

**City of Chicago  
Department of Housing and Economic Development**

**STAFF REPORT  
TO THE  
COMMUNITY DEVELOPMENT COMMISSION  
REQUESTING DEVELOPER DESIGNATION  
July 12, 2011**

**I. PROJECT IDENTIFICATION AND OVERVIEW**

Project Name: Gateway to the West Loop

Applicant Name: CD-EB/EP Retail JV, LLC is the developer entity undertaking the Gateway to the West Loop Project. The Developer consists of two member entities, EB/EP Real Estate, LLC and CHITOWN-DIAMOND JV, LLC, each of which hold a 50% percentage interest in the Developer. The key principals of EB/EP Real Estate, LLC are Timothy Barrett and Gene Porto. The key principals of CHITOWN-DIAMOND JV, LLC are David Hokin, Rob Rubin and Seymour Taxman.

Project Address: 14-40 S. Halsted Street

Ward and Alderman: 27<sup>th</sup> Ward

Community Area: Near West Side Community Area

Redevelopment Project Area: Near West Tax Increment Finance District

Requested Action: TIF Developer Designation

Proposed Project: Construction of approximately 95,125 sq. ft. of retail space in a three story structure that includes 220 parking spaces at the ground level and the third level parking deck. Anchor Grocer will take approximately 71,595 sq. ft. of the retail space on the second level of the structure.

TIF Assistance: \$7,000,000.00

## **II. PROPERTY DESCRIPTION**

Address:	14-40 S. Halsted Street
Location:	Northwest corner of South Halsted and West Monroe St.
Tax Parcel Numbers:	17-17-209-001, -002, -003, -004, -010, -011, -012, -013, -014, -015, -016, -017, and -018.
Land Area:	Approximately 1.45 acres.
Current Use:	The site is currently improved with a parking lot, which previously serve the adjacent and now-vacant MB Financial Bank Building,
Current Zoning:	DS-3 and DX-7
Proposed Zoning:	PD
Environmental Condition:	Both a Phase I assessment (2003) and a Limited Phase II assessment (2006) have been performed on the project site. No remediation is required, and the site is now ready for development. The Developer does anticipate that the planned site excavation and foundation work will generate certain special waste, and has provided for the lawful disposal of this special waste in its contractor scope of work and the Project Budget.

## **III. BACKGROUND**

In December of 2010, CD-EB/EP Retail JV, LLC (The "Developer") submitted a TIF application proposing a plan to develop a site that is approximately 1.45 acres located at the Northwest corner of south Halsted Street and West Monroe Street. The site is owned by CHITOWN-DIAMONG JV, LLC a member of the development team. The owner had previously submitted a number of proposed plans for the site, but those plans were never realized. The site is currently used as a daily surface parking lot. The proposed project will consist of approximately 95,125 square feet of retail space with 220 parking spaces.

This project is within the 27<sup>th</sup> Ward, in the Near West Side Community area, within the Near West Side Community. The project conforms and compliments the surrounding commercial/retail corridor along Halsted avenue frontage and will also provide 220 parking spaces that will service the development.

#### **IV. PROPOSED DEVELOPMENT TEAM**

**Development Entity:** CD-EB/EP Retail JV, LLC is the developer entity undertaking the redevelopment of the Gateway to the West Loop. CD-EB/EP Retail JV, LLC is owned by EB/EP Real Estate, LLC (Timothy Barrett and Eugene Porto Trust) and CHITOWN-DIAMOND JV, LLC (Seymour Taxman, Rob Rubin, David Hokin, Richard Marks). The development entity of CD-EB/EP Retail JV, LLC (Seymour Taxman and Timothy Barrett) and CHITOWN-DIAMOND JV, LLC will serve as the managers of CD-EB/EP Retail JV, LLC. The developer's organization chart is included in the exhibits.

The lead principals for the Project, Tim Barrett and Gene Porto, worked together for many years as partners and owners at Trammell Crow, where they developed and operated more than 5 million square feet of retail area throughout the Midwest (primarily grocer-anchored). They formed their partnership in 1991, and since then have developed, owned and operated more than 1.2 million square feet of grocer-anchored retail area in a variety of Illinois locations including Antioch, Calumet City, Carol Stream, Fox Lake, Glen Ellyn, Palatine and elsewhere.

CHITOWN-DIAMOND JV, LLC is essentially a single purpose entity that exists only for this project, Seymour Taxman is the materially-involved developer principal of that entity. Seymour Taxman founded The Taxman Corporation, an Illinois corporation in 1974. The Taxman Corporation, is a full service commercial real estate development and management company providing a multitude of services including property development, marketing and economic feasibility studies, coordination of architectural and construction contracts, retail leasing, financial consultation, and management of operating properties.

For over the last thirty years, The Taxman Corporation concentrated its efforts in the Chicago metropolitan area. In that time period, The Taxman Corporation has been involved in the development and/or redevelopment of nearly 2,000,000 square feet of neighborhood and community retail developments. Project sizes range from free-standing buildings containing 6,000 square feet to major retail centers as large as 800,000 square feet

**Consultants:**

Zoning Lawyers:

Daley and George  
20 South Clark St., 400  
Chicago, IL 60603

Architects:

Antunovich Associates  
224 W. Huron St., & East  
Chicago, IL 60610

TIF Lawyers:

DLA Piper LLP  
203 N. LaSalle St., 1900  
Chicago, IL 60601

Traffic Consultants:

KLOA  
9575 W. Higgins Road St. 400  
Rosemont, IL 60018

General Contractor:

Leopardo Companies  
333 W. Wacker Drive, 250  
Chicago, IL 60606

Civil Engineer:

Manhard Consulting LTD  
900 Woodlands Parkway  
Vernon Hills, IL 60061

TIF Consultants:

Laube Companies  
200 S. Wacker Dr., #3100  
Chicago, IL 60606

Landscape Architect:

Wolff Landscape Architecture, Inc.  
307 N. Michigan Ave, #601  
Chicago, IL 60601

Structural Engineer:

CEA& A  
175 N. Franklin St., #410  
Chicago, IL 60606

Geotechnical Engineer:

AECOM  
750 corporate Woods Parkway  
Vernon Hills, IL 60061

MEP/FP Engineer:

Lehman Desing Consultants Inc.  
180 W. Washington, #500  
Chicago, IL 60602

Surveyor:

National Survey  
30 S. Michigan Ave., #200  
Chicago, IL 60603

## **V. PROPOSED PROJECT**

**Project Overview:** The redevelopment site consists of approximately 1.45 acres of vacant land located at the northwest corner of South Halsted Street and West Monroe Street (the "Property"), within the boundaries of the City's Near West Redevelopment Project Area (the "TIF District"). The site is currently owned by CHITOWN-DIAMOND JV, LLC, a member of the Developer. The site is currently used as a parking lot, which previously served the adjacent and now-vacant MB Financial Bank building, which opened a new facility to the north of the project site in 2005. The project site excludes the 6-story and 2-story existing buildings located to the north along West Madison Street.

The Developer proposes a retail development consisting of 95,125 square feet of retail that includes 23,530 square feet of ground floor neighborhood retail and approximately 71,595 square feet on the second where a grocery store will be located. The Developer has entered into a lease with Roundy's Supermarkets, Inc. (Mariano's) for the grocery store space. The development also includes approximately 220 parking spaces, 40 of those spaces located on the ground level and the remaining 180 parking spaces, on the third level parking deck. (collectively the "Project").

Twenty-five of the parking spaces are contemplated to be covered surface-level parking spaces located at the rear/service side of the ground-floor retail space. Forty of the parking spaces are contemplated to be located in a ground-floor parking garage located in the western half of the building; this parking area would also include the entrance ramp to the third-floor parking deck,

which would provide the remaining 180 parking spaces. The entrance to the ground-floor parking garage and third-floor parking deck would be accessed from West Monroe Street, via Academy Place. The surface-level service area parking spaces would be accessed in the same manner.

The three-story structure will establish a visual presence along South Halsted and West Monroe Streets by replacing the existing surface parking lot with a more active design. The building will be constructed of brick and pre-cast concrete; glass within metal frames will make-up the majority of facade around entry-ways, exterior staircases and parking levels. The maximum allowable height throughout this sub area will be 70'.

The grocery store will have a loading dock on the ground floor under the store that is serviced off of Academy Place. Trucks enter from the north off of Madison onto Academy and back into the off street dock. Goods are brought up by two service elevators exclusively for the grocery Store.

The proposed Mariano's store is an unusual and successful grocery concept. It was conceived and has been implemented by Bob Mariano, the former CEO of Dominick's and current CEO of Wisconsin-based Roundy's. The store will offer a combination of high-quality produce and other perishable goods, along with a broad variety of core grocery products at very competitive prices. Customers have responded enthusiastically to recently-opened Mariano's stores in Arlington Heights and Vernon Hills, and these stores are offering a new and improved source of groceries to shoppers and competing successfully with established grocers such as Dominick's, Jewel, Wal-Mart and Whole Foods. The store at Halsted and Monroe Streets also will feature a modern, attractive and sustainable building that will improve the appearance and functioning of its location.

For the ground floor retail, 23,535 square feet, the Developer is targeting a national cosmetics chain for aggregate 9,000 – 10,000 square feet. There is a local restaurateur interested in approximately 4,000 square feet. There are LOI's out for 2 national tenants that would provide "sit down" food service that aggregate to approximately 7,000 square feet.

Sub Area B of the development site, not to be included in this deal, will consist of a future development that includes 250' hotel tower, with 224 rooms and 180 parking spaces. A tenant for the hotel has not been selected by the developer and if no operator is chosen, the developer has the option of constructing Sub Area B as a 200-unit residential building, with the same number of parking spaces. If that use change occurs, the developer must come back to the City for Site Plan Review Approval.

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

**Environmental Features:** The developer is proposing a 100% Green Roof and LEED certification for the proposed project. This development will comply with DHED's Green Matrix requirements.

**VI. FINANCIAL STRUCTURE**

The City, through the Department of Housing and Economic Development, intends to reimburse the Developer for a portion of their TIF Eligible costs in an amount not exceed the lesser of \$7,000,000 or 26.2% of the Total Hard Costs of Construction, currently estimated to be \$26,693,764. The assistance is roughly equal to 16.7% of the total anticipated project cost of \$41,844,287. The City’s assistance will be provided as a reimbursement for eligible costs which include Acquisition, Site Prep, and miscellaneous Soft Costs and will be provided in full upon the closing of the TIF Redevelopment Agreement. The assistance will be made from available area wide increment within the Near West TIF Redevelopment Project Area.

Upon the closing of the RDA and the City’s issuance of the TIF Payment, the Developer will post an unconditional, irrevocable Letter of Credit from an issuer acceptable to the City equal to the full amount of the TIF Payment. The Letter of Credit will be renewed and maintained in the full amount of the TIF Payment until the issuance of the Certificate of Completion. Upon issuance of the Certificate of Completion, the Developer’s obligation to renew and maintain the Letter of Credit will terminate, the City will return the Letter of Credit to the Developer, and the Developer will provide the City with additional security for its reporting obligations under the RDA in the form of a subordinated mortgage (the 2<sup>nd</sup> mortgage) for the property. The 2<sup>nd</sup> Mortgage will have a term of ten years from the date of issuance of the Certificate of Completion which mirrors the term of the ongoing reporting requirements.

Because of the extraordinary costs associated with the project, this development would not move forward without utilizing TIF in order to help bridge the financing gap.

<b>Sources</b>	<b>Amount</b>	<b>% of Total Sources</b>
Bank/Construction Loan (Wells Fargo)	\$29,594,286	70.72%
TIF	\$7,000,000	16.73%
Developer Equity	\$5,250,000	12.55%
<b>Total Sources</b>	<b>\$41,844,286</b>	<b>100.00%</b>

Total Square Footage of Retail Space 95,125

<b>Uses</b>	<b>Amount</b>	<b>\$/SF of Retail Space*</b>
Hard Costs		
Site Preparation	\$200,000	\$2.10
Environmental	\$50,000	\$0.53
Hard Construction	\$ 25,317,080	\$266.15

Demolition	\$ 50,000	\$0.53
Project Sign	\$ 50,000	\$0.53
Hard Cost Contingency	\$1,026,683	\$10.79
<b>Total Hard Costs</b>	<b>\$26,693,763</b>	<b>\$ 280.62</b>

<b>Soft Costs/Fees</b>	<b>Amount</b>	<b>\$/SF of Retail Space*</b>	<b>%/Hard Costs</b>
Architecture and Engineering	\$795,000	\$ 8.36	2.98%
			<u>%/Total Project Costs</u>
Testing	\$150,000	\$1.58	0.36%
Permits	\$367,089	\$3.86	0.88%
Leasing Commissions	\$480,494	\$5.05	1.15%
Real Estate Taxes During Construction	\$200,000	\$2.10	0.48%
Insurance	\$ 25,000	\$0.26	0.06%
Legal	\$350,000	\$3.68	0.84%
Utility Charges	\$50,000	\$0.53	0.12%
Overhead Expenses	\$500,000	\$5.26	1.19%
Loan Fees	\$225,000	\$2.37	0.54%
Contingency	\$125,703	\$1.32	0.30%
Developer Fees	\$750,000	\$7.88	1.79%
<b>Total Soft Costs</b>	<b>\$ 4,018,286</b>	<b>\$ 42.24</b>	

		<b>Square Feet of Land</b>	<b>Land Cost Per Sq/Ft.</b>
<b>Land Acquisition and Assembly</b>	<b>\$ 11,132,237</b>	63,179	\$176.20
<b>Total Uses</b>	<b>\$ 41,844,286</b>		

\*Project is 95,125 square feet of Retail

Stabilize year pro forma included in exhibits.

## **VII. PUBLIC BENEFITS**

The proposed project will provide the following public benefits.

**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 will incorporate 100% Green Roof and LEED Certification for the building.

**Permanent Jobs:** The project is estimated to generate 200 permanent jobs. The department's workforce development specialists will work with the developer on job training and placement.

**Construction Jobs:** The project will produce 256 temporary construction jobs.

**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 has provided notification of the proposed project, by certified mail, to several associations of minority and women contractors. A sample version of the letter and copies of the post office receipts for the certified letters are presented as exhibits to this report.

**City Residency:** The developer will comply with the requirements of Chicago's city residency ordinance, which requires that at least half of all construction-worker hours be filled by Chicago residents. The developer will also comply with the requirement that all construction jobs are paid the prevailing wage.

## **VIII. COMMUNITY SUPPORT**

Alderman Walter Burnet endorses the project and has provided a letter of support (see exhibits for copy). The project was presented to the community at a meeting held on January 21, 2011. (See exhibits for a copy of the support letters).

## **IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN**

The proposed project is located in the Near West Tax Increment Financing Redevelopment Project Area. The proposed project will satisfy the following goals of the area's redevelopment plan: Strengthen the economic well-being of the Near West redevelopment project Area and the city by increasing business activity, taxable values and job opportunities. Achieve development which is integrated both functionally and aesthetically with nearby existing development. The implementation strategy for achieving the plan's goals envisions the need to provide TIF financial assistance for the development of Gateway to the West Loop. The proposed project also conforms to the plan's land use map, which calls for commercial/retail development at the subject site.



## **X. CONDITIONS OF ASSISTANCE**

If the proposed resolution is approved by the CDC, HED will negotiate a redevelopment agreement with the developer. The redevelopment agreement will incorporate the parameters of the proposed project as described in this staff report.

It is HED 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 documents will include a development timetable.

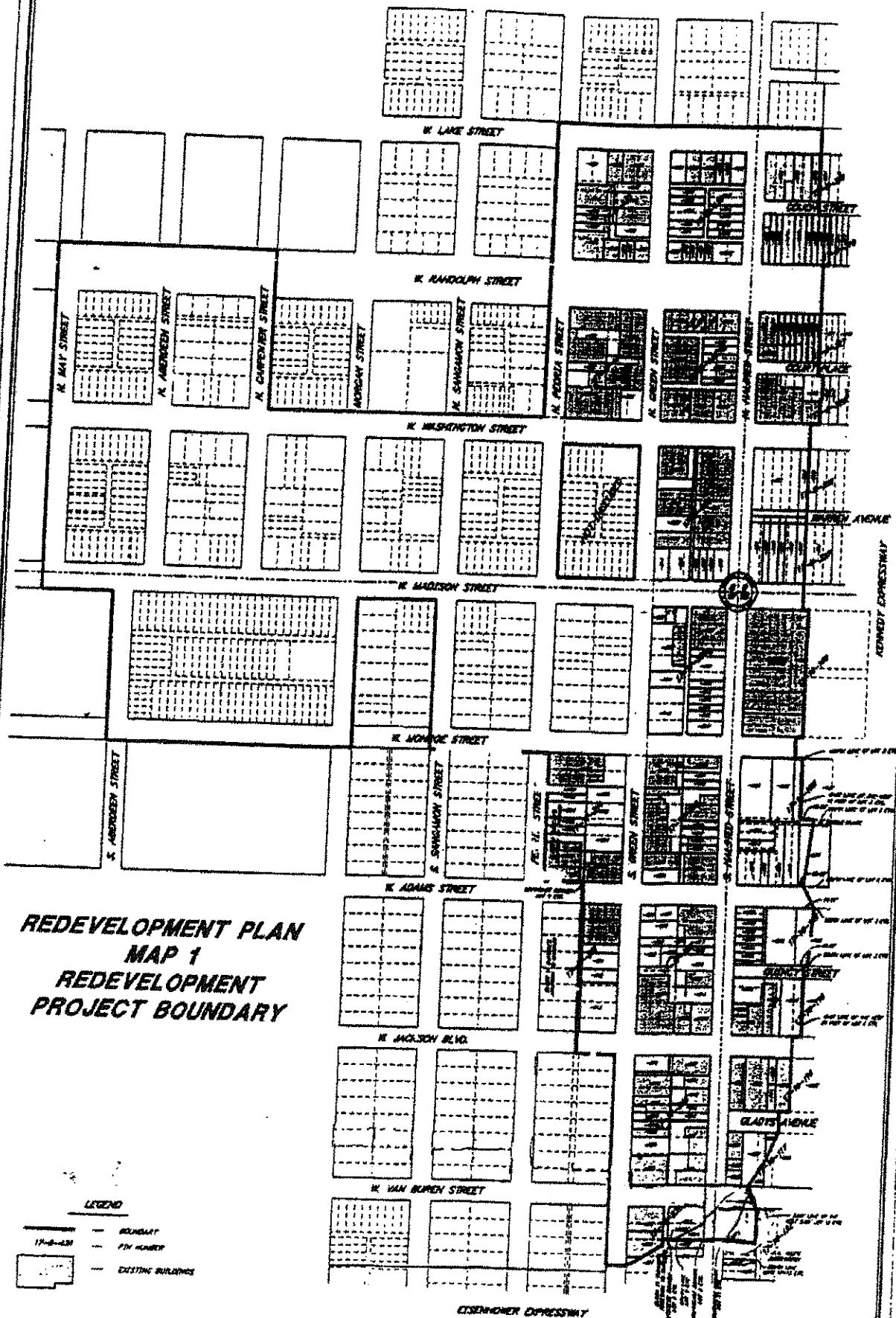
## **XI. RECOMMENDATION**

The Department of Housing and Economic 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 HED recommends that the CDC recommend to the City Council the designation of CD-EB/EP Retail JV, LLC as Developer for the construction of approximately 95,125 sq. ft. of retail space in a three story structure that includes 220 parking spaces at the ground level and the third level parking deck at 14-40 S. Halsted Street.

**EXHIBITS**

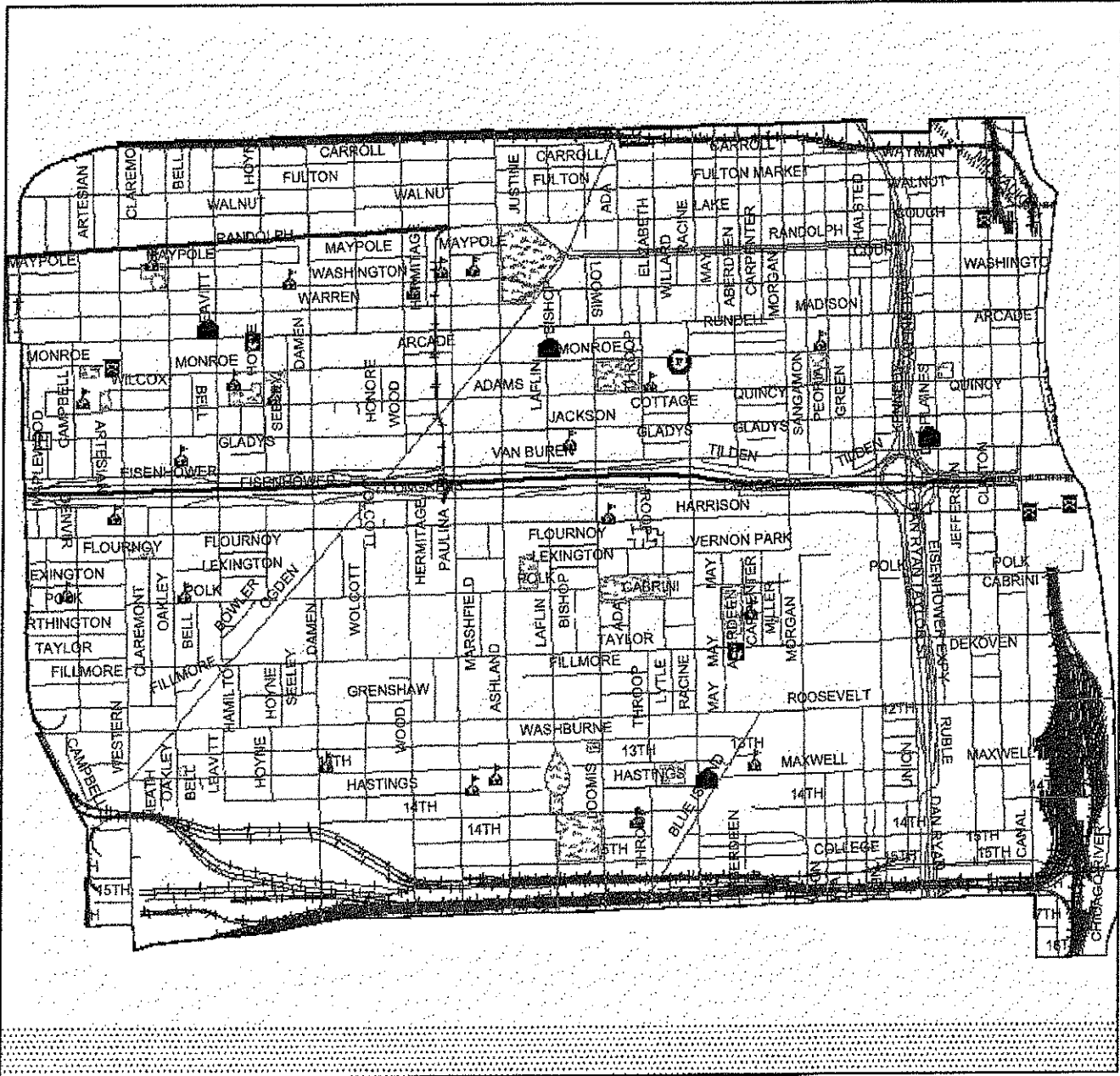
Redevelopment Area Map  
Neighborhood Map or Aerial  
+Survey or Plat  
Site Plan  
Typical Floor Plan  
Front Elevation or Rendering  
Sample M/WBE Letter  
Copies of M/WBE Certified Letter Receipts  
Lender's Letter of Interest  
Community Letters of Support  
Alderman's Letter of Support

WEST TAX INCREMENT FINANCING DISTRICT

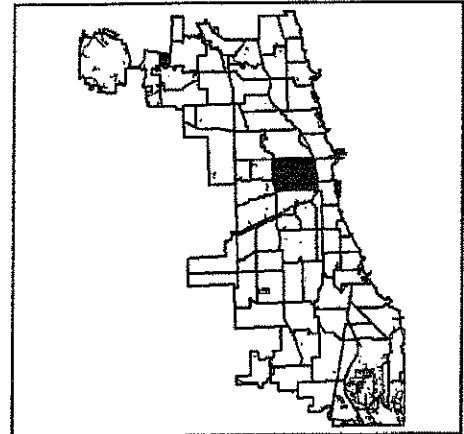




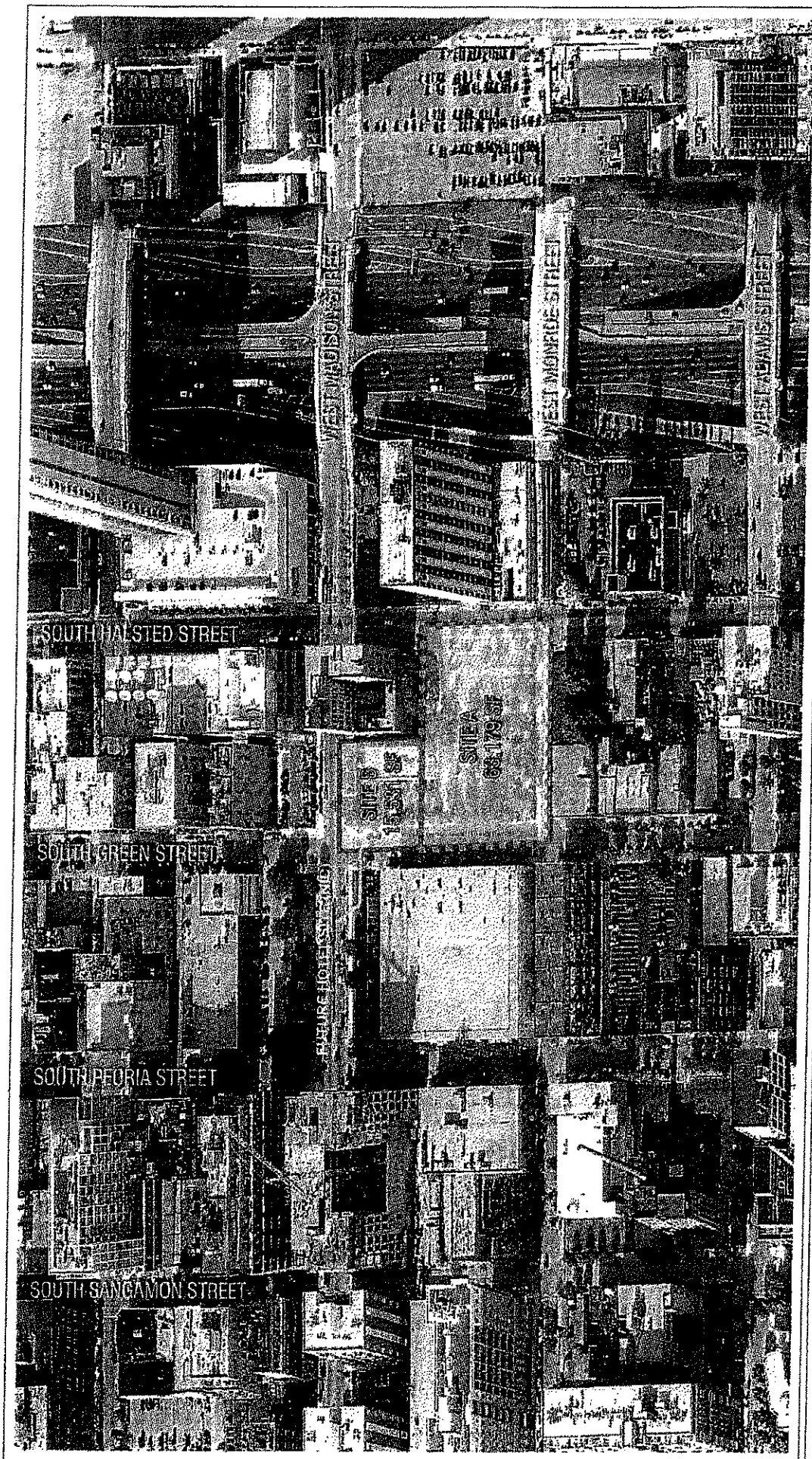
# NEAR WEST SIDE



Legend	
	Firehouses
	Hospitals
	Libraries
	Police Facilities
	Schools
	U S Post Offices
	Railroads
	Cemeteries
	Parks
	CTA Lines
	Blue Line Subway
	Blue Line Elevated/At-Grade
	Brown Line
	Brown, Purple Lines
	Green Line
	Green, Orange Lines
	Pink, Brown, Purple, Orange Lines
	Pink, Brown, Purple, Orange, Green Lines
	Orange Line
	Purple Line
	Red Line Subway
	Red Line Elevated/At-Grade
	Red, Purple Lines
	Red, Purple, Brown Lines
	Yellow Line

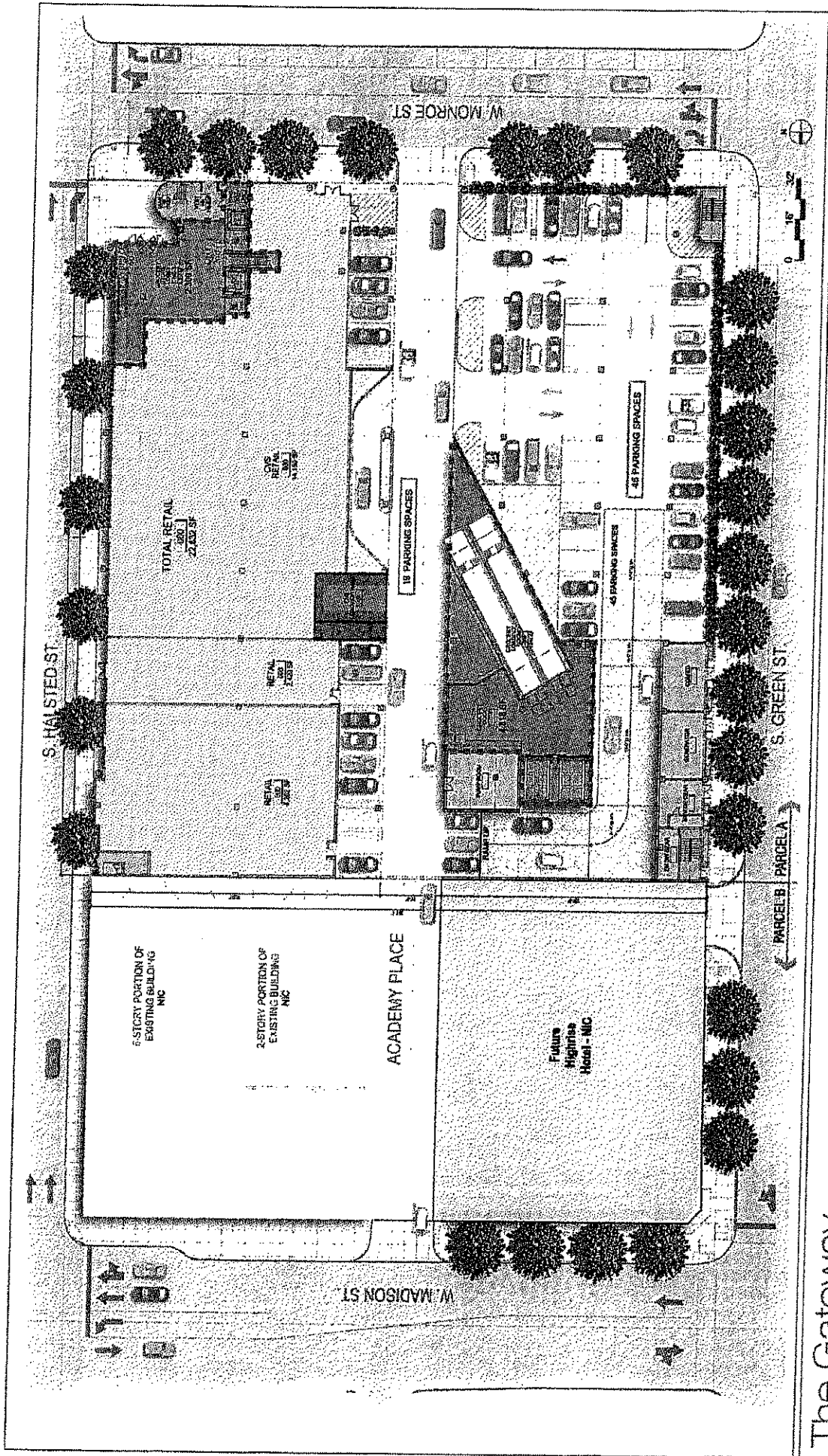






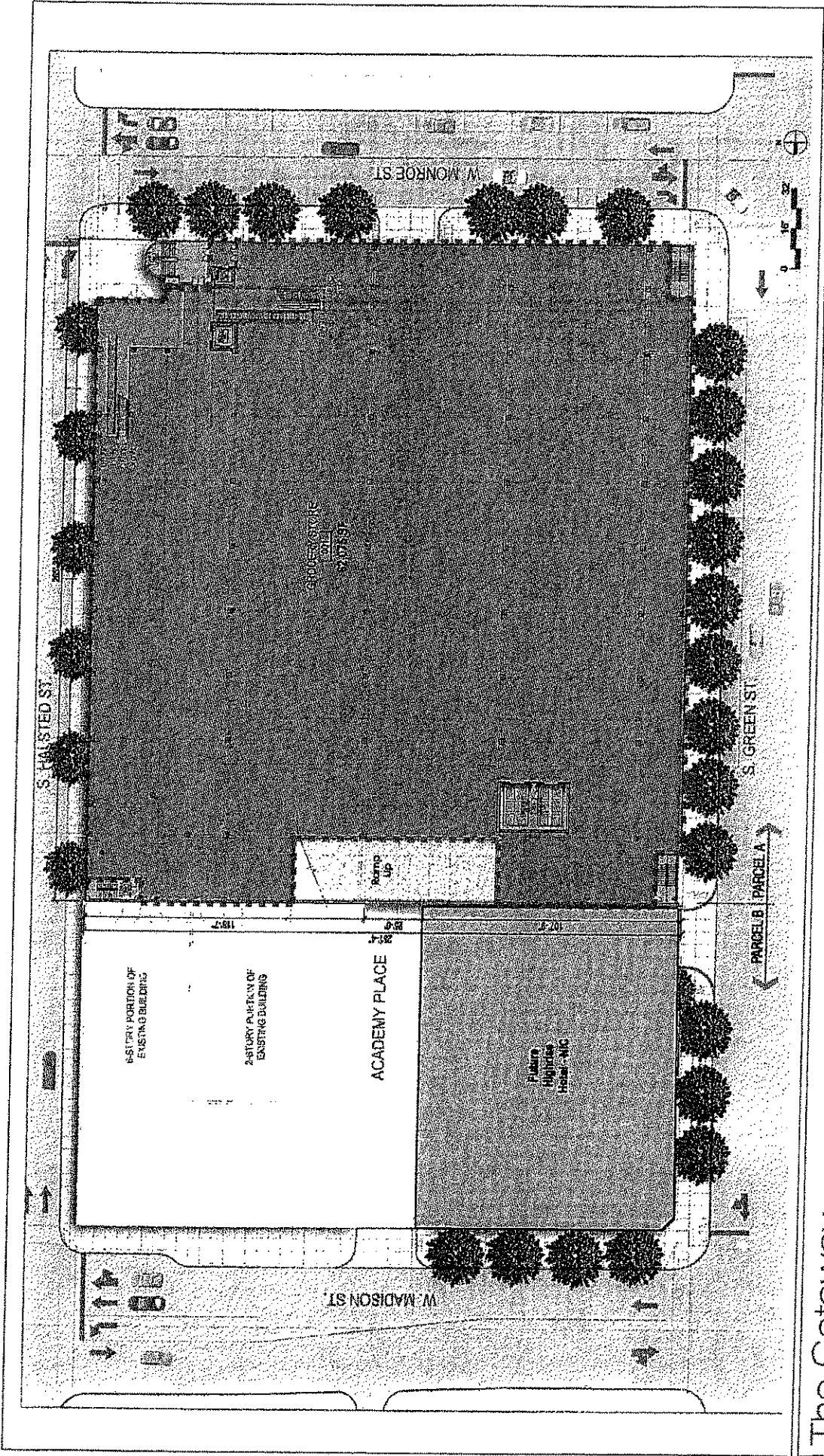
The Gateway To the West Loop - Mixed - Use Development

The Gateway, LLC | Architectural Associates Architects, Planners



# The Gateway To the West Loop - Mixed - Use Development

The Railway, LLC | Architecture | Interiors, Planning



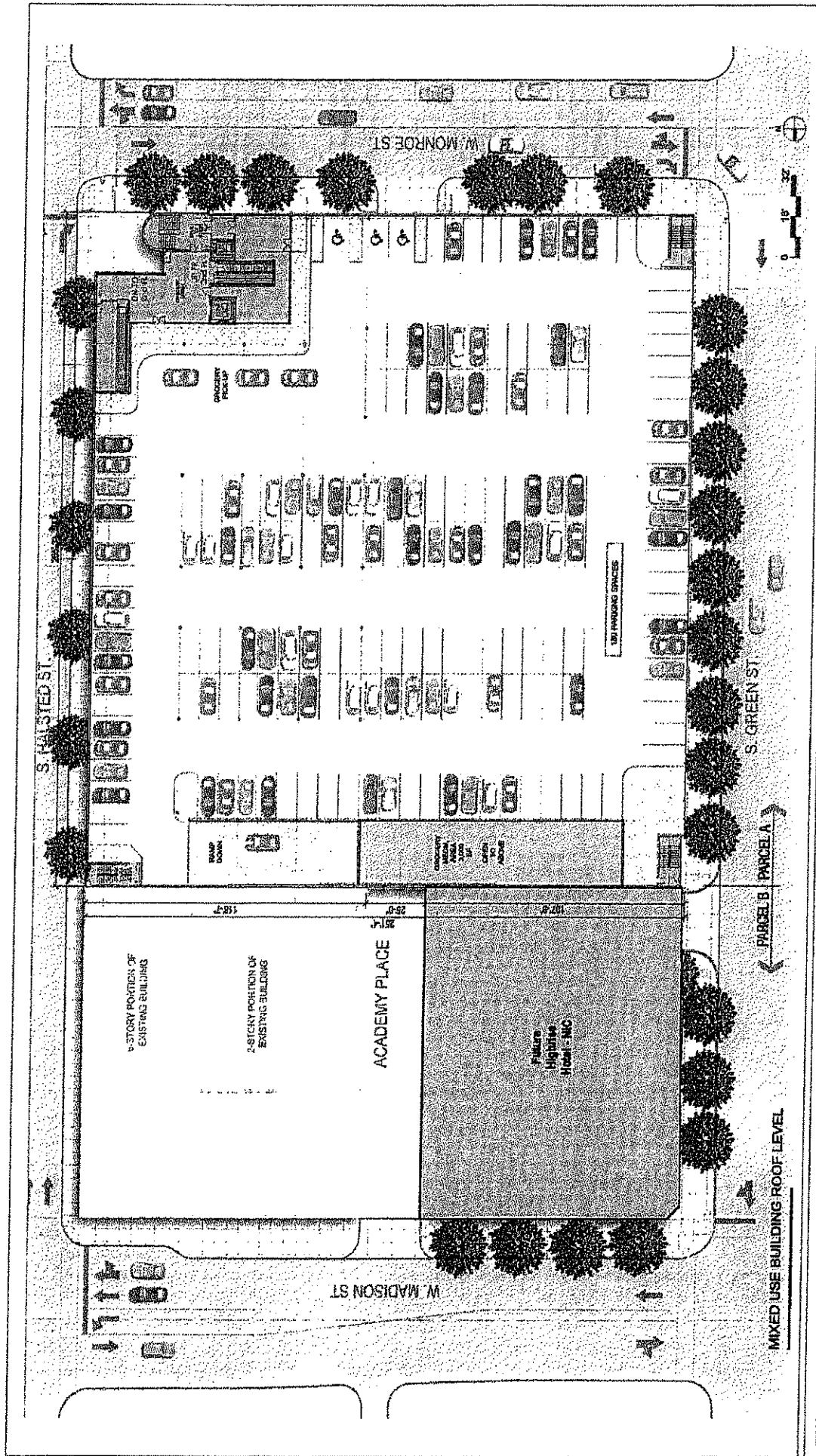
**The Gateway** To the West Loop - Mixed - Use Development

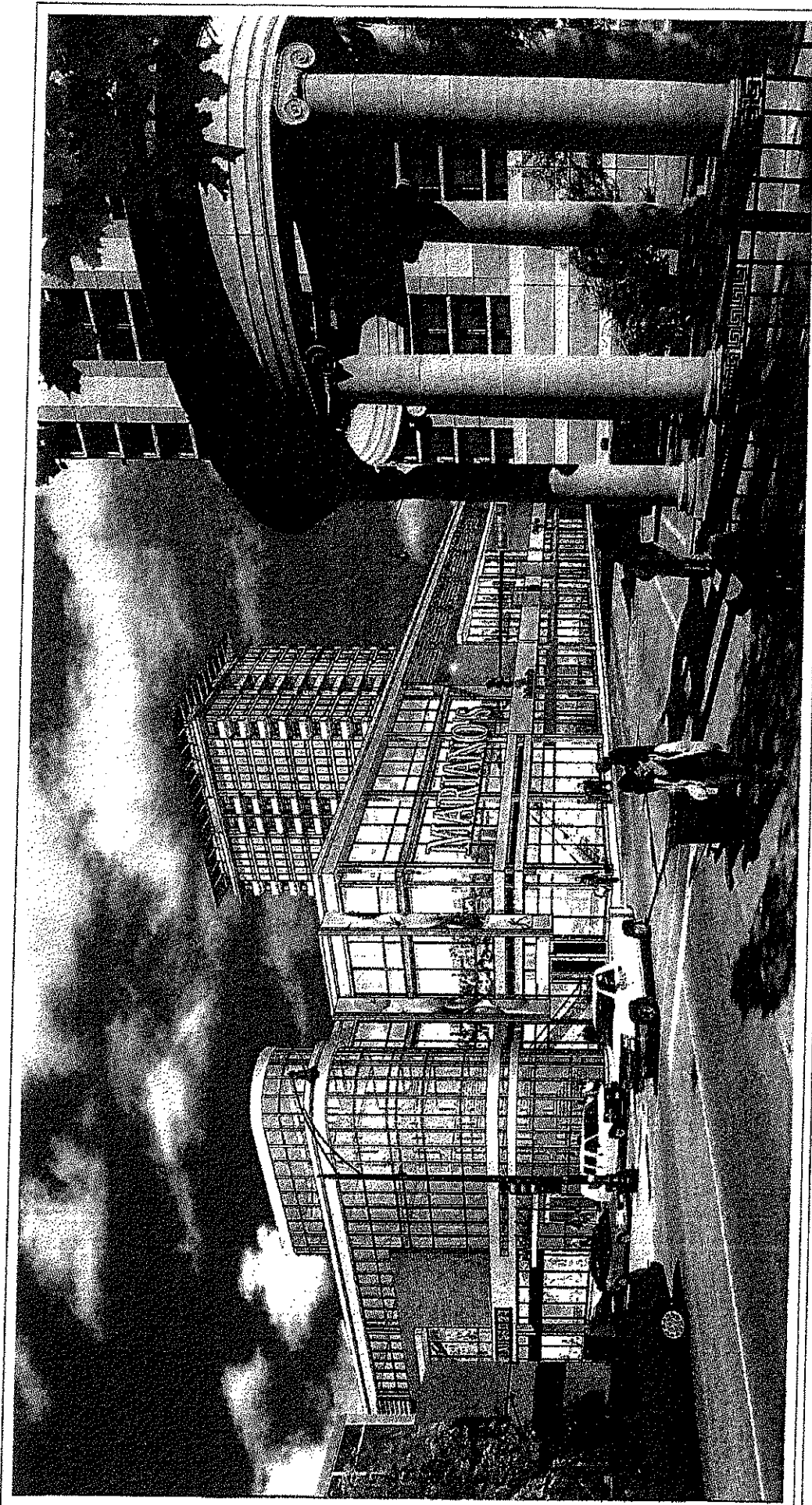
The Gateway, LLC | Architects: Architects - Planners

Second Floor Plan

Chicago, IL | September 15th, 2010



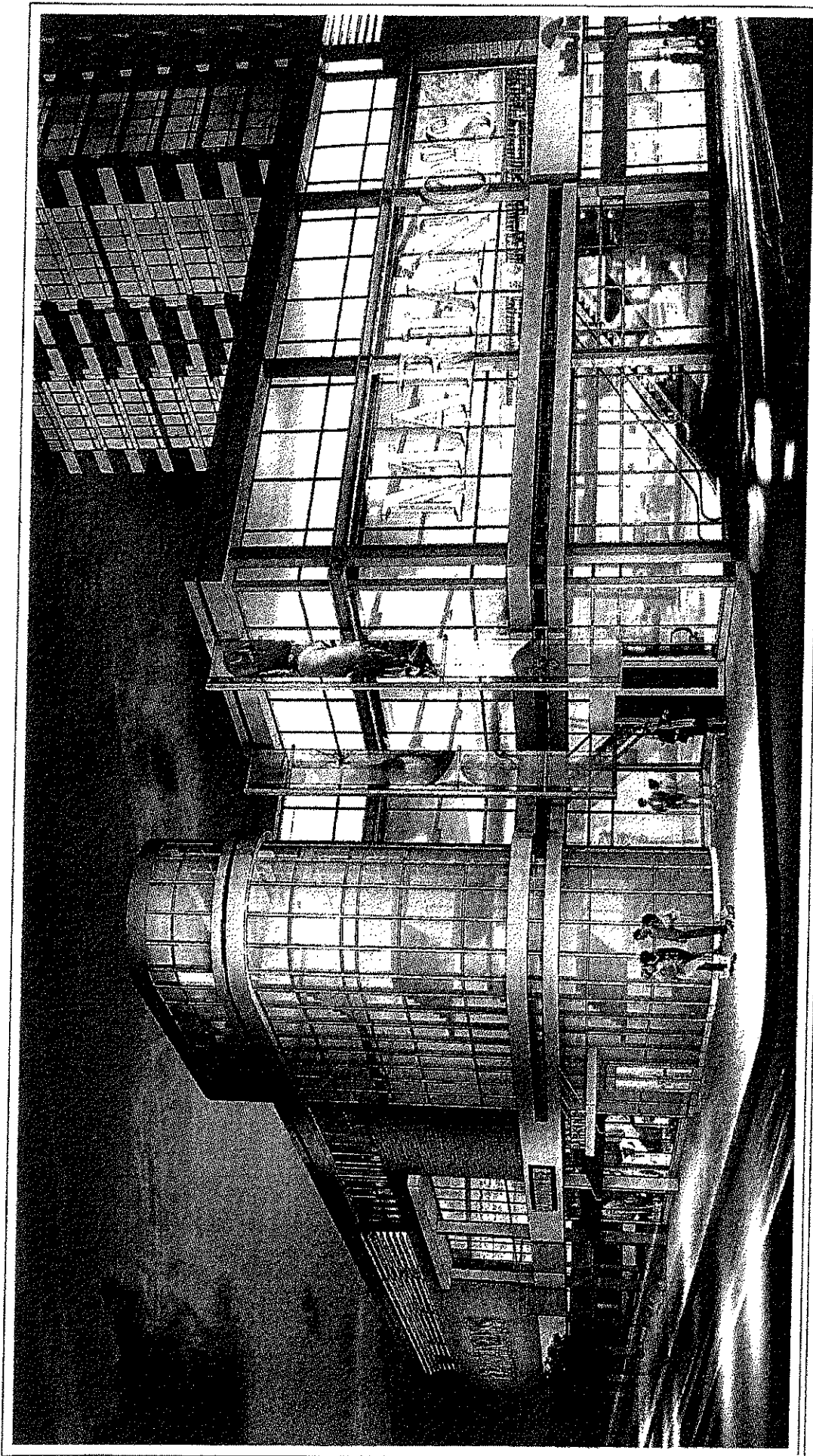




# The Gateway To the West Loop - Mixed - Use Development

The Gateway, LLC | Aukerman| Associates Architects, Planners

Chicago, IL | September 13th, 2010



# The Gateway To the West Loop - Mixed - Use Development

The Gateway, LLC | Amnicon Associates Architects, Partners

Chicago, IL | September 13th, 2010



June 24, 2011

CD-EB/EP RETAIL JV, LLC  
C/O BARRETT & PORTO REAL ESTATE LLC  
221 WEST ILLINOIS ST.  
WHEATON, IL. 60187

BY CERTIFIED MAIL

Ms. Hedy Ratner  
Women Business Development Center  
8 S. Michigan Avenue, Suite 400  
Chicago, IL. 60603

Re: Gateway Redevelopment Project – Monroe/Halsted Streets, Chicago, Illinois

Dear Ms. Ratner:

CD-EB/EP Retail JV, LLC ("Developer") is pleased to announce the redevelopment of certain property generally located at the northwest corner of the intersection of Monroe and Halsted Streets in Chicago, Illinois (the "Property"). The Property will be redeveloped with a building housing a grocery store and other retail uses.

The Developer has tentatively chosen Leopardo Companies, Inc. to be the general contractor for the project. The project will require the participation of multiple trades. The project will be subject to minority business enterprise (MBE) participation of a minimum of 24 percent and women business enterprise (WBE) participation of a minimum of 4 percent for certain budget items. The Developer expects that construction will begin in September 2011 and be completed in September 2012. The general contractor may be contacted at 5200 Prairie Stone Parkway, Hoffman Estates, Illinois 60192, phone: 847.783.3300.

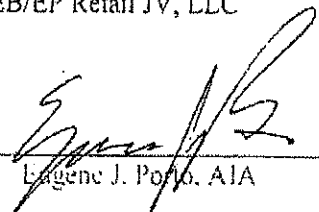
At your request, the general contractor will meet with a representative of your organization to present the draft project budget and schedule when they have been completed. Further, at your request, the general contractor will also provide your organization with one copy of the project bid documents (including plans and specifications) when they have been prepared.

CD-EB/EP RETAIL JV, LLC  
C/O BARRETT & PORTO REAL ESTATE LLC  
221 WEST ILLINOIS ST.  
WHEATON, IL. 60187

The Developer is requesting that you make your member companies aware of this exciting project so that they may submit bids for appropriate subcontracting opportunities. Should you have any questions, please do not hesitate to call.

Sincerely,  
CD-EB/EP Retail JV, LLC

By: \_\_\_\_\_

  
Eugene J. Porro, AIA

cc: Mary Bonome, Dept. of Housing and Economic Development, City of Chicago  
Mike Laube, Laube Companies  
Paul Shadle, DLA Piper  
Pierre Cowart, Leopardo Companies

221 WEST ILLINOIS STREET WHEATON, ILLINOIS 60187  
PHONE 630.221.7000 FAX 630.221.7009



CD-EB/EP RETAIL JV, LLC  
C/O BARRETT & PORTO REAL ESTATE LLC  
221 WEST ILLINOIS ST.  
WHEATON, IL. 60187

June 24, 2011

BY CERTIFIED MAIL

Ms. Beth Doria  
Federation of Women Contractors  
5650 S. Archer Avenue  
Chicago, IL. 60638

Re: Gateway Redevelopment Project – Monroe/Halsted Streets, Chicago, Illinois

Dear Ms. Doria:

CD-EB/EP Retail JV, LLC ("Developer") is pleased to announce the redevelopment of certain property generally located at the northwest corner of the intersection of Monroe and Halsted Streets in Chicago, Illinois (the "Property"). The Property will be redeveloped with a building housing a grocery store and other retail uses.

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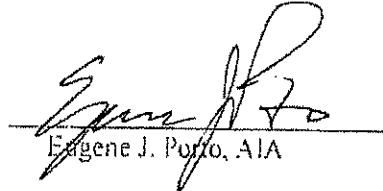
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Sincerely,  
CD-EB/EP Retail JV, LLC

By:

  
Eugene J. Porto, AIA

cc: Mary Bonome, Dept. of Housing and Economic Development, City of Chicago  
Mike Laube, Laube Companies  
Paul Shadle, DLA Piper  
Pierre Cowart, Leopardo Companies

221 WEST ILLINOIS STREET WHEATON, ILLINOIS 60187  
PHONE 630.221.7000 FAX 630.221.7009



CD-EB/EP RETAIL JV, LLC  
C/O BARRETT & PORTO REAL ESTATE LLC  
221 WEST ILLINOIS ST.  
WHEATON, IL. 60187

June 24, 2011

BY CERTIFIED MAIL

Mr. Perry Nackachi  
Association of Asian Construction Enterprises  
333 N. Ogden Avenue  
Chicago, IL. 60607

Re: Gateway Redevelopment Project – Monroe/Halsted Streets, Chicago, Illinois

Dear Mr. Nackachi:

CD-EB/EP Retail JV, LLC ("Developer") is pleased to announce the redevelopment of certain property generally located at the northwest corner of the intersection of Monroe and Halsted Streets in Chicago, Illinois (the "Property"). The Property will be redeveloped with a building housing a grocery store and other retail uses.

The Developer has tentatively chosen Leopardo Companies, Inc. to be the general contractor for the project. The project will require the participation of multiple trades. The project will be subject to minority business enterprise (MBE) participation of a minimum of 24 percent and women business enterprise (WBE) participation of a minimum of 4 percent for certain budget items. The Developer expects that construction will begin in September 2011 and be completed in September 2012. The general contractor may be contacted at 5200 Prairie Stone Parkway, Hoffman Estates, Illinois 60192, phone: 847.783.3300.

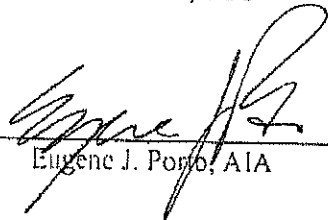
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Sincerely,  
CD-EB/EP Retail JV, LLC

By:   
Eugene J. Porto, AIA

cc: Mary Bonome, Dept. of Housing and Economic Development, City of Chicago  
Mike Laube, Laube Companies  
Paul Snadle, DLA Piper  
Pierre Cowart, Leopardo Companies

221 WEST ILLINOIS STREET WHEATON, ILLINOIS 60187  
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CD-EB/EP RETAIL JV, LLC  
C/O BARRETT & PORTO REAL ESTATE LLC  
221 WEST ILLINOIS ST.  
WHEATON, IL. 60187



June 24, 2011

BY CERTIFIED MAIL

Mr. Edward T. McKinnie  
Black Contractors United  
400 W. 76<sup>th</sup> Street  
Chicago, IL. 60620

Re: Gateway Redevelopment Project – Monroe/Halsted Streets, Chicago, Illinois

Dear Mr. McKinnie:

CD-EB/EP Retail JV, LLC ("Developer") is pleased to announce the redevelopment of certain property generally located at the northwest corner of the intersection of Monroe and Halsted Streets in Chicago, Illinois (the "Property"). The Property will be redeveloped with a building housing a grocery store and other retail uses.

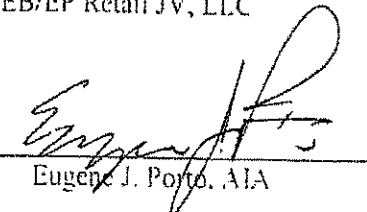
The Developer has tentatively chosen Leopardo Companies, Inc. to be the general contractor for the project. The project will require the participation of multiple trades. The project will be subject to minority business enterprise (MBE) participation of a minimum of 24 percent and women business enterprise (WBE) participation of a minimum of 4 percent for certain budget items. The Developer expects that construction will begin in September 2011 and be completed in September 2012. The general contractor may be contacted at 5200 Prairie Stone Parkway, Hoffman Estates, Illinois 60192, phone: 847.783.3300.

At your request, the general contractor will meet with a representative of your organization to present the draft project budget and schedule when they have been completed. Further, at your request, the general contractor will also provide your organization with one copy of the project bid documents (including plans and specifications) when they have been prepared.

CD-EB/EP RETAIL JV, LLC  
C/O BARRETT & PORTO REAL ESTATE LLC  
221 WEST ILLINOIS ST.  
WHEATON, IL. 60187

The Developer is requesting that you make your member companies aware of this exciting project so that they may submit bids for appropriate subcontracting opportunities. Should you have any questions, please do not hesitate to call.

Sincerely,  
CD-EB/EP Retail JV, LLC

By:   
Eugene J. Porto, AIA

cc: Mary Bonome, Dept. of Housing and Economic Development, City of Chicago  
Mike Laube, Laube Companies  
Paul Shadle, DLA Piper  
Pierre Cowart, Leopardo Companies

221 WEST ILLINOIS STREET WHEATON, ILLINOIS 60187  
PHONE 630.221.7000 FAX 630.221.7009



CD-EB/EP RETAIL JV, LLC  
C/O BARRETT & PORTO REAL ESTATE LLC  
221 WEST ILLINOIS ST.  
WHEATON, IL. 60187

June 24, 2011

BY CERTIFIED MAIL

Mr. Juan Ochoa  
Mexican American Chamber of Commerce  
111 W. Washington Street  
Chicago, IL 60602

Re: Gateway Redevelopment Project – Monroe/Halsted Streets, Chicago, Illinois

Dear Mr. Ochoa:

CD-EB/EP Retail JV, LLC ("Developer") is pleased to announce the redevelopment of certain property generally located at the northwest corner of the intersection of Monroe and Halsted Streets in Chicago, Illinois (the "Property"). The Property will be redeveloped with a building housing a grocery store and other retail uses.

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CD-EB/EP RETAIL JV, LLC  
C/O BARRETT & PORTO REAL ESTATE LLC  
221 WEST ILLINOIS ST.  
WHEATON, IL. 60187

June 24, 2011

BY CERTIFIED MAIL

Mr. Omar Shareef  
African American Contractors Association  
3901 S. State Street, Suite 103  
Chicago, IL. 60609

Re: Gateway Redevelopment Project – Monroe/Halsted Streets, Chicago, Illinois

Dear Mr. Shareef:

CD-EB/EP Retail JV, LLC (“Developer”) is pleased to announce the redevelopment of certain property generally located at the northwest corner of the intersection of Monroe and Halsted Streets in Chicago, Illinois (the “Property”). The Property will be redeveloped with a building housing a grocery store and other retail uses.

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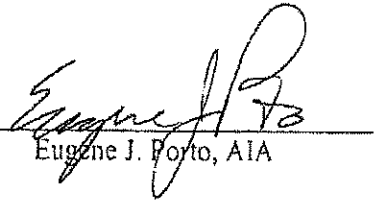
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CD-EB/EP RETAIL JV, LLC  
C/O BARRETT & PORTO REAL ESTATE LLC  
221 WEST ILLINOIS ST.  
WHEATON, IL. 60187

The Developer is requesting that you make your member companies aware of this exciting project so that they may submit bids for appropriate subcontracting opportunities. Should you have any questions, please do not hesitate to call.

Sincerely,  
CD-EB/EP Retail JV, LLC

By:

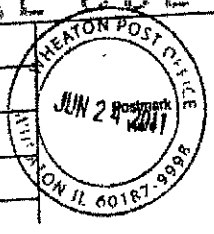
  
Eugene J. Porto, AIA

cc: Mary Bonome, Dept. of Housing and Economic Development, City of Chicago  
Mike Laube, Laube Companies  
Paul Shadle, DLA Piper  
Pierre Cowart, Leopardo Companies

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 Association of Asian Construction  
 Enterprises  
 333 N. Ogden Avenue  
 Chicago, IL 60607

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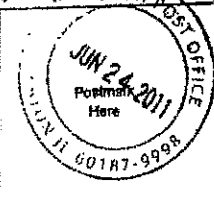
Send To: Mr. Edward T. McKinnie  
 Black Contractors United  
 100 W. 76<sup>th</sup> Street  
 Chicago, IL 60620

PS Form 3800, June 2002

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Send To: Mr. Juan Ochoa  
 Mexican American Chamber of  
 Commerce  
 111 W. Washington Street  
 Chicago, IL 60602

PS Form 3800, June 2002

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Send To: Mr. Omar Shareef  
 African American Contractors  
 Association  
 3901 S. State Street, Suite 103  
 Chicago, IL 60609

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 WHEATON IL 60187-9998

To: Ms. Hedy Ratner  
 Women Business Development  
 Center  
 8 S. Michigan Avenue, Suite 400  
 Chicago, IL 60603

7004 1160 0002 5838 4719

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To: Mr. Paul Cerpa  
 Hispanic American Const Industry  
 901 W. Jackson Blvd, Suite 205  
 Chicago, IL 60607

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**OFFICIAL USE**

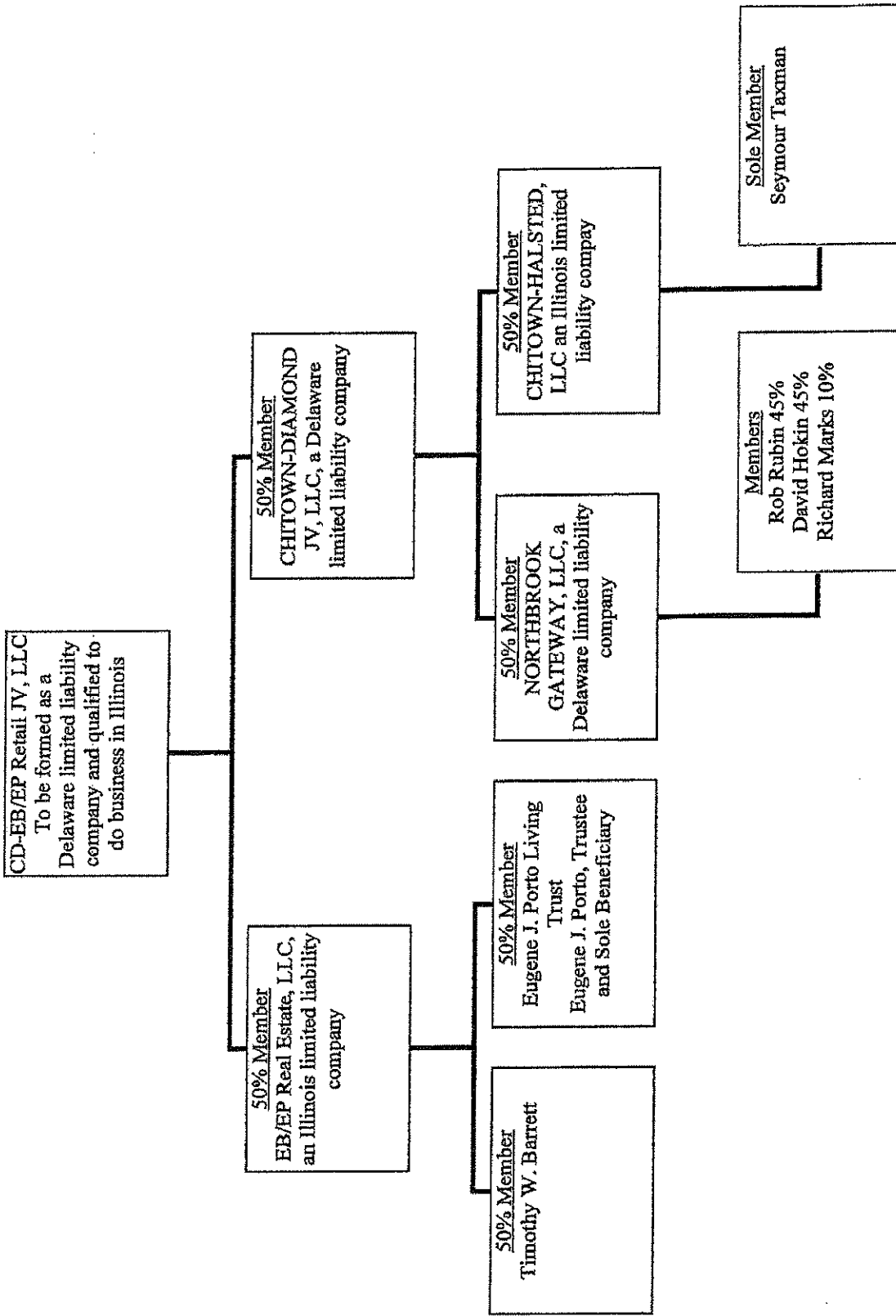
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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	

Postmark  
**JUN 24 2011**  
 WHEATON POST OFFICE  
 WHEATON IL 60187-9998

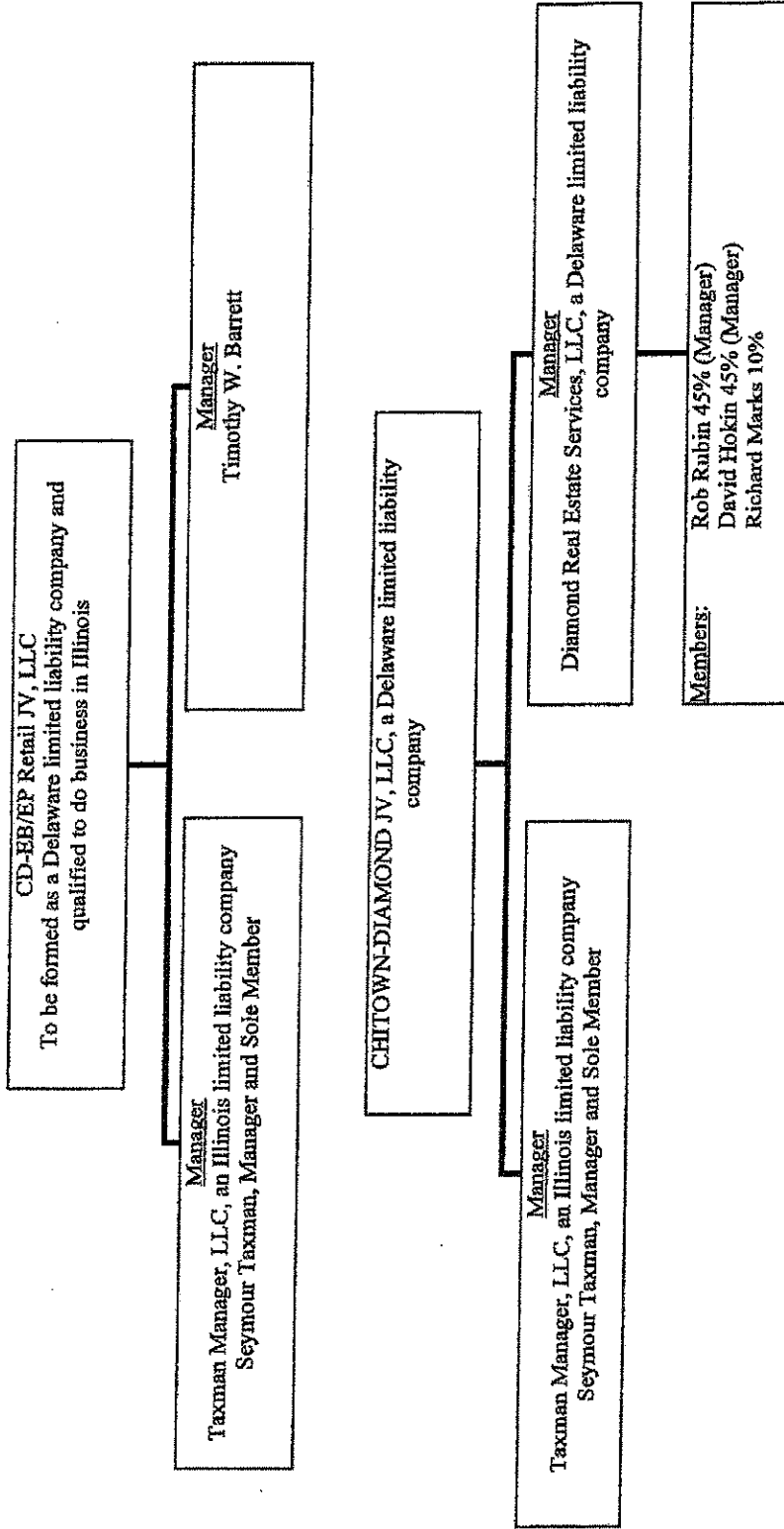
To: Ms. Beth Doria  
 Federation of Women Contractors  
 5650 S. Archer Avenue  
 Chicago, IL 60638

7004 1160 0002 5838 4726





Managers



NORTHBROOK GATEWAY, LLC, a Delaware limited liability company

Manager  
Diamond Real Estate Services, LLC  
(see above)



February 10, 2011

Mr. Seymour Taxman  
The Taxman Corporation  
5215 Old Orchard Road  
Suite 130  
Skokie, IL 60606

Dear Sy,

The following is a summary of proposed terms regarding financing for The Gateway on a conventional basis. It is intended only to be indicative of certain terms and conditions around which credit approval may be sought, and if approved, how the loan might be structured.

<u>Borrower</u>	CD-EB/EP Retail JV, LLC, form and ownership TBD.
<u>Purpose</u>	Fund construction of an approximate 190,000 SF retail and parking garage project located at the NWC of Monroe and Halsted Streets in Chicago, IL.
<u>Loan Amount</u>	Estimated as \$26,000,000 constrained to the lesser of (i) 65% LTC, (ii) 75% LTV, or (iii) a 10% constant carried (stabilized appraised NOI divided by 10%).
<u>Interest Rate</u>	30-day LIBOR plus 3.00% subject to an interest rate floor of 3.50%.
<u>Term</u>	Up to 5 years with TBD leasing and property performance covenants.
<u>Origination Fee</u>	Up 0.50% of the loan amount depending on term.
<u>Guarantees</u>	Sponsors, including Seymour Taxman, Timothy Barrett, and Eugene Porto and managing member entities, to provide 100% completion and TBD repayment guarantees.
<u>Prepayment</u>	TBD.
<u>Borrower Equity</u>	Based on a total cost budget of \$40.0MM, minimum equity shall be \$14.0MM. TBD minimum cash equity by sponsor group shall be required, and is currently estimated at \$4.0MM assuming a \$10MM TIF.

Minimum Leasing

75% of retail NRSF. Mariano's executed lease for approximately 69,000 SF @ \$29.00 PSF.

Other

- TBD property performance covenants (i.e. completion, leasing and/or constant carried tests).
- TBD amortization upon completion and stabilization.
- Satisfactory third party reports, including appraisal, Phase I and Phase II environmental report, and property costing report.
- All REA's in place and WFB approved.
- Standard construction documentation and contractor approval.
- Construction draws funded through a title company acceptable to Borrower and Wells Fargo.
- Loan will be non-assumable and due upon sale, transfer of interest, or material ownership change.
- Other terms and conditions as normal and customary.

We appreciate the opportunity to work with you on The Gateway project. I will look forward to discussing this further after your review, and to meeting Gene and Tim in the near future.

Sincerely,

Jaki Becker  
Vice President



**CITY COUNCIL  
CITY OF CHICAGO  
COUNCIL CHAMBER**

CITY HALL, ROOM 300  
121 NORTH LA SALLE STREET  
CHICAGO, ILLINOIS 60602  
TELEPHONE: 312-744-6124  
FAX: 312-742-6488

**WALTER BURNETT, JR.**

ALDERMAN, 27TH WARD  
1463 W. CHICAGO AVENUE  
CHICAGO, ILLINOIS 60622  
TELEPHONE: 312-432-1985  
FAX: 312-432-1048

E-MAIL: [wburnett@cityofchicago.org](mailto:wburnett@cityofchicago.org)

June 30, 2011

**COMMITTEE MEMBERSHIPS**  
SPECIAL EVENTS AND CULTURAL AFFAIRS  
(CHAIRMAN)  
BUDGET AND GOVERNMENT OPERATIONS  
BUILDINGS  
COMMITTEES, RULES AND ETHICS  
EDUCATION  
FINANCE  
HEALTH  
POLICE AND FIRE

Andrew J. Mooney, Commissioner  
Dept. of Housing and Economic Development  
121 N. LaSalle Street  
City Hall, Room 1000  
Chicago, IL 60602

**Re: Planned Development and TIF Application  
Gateway Project at Halsted St.,  
Monroe St., Green St., and Madison St.**

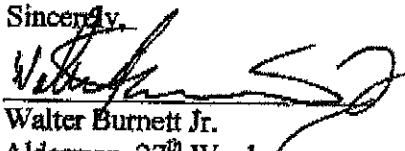
Dear Commissioner Mooney:

Please be advised that I am in support of the above captioned Gateway Project Planned Development and associated Tax Increment Financing application for the proposed retail and hotel development for the property generally bounded by W. Madison Street, S. Halsted Street, W. Monroe Street and S. Green Street.

I ask for your favorable consideration in the processing of the Planned Development and Tax Increment Financing applications.

If you have any questions, please feel free to call me at 312-432-1985.

Sincerely,

  
Walter Burnett Jr.  
Alderman, 27<sup>th</sup> Ward

WBJ/dm



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

**RESOLUTION NO. \_\_ - CDC -**

**AUTHORIZATION TO NEGOTIATE A  
REDEVELOPMENT AGREEMENT WITH CD-EB/EP RETAIL JV, LLC**

**AND  
RECOMMENDATION TO  
THE CITY COUNCIL OF THE CITY OF CHICAGO  
FOR THE DESIGNATION OF CD-EB/EP RETAIL JV, 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 \_\_-CDC-\_\_ and pursuant to the Act, enacted three ordinances on July 12, 2011 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Near West Tax Increment Finance 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**, CD-EB/EP Retail JV, LLC (the "Developer"), has presented to the City's Department of Housing and Economic Development ("HED") a proposal for redevelopment of the Area or a portion thereof that is in compliance with the Plan, consisting of the construction of a Construction of approximately 95,125 sq. ft. of retail space in a two story building and 220 parking spaces. Anchor Grocer will take approximately 71,595 sq. ft of the retail space. (the "Project"); and

**WHEREAS**, HED requests that the Commission recommend to City Council that the Developer be designated as the developer for the Project and that HED be authorized to negotiate, execute and deliver a redevelopment agreement with the Developer for the Project; 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 recommends to City Council that the Developer be designated as the developer for the Project and that HED be authorized to negotiate, execute and deliver on the City's behalf a redevelopment agreement with the Developer for the Project.
- Section 3. 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 4. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.
- Section 5. This resolution shall be effective as of the date of its adoption.
- Section 6. A certified copy of this resolution shall be transmitted to the City Council.

ADOPTED: \_\_\_\_\_, 200\_

Attachment: Exhibit A, Street Boundary Description

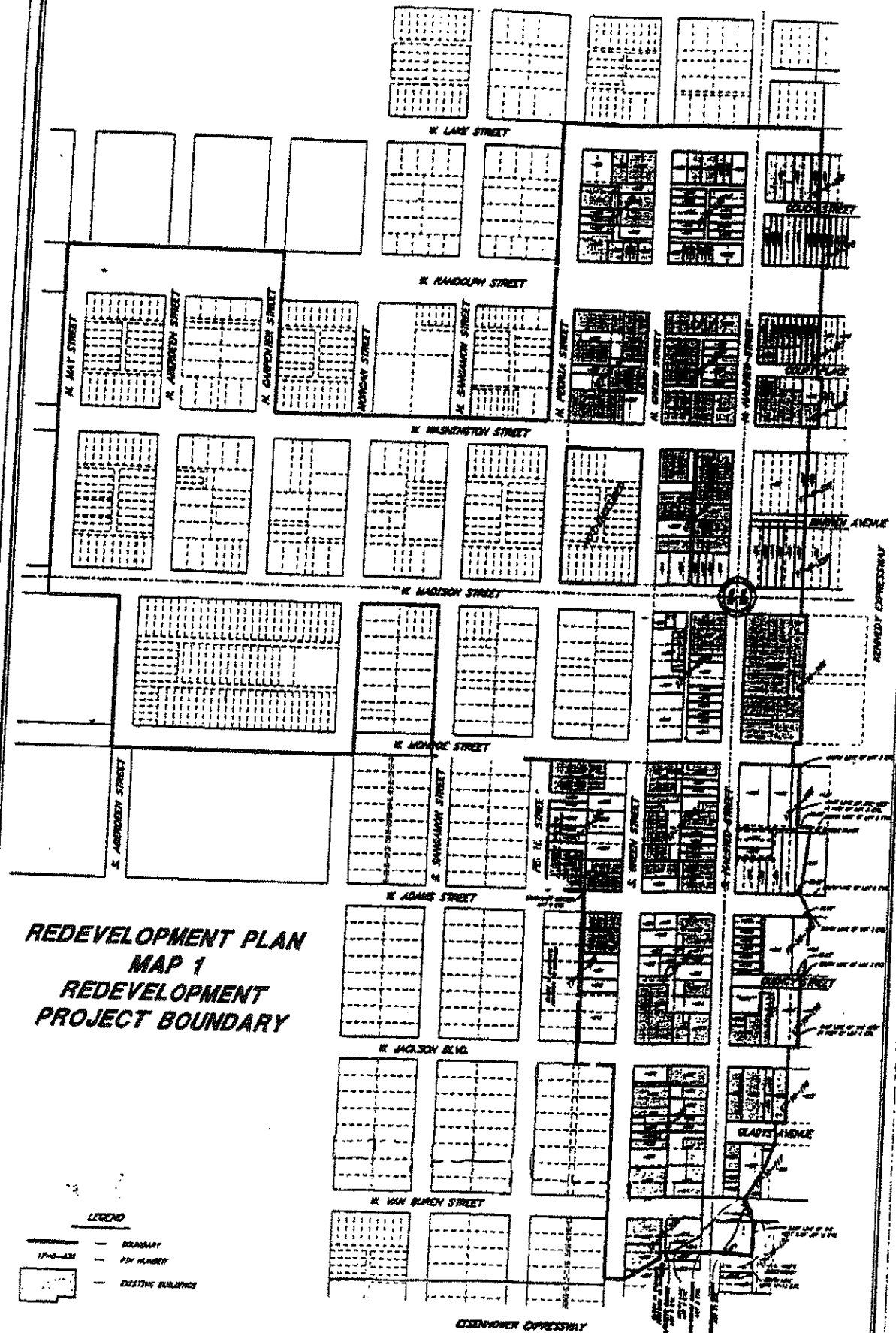


**EXHIBIT A**

Street Boundary Description of the  
Near West Tax Increment Financing  
Redevelopment Project Area

The Area is generally bounded by Madison Avenue on the north, Halsted Street on the east,  
Monroe Street on the south, and Green Street on the west.

WEST TAX INCREMENT FINANCING DISTRICT



**REDEVELOPMENT PLAN  
MAP 1  
REDEVELOPMENT  
PROJECT BOUNDARY**

- LEGEND**
- BOUNDARY
  - PM-433
  - EXISTING BUILDING