

**City of Chicago
Department of Community Development**

**STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
REQUESTING AUTHORITY TO DESIGNATE THE SUCCESSFUL RESPONDENT TO
A REQUEST FOR PROPOSALS,
TO APPROVE THE SALE OF THE LAND
AND TO DESIGNATE THE SUCCESSFUL RESPONDENT AS DEVELOPER
December 8, 2009**

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name:	Sachs Building Redevelopment to become known as Hairpin Lofts and Logan Square Community Arts Center
Property Address:	2800-12 N. Milwaukee Ave & 3416 W. Diversey Ave.
Ward and Alderman:	35, Alderman Rey Colon
Community Area:	Avondale, 21
Redevelopment Area:	Fullerton/Milwaukee TIF
Requested Action:	Designate the successful respondent to the RFP, approve the sale of the property and designate the respondent as Developer
Successful Respondent:	Brinshore Development, LLC.
RFP Development Goal:	Attract new investment to the community by promoting the rehabilitation of a key building in a Landmark District through the creation of affordable housing units and other uses that support the needs of the community.
Proposed Development:	This project will be a mixed-income, mixed-use redevelopment, combining historic preservation, environmental sustainability, transit-oriented development, and the creation of a community arts center. Located at the three corner intersection of Milwaukee Ave., Diversey Ave. and Kimball Ave. the project will create 28 new residential loft units, 25 of which will be affordable to households earning at or below 60% of the area median income.

Target Price: \$4,000,000 (\$94.06 per square foot of building area)
Purchase Price: \$1
Write-down: \$3,999,999
TIF Assistance: \$7,151,770
RFP Key Dates: RFP Issued: August 14, 2007
Responses Due: November 15, 2007

II. PROPERTY DESCRIPTION

Address: 2800-12 N. Milwaukee Ave & 3416 W. Diversey Ave.
Location: Six-corner intersection of Kimball/Diversey/Milwaukee.
Property Identification Numbers: 13-26-225-015 & 016
Land Area: Approximately 8,862 square feet of land. The two buildings contain a total of approximately 42,527 square feet.
Current Use: The six-story Sachs Building is a landmark. It was built in 1930, has one ground-floor tenant, Payless Shoe Store, but the rest of the building has been vacant for 20 years. The adjacent two-story building is vacant and is projected to be demolished with the exception of the party walls.
Current Zoning: B3-5
Environmental Condition: The property may require minor remediation due to small amounts of lead and asbestos that were identified in the Phase I Environmental Site Assessment. The developer will be responsible for the clean-up and any costs associated with the removal of the contaminants. 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 developer 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 purchased the properties in October 2007 via the Negotiated Sales process with the previous owner.

III. DEVELOPMENT GOALS AND OBJECTIVES

The Department of Community Development established goals and objectives for the RFP. The goals were intended to ensure that the chosen submission will be compatible with the City's objectives of revitalizing valuable urban land, creating new development in sympathetic relationship with the surrounding community, accommodating the needs of the community, and fostering additional new development along the six-corner intersection of Kimball, Diversey and Milwaukee and in the surrounding community.

The development goals are as follows:

- Creation of an environment that will contribute to the health, safety, and general welfare of the City.
- Promote the rehabilitation of a key building (Sachs) in a Landmark District.
- Stimulate private investment in new construction, expansion, and rehabilitation.
- Improve the quality of life in the City of Chicago by reducing incidences of deterioration and obsolescence within the Project Area.
- Create affordable housing units, as consistent with City policies.
- Assemble and prepare property necessary to attract new investment in the community while at the same time making those identified properties conducive to modern development.
- Promote non-residential uses that support the needs of the community.

Development Principles and Preferred Uses: The following major principals were established to guide development of the property.

- DPD supports a transit-oriented development that would compliment the CTA Logan Square and Belmont Blue Line Stations and numerous bus routes serving the property.
- Reactivate the primarily vacant and underutilized Sachs Building to serve as a catalyst for other potential developments in the neighborhood to follow.
- Restore the historic appearance of the landmarked Sachs, paying particular attention to the first-floor storefronts, second-floor windows, masonry work as necessary, and the removal of the fire escape.
- Exterior changes to the Sachs and any new additions must conform to landmark standards.
- Based on the previous, DPD cautions against rooftop additions to the Sachs.
- Uses that will not be permitted include storage/warehouse, currency exchanges, pay day loan centers, auto sales-related uses, adult bookstores and/or entertainment venues, fast food restaurants and video arcades.
- Creation of additional affordable housing units, as consistent with City Policies, will be considered.
- Because the Sachs Building is within a Chicago Landmark District, the parking requirements under the Chicago Zoning Ordinance may be waived as an added redevelopment incentive in this endeavor.

- Unique, innovative architecture (PIN 015) that compliments the Sachs Building and makes a positive impact on the community is encouraged.
- The use of green and energy efficient technology will be given favorable consideration.

Development Incentives:

The City will consider proposals that request financial assistance in the form TIF grants, Class 7 tax assessment reduction, Class L tax assessment reduction, Historic Rehabilitation Tax Credits, and State Donation Tax Credits. Residential proposals are eligible for participation in Low Income Housing Tax Credits (LIHTC), New Homes for Chicago, and the Chicago Partnership for Affordable Neighborhoods (CPAN) program. Non-residential proposals are eligible for participation in the federal government's New Markets Tax Credit Program.

Urban Design and Environmental Goals: The City expects that the proposed development will fulfill the urban design and environmental goals identified in the following sections.

The project should be designed, both in site and building, to be positively responsive to both existing construction as well as to anticipate the project's impact on future development of the surrounding community. There are no preconditions related to issues of specific design approach or expression. The project should be innovative in response to its programmatic needs, and a high level of invention should be evident in all aspects of design including uses, site plan and architecture. The project should contribute to Chicago's tradition of excellence in design and should seek to create an improved public experience.

Landscape design shall comply, at a minimum, with the Chicago Landscape Ordinance. Special consideration will be given to those proposals which exceed the minimum standard and include a variety of landscape materials and a range of details that give human-scale to the development and enhance the pedestrian experience at ground level.

The following points present the urban design guidelines for this RFP.

- Transit-oriented developments that identify and promote a pedestrian friendly experience are recommended.
- Rehabilitate and preserve the Sachs Building according to the City's landmark standards (see Landmark Designation above).
- Multi-story proposals will be considered for PIN 015.
- Build-out/maintain the street wall on Milwaukee and Diversey Avenue (PIN 015).
- Upper floors, if proposed for PIN 015, should respect the parapet line of the Sachs Building.

IV. MARKETING OF THE RFP

The RFP was released on August 14, 2007 and a notice announcing the release was published in the Chicago Sun-Times on August 8, 15, and 22, 2007. The department marketed the property in the following ways; a flyer was distributed to a list of over 150 interested parties (developers, attorneys, architects, community development corporations, community organizations, real estate consultants,

and financial institutions; classified ads were placed in the real estate section of the Sunday Tribune and Crain's Chicago Business,; a general news release was issued by the department; a description of the RFP was placed on DCD's website, DCD announced the RFP at several forums and meetings; and the department contacted several parties that had previously expressed interest in the property.

DCD distributed over 70 copies of the RFP document. Approximately 12 interested parties attended the two pre-bid conferences held on September 5 and September 20, 2007, respectively.

V. RESPONSE TO THE RFP

The department received two submission packages in response to the RFP. The responding development entities are identified and their proposals briefly described below.

Entity Name	Proposal
Brinshore Development, LLC.	Development proposal for a historic, affordable rental (28 units), mixed-use development with a blend of one and two bedroom units at 30-60% AMI (three units would be unrestricted), a 2nd floor arts center and additional retail space.
Heartland Housing (HHI) & Humboldt Park Social Services (HPSS)	Co-development proposal for a historic, affordable rental (47 units), mixed-use development with a blend of SRO, efficiency and 1,2 and 3 bedroom units at 30-60% AMI. Supportive services would be located on site.

VI. EVALUATION OF RESPONSES

The department evaluated the proposals according to the criteria outlined in the RFP document. Based on our evaluation, DCD recommends that Brinshore Development, LLC be designated the successful respondent to the RFP. Their proposal best satisfies the goals and objectives of the RFP for the following reasons: Creation of an environment that will contribute to the health, safety, and general welfare of the City; Promote the rehabilitation of a key building (Sachs) in a Landmark District and commercial corridor; Stimulate private investment in new construction, expansion, and rehabilitation; Improve the quality of life in the City of Chicago by reducing incidences of deterioration and obsolescence within the Project Area; Create affordable housing units, as consistent with City policies; Assemble and prepare property necessary to attract new investment in the community while at the same time making those identified properties conducive to modern development; and Promote non-residential uses that support the needs of the community. The remaining proposal by HHI/HPSS was not selected for the following reasons: higher development costs, the mixing of units between predominantly single males (SRO units) and families, problematic location for children residing at this busy six-corner intersection and lack of developer experience by Humboldt Park Social Services (HPSS) considering the size and scale of the Sachs Building Redevelopment.

VII. SELECTED DEVELOPMENT TEAM

Development Entity: The residential and commercial components of the building will be vertically subdivided and they will be owned independently.

Residential Component: Hairpin Lofts, LLC, an Illinois Limited Liability Company, will own the four residential floors and the basement where resident amenities will be located. Hairpin Lofts Manager, LLC, will be the Managing Member and is owned by Brinshore Development, L.L.C., which will have a 75% ownership interest, and Lester and Rosalie Anixter Center, which will have a 25% ownership interest. Brinshore Development, L.L.C. is owned by RJS Real Estate Services, Inc., in which Richard Sciortino is President and sole owner; and Brint Development, Inc., in which David B. Brint is President and sole owner.

At the time of closing on construction financing, Richman U.S.A. Tax Credit LXXI, LLC, or another entity to be named later, will be the investor member in Hairpin Lofts, LLC. Richman Fund Manager, Inc. has a 100% ownership interest in Richman U.S.A. Tax Credit LXXI, LLC.

Commercial Component: The ownership entity of the first floor commercial space and the community art space will be Hairpin Retail, LLC which will be wholly owned by Brinshore Development L.L.C.

Formed in 1994 and based in Northbrook, IL, Brinshore Development has extensive experience developing affordable housing. Most recently, Brinshore has redeveloped the former Henry Horner Homes into Westhaven Park. The final phase is under construction and when completed, Westhaven Park will be a 742-unit mixed-income development. In addition to Westhaven Park, Brinshore Development has developed Legends South, the former Robert Taylor Homes site, into a 2,400 unit, mixed-income development in the City's Bronzeville neighborhood. Brinshore is licensed by the City of Chicago as a Residential Developer.

Consultants: The development team has engaged Hartshorne Plunkard to serve as the architect and McShane Construction to serve as the General Contractor. Susan Benjamin Historic Consultants will advise on issues related to City Landmarking and the National Register of Historic Places. The firm of Wiss, Janney, Elstner has been contracted to restore, preserve and/or replace all historic elements of the Sachs Building. Applegate & Thorne Thomsen will provide legal counsel. Metroplex will provide property management for the project.

The Lester and Rosalie Anixter Center, a 501c3 nonprofit charitable organization, will be the not-for-profit partner with a 25% ownership interest in the managing member, Hairpin Lofts Manager, LLC. The organization will materially participate in the development by providing services to developmentally disabled residents and arts programming for people with special needs and will also serve as the non-profit sponsor for the Illinois Affordable Housing Tax Credits.

VII. PROPOSED PROJECT

Project Overview: This project combines affordable housing, historic preservation, environmental sustainability, transit-oriented development, and the creation of a community arts center. The Hairpin Lofts and Logan Square Community Arts Center will contain 28 rental lofts on floors three through six (seven per floor) with open, flexible floor plans containing 12 one-bedroom and 16 two-bedroom units. All units will contain one bath. The units will range in size from 520-1000 square feet and average 800 square feet. The second floor will be a 7,000 square foot Logan Square Community Arts Center and the first floor will be four market-rate retail units over 8,500 square feet. There will be a 2nd floor outdoor patio deck and 6,000 square feet of building amenities located in the full height basement including laundry room, community room, and bike storage/maintenance room.

Residential unit amenities include soft loft floor plans, hardwired internet and cable, individually controlled geothermal heat exchangers for heating and cooling, operable windows, intercom entry system, dishwasher, microwave, and Energy Star Appliances. The building will include Universal Design elements which meet or exceed code requirements.

The second floor space will become a flexible community art center with multiple stage configurations and the opportunity for live music, improv, theater, dance, film, and poetry performances. The space will be known as the Logan Square Art Center and will contribute to the existing, local artist community, and provide a welcome economic engine for reinvestment in the Milwaukee Avenue Commercial Corridor. The live performances will bring patrons to Milwaukee Avenue to help support the local retailers and restaurants. The new Logan Square Art Center will also be integral to the Milwaukee Avenue Arts Festival which, once known as the Palmer Square Arts Festival, has since been moved to the six-corner intersection and proved a highly successful event.

Programming the Art Center will be the responsibility of a consortium of local non-profit art groups, likely the Logan Square Chamber of Arts. Brinshore has had an extensive series of conversations with the Logan Square Chamber of Arts and their member arts organizations. Performance space will be available at the Arts Center to performing artists. No/low rent is initially anticipated for the Arts Center, however the non-profit running the space will be responsible for ongoing operational costs. Heating and cooling costs should be significantly reduced due to the geothermal system. Low overhead promotes long-term sustainability and reduces reliance on grant based fund raising. Lower occupancy costs can be passed through to performers and audiences. The Arts Center will be active throughout the day with senior and toddler programming in the morning, after school programming in the afternoons, and nightly performances along with community meetings, yoga, and possibly banquet uses to round out the schedule. Residents of the building will have access to the space with a discounted charge for artists and residents of the building.

The Logan Square Chamber of Arts was the first arts umbrella organization to be founded in Chicago. Primary support is from New Communities Program at LISC. Founding members include Voice of the City (youth art programming and improv), Chicago Ballet (dance), Elastic

Arts (music & music production), Intimate Opera (music), Puerto Rican Arts Alliance, a professional theater producer, and local organizations including Logan Square Neighborhood Association (LSNA), Alliance of Logan Square Associations, St. Luke's Church, and potential new members including American Theater Company, Teatro Luna and Logan Square Artist Guild.

The restored first floor retail storefronts and approximately 2,500 square feet of new retail space will attract new retailers to the community and stimulate the Milwaukee Avenue Commercial Corridor. The first floor of the six-story building is approximately 6,000 square feet and will continue to be primarily occupied by Payless Shoes which has a lease through 2013. The adjacent two-story retail building on Milwaukee will be renovated with new retail space available and the existing building on Diversey will be replaced with a new one-story retail building. US Cellular and T-Mobile cellular towers are currently located on the roof and will remain.

This project will be a great example of a Transit-Oriented Development (TOD). There is a CTA Blue Line subway station entrance located 650' from the site and three bus lines converge immediately in front of the building. No parking is required because the Sachs building is a landmark. However, I-GO has expressed enthusiasm to locate a shared car in proximity to the building to provide additional transportation options for residents.

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

Residential Unit Profile: The following table provides a detailed description of the proposed project. The subject property will provide a total of 28 rental units of which 25 units or 90 percent will be affordable for households earning no more than 60 percent of the area median income. Thirteen units will be reserved for those qualifying at 60% AMI, eight units for those qualifying at 50% AMI and four units will be reserved for residents with disabilities and household incomes under 30% AMI. Three units will have unrestricted market rents. These units will satisfy the Chicago affordable housing ordinance, which requires 10 percent of the total units to be affordable in projects developed on land sold by the City or 20 percent in projects receiving TIF assistance. The Department has reviewed and approved the affordable unit rents.

Residential Unit Profile

Unit Type	Number	Market/ Affordable	Size-sf	Monthly Rent/sf*	Monthly Rent*
1 bed/1 bath	3	Affordable @ 30% AMI	520	\$.65	\$342
2 bed/1 bath	1	Affordable @ 30% AMI	839	\$.49	\$410
1 bed/1 bath	3	Affordable @ 50% AMI	520-635	\$1.20 - \$.98	\$624
2 bed /1 bath	5	Affordable @ 50% AMI	839-969	\$.89 - \$.77	\$749
1 bed/1 bath	6	Affordable @ 60% AMI	628-635	\$1.11 - \$1.10	\$700
2 bed / 1 bath	7	Affordable at 60% AMI	839-999	\$1.01 - \$.85	\$850
2 bed / 1 bath	3	Market	999	1.08	\$1080

*Utilities are not included in the monthly rents shown above. Tenants are responsible for paying all utilities which will consist of electric heat, electric cooking and other electric.

Commercial Unit Profile

Unit Type	Size-sf	Monthly Rent/sf	Monthly Rent
Payless Shoes	4,217	\$28.75	\$10,000
Retail Unit #2 Milwaukee Ave.	884	\$18.00	\$1,326
Retail Unit # 3 Milwaukee Ave.	1,251	\$18.00	\$1,877
Retail Unit #4 Diversey Ave.	605	\$18.00	\$908
2 nd Floor Art Center	7,917	\$1.50	\$990
T-Mobile Roof Cell Tower	N/A	N/A	\$1,970
US Cellular Roof Cell Tower	N/A	N/A	\$1,700

Environmental Features. Environmentally sustainable design features will allow the building to target earning a LEED Silver designation. Green amenities are anticipated to include geo-thermal heating and cooling, solar thermal domestic hot water, wind turbine and photovoltaic panels, heat recapture unit, a 50% green roof, high-efficiency building envelope, and highly-innovative green house gas filtering photo catalytic cement patio pavers and precast panels.

Urban Design Features:

- Project will increase Logan Square's affordable housing stock.
- Project will create a community arts center within a vibrant mixed-use, artist friendly building.
- Redevelopment will create desirable commercial space attracting strong anchor tenants and will become a catalyst for the six-corner commercial corridor where it stands.
- The project will preserve one of Logan Square's/Avondale's most prominent landmark buildings.
- The project will maximize innovative and environmentally sustainable design components.
- The project will incorporate Transit-Oriented Development (TOD) design principles.

VIII. FINANCIAL STRUCTURE

Residential Component: The residential portion of the development will be funded with various sources of equity and public financing. DCD proposes to provide a variety of financing sources to this project.

The first projected source of City-financing will be the issuance of tax-exempt housing revenue bonds in the amount of \$6,600,000. Citicorp is the anticipated purchaser of the bonds. The tax-exempt housing revenue bonds will generate approximately \$321,572 in annual 4% in Low-Income Housing Tax Credits (LIHTC's) which will be issued by DCD. Approximately \$2,470,790 in equity will be generated from the issuance of the LIHTC's, which represents approximately 20% of total residential project costs. It is anticipated that The Richman Group will be the limited partner investor in the project. The Richman Group is proposing a LIHTC pay-in rate of \$.76/\$1.00.

The next proposed source of DCD financing is TIF assistance in the amount of \$5,941,770 for TIF-eligible expenses. TIF funding will be in the form of six cash payments – five made during construction and one made at project completion. Payments made during construction will total approximately \$3,501,545 or 28% of total residential project costs. The portion of TIF eligible expenses paid at project completion - \$2,440,225 (20% of total residential project costs) will assist in the retirement of the tax-exempt bond proceeds. TIF assistance will come from area- wide increment in the Fullerton / Milwaukee TIF and is needed to off-set the cost of developing a housing project in which 90% of the units will be affordable. TIF assistance will represent 48% of total residential project costs.

DCD proposes to sell the property to the Developer for \$1.00, which will represent a \$3,999,999

write-down from the City's purchase price of \$4,000,000. This write-down will enable the developer to seek the issuance of Illinois Affordable Housing Tax Credits (IAHTC's) or "Donation Tax Credits" issued through the Illinois Housing Development Authority (IHDA) and the City of Chicago DCD. The Donation Tax Credits are based on 50% of the difference between the sales price and the appraised value of the residential portion of the property. It is anticipated that Fallbrook Credit Finance will be the equity investor in the Donation Tax Credits. They have proposed a pay-in rate of \$.83 which will generate approximately \$1,482,380 in equity for the project.

Since the building is a contributing structure to the Milwaukee-Diversey-Kimball National Register Historic District, the developer will be seeking to restore the building according to the Secretary of Interior's Standards for Historic Preservation. The restoration work will generate approximately \$2,198,567 in historic tax credits for the residential component of the development. With a pay-in rate of \$.76/\$1.00, the historic tax credits are expected to produce approximately \$1,687,740 in equity for the residential project. The Richman Group is anticipated to be the equity syndicator for the historic tax credits.

Commercial Component: The commercial portion of the development will be made up of a variety of funding sources. They are:

- an \$800,000 first mortgage with a 30-year term and an interest rate of 8%;
- the balance of historic tax credit equity, consisting of 20% of historic tax credit eligible costs, will be \$391,858. Community Reinvestment Fund, Inc. is anticipated to be the equity syndicator for the historic tax credits with a pay-in rate of \$.86/\$1.00;
- interim income of \$70,000 will consist of rent paid on the two cell towers and the Payless Shoes during the first 12 months of the construction period;
- TIF assistance provided by DCD in the amount of \$1,210,000 for the build-out of the Logan Square Community Arts Center. TIF assistance will represent 36% of total commercial project costs and will be generated from area-wide increment.
- cash equity from the developer in the amount of \$175,825;
- a New Markets Tax Credit Loan \$653,316, syndicated by Community Reinvestment Fund, Inc.

SOURCES OF FUNDS

Residential Sources	Amount	% of Residential Sources	% of Total Sources
Taxable Bond*	\$600,000	4.9%	3.9%
Donation Tax Credit Equity	\$1,482,380	12.2%	9.6%
TIF Funds	\$5,941,770	48.8%	38.4%
Low Income Housing Tax Credit Equity	\$2,470,790	20.2%	15.9%
Historic Tax Credit Equity	\$1,687,740	13.9%	10.9%
RESIDENTIAL SUBTOTAL:	12,182,680	100.0%	78.75%
Commercial Sources	Amount	% of Commercial Sources	% of Total Sources
First Mortgage	\$800,000	24.2%	5.2%
Historic Tax Credit Equity	\$391,858	11.9%	2.5%
Interim Income	\$70,000	2.1%	.5%
TIF for Arts Center	\$1,210,000	36.7%	7.8%
Developer Equity	\$175,825	5.3%	1.1%
New Markets Tax Credit Loan	\$653,316	19.8%	4.2%
COMMERCIAL SUBTOTAL:	\$3,300,998	100%	21.3%
TOTAL SOURCES:	\$15,483,678	100%	100%

* \$6,000,000 of the construction period bond issue will be paid-off at construction completion via a portion of TIF funds and most of the low-income housing and historic tax credit equity. The balance of the bond issue, \$600,000, is proposed to remain as a permanent, 1st mortgage loan.

COMBINED USES OF FUNDS	Amount	\$ / sf of Building*
Property Acquisition	\$1	\$0
Hard Costs	\$11,094,174	\$232.09
Interim Costs During Construction Period	\$1,257,736	\$26.31
Professional Services	\$1,006,290	\$21.05
Fees	\$426,400	\$8.92
Escrows and Reserves	\$239,500	\$5.01
Financing Costs	\$256,321	\$5.36
Syndication Costs	\$31,355	\$.66
Developer's Fee - 10% of Residential Costs	\$1,171,901	\$24.52
TOTAL USES:	\$15,483,678	\$323.91

*Gross building area is 47,802 square feet.

Payless Shoes (4,200sf) and the two rooftop cell towers (U.S. Cellular and T-Mobile) will remain.

Payless' rent covers about 55% of the commercial operating budget and the cell towers provide an additional 20%, for a total of 75%. Three additional retail spaces will become available, at approximately 600, 900, & 1,250 square feet respectively, for a total of 2,750 sf. Marketing these small spaces has yet to occur. They will be rented for \$18 psf, and should cover approximately 20% of the commercial budget. It is anticipated that these will be highly leasable because they will be new and immediately adjacent to the Art Center that is expected to have considerable foot traffic.

VII. PUBLIC BENEFITS

The proposed project will provide the following public benefits.

Affordable Housing: The project will provide 25 new affordable housing units ranging from 30-60% AMI.

Property Taxes: The project will expand the City's tax base by returning a tax exempt property to the tax rolls.

Sales Taxes: The project will expand the City's tax base with the creation of new retail businesses on site.

Environmental Features: The project will target LEED Silver Certification. Green amenities include geo-thermal heating and cooling, solar thermal domestic hot water, wind turbine and photovoltaic panels, a heat recapture unit, a 50% green roof, high-efficiency building envelope, highly-innovative green house gas filtering photo catalytic cement patio pavers and precast panels.

Transit-Oriented Development (TOD): A CTA Blue Line subway station entrance is located 650' from the site and three bus lines converge immediately in front of the building. No parking is required because the Sachs building is a landmark. However, I-GO has expressed enthusiasm to locate a shared car in proximity to the building to provide additional transportation options for residents.

Construction Jobs: The project will produce 150-200 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.

Permanent Jobs: The project is estimated to retain and/or create 30 permanent jobs in the retail and

cultural industries. The Department's workforce development specialists will work with the developer on job training and placement.

VIII. COMMUNITY SUPPORT

Alderman Colon endorses the project and has provided a letter of support (see exhibits for copy). The project was presented to the community at numerous meetings held since 2008. Initially, the City's attempts to move forward with this development proposal were viewed by some in the community as not being affordable enough and for lacking supportive housing services on site. More recently, however, the proposal and up-zoning required received unanimous support at a heavily attended public zoning meeting, and the Chicago City Council approved the rezoning in December 2008. Brinshore's proposal is endorsed by the following community groups and local residents: (see exhibits for copies of support letters Logan Square Chamber of Commerce, Logan Square Preservation, West Logan Square Block Club, EDC of Logan Square, Logan Square Chamber of Arts, Voice of the City, Elastic Arts and numerous letters from neighborhood residents. In addition, Brinshore has submitted hundreds of petitions in conjunction to their RFP response to the Department.

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The proposed project is located in the Fullerton/Milwaukee TIF Redevelopment Project Area. The project is consistent with the **Fullerton/Milwaukee TIF Plan** established in 2000 and amended in 2005 for the following reasons:

- Stimulate private investment in new construction, expansion and rehabilitation.
- Reduce instances of deterioration and obsolescence.
- Rehabilitate, where appropriate, existing commercial and mixed-use structures.
- Create affordable housing units, as consistent with City policies.

The project is also consistent with **LISC - New Communities Program: *Logan Square: A Place to Stay, a Place to Grow*** for the following reasons:

- **Strategy 1:** Preserve and expand affordable housing.
- **Strategy 4:** Revitalize key commercial corridors by working with elected officials, businesses and property owners.
- **Strategy 6:** Improve the health, safety and well being of Logan Square residents and families.

The implementation strategy for achieving the plan's goals envisions the sale of City land for mixed-use development. The proposed project also conforms to the plan's land use map, which calls for mixed-use development at the subject site.

The offer for sale of the City property was advertised at the time the RFP was released, and no additional public notice of the proposed sale is required. With the approval of CDC, DCD will

negotiate a redevelopment agreement with the successful respondent. 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.

XIII. RECOMMENDATION

The Department of Community Development has evaluated all of the submissions to the RFP, and recommends that Brinshore Development, LLC be designated the successful respondent. The Department of Community Development has thoroughly reviewed the proposed project, the qualifications of the development team, the financial structure of the project, the need for public assistance, its public benefits, and the project's conformance with the RFP and redevelopment area plan. DCD also recommends that the CDC approve the sale of 2800-12 N. Milwaukee Ave. to Brinshore Development, LLC. for a historic mixed-use redevelopment and recommends the designation of Brinshore Development, LLC. as Developer

EXHIBITS

RFP Submission Comparison Table

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
Letter of Interest from Lender
Community Letters of Support
Alderman's Letter of Support