

DuPage County Real Estate Assessment Task Force

Executive Summary

Prepared for: DuPage County Board

Date: January 15, 2015

The DuPage County Real Estate Assessment Task Force is pleased to provide an Executive Summary on its process, findings and recommendations concerning the DuPage County property currently occupied by the DuPage County Fair Association under a lease agreement with DuPage County.

The Task Force was convened in October of 2013 at the request of County Board Chairman Dan Cronin. The role of the Task Force is to evaluate the property commonly known as the DuPage County Fairgrounds in order to determine if the property is being utilized to its maximum potential. Additionally the Task Force endeavors to identify if alternative, higher and better uses of the property are available and feasible.

The Task Force is comprised of experts in the areas of real estate development, real estate brokerage, facilities management, engineering, economic development and banking. The Task Force held a series of six open meetings with all current stakeholders to review operations and potential future uses. The Task Force reviewed the physical conditions of the buildings and structures located on the fairgrounds property and reviewed current operation and legal documents concerning the fairgrounds property.

The Task Force also heard from other parties interested in the fairgrounds property for uses other than those currently in place. The Task Force received a presentation on current economic conditions for potential future development of the fairgrounds property.

Maintaining the principle that the fairgrounds property is an asset of the county, the Task Force used the following guiding principles in determining its findings:

1. Evaluation of current operations
 - a. Are the current uses of the fairgrounds property in line with the existing lease and intent?
2. Assessment of current conditions of fairgrounds property and structures
 - a. If the fair is a potential future option for the property what changes or improvements, if any are required?
3. Recommendations for improvements or changes
 - a. Are the current buildings and current operations sufficient to support the fair?
4. Highest and best use going forward
 - a. Are commercial, residential, retail or industrial uses viable options?
Does the existing use represent the best utilization of the property?

The Task Force's findings are as follows:

Are the current uses of the fairgrounds property in line with the existing lease and intent?

The Task Force believes that the DuPage County Fair Association operates beyond the original scope and intent of the lease. The DuPage County Fair Association operates multiple additional activities on the Fairgrounds property that are not in line with the existing lease. Furthermore, the recent inspection report provided by the City of Wheaton calls into question compliance with provisions of the lease requiring adherence to all local ordinances.

If the fair is a potential future option for the property what changes or improvements, if any, are required?

The Task Force asked for and was provided an inspection and safety report which is attached. The Task Force believes the inspection report supports concerns over major structural and life safety issues. The County should continue to work with the City of Wheaton and the DuPage County Fair Association to assure proper compliance with not only the lease, but with life safety, regulatory and

zoning regulations. The Task Force believes that significant changes or improvements to the buildings, structures and infrastructure on the fairgrounds property are required should the fair continue to operate on the property. Preliminary Task Force estimates place these improvements in excess of \$2 million.

Are the current buildings and operations sufficient to support the fair?

The Task Force believes that several changes to physical structures must be made in order for the fair to continue to operate. The report identifies these changes. Additionally, based on the information presented by the DuPage County Fair Association to the Task Force, the Task Force believes that the financial requirements associated with these improvements may not be realized in a timely manner through revenue associated with the fair. Additional revenue sources would be required to make the needed improvements.

Are commercial, residential, retail or industrial uses a viable option? Does the existing use represent the best utilization of the property?

The Task Force believes that the fairgrounds property at this point in time is not suitable for speculative development in the areas of industrial, warehousing, office or commercial uses. The Task Force believes that some type of residential development may be possible but may not be consistent with the belief that the fairgrounds property is an asset of the entire County. If a residential development were to be pursued it would likely entail a sale of the property and permanent loss of this County asset.

The Task Force firmly believes that whether or not the County Fair is a viable option for the fairground property, this option should only be considered if all life safety and structural issues associated with the physical buildings and infrastructure noted in the inspection report are addressed. Further, if the County Fair were to continue as a use for the fairground property, the Task Force recommends a thorough evaluation of the existing lease arrangement. Additional structure in the lease is required to clearly outline permitted uses and operations. Intergovernmental agreements should be put in place between the operator of

the fairgrounds property and any governmental entity who currently utilizes the property or who would utilize the property in the future.

Of the plans and uses presented to the Task Force, and in light of current economic conditions, the Task Force believes that the fairgrounds property may be most appropriate for some type of recreational facilities combining indoor and outdoor activities managed under a lease agreement. This option may allow for some type of public-private sector housing development. It may also afford the opportunity for some of the activities currently taking place on fairgrounds property to continue. Additionally, this option would allow the County to retain ownership of the asset.

Respectfully submitted,

DuPage County Real Estate Assessment Task Force

Ian Parr, Chairman, CCS International

Christopher Burke, Christopher Burke Engineering

Mark Moran, NAI Hiffman

Diana Riekse, C.B. Richard Ellis

Len Caldeira, Jones Lang LaSalle

Dan Allen, CISCO

Ed Harrington, Centerpoint Properties

Kathy McClennan, DuPage County Facilities Management (retired)

William Krug, William Krug Enterprises

Nick Ryan, Marquette Properties

Greg Bedalov, Choose DuPage, Facilitator