

**City of Chicago
Department of Community Development**

**STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
REGARDING
A PROPOSED NEGOTIATED SALE OF CITY-OWNED PROPERTY
MADDEN WELLS TIF AND DESIGNATION OF DEVELOPER**

September 8, 2009

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name:	Oakwood Shores Terraces (the “Project”)
Applicant Name:	Oakwood Shores Terrace Apartments Associates Limited Partnership and Arches Retail Development, LLC. (the “Applicants”).
Project Address:	3753 -3755 South Cottage Grove
Ward and Alderman:	4 th Ward, Ald. Preckwinkle
Community Area:	Oakland
Redevelopment Project Area:	Madden Wells TIF
Requested Action:	Negotiated sale of vacant land, TIF assistance, and Developer Designation.
Proposed Project:	This is a mixed use project that will consist of 48 residential rental dwelling units of which 36 units or 75 percent will be affordable for households earning no more than 80 percent of the area median income. It also includes 28,000 square feet of commercial space which will be used as medical office space.
Appraised Market Value:	\$960,000 for all parcels (including a PBC parcel). \$36,089 per parcel, \$26.60 per square foot.

Sale Price: \$ 1.00

Acquisition Assistance: None

TIF Assistance: \$2.1. Million

II. PROPERTY DESCRIPTION

Address: 3753 -3755 South Cottage Grove

Location: The northeast corner of 38th Street between Cottage Grove Avenue and Ellis Avenue

Tax Parcel Numbers: City owned property to be conveyed to the developer: 17-34-421-096, 17-34-421-099, 17-34-421-100; The Public Building Commission (PBC) parcel will be conveyed to the City and the City will convey to the Developer: 17-34-421-093. CHA owned property part of which will be conveyed to the developer: 17-34-421-101

Land Area: 1.32 acres (City land: .83 acre; CHA land: .46 acre)

Current Use: The property is currently vacant. The southern 2/3 of the property was once occupied by a community health clinic. It was acquired in 2002 and demolish for this CHA transformation project area.

Current Zoning: PD 840

Proposed Zoning: PD840 to be amended to allow medical office and proposed height limit.

Environmental Condition: Performed by the Applicants. The site has been approved for residential development

The land will be sold as-is with no warranties or representations as to its environmental condition, and it will be the responsibility of the Applicants to complete any remediation that may be required by the City or the Illinois EPA. The redevelopment agreement with the selected respondent will include release and indemnification language protecting the City from liability.

Inventory Profile: The city parcels were acquired through eminent domain 17-34-421-096, 17-34-421-099, 17-34-421-100, 17-34-421-093 (Public Building Commission parcel to be conveyed to the City).

III. BACKGROUND

This project is a continuation of the comprehensive revitalization of the former Ida B. Wells, Madden Park, and Clarence Darrow Homes public housing developments and is part of the CHA's Plan for Transformation. The vision for the development of the new Oakwood Shores community was developed through an extensive participatory process with residents, government agencies, and other stakeholders, led by top national urban planners. The result is a compelling master plan for transforming the 94-acre Madden/Wells/Darrow site into a mixed-income, mixed use community of 3,000 rental and for-sale housing units set in a traditional Chicago neighborhood framework, including the reintroduction of the street grid and construction of new parks, schools, neighborhood commercial/retail facilities, and community services.

Given its scale and complexity, the Madden/Wells revitalization is proceeding in phases. The first phase (comprised of Phases 1A and 1B) encompasses the southeast portion of the Madden/Wells revitalization area, and Phase 2 (comprised of Phase 2A, 2B (One), and 2B (Two) and 2C) continues the redevelopment due west of the Phase 1 site. Construction of Phase 2A is complete, and the development team recently closed on Phase 2B (One) which consists of 75 units of rental housing comprised of CHA replacement units, affordable and market rate units.

The Project, Phase 2C of the Madden/Wells revitalization effort, continues development due north of the Phase 1 site and builds upon the success of the previous and ongoing rental phases in transforming a once blighted community into a strong neighborhood. Oakwood Shores Terrace Apartments is a mixed-use residential and medical office building which will not only continue the development of mixed-income rental housing, but will also supply crucial medical facilities and services to the neighborhood.

IV. PROPOSED DEVELOPMENT TEAM

Development Entity: The development team is composed of two entities Oakwood Shores Terrace Apartments Associates Limited Partnership and Arches Retail Development, LLC (collectively, the "Developers").

Residential Component:

Oakwood Shores Terrace Apartments Associates Limited Partnership has been formed to develop the residential component of the project; The Community Builders ("TCB") currently owns 99.9% of Oakwood Shores Terrace Associates Limited Partnership. Oakwood Shores Terrace GP L.L.C owns the remaining 0.01% and serves as the managing general partner of Oakwood Shores Terrace

Apartments Associates Limited Partnership. An affiliate of TCB and Granite Madden Wells Rental, LLC own 70% and 30% of Oakwood Shores Terrace GP L.L.C. respectively. TCB is a Boston, Massachusetts based non-profit developer of affordable housing doing business in Illinois as TCB Illinois NFP, Inc.

Commercial Component:

Arches Retail Development, LLC, an Illinois limited liability company, has been formed to develop the commercial component of the Project. The sole owner and member of the applicant is Granite Madden Wells Retail, LLC, an Illinois limited liability company. Joe Williams, as trustee under a living trust and Larry Huggins own Granite Madden Wells, LLC.

Both TCB and Granite have extensive development experience. TCB is licensed by the City as a Residential Developer.

The development team has engaged Nia Architects, Inc. and Stull and Lee Incorporated to serve as the architects and McShane Construction Company to serve as the General Contractor. The development team has extensively consulted with Alderman Toni Preckwinkle, neighborhood residents, CHA/Habitat, City agencies, and other key community stakeholders in the development of the overall design vision, project design (including site plan, exterior elevations, floor plans, and green design elements), the financing plan, and building amenities and features. The development team will continue to solicit feedback from the community's "Working Group" as the Project moves through construction, lease up, and into ongoing operations.

V. PROPOSED PROJECT

Project Overview. Oakwood Shores Terraces consists of 48 new mixed-income rental units in one mixed-use residential and medical building. Mercy Hospital & Medical Center ("Mercy") will operate an approximately 14,000 square foot Medical Clinic on the first floor of the Project, providing much needed local family medical services to the community. Currently, Mercy plans to incorporate two internal medicine suites, one pediatric suite, and one OB/GYN suite into the facility. This clinic will be complimented by timeshare suites staffed by Mercy physicians providing specialty services and a space designed to provide community education. The second floor will contain approximately 14,000 square feet of additional medical suites. The project team is currently working with the University of Chicago to potentially provide Optometry/Ophthalmology services on this floor.

The Project site is located on the east side of South Cottage Grove Avenue and 38th Street. The land will be conveyed from CHA and the City of Chicago to The Community Builder's the development partnership through a fee simple transfer. In accordance with HUD Section 42 requirements, each building will include units restricted for qualified low-income occupants. Seventy-five percent (36 units) of the total will be income and rent-restricted. 19 of these units will be reserved for lease-compliant former residents of the CHA Madden/Wells/Darrow developments. The CHA will reimburse the

developer at 40-60% of AMI but may sublease to former CHA residents at lower rates. The remaining 17 affordable units will be leased to affordable households no greater than 80% AMI. 12 market rate units will have no income restrictions. There will be 4 units with three bedrooms, all 4 of which are reserved for low income families with children.

The building will be constructed on City and PBC property. A portion of the parking for the Project will include some CHA property. The CHA parcel will be conveyed in a fee simple to the developer.

A site plan, floor plans and elevation are provided as exhibits to this report.

Environmental Features: The project qualifies for over 300 points on the Chicago Green Homes checklist and will be submitting for permits under the Green Homes Program. The project environmental features will include permeable paving, a bioswale, an energy star roof, insulated walls to R-19, and insulated roof to R-49.

Residential Unit Profile: The following table provides a detailed description of the proposed project. The Project consists of 48 residential rental units of which 36 units will be affordable for households earning no more than 80 percent of the area median income.

Rental Unit Profile

Unit Type	Number	Market/ Affordable	Size-sf	Monthly Rent/sf*	Monthly Rent*
1 bedroom	18	Affordable	750	\$0.48-\$1.00	\$361-750
1 bedroom	8	Market	750	1.20	\$901
2 bedroom	14	Affordable	890	\$0.41-0.97	\$361-861
2 bedroom	4	Market	890	\$1.31	\$1,169
3 bedrooms	4	Affordable	1200	\$0.83	\$993

*Tenant pays utilities except heat, and parking.

Commercial Profile

Unit Type	Number	Net Sq.	Price/Sq. Ft.	Estimated Revenue
Medical Office	1	14,000	\$26.00	\$364,000
Medical Office	1	14,000	\$22.00	\$308,000
Total	2	28,000	\$24.00 avg.	\$672,000

VI. FINANCIAL STRUCTURE

The Project site is located in the Madden/Wells TIF District and, once complete, will 36 affordable housing units and 28,000 sq. ft. of medical office space. The residential component of the Project will receive the following incentives: Multifamily Program Funds \$2,085,814; Low Income Housing Tax Credits \$1,100,651; and Multifamily Program Fee Waivers - standard package. Four of the parcels are City Owned and one is currently owned by PBC on behalf of the Chicago Public Schools. The PBC parcel will be transferred to the City prior to closing. The land write-down and TIF assistance total \$3,059,999 or 13% of total project cost.

The Developers are currently working with several financial institutions and have letters of interest on file. J.P. Morgan Capital Corporation has provided a Letter of Interest (“LOI”) that indicates its intent to purchase the LIHTCs. Additionally, U.S. Bank has provided a Letter of Interest that indicates its intent to purchase the Illinois affordable Housing Tax Credits (IAHTC). The Illinois Facility Fund (IFF) has provided a LOI to loan up to \$1.5 million in permanent financing. Chase Bank has provided an LOI to finance up to \$9 million for the commercial portion of the Project and to provide up to \$3.0 million in New Market Tax Credits.

The following table identifies the sources and uses of funds.

Sources and Uses of Funds		
<u>Sources</u>	<u>Amount</u>	<u>% of total</u>
1 st Mortgage Loan	\$4,965,765	21.10%
CHA Capital Funds Loan	\$3,247,177	13.80%
HOME Funds	\$2,085,814	8.86%
IAHTC Loan	\$1,048,350	4.45%
GP Capital Contribution	\$100	0.00%
LP Net Equity-LIHTC	\$10,653,659	45.26%
TIF Loan – “B” Note	<u>\$1,536,542</u>	<u>6.53%</u>
Total Sources	\$23,537,443	100.00
<u>Uses</u>	<u>Amount</u>	<u>\$/sf of Building*</u>
Land Acquisition	\$0	\$0 psf
Site Clearance and Preparation	\$1,701,766	\$19.16 psf
Hard Costs	\$14,037,638	\$158.08 psf
Furniture, Fixtures, & Equipment	\$ 35,000	\$.39 psf
Soft Costs		
Architectural & Engineering	\$704,232	
Bond Premium	\$248,499	
Building Permits	\$44,612	
Contingency (3.4% of total costs)	\$799,395	
Other Indirect Cost**	\$1,584,742	
Financing Costs	\$1,195,074	

Reserves/Escrows/Other Project Costs	\$1,240,021	
Developer fee (8.3% of total costs)	<u>\$1,946,464</u>	
Total Soft Costs (32.9% of total costs)	<u>\$7,763,049</u>	<u>\$87.82 psf</u>
Total Uses	\$23,537,443	\$265.06 psf

*Gross building area is 88,800 square feet.
 **Construction Management, Environmental Audit & Tests, Permits, Surveys, NMTC & LIHTC Legal Fees, Title & Recording Costs, Audit & Costs Certification, Appraisals, Market Studies, Taxes During Development, Insurance During Development, 3rd Party Consultants, Rent-up and Marketing, and Other Legal Fees

VII. PUBLIC BENEFITS

The proposed project will provide the following public benefits.

Affordable Housing: The Project will provide 36 new affordable housing units benefiting residents earning below 80% AMI.

Property Taxes: The Project will expand the tax base because the investment in the property will result in an increase in its assessed value.

Environmental Features: The Project qualifies for over 300 points on the Chicago Green Homes checklist and will be submitting for permits under the Green Homes Program. The Project environmental features will include permeable paving, a bioswale, an energy star roof, insulated walls to R-19, and insulated roof to R-49.

Jobs: It is estimated that there will be approximately 45 permanent jobs created in the commercial office space and one commercial maintenance position created for the residential building. During construction the Project will also create approximately 200 temporary jobs. The Department of Community Development Workforce Division has been informed of the Project and will work with the Developer on job training and placement.

Affirmative Action: The Developer will comply with the requirements of Chicago’s affirmative action ordinance, which requires contract participation of 24% by minority-owned business enterprises (MBEs) and 4% by woman-owned business enterprises (WBEs). The Developer provided notification of the proposed project, by certified mail, to seven associations of minority and woman contractors. A copy of the certified letters and the post office receipts are presented as exhibits to this report.

VIII. COMMUNITY SUPPORT

Alderman Toni Preckwinkle endorses the Project and has provided a letter of support (see exhibits for copy). The Oakwood Shores team has fully engaged the Madden Wells and neighborhood residents in every aspect of the planning and implementation process for Oakwood Shores. The Madden Wells HOPE VI revitalization plan emerged from an extensive community planning process involving local government, residents, and other community stakeholders. Since the Project moved from planning to

development, the community has continued to support and participate in project planning in significant ways. A Working Group was formed to guide the Project from planning to completion and holds monthly meetings to review all aspects of the Project, including master planning, building elevations and floor plans, financing, neighborhood and community hiring for construction and non-construction employment opportunities, property management, and social services.

The Working Group included the 4th Ward Alderman and members of the Ida B. Wells and Madden Park Homes Local Advisory Council, whose members are elected by fellow residents to represent the development to the larger community. The Working Group also includes representatives from the North Kenwood-Oakland Conservation Community Council, Mid-South Planning and Development, Business and Professional People for the Public Interest, the Legal Assistance Foundation of Metropolitan Chicago, the Chicago Housing Authority, The Habitat Company, and a number of City of Chicago agencies including the Chicago Department of Community Development and the Chicago Park District.

The site plan, floor plans, elevations, and exterior color palette for the project were presented to the Madden Wells Design Subcommittee and Madden Wells Working Group. The feedback from these meetings has significantly shaped the project's design and will continue to inform all aspects of the project moving forward.

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The proposed project is located in the Madden Wells Tax Increment Financing Redevelopment Project Area. The proposed project will satisfy the following goals of the area's redevelopment plan: improve the quality of life for area residents; construction of quality new construction housing options for all income levels; provide much needed commercial and office space; reduce or eliminate the conditions that caused the area to be designated a Redevelopment Project Area. The implementation strategy for achieving the plan's goals envisions the need to provide TIF financial assistance for the development of commercial and mixed-income multi-family housing units. The proposed project also conforms to the plan's land use map, which calls for a mixed use development at the site.

X. CONDITIONS OF SALE

If the proposed resolution is approved by the CDC, DCD will release a public notice announcing the proposed sale and seeking alternative development proposals. The public notice will be published in one of Chicago's metropolitan newspapers at least once for each of three consecutive weeks. If no responsive alternative proposals are received within 30 days of the publishing of the first notice, the department will accept a good faith deposit from the proposed developer, and a redevelopment

agreement will be negotiated. The redevelopment agreement will incorporate the parameters of the proposed project as described in this staff report.

It is DCD policy that no business will be conducted with a development entity whose any principal has outstanding municipal debts (such as unpaid parking tickets, unpaid water bills, unpaid business licenses, and others), is in arrears of child support payments, or who is a debtor in bankruptcy, a defendant in a legal action for deficient performance, a respondent in an administrative action for deficient performance, or a defendant in any criminal action.

Closing of the sale of the property will not occur before the City Council has approved the redevelopment agreement, the developer has obtained all necessary City approvals including zoning and building permits, and the developer has presented proof of financing. The redevelopment agreement will include a development timetable.

XI. RECOMMENDATION

The Department of Planning and Development has thoroughly reviewed the proposed project, the qualifications of the development team, the financial structure of the project, its need for public assistance, its public benefits, and the project's conformance with the redevelopment area plan, and DCD recommends that the CDC recommend to the City Council the designation of Oakwood Shores Terrace Apartments Associates Limited Partnership and Arches Retail Development, LLC as Developer for the development of the Oakwood Shores Terraces.

EXHIBITS

Redevelopment Area Map
Neighborhood Map or Aerial
Survey or Plat
Site Plan
Typical Floor Plan
Front Elevation or Rendering
Sample M/WBE Letter
Copies of M/WBE Certified Letter Receipts
Copy of Residential Developer License
Letter of Interest from Lender
Community Letters of Support
Alderman's Letter of Support

**COMMUNITY DEVELOPMENT COMMISSION
OF THE
CITY OF CHICAGO**

RESOLUTION NO. __ - CDC -

AUTHORIZATION TO ENTER INTO A NEGOTIATED SALE WITH OAKWOOD SHORES TERRACE APARTMENTS ASSOCIATES LIMITED PARTNERSHIP AND ARCHES RETAIL DEVELOPMENT, LLC. FOR DISPOSITION OF THE PROPERTY LOCATED AT 3753 -3755 SOUTH COTTAGE GROVE WITHIN THE MADDEN/WELLS TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA

AND

AUTHORIZATION TO NEGOTIATE A REDEVELOPMENT AGREEMENT WITH OAKWOOD SHORES TERRACE APARTMENTS ASSOCIATES LIMITED PARTNERSHIP AND ARCHES RETAIL DEVELOPMENT, LLC

AND

RECOMMENDATION TO THE CITY COUNCIL OF THE CITY OF CHICAGO FOR THE DESIGNATION OF WITH OAKWOOD SHORES TERRACE APARTMENTS ASSOCIATES LIMITED PARTNERSHIP AND ARCHES RETAIL DEVELOPMENT, LLC AS DEVELOPER

WHEREAS, the Community Development Commission (the "Commission") of the City of Chicago (the "City") has heretofore been appointed by the Mayor of the City with the approval of its City Council (the City Council referred to herein collectively with the Mayor as the "Corporate Authorities") as codified in Section 2-124 of the City's Municipal Code; and

WHEREAS, the Commission is empowered by the Corporate Authorities to exercise certain powers enumerated in Section 5/11-74.4-4(k) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.), (as amended from time to time, the "Act"); and

WHEREAS, the City Council, upon the Commission's recommendation pursuant to Resolution 02-CDC-80 and pursuant to the Act, enacted three ordinances on November 6, 2002 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Madden/Wells Tax Increment Redevelopment Project Area (the "Area"), designated the Area as a redevelopment project area and adopted tax increment allocation financing for the Area. The street boundaries of the Area are described on Exhibit A hereto; and

WHEREAS, the City owns the property located at 3753-55 South Cottage Grove, having the Property Identification Number(s) (PINs 17-34-421-096, 17-34-421-099, 17-34-421-100, 17-34-421-093 (the "Property")) and desires that it be redeveloped for a six (6) story mixed use building; and

WHEREAS, the Chicago Housing Authority owns property located at 3740 South Ellis, having the Property Identification number (17-34-421-101) and desires that a portion of the property be redeveloped as part of this project for parking; and

WHEREAS, staff of the Department of Community Development of the City of Chicago (the "Department") have entered into discussions with Oakwood Shores Terrace Apartments Associates Limited Partnership and Arches Retail Development, LLC. (the "Developers") concerning the sale of the Property for the development of a six story, mixed use building; and

WHEREAS, the Developer has submitted a project budget and evidence of having the financial capacity to complete the project, and the staff of the Department have reviewed these and found them to be satisfactory; and

WHEREAS, the Developer has proposed to pay \$1.00 as consideration for the purchase of the Property, \$959,999 less than the appraised fair market value of \$960,000; and

WHEREAS, staff of the Department have determined that the Developer's proposal conforms to the Plan; and

WHEREAS, pursuant to Section 5/11-74.4-4(c) of the Act, the City may not enter into any agreement relating to the development of City-owned property within the Area without first making public disclosure of the terms of such agreement and all bids and proposals related thereto and providing reasonable opportunity for any person to submit an alternative proposal or bid; and

WHEREAS, DCD requests the authority of the Commission to make the required disclosure by publishing a public notice substantially in the form set forth as **Exhibit B** hereto (the "Notice") be published at least once for three consecutive weeks in at least one Chicago metropolitan newspaper, inviting alternative proposals from other developers who will have a period of not less than thirty (30) days after the first publication of the public notice in which to submit a responsive proposal; and

WHEREAS, DCD requests that the Commission recommend to City Council that the Developer be designated as the developer for the Project and that DCD be authorized to negotiate, execute and deliver a redevelopment agreement with the Developer for the Project, if no responsive alternative proposals are received by DCD within thirty (30) days after publication of the first Notice or, if alternative proposals are received and DCD in its sole discretion determines that the Developer's Project is the best proposal; now, therefore,

BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF CHICAGO:

- Section 1. The above recitals are incorporated herein and made a part hereof.
- Section 2. The Commission hereby authorizes DCD to publish the Notice.
- Section 3. The Commission hereby recommends to City Council that the Developer be designated as the developer for the Project and that DCD be authorized to negotiate, execute and deliver on the City's behalf a redevelopment agreement with the Developer for the Project, so long as no responsive alternative proposals are received by DCD within the time recited above or, if alternative proposals are received and DCD in its sole discretion determines that the Developer's Project is the best proposal.
- Section 4. DCD is hereby authorized to advertise the City's intent to negotiate the sale and redevelopment of the Disposition Parcels and to request responsive alternative proposals.
- Section 5. Said proposals must be submitted in writing to Christine Raguso, Acting Commissioner, Department of Community Development, Attn: James Wilson, City Hall- Room 1003, 121 North LaSalle Street, Chicago, Illinois 60602 within 30 days of the date of the first publication of the Notice and shall contain names of parties, offer prices for the Disposition Parcels, evidence of financial qualifications, and a timetable for redevelopment before said proposal will be considered.
- Section 6. In the event that no responsive proposals are received at the conclusion of the advertising period, or if alternative proposals are received and DCD in its sole discretion determines that the Developer's Project is the best proposal, then the sale of the land described in Exhibit A shall be recommended to the City Council without further Commission action.
- Section 7. If any provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this resolution.
- Section 8. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 9. This resolution shall be effective as of the date of its adoption.

Section 10. A certified copy of this resolution shall be transmitted to the City Council.

ADOPTED: _____, 200_

Attachments: Exhibit A, PINs and Street Addresses of Disposition Parcels and TIF Area
Street Boundary Description

Exhibit B, Form of Notice Requesting Alternative Proposals

EXHIBIT A

Street Addresses and P.I.N.s of Disposition Parcels
And
Street Boundaries of the
Madden/Wells Tax Increment Financing
Redevelopment Project Area

Address	P.I.N.
3747 - 3749 S Cottage Grove Ave	17-34-421-096
“	17-34-421-099
“	17-34-421-100
“	17-34-421-093

Tax Increment Financing Redevelopment Project Area

The Area is generally bounded by 37th Street on the north, Metra IC on the east, Oakwood Blvd on the south, and Vincennes Ave. on the west.

Negotiated Sale- Residential 1-08

EXHIBIT B

PUBLIC NOTICE is hereby given by the Community Development Commission of the City of Chicago (the "City") pursuant to section 5/11-74.4-4 (c) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"), that the City's Department of Community Development ("DCD") intends to negotiate a redevelopment agreement with Oakwood Shores Terrace Apartments Associates Limited Partnership and Arches Retail Development, LLC. (the "Developer") pursuant to which the City intends to provide financial assistance to the Developer in the amount of \$2,100,000 or 9% of the total project budget from Madden/Wells tax increment financing bond proceeds and/or incremental tax revenues pursuant to the Act for eligible costs associated with Oakwood Shores Terraces development project (the "Project") to be located at 3753-55 S. Cottage Grove Avenue (the "Property"), located in the Madden/Wells TIF Redevelopment Project Area (the "Area"). The Project will consist of a six story, mixed use building. The City also intends to negotiate a redevelopment agreement with the Developer for the sale of 17-34-421-096, 17-34-421-099, 17-34-421-100, 17-34-421-093 individual tax parcels, described in Schedule 1 attached hereto (the "Disposition Parcels"), for \$1.00. The Property and Disposition Parcels are located within the Area established pursuant to the Act, and the Project is in compliance with the Madden/Wells TIF Redevelopment Plan. The Area is generally bounded as follows:

THE CITY HEREBY INVITES ALTERNATIVE PROPOSALS FOR THE REDEVELOPMENT OF THE DISPOSITION PARCELS FOR CONSIDERATION BY THE CITY.

The documents listed below related to the Area, the Project and the Disposition Parcels are available for public inspection before October 13, 2009 at the offices of DCD, Room 1003, 121 N. LaSalle, Chicago, Illinois between the hours of 9:00 a.m. and 4:00 p.m. Monday through Friday:

- (i) "Madden/Wells Tax Increment Financing Redevelopment Project and Plan," which constitutes the City's redevelopment plan for the Area;
- (ii) a terms sheet showing all proposed material terms of the redevelopment agreements as of the date hereof, including but not limited to an estimated Project budget setting forth the amount of financial assistance the City intends to provide to the Developer for the Project; and
- (iii) the terms of all bids and proposals received, if any, by the City related to the Project and the redevelopment agreements.

Please contact James Wilson at DCD at (312) 744-2379 to review these materials and for information regarding the form required, if any, for proposals submitted to the City. Proposals shall include the general plan for the redevelopment of the Disposition Parcels, the names of the party or parties making the proposal, the price offered, evidence of financial qualifications and capacity to complete said redevelopment, and the timetable for implementation. The City reserves the right to reject any and all proposals. Proposals will be received by the City at DCD's offices, Room 1000, City Hall, 121 N. LaSalle, Chicago, Illinois 60602, until October 13, 2009 at 5:00 p.m., at which time all alternative proposals will be opened and reviewed.

Mary Richardson-Lowry, Chairman
COMMUNITY DEVELOPMENT COMMISSION

Attach Schedule 1 - Disposition Parcels

SCHEDULE 1

The Disposition Parcels

Address	P.I.N.
3747 - 3749 S Cottage Grove Ave	17-34-421-096
“	17-34-421-099
“	17-34-421-100
“	17-34-421-093