDonald's


McDonald's
McDonald's
1234


McDonald's

17-0159

Imagine

Create

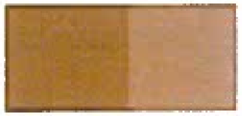
Excite

McDonald's

Golf & Arlington Heights Rd. Arlington Heights, IL

Date: 3/22/2017

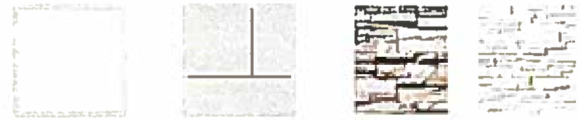
McDonald's - Exterior Colors
Coyote Brown Scheme



Note: Any substitutions or use of materials & colors not shown require specific brand review approval

Material & Colors:

A Arcade

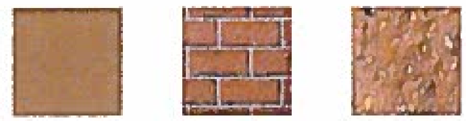


EIFS / Stucco:
Snow White
BM-2122-70

Tile:
Oyster –Brush
Stroke Series
Eurowest

Stone: (Only Approved Options)
1. McD PFSW Blend
2. McD APFW Blend
Cultured Stone, by Boral Stone Products

B Base Building

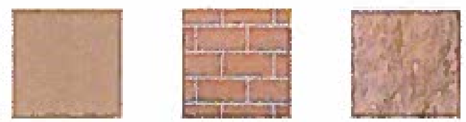


EIFS / Stucco:
Coyote Trail
BM-1224

Brick:
Modular Sunglo
Matt A
Belden Brick
or Equal

Block:
Mohawk Orange
Northfield
Block or Equal

C Accent – Drive Thru

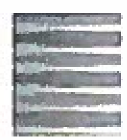


EIFS / Stucco:
Potters Clay
BM-1221

Brick:
Modular Pago
Velour A
Belden Brick
or Equal

Block:
#197 Pecan
Northfield
Block orEqual

D Parapet



Corrugated Metal
City-Scape
Metal - Era

Updated: February 2013

Village of Arlington Heights
Request for Proposals
NEC - Arlington Heights Road and Golf Road

Potential Tenants
Troutman & Dams Commercial Real Estate

**

McDonald's USA

**

[Letter of Intent included in Project Approach Section]

Village of Arlington Heights

Request for Proposals

NEC Arlington Heights Road and Golf Road - Arlington Heights

Project Timeline

Troutman & Dams Commercial Real Estate

Acquisition Contract Signed	Assume:	1-Jun-17
Project Marketing Time	+	0
Project Commencement		1-Jun-17
Lease Preparation	+	30
McDonald's Lease Executed		1-Jul-17
Project Due Diligence Period	+	180
McDonald's Waiver of Contingencies		28-Dec-17
Closing Preparation	+	30
Projected Closing Date		27-Jan-18
Winter Delivery Blackout	+	60
Site Delivery to McDonald's		28-Mar-18
	+	120
McDonald's Opening		26-Jul-18

Village of Arlington Heights

Request for Proposals

NEC Arlington Heights Road and Golf Road - Arlington Heights

Property and Sales Tax Revenues

Troutman & Dams Commercial Real Estate

Real Estate Tax Estimate		
Estimated Assessed Value	*	327,196
2015 Equalizer		2.6685
Projected EAV		873,123
2015 Arlington Heights Tax Rate (tax code 16017)		10.3940%
Projected Real Estate Taxes using 2015 factors		90,752

* Estimated Asssessed Value based on 2016 Assessor Final assessment for the recently completed McDonalds at 13 W. Rand in Mount Prospect

Sales Tax Estimate	
Average Chicago Region McDonald's Sales	2,500,000
Increase projected by adding 2nd Drive Thru Lane	130%
Projected Annual Sales	3,250,000
Arlington Heights Sales Tax Rate	1.00%
Arlington Heights Prepared Food and Beverage Tax Rate	1.25%
Combined Tax Rate	2.25%
Projected Annual Arlington Heights Taxes	73,125