

**DEPARTMENT OF PLANNING AND DEVELOPMENT
CITY OF CHICAGO
COMMUNITY DEVELOPMENT COMMISSION
July 10, 2001**

SUMMARY SHEET

ACTION

REQUESTED:

- (1) Authority to advertise City's intention to enter into a negotiated sale with Roosevelt Towers Limited Partnership for the sale of the tax parcels of real property having permanent identification numbers ("PIN") 16-14-427-001 - 3449 W. Grenshaw, 16-14-427-005 - 3445 W. Grenshaw, 16-14-427-022 - 3454 W. Roosevelt, 16-14-427-023 - 3452 W. Roosevelt, 16-14-427-024 - 3450 W. Roosevelt, 16-14-427-026 - 3442 W. Roosevelt, 16-14-427-027 - 3440 W. Roosevelt and 16-14-427-028 - 3438 W. Roosevelt ("Disposition Parcels"), subject to survey, within the Lawndale Conservation Area and the Roosevelt/Homan Tax Increment Financing Redevelopment Project Area (the "Area");
- (2) Provide tax increment financing assistance and negotiate a redevelopment agreement with Roosevelt Towers Limited Partnership for the sale of Disposition Parcels and the redevelopment of the Disposition Parcels as well as PINs 16-14-427-006 - 3443 W. Grenshaw and 16-14-427-026 - 3442 W. Roosevelt ("Developer Parcels") (collectively known as the "Development Site") located within the Area;
- (3) Approve a request for alternate proposals;
- (4) Recommend to the City Council the sale of Disposition Parcels, to Roosevelt Towers Limited Partnership, if no alternative proposals are received; and
- (5) Recommend the designation of Roosevelt Towers Limited Partnership for the Redevelopment of the Development Site, if no responsive alternate proposals are received.

PROJECT:

Construction of 126 one bedroom affordable senior dwelling unit housing development. The development will be comprised of 100% affordable units for households with incomes at or below 60% of area-wide median income in an "L" shaped masonry building around an established street grid, with appropriate open space/landscaping.

ADDRESS:

3440 West Roosevelt Road

**WARD/
ALDERMAN:** 24th Ward/Michael Chandler

**AMOUNT/TYPE
OF ASSISTANCE:** Department of Planning and Development TIF funds in an amount not to exceed the lesser of \$2,150,000 or 13.4% of total project costs to be funded from the Roosevelt/Homan TIF incremental tax revenues for TIF-eligible costs.

Multi-Family Housing Revenue Bonds (DOH) \$4,740,400

City Loan
(DOH HOME, CDBG or program income funds) \$5,500,000

Syndicated Equity (Tax Credits) \$4,610,000

Owner Equity \$1,154,417*

*The City will contribute TIF funds in an amount not to exceed the lesser of \$2,150,000 or 13.4% of total project costs. TIF assistance will be provided on a pay as you go basis over the life of the TIF. No TIF funds will be provided at closing.

DEVELOPER: Roosevelt Towers Limited Partnership, an Illinois Limited Partnership, is comprised of Boulevard Realty Services Corporation (owned by Cecil Butler), an Illinois corporation with .1% ownership, and Chevron TCI, Incorporated, a California corporation with 99.9% ownership.

COMMUNITY

OUTREACH/INPUT: Alderman Chandler (24th Ward) is in support of this project.

ISSUES: PIN 16-14-427-022 is privately owned and must be acquired by the City. The Corporation Counsel instituted an eminent domain proceeding with respect to PIN 16-14-427-022 in the Circuit Court of Cook County on December 29, 2000.

COMMUNITY DEVELOPMENT COMMISSION MEETING
July 10, 2001

STAFF REPORT

MR. CHAIRMAN AND MEMBERS OF THE COMMISSION:

The resolution before you requests that you:

- (1) Grant authority to advertise the City's intention to enter into a negotiated sale with Roosevelt Towers Limited Partnership for the sale of PINs 16-14-427-001 - 3449 W. Grenshaw, 16-14-427-005 - 3445 W. Grenshaw, 16-14-427-022 - 3454 W. Roosevelt, 16-14-427-023 - 3452 W. Roosevelt, 16-14-427-024 - 3450 W. Roosevelt, 16-14-427-026 - 3442 W. Roosevelt, 16-14-427-027 - 3440 W. Roosevelt and 16-14-427-028 3438 W. Roosevelt ("Disposition Parcels"), within the Lawndale Conservation Area and the Roosevelt/Homan Tax Increment Financing Redevelopment Project Area (the "Area");
- (2) Provide tax increment financing assistance and negotiate a redevelopment agreement with Roosevelt Towers Limited Partnership for the sale of Disposition Parcels and the redevelopment of the Disposition Parcels as well as PINs 16-14-427-006 - 3443 W. Grenshaw and 16-14-427-026 - 3448 W. Roosevelt ("Developer Parcels") (collectively known as the "Development Site") located within the Area;
- (3) Approve a request for alternate proposals;
- (4) Recommend to the City Council the sale of Disposition Parcels to Roosevelt Towers Limited Partnership, if no alternative proposals are received; and
- (5) Recommend the designation of Roosevelt Towers Limited Partnership as the developer for the redevelopment of the Development Site, if no responsive alternate proposals are received

BACKGROUND

The Lawndale Conservation Area (the "Conservation Area") was approved by the City Council of the City of Chicago ("City Council") on April 17, 1968 and amended in 1970. (See Attachment 1 - Map of Lawndale Conservation Area)

The Roosevelt/Homan Tax Increment Financing Redevelopment Project Area ("TIF Area") was approved by the City Council on December 5, 1990 (see Attachment 2 - Map of TIF Area).

The Disposition Parcels and the Developer Parcels are located within both the the Conservation Area and the TIF Area. The proposed negotiated sale and use of TIF allocation financing and

Department of Housing funds are consistent with both the Lawndale Conservation Area Plan and the Roosevelt/Homan Redevelopment Plan.

The Development Site is bounded by West Grenshaw on the North, South Homan on the East, West Roosevelt Road on the South and South St. Louis Avenue on the West.

NEGOTIATED SALE

The City intends to enter into a negotiated sale with Roosevelt Towers Limited Partnership for the Disposition Parcels. Roosevelt Towers Limited Partnership will buy the Disposition Parcels for a total of \$1.00.

DEVELOPMENT PROJECT

Proposed Development Project

The proposed redevelopment project, a senior citizen rental building, will include 126 one bedroom dwelling units with approximately 33 off-street parking spaces. This development will be comprised of 100% affordable units for households with incomes at or below 60% of area-wide median income.

An "L" shaped structure will be comprised of one six story elevator building perpendicular to West Roosevelt Road with an attached eight story elevator building fronting the North side of West Roosevelt Road. The address for the development will be 3440 West Roosevelt Road.

In the future, the Developer intends to construct 2 more buildings known as Roosevelt Towers II and Roosevelt Towers III respectively, with a total of 168 units in Roosevelt Towers II and 156 units in Roosevelt Towers III and located at 3512 West Roosevelt Road and 3100 West Roosevelt Road respectively. No city money has been committed to these proposed projects at this time.

The Developer has requested that a portion of South St. Louis Avenue be vacated. The vacation process is expected to begin after the construction of Roosevelt Towers I and during the construction of Roosevelt Towers II. The Developer has applied for a Planned Development ("PD") which details phases I and II of the Roosevelt Towers development as well as the street vacation. The proposed PD is expected to be heard by the CPC in July, 2001 and, if approved, will be introduced to City Council thereafter.

Proposed Developer

The proposed developer of the property is Roosevelt Towers Limited Partnership. The underlying owners of this Partnership are Boulevard Realty Services Corporation (owned by Cecil Butler) with .1% ownership and Chevron TCI with 99.9% ownership.

Boulevard Realty Services Corporation has been in the real estate business since 1970 and has been involved in residential, commercial, industrial and institutional property development. In

addition, Boulevard Realty Services Corporation is involved in property management, brokerage and asset management. Boulevard Realty Services Corporation has developed and currently manages over 2800 units of housing in the Lawndale community. To date, Boulevard Realty Services Corporation has developed over \$120 million in residential properties in the Lawndale community.

Financial Assistance

Sources of funds include developer equity in the amount of \$1,154,417, syndicated equity in the amount of \$4,610,000, a 1st Mortgage of \$4,740,400 supported by DOH Multi-Family Housing Revenue Bonds and a 2nd Mortgage of \$5,500,000 supported by DOH HOME, CDBG or program income funds. The total project budget is \$16,004,817. (See Attachment 3 - The Term Sheet).

DEAL STRUCTURE

The City intends to negotiate a redevelopment agreement with Roosevelt Towers Limited Partnership for the sale of the Disposition Parcels and redevelopment of the Development Site, as described above, and to provide the project, on a pay as you go basis, with TIF funds not to exceed the lesser of \$2,150,000 or 13.4 % of total project costs provided that there are sufficient TIF-eligible expenses and that only increment generated from this project for the remaining years of the Roosevelt/Homan TIF will be used to fund this project. No TIF funds will be provided at closing. In addition to TIF funds, the Department of Housing has committed \$5.5 million in HOME funds as well as \$4.74 million in Multi-Family Housing Revenue Bonds.

The Developer will be expected to comply with all City requirements, including MBE/WBE, Prevailing Wage and City Residency.

CONFORMANCE WITH DEVELOPMENT PLAN

The uses of the subject property proposed by the Developer are consistent with the Roosevelt/Homan Tax Increment Financing Redevelopment Plan in terms of land use and the furthering of each plan's goals and objectives. With regard to land uses, the plans state that residential uses are permitted on this site.

The uses of the subject property proposed by the Developer are not consistent with the Lawndale Conservation Area Plan with respect to density and parking requirements. The General Land Use Plan under the Lawndale Conservation Plan requires that the density of developments within the Lawndale Conservation Plan area range from a minimum of 10 to a maximum of 100 units per acre, and establishes a minimum off-street parking requirement of one parking space for every dwelling unit.

The proposed senior housing project will exceed the density limits and have approximately 0.25 parking spaces for every dwelling unit. The City is anticipating that many residents will not own cars. As such, the City is requesting approval, from the Commission, for the proposed density and parking space standards for this project.

BENEFITS

Taxes

While the increment that this Development Site is projected to generate will be pledged, the project life is expected to extend beyond the life of the TIF (2013) and therefore contribute to the tax base indefinitely.

Quality of Life

The project will improve the quality of life in the Area and the City by providing affordable dwelling units for senior citizens. The proposed development will be comprised of 100% affordable units for households with incomes at or below 60% of the area-wide median income.

RECOMMENDATION:

The Department of Planning and Development recommends that the Community Development Commission take the following actions, as embodied in the attached resolutions:

- 1) Grant authority to advertise the City's intention to enter into a negotiated sale with Roosevelt Towers Limited Partnership for the sale of the Disposition Parcels within the Conservation Area and the TIF Area;
- 2) Provide tax increment financing assistance and negotiate a redevelopment agreement with Roosevelt Towers Limited Partnership, for the sale of the Disposition Parcels and the redevelopment of the Development Site located within the Conservation Area and the TIF Area;
- 3) Approve a request for alternate proposals;
- 4) Recommend to the City Council the sale of the Disposition Parcels to Roosevelt Towers Limited Partnership, if no responsive alternate proposals are received; and
- 5) Recommend the designation of Roosevelt Towers Limited Partnership, as developer for the Development Site, if no responsive alternate proposals are received.

MR. CHAIRMAN AND MEMBERS OF THE COMMISSION:

The resolution before the Commission requests the following actions:

- 1) Grant authority to publish a notice of the intention of the City to negotiate a Redevelopment Agreement with the LaSalle Street Capital, Inc. and/or a related entity to be formed (the "Developer"), for the use of incremental tax revenues and/or tax increment revenue bond proceeds for the redevelopment of a portion of 540 West Madison Street (the "Property"), located within the River West Redevelopment Project Area (the "Area") and;
- 2) Authorize a request for alternative proposals for the redevelopment of the Project located within the boundaries of the Area and;
- 3) Recommend to the City Council of the City of Chicago the designation of LaSalle Street Capital as the developer of the Project located within the boundaries of the Area, if no alternative proposals are received.

Background:

The Property currently serves as a 480 car surface parking lot located at 540 West Madison. The Developer has purchased the lot as of April 30, 2001 in order to construct a 1.3 million square foot, 31-story, state of the art, high technology center (the "Project")

The property contains approximately 128,957 square feet (2.96 acres) of land and is bound by West Washington Street, North Clinton Street, West Madison, and North Jefferson Street. The Property is located in the recently designated River West TIF.

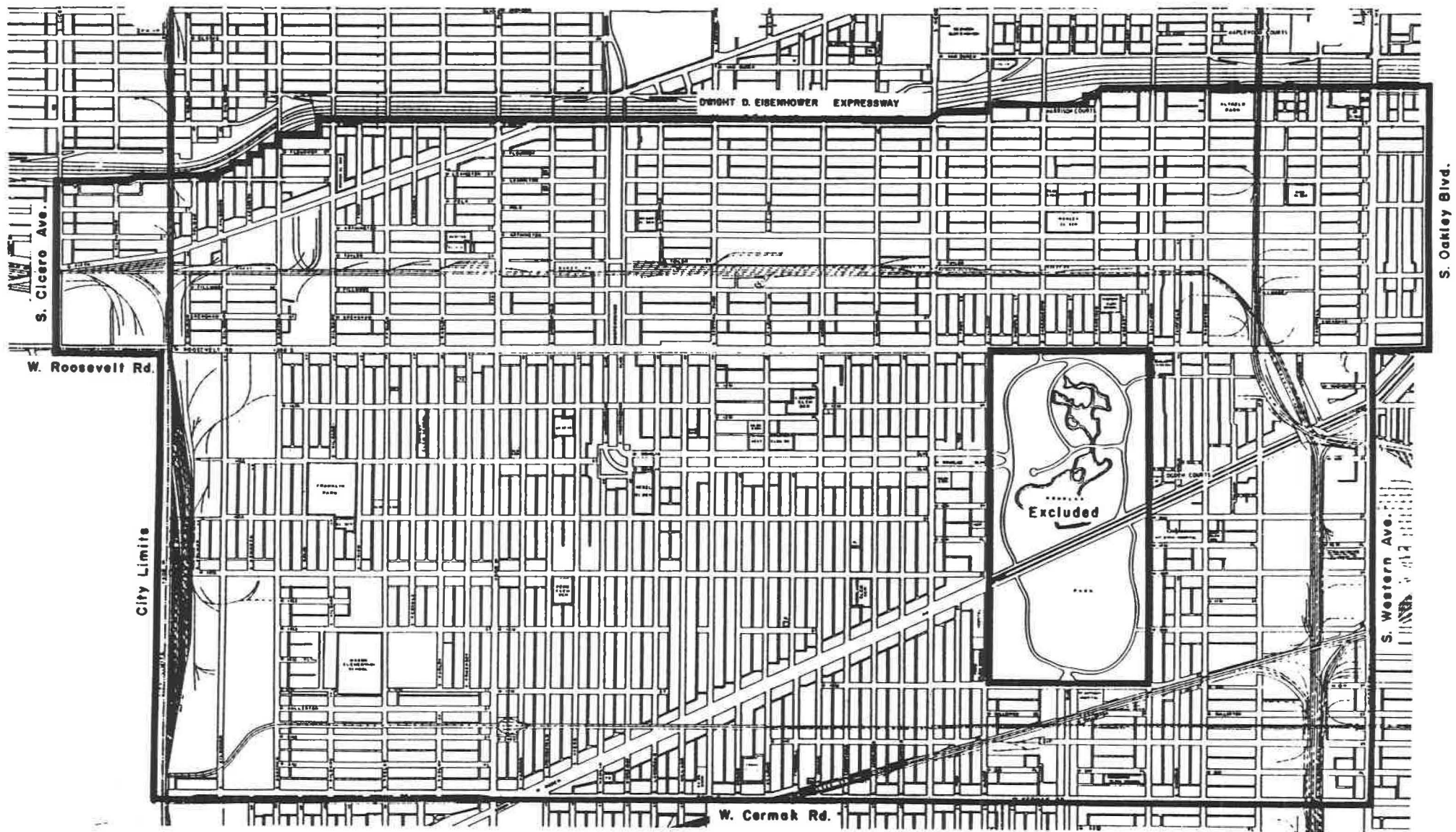
Project Scope:

The Project includes the following components:

- Property acquisition
- Construction of a 1,300,000 square foot , 31 story state of the art, high technology center
- 250 space underground parking garage and first floor retail.
- At-grade plaza and landscaping; rooftop garden

Currently the bank has five downtown locations and a data center at O'Hare Airport. The Developer in order to reduce real estate costs, achieve operating efficiencies, and expand its technological capabilities, is establishing an administrative back office and technology center on the property. The building will be solely occupied by the bank (except for first floor retail) and serve as AANA's technology center for its North American operations.

Employees will be relocated from 200 West Monroe, 135, South LaSalle and 79 West Monroe. Currently there are approximately 3,900 employees at these sites. By year 2005, it is estimated that there will be 5,000 relocated or newly created jobs at the Property, The bank will retain its front office and

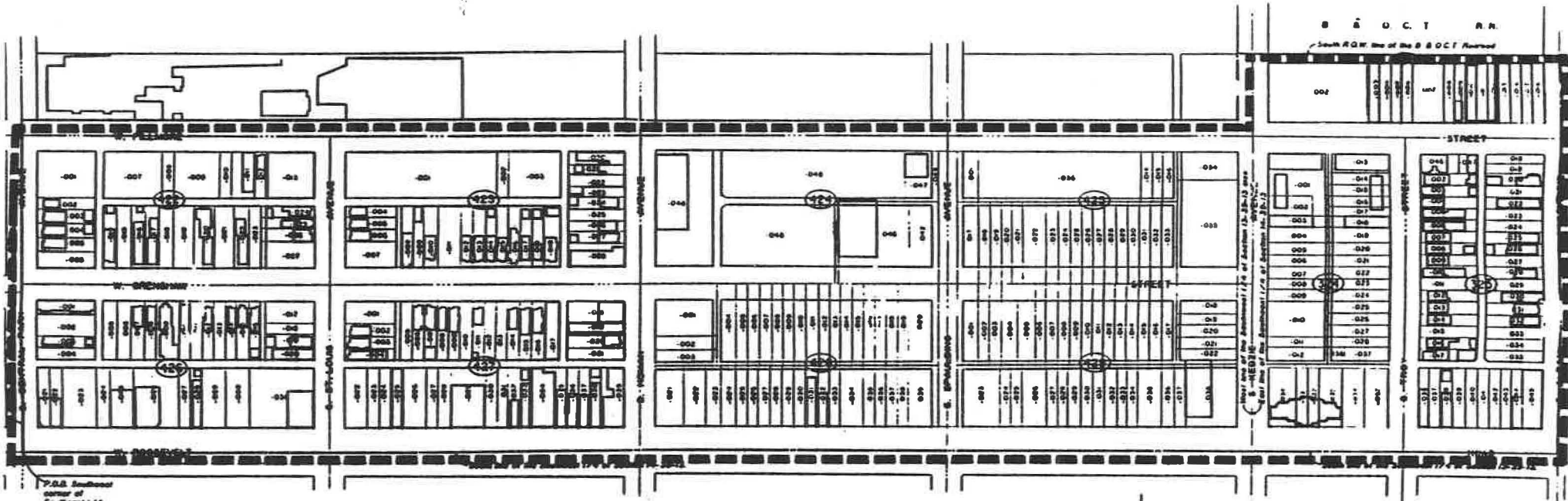


BOUNDARY MAP
LAWDALE CONSERVATION AREA

DEPARTMENT OF URBAN RENEWAL
 CITY OF CHICAGO
 JUNE, 1969

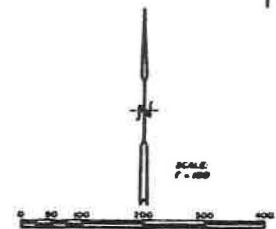


Map 1 Project Boundries



LEGEND

- PN No. ——— 14-15, 100-016
 15-16
- CITY OF CHICAGO ZONING ——— (L-2)
- BUILDING ——— [Symbol]



----- Project Boundry

Roosevelt-Homan
Commercial/Residential
Redevelopment Plan
City of Chicago
Department of
Economic Development
July, 1990

Prepared by Louik/Schneider
& Associates, Inc.

ATTACHMENT 3

ROOSEVELT TOWERS I TERM SHEET

PROJECT BUDGET

Sources

1 st Mortgage - City of Chicago Multi-Family Housing Revenue Bonds	\$4,740,400
2 nd Mortgage-City Loan (HOME, CDBG or program income FUNDS)	\$5,500,000
Syndicated Equity - Multi-Family Housing Revenue Bond Generated Tax Credits	\$4,610,000
Owner Equity	<u>\$1,154,417</u>
TOTAL	\$16,004,817*

Uses

Construction Contract	\$12,402,888
Construction Soft Costs	\$ 1,699,424
Capitalized Interest	\$ 595,425
Developer's Fee	\$ 987,000
Costs of Issuance	<u>\$ 320,080</u>
TOTAL	\$16,004,817

*The City will contribute TIF funds in an amount not to exceed the lesser of \$2,150,000 or 13.4% of total project costs. TIF assistance will be provided on a pay as you go basis over the life of the TIF. No TIF funds will be provided at closing.