



# Agenda Cover Memorandum

Meeting Date: March 20, 2017

Meeting Type:  COW (Committee of the Whole)  City Council  Budget Workshop

Item Title: Approve an agreement allowing Uptown Station LLC to enter into a lease agreement with Aligned Modern Health based on a guarantee of sales tax revenue of \$300 per square foot

Action Requested:  Approval  For discussion  
 Feedback requested  For your information

Staff Contact: Jim Brown, CP&D Director Phone: 847-318-5296  
Email: jbrown@parkridge.us

Background:

On March 6, 2014, the City Council voted 4-3 to approve the first reading of an ordinance granting a special use for medical / dental space in the Uptown development at 40 N Northwest Hwy. This address is subject to a redevelopment agreement with the property owner, Uptown Station LLC. Exhibit E of that agreement states: "In the event the Developer finds a service (non-sales producing) tenant, Developer shall make up the difference between the actual expected City proceeds from the retail sales tax as an annual payment to the City."

The final reading of the ordinance which would grant the special use for the medical / dental space at 40 N Northwest Hwy is on the City Council agenda for March 20. A condition of that ordinance—revised since the first reading—is that an agreement regarding the sales tax revenue, per Exhibit E as explained above, is also executed.

Last week CP&D received a letter requesting approval of an agreement for Uptown Station LLC to enter into a lease agreement with Allied Modern Health, the special use applicant. The request comes from Philips Edison & Company, the management agent for Uptown Station LLC.

The agreement allowing Uptown Station LLC to enter into a lease agreement with the applicant for the special use, Aligned Modern Health, is attached. The agreement guarantees the equivalent of sales tax revenue of \$300 per square foot per year (base amount of \$12,570). There is an escalator in the agreement based upon the CPI.

Recommendation:

Approve an agreement allowing Uptown Station LLC to enter into a lease agreement with Aligned Modern Health based on a guarantee of sales tax revenue of \$300 per square foot

Budget Implications:

Does Action Require an Expenditure of Funds:  Yes  No

If Yes, Total Cost:

If Yes, is this a Budgeted Item:

Yes  No  Requires Budget Transfer

If Budgeted, Budget Code (Fund, Dept, Object)

Attachment:

- Philips Edison & Co. letter, RE: Formal Request for Approval – Allied Modern Health, dated March 14, 2017



March 14, 2017

**SENT VIA E-MAIL**

Mr. Jon Branham, Senior Planner  
City of Park Ridge  
505 Butler Place  
Park Ridge, IL 60068

RE: Formal Request for Approval – Aligned Modern Health  
Shops of Uptown  
Park Ridge, Illinois

Dear Mr. Branham:

Pursuant to the requirement for retail sales tax generating uses within the Development Agreement, I am writing on behalf of Uptown Station LLC to request the City of Park Ridge's formal approval to enter into a lease with Aligned Modern Health, a physical wellness center, for space B3D (consisting of 2,095 square feet) at the Shops of Uptown (see attached site plan).

Aligned Modern Health will provide the residents of the City of Park Ridge with a variety of wellness services including chiropractic services, physical therapy services, physical therapy rehabilitation, acupuncture, professional massage therapy, functional medicine, and clinical nutrition services.

Pursuant to the Development Agreement, and contingent upon the execution of a lease between Aligned Modern Health and Uptown Station LLC, after the opening of business of the Aligned Modern Health wellness facility at the Shops of Uptown, and continuing for the duration of the lease term with Aligned Modern Health, Uptown Station LLC will reimburse the City of Park Ridge a base amount of \$12,570.00 annually, derived from 2% of sales based on an average sales performance of \$300.00 per square foot ("Sales Threshold") with annual Sale Threshold increases based on CPI.

Please acknowledge your agreement by signing below and returning the document to my attention via email scan at [asumsion@phillipsedison.com](mailto:asumsion@phillipsedison.com). Should you have any questions upon your review, please do not hesitate to contact me directly at 801-983-6309.

Sincerely,  
Phillips Edison & Company Ltd.,  
As Management Agent for Uptown Station LLC

*Angela Sumsion*

Angela Sumsion  
Senior Real Estate Paralegal

CC: Corrine Cecil, Andrew Schrage, Kathy Jemilo

The undersigned hereby consents to Uptown Station LLC., a Delaware limited liability company ("Landlord") entering into a lease with Aligned Modern Health, its successors and assigns, for the use described above, at the Shops of Uptown.

City of Park Ridge

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

SITE PLAN

THE SHOPS OF UPTOWN

190 N Northwest Hwy | Park Ridge, IL 60068

