

City Council Committee of the Whole

Agenda Cover Memorandum

Meeting Date: September 26, 2011

Item Title: Report on Analysis of Profit Sharing - Target Area 2

Action Requested:

- | | |
|-------------------------------------|----------------------|
| <input checked="" type="checkbox"/> | Approval |
| <input type="checkbox"/> | For discussion |
| <input type="checkbox"/> | Feedback requested |
| <input type="checkbox"/> | For your information |

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Background:

On January 5, 2005, the City entered into a Redevelopment Agreement with PRC Partners, LLC to develop Target Area 2. Section 6.5 of the Agreement "Sharing of Profits and Savings" requires that after issuance of the Final Certificate of Completion, a review be done of whether the project rate of return as of the Valuation Date exceeds eleven percent on a discounted basis.

Steve Friedman, the City's consultant, has reviewed the calculations and has determined that PRC Partners' return on the project was below the eleven percent threshold.

This is being reported out to the City Council. The Council is asked to accept the report. No further action is required.

Recommendation:

Move to accept SB Friedman's report on analysis of profit sharing calculation pursuant to Section 6.5 of the Redevelopment Agreement between PRC Partners, LLC and the City of Park Ridge.

Budget Implications:

Does Action Require an Expenditure of Funds: ☐ Yes ☒ No

If Yes, Total Cost:

If Yes, is this a Budgeted Item: ☐ Yes ☐ No

Attachments:

- Profit Sharing Analysis Report
- Section 6.5 of the Redevelopment Agreement