



Village to loan developer \$62M for luxury apartment project, but officials say taxpayers won't foot bill

By **Jeff Vorva** Tribune reporter
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Village of Orland Park Manager Paul Grimes said the cost of building a luxury apartment complex in the downtown area should not impact taxpayers. (Jeff Vorva/Tribune)

The Village of Orland Park initially will be on the hook for approximately \$62 million of a proposed \$63 million luxury apartment complex, but Village

Manager Paul Grimes said taxpayers should not be impacted.

The village will loan Indianapolis-based developers Flaherty & Collins \$38 million to build the \$295-unit apartment complex, part of Orland Park's Main Street Downtown Development project. The village will also provide an additional \$24 million incentive fund, which provides clawback – money taken back as a result of specified circumstances – in various stages of the project.

“We’ve put belts and suspenders around this deal, and there is no reason to believe this is going to impact the property tax bills or result in any sort of increase in taxes,” Grimes said Wednesday at a news conference.

“But I’m not going to give a guarantee on anything. Every bond issue in America is pledged to the full faith of the community. That’s a fact of life. This isn’t any different,” he said. “That said...we’re trying to ensure there is no impact on taxpayers.”

Grimes said loans will be paid back in a number of ways, including home rule sales taxes, incremental TIF district property taxes and by selling bonds.

Flaherty & Collins will provide \$1 million in cash and \$1 million in fees for the project, planned for a four-acre site at Main Street, 143rd Street and Ravinia Avenue.

If the financial terms are approved by the Village Board Sept. 6, construction at the site could begin as early as Oct. 1, according to Flaherty & Collins CEO David Flaherty. The first units would be available in spring, 2013.

The luxury apartment units, which will rent for \$1,100-\$2,000, are targeted at young professionals and older empty-nesters. Some have questioned the wisdom of building high-end apartments in this market. But village officials say studies of the Chicago-area markets show there is a need for such apartments even in this economy.

The apartment complex is the first phase of the Main Street Downtown Development (formerly called the Triangle Development Project) that has been in

the works for more than a decade. The downtown project has been the source of controversy, partially because of the village's plan to tear down Orland Plaza. Orland Park is paying \$7.5 million for the plaza to provide land to accommodate portions of the downtown project

With an improved Metra station and a forest preserve nearby, Flaherty is optimistic about the project.

“I don't think we've ever been more excited about a deal than what we have here,” Flaherty said. “Deals are very tricky to make with the economy today but this one brings so much to the table to be successful. The apartment market is thriving. There is a whole group of people scared to death to own their own property.”

Residents will be able to voice their concerns about the project at an open house meeting, 6 p.m. Aug. 29, at the Orland Park Civic Center, 14750 Ravinia Ave.

Financial details of the project can be found on the village's website, <http://www.orland-park.il.us/> in the Citizen's Information Center section.