



VILLAGE OF VILLA PARK
Village Hall, Board Chambers
20 South Ardmore Avenue
Villa Park, IL 60181

Village Board of Trustees - Committee of the Whole

August 12, 2024

6:00 PM

Village President Nick Cuzzone
Village Clerk Hosanna Korynecky

Village Trustees Cari Alfano, Jorge Cordova, Jack Corkery, Jack Kozar, Deepa Kumar, Kevin Patrick

When called upon, please approach the microphone. Kindly limit your remarks to three (3) minutes.

1. Call to Order - Roll Call

2. Pledge of Allegiance

3. Discussion

- a. Discussion of Options for Financing of Eligible Items Related to The Union Project using Funds Generated in TIF #7

Representatives from Marquette Companies, Three Leaf Partners/Catalyst, and the Villages Financial consultants at Speer Financial will present information to the Board of Trustees about the necessity of issuing Alternative Revenue Source Bonds backed by Tax Incremental Financing (TIF) revenues to allow the project to develop the property at 100-110 S. Villa Avenue to proceed.

4. Public Comments

5. Adjournment



MARQUETTE DEVELOPMENT INITIATIVES

40 YEARS OF REDEFINING THE QUALITY OF LIFE

ABOUT MARQUETTE

Marquette Companies is a vertically integrated real estate development and investment company with a 41-year history of success.

Our leadership and advisory board have vast experience in executing real estate investments through every market cycle since 1983 and is well positioned to capitalize on current market conditions.

With more than \$3.3 billion in assets under management, Marquette currently operates more than 15,000 apartment homes across the central and southern United States and has eight multifamily developments in various phases of execution.



ACQUISITIONS

We acquire Class-A and B multifamily assets in first ring suburban and select urban markets with strong demand drivers and create value through operational efficiencies and value-add strategies.



ASSET MANAGEMENT

Our team actively oversees the portfolio, including implementing business plans and uncovering strategies to maximize the value of each individual asset.



DEVELOPMENT

We create luxury apartments in premium urban/suburban locations acquired off-market, delivering superior risk-adjusted returns. Our approach involves rigorous evaluation of analytics and risk management.



CONSTRUCTION MANAGEMENT

Our in-house team handles everything from due diligence to punch lists, working closely with local and national vendors for cost-effective procurement.



PROPERTY MANAGEMENT

Our management company innovates & adapts to the competitive real estate landscape while having the scale necessary to provide market expertise.

MARQUETTE HISTORY

1983

Marquette was formed to develop luxury apartment communities in a joint venture with National Housing Partnership, one of the nation's largest syndicators.

1988

Developed RiverPlace, an award-winning apartment community on Naperville's famed Riverwalk and expanded the riverwalk by more than one mile in a public private partnership.

1992

Developed the national award-winning Fairlane Woods Master planned community in Dearborn, MI, with Fordland Motor Development company and TIAA. Marquette continues to own and operate Fairlane Woods Apartments.

1994

Formed Kensington Marquette Partners (KMP) to bring apartment acquisition and value-add services to institutional investors in addition to development services. Became board members of Pension Real Estate Association.

2000

Developed the national award-winning master planned property HighPoint Communities and formed the Institute for Community, a 501(c)3 meant to promote genuine inter-generational community and enrichment among diverse racial, religious and income residents.

2006

Developed 392 unit, 892 bed Student Housing Community adjacent to University of Michigan North campus.

2015

Developed and acquired 10,000+ units in joint ventures with some of the nation's largest institutional investors throughout the Midwest, Tennessee, Texas, and Florida with 22% average returns. Raised and operate five Sponsor Equity Funds.

2018

Developed the nationally recognized Water Street District in downtown Naperville, IL, expanding the riverwalk, creating a mixed-use development consisting of a Hotel Indigo, retail shopping, office, and several restaurants through a public private partnership.

2023

Marquette becomes the largest developer of high-rise apartments in both the Fulton Market and Medical Center districts of Chicago, leading to several industry and civic awards.

STRATEGIC PARTNERSHIPS

EQUITY PARTNERS



DEBT PARTNERS



MARQUETTE FOOTPRINT

*highlighted states represent current and target markets

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*highlighted states represent current and target markets

UNIT BREAKDOWN BY STATE

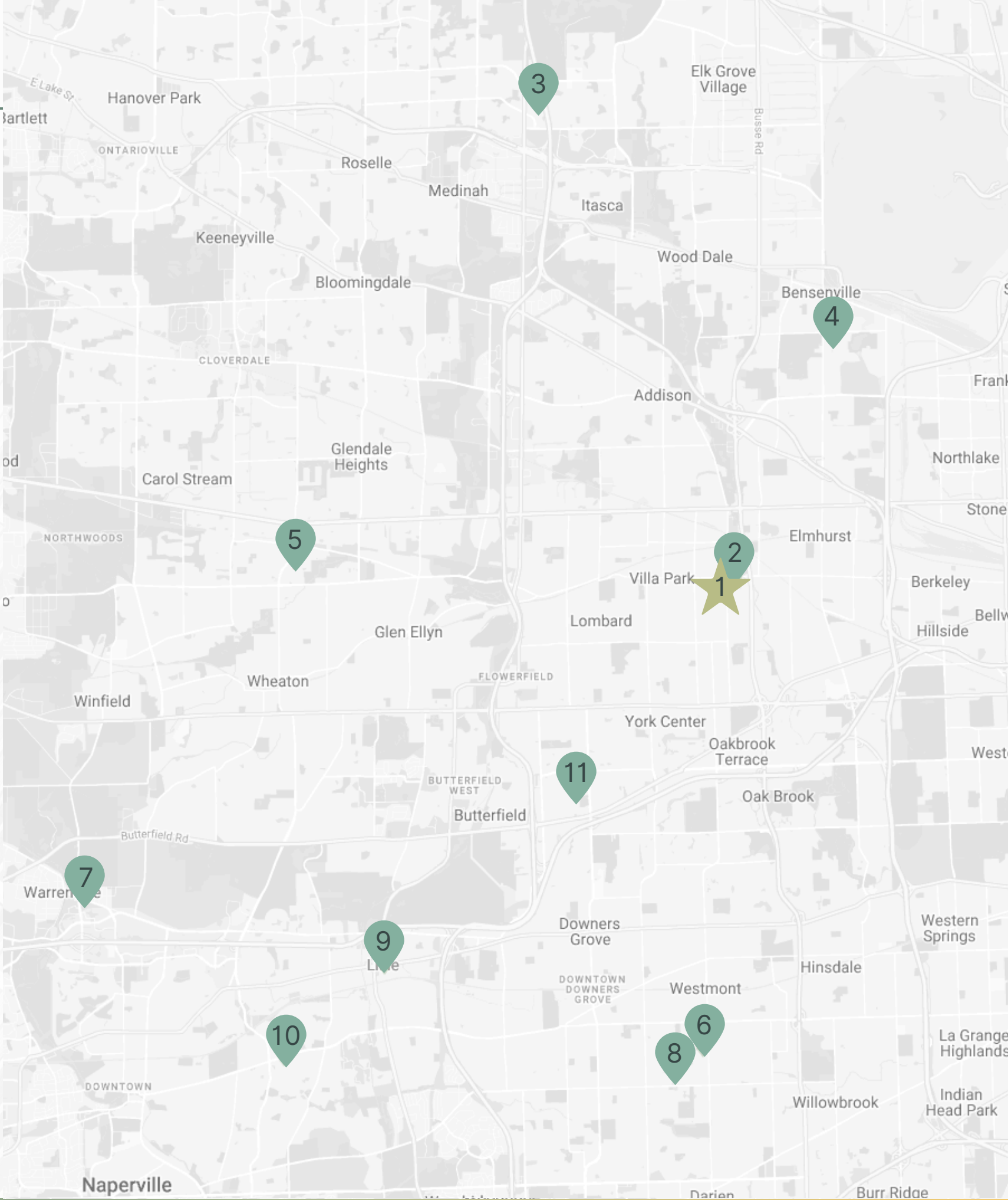
ILLINOIS	9,753 units
MICHIGAN	1,924 units
TEXAS	1,207 units
INDIANA	1,019 units
MINNESOTA	884 units
TENNEESSEE	748 units
FLORIDA	256 units

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VILLA PARK & SURROUNDING SUBMARKET

1. THE UNION	Villa Park	224 units
2. OVALTINE COURT	Villa Park	334 units
3. WILLOW CROSSING	Elk Grove Village	579 units
4. THE BENNINGTON	Bensenville	571 units
5. CAROL STREAM CROSSING	Carol Stream	669 units
6. AXIS AT WESTMONT	Westmont	400 units
7. PRESERVE AT CANTERA	Warrenville	343 units
8. EAGLE CREEK	Westmont	346 units
9. MARQ ON MAIN (NEW DEVELOPMENT)	Lisle	202 units
10. GREEN TRAILS APARTMENTS	Lisle	440 units
11. CITY VIEW AT THE HIGHLANDS (PAST PROJECT)	Lombard	403 unit



MARQUETTE

BY THE NUMBERS

\$3.3B+

ASSETS MANAGED

22.2%

IRR SINCE 2004

15,488

APARTMENT UNITS

300+

EMPLOYEES

PROJECTS IN THE PIPELINE:

6 DEVELOPMENTS | 1,876 UNITS

TEMPO AT WHITE OAK

Houston, TX

304 Units

Delivery: 3Q2024

THE SYLVAN

Woodlands, TX

300 Units

Delivery: 3Q2025

THE QUARRY

Mount Juliet, TN

199 Units

Construction start:
3Q2024

THE UNION

Villa Park, IL

224 Units

Construction start:
4Q2024

CONCORDIA PROJECT

Ann Arbor, MI

280 Units

Construction starts TBD

UNNAMED PROJECT

Plainfield, IL

549 Units

Construction starts TBD

MARQUETTE DEVELOPMENT OVERVIEW

SINCE 2020

PROPERTY NAME	UNIT COUNT	CITY	STATE	FIRST OCCUPANTS
Forth at Navigation	300	Houston	Texas	2021
Atrio	272	Chicago	Illinois	2021
Parq Fulton	278	Chicago	Illinois	2022
EVO Union Park	242	Chicago	Illinois	2022
The Lydian	279	Chicago	Illinois	2023
The Thompson	210	Chicago	Illinois	2023



PARQ FULTON



THE LYDIAN

MARQUETTE DEVELOPMENT OVERVIEW

2000-2020

PROPERTY NAME	UNIT COUNT	CITY	STATE	FIRST OCCUPANTS
Courthouse Student Housing Apartments	392	Ann Arbor	Michigan	2003
Front Street Lofts of Lemont	82	Lemont	Illinois	2009
Randall Highlands Townhomes	172	North Aurora	Illinois	2012
Highpoint Town Square	72	Romeoville	Illinois	2015
Catalyst Chicago	223	Chicago	Illinois	2016
Catalyst Houston	359	Houston	Texas	2017
Marq on Main	202	Lisle	Illinois	2018
The Mason	263	Chicago	Illinois	2019



MARQUETTE DEVELOPMENT OVERVIEW

BEFORE 2000

PROPERTY NAME	UNIT COUNT	CITY	STATE	FIRST OCCUPANTS
Country Lakes Apartments	640	Naperville	Illinois	1983
Clover Ridge Apartments	126	Palatine	Illinois	1984
Clover Ridge East Apartments	276	Palatine	Illinois	1987
Garden Glen Apartments	460	Schaumburg	Illinois	1987
Riverplace Apartments	240	Naperville	Illinois	1988
Green Trails Apartments	440	Lisle	Illinois	1988
Fairlane Woods Apartments	288	Dearborn	Michigan	1989
Fairlane Woods Patio Homes and Country Townhomes	222	Dearborn	Michigan	1991
Highpoint Reflections	352	Romeoville	Illinois	1998
Highpoint Serenity	200	Romeoville	Illinois	1998
Skyridge Club Apartments	172	Crystal Lake	Illinois	1999



EXECUTIVE SUMMARY



NAME	The Union
UNITS	224
LOCATION	Villa Park, IL
CONSTRUCTION TIMELINE	21 Months
RETAIL SQUARE FOOTAGE	8,000

RYAN LLC BACKGROUND AND EXPERIENCE

With global headquarters in Dallas, Texas, Ryan provides an integrated suite of federal, state, and local tax services on a multijurisdictional basis. Our multidisciplinary team of more than 4,800 professionals and associates serve over 30,000 clients in more than 80 countries, including many of the world's most prominent Global 5000 companies.

Kane McKenna & Associates (KMA) was acquired by Ryan in December of 2022.

KMA's specialty was in Illinois and has worked on over 450 TIF district as well as measuring return on investor proposals. KMA has expansive experience in DuPage county, completing projects in Elmhurst, Itasca, Lisle, and Glen Ellyn among many others.



TIF BUSINESS CASE: INITIAL ANALYSIS WITH NO VILLAGE ASSISTANCE

Post-covid construction price escalations, coupled with the Fed's high-rate monetary policy has made new development impossible without economic assistance. Across the country, new multi-family construction permits are down more than 60%, projects that are moving forward having been funded prior to the rate hikes.

Capital providers such as banks and institutional investors, such as LifeCos, Pension Funds and Private Equity funds have responded to today's economic environment by adjusting their required returns upwards.

The Marquette Team worked with Village Staff in reviewing the Project economics in February-March of 2024.

Ryan LLC assisted in preparing return analyses for the Project which were presented to Village Staff and did not contemplate TIF or any other Village assistance.

The next slide shows the returns generated by the project with no TIF Assistance and the returns generated with TIF Assistance which are needed in today's market to secure financing. The returns with no TIF are well below what are necessary to secure project capital in today's market:

TIF BUSINESS CASE: CURRENT COSTS AND INTEREST RATES AND FEASIBILITY

UNION PARK RETURNS – \$0 LAND BASIS | NO VILLAGE ASSISTANCE

RETURNS

IRR	10.2%
EQUITY MULTIPLE	1.5
AVG CASH-ON-CASH	4.9%
DEVELOPMENT YIELD	6.1%
UNTRENDED DEV YIELD	5.5%

UNION TARGET RETURNS NECESSARY TO SECURE FINANCING - \$13M TIF AND CONTRIBUTION OF THE LAND

RETURNS

IRR	20%
EQUITY MULTIPLE	2.1
AVG CASH-ON-CASH	6.4%
DEVELOPMENT YIELD	7.4%
UNTRENDED DEV YIELD	6.5%

TIF BUSINESS CASE: BUT-FOR VILLAGE ASSISTANCE THE PROJECT DOES NOT WORK

This led the Marquette Team to formally submit to Village Staff in January 2024 their case regarding the use of TIF and land value to improve the Project economics and make it financially feasible.

Ryan LLC was able to show that given current interest rates, only General Obligation (Alternate Revenue Source) bonds carry an interest rate low enough to support the amount of bonds necessary to assist the Project in providing returns high enough for the Developer to secure capital from its traditional sources.

GO BONDS (ALTERNATE REVENUE SOURCE BONDS)

TIF BONDS

(f) Est. Capitalized Interest		(f) Est. Capitalized Interest	
(g) Incr. Prop. Taxes and Cap. Int. Avail. for Debt Service Assuming Debt Service Coverage Exceeds 1.25x		(g) Incr. Prop. Taxes and Cap. Int. Avail. for Debt Service Assuming Debt Service Coverage Exceeds 1.25x	
(h) NPV of Incr. Prop. Taxes Avail. For D/S @ 4.4%		(h) NPV of Incr. Prop. Taxes Avail. For D/S @ 6.0%	
(i) Assume Net Proceeds of 88.0%	12,920,888	(i) Assume Net Proceeds of 85.0%	10,222,227
(j) Residual Incremental Property Taxes		(j) Residual Incremental Property Taxes	
(k) Cumulative Residual Incremental Property Taxes	7,378,817	(k) Cumulative Residual Incremental Property Taxes	8,084,080

THE PROJECT DOES NOT WORK, BUT FOR \$13M TIF GO BOND PROCEEDS AND CONTRIBUTION OF THE LAND.

TIF BUSINESS CASE: BUT-FOR VILLAGE ASSISTANCE THE PROJECT DOES NOT WORK

GOBONDS (ALTERNATE REVENUE SOURCE BONDS)

(f) Est. Capitalized Interest	
(g) Incr. Prop. Taxes and Cap. Int. Avail. for Debt Service Assuming Debt Service Coverage Exceeds 1.25x	
(h) NPV of Incr. Prop. Taxes Avail. For D/S @ 4.4%	
(i) Assume Net Proceeds of 88.0%	12,920,888
(j) Residual Incremental Property Taxes	
(k) Cumulative Residual Incremental Property Taxes	7,378,817

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THE PROJECT DOES NOT WORK, BUT FOR \$13M TIF GO BOND PROCEEDS AND CONTRIBUTION OF THE LAND.

TIF BUSINESS CASE: SUMMARY OF KEY POINTS

- The Developer worked extensively with Staff to determine the least amount of Village support necessary for the Project which would make it financially feasible by allowing the Developer to secure Project capital in the market and all supporting financial analysis presented to the Village Staff has been prepared by Ryan LLC.
- It has been determined that there is no alternative to GO (Alternate Revenue Source) Bonds that will yield the required \$13MM financial support necessary to make the Project feasible. In addition to Village support, the Developer will be providing approximately \$68MM in additional capital for the Project.
- There is potential residual increment of over \$7MM that could accrue to the Village over the life of the GO bonds.
- The Project construction includes significant environmental remediation of the former AK Mulch site, including the removal of underground oil tanks and disposal of contaminated soils in an IEPA approved location.
- The Union is an \$81MM catalytic project in the historic downtown, which will have a positive economic ripple effect for the greater community while providing 94 public parking spaces in a location important to the Village's future.



MARQUETTE

2023
TOP DEVELOPERS
(MULTIHOUSING NEWS)

2023
PROPERTY MANAGEMENT
COMPANY OF THE YEAR
(MULTIHOUSING NEWS)

2023 MULTIFAMILY
DEVELOPMENT OF THE YEAR
(COSTAR IMPACT AWARDS)