

STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

CERTIFICATE

I, Jennifer Rampke, the duly authorized, qualified and Executive Secretary of the **Community Development Commission of the City of Chicago**, and the custodian of the records thereof, do hereby certify that I have compared the attached copy of a Resolution adopted by the **Community Development Commission of the City of Chicago** at a Regular Meeting Held on the 13th Day of May 2003 with the original resolution adopted at said meeting and recorded in the minutes of the Commission, and do hereby certify that said copy is a true, correct and complete transcript of said Resolution.

Dated this 13th Day of May 2003


EXECUTIVE SECRETARY
Jennifer Rampke

03-CDC-25

CITY OF CHICAGO
COMMUNITY DEVELOPMENT COMMISSION
May 13, 2003

SUMMARY SHEET

- Action Requested:**
- 1) Grant authority to negotiate a Redevelopment Agreement with BMG Stony Island, LLC (the "Developer") for the use of incremental tax revenues and/or tax increment revenue bond proceeds for the redevelopment of the southeast corner of 71st Street & Stony Island Avenue (the "Property"), located within the 71st/Stony Island Redevelopment Project Area (the "Area") and;
 - 2) Recommend to the City Council of the City of Chicago the designation of BMG Stony Island, LLC as the developer of the Project located within the boundaries of the Area.

Project : BMG Stony Island, LLC will construct a free-standing Starbucks Coffee Company store of 1,626 square feet. In addition to in-store seating, this Starbucks store will have a drive-through service window and an outdoor seating area. On site parking will be provided for 13 cars and 6 stacking spaces are provided in the drive-up lane.

Type of Development: Commercial

Location: The property is located at 7101 South Stony Island Avenue, which encompasses the southeast corner of 71st Street and Stony Island Avenue. It is located in the 71st/Stony Island Redevelopment Project Area.

Developer: BMG Stony Island, LLC, c/o Terraco, Inc.

Assistance: The Developer is requesting \$225,000 in TIF assistance

Direct Project Assistance: The City, through the Department of Planning and Development (DPD), is planning to provide to the Developer for the TIF-eligible costs equal to the lessor of \$225,000 or 16% of the total actual project costs, currently estimated at \$1,400,000.

Alderman/Ward: Alderman Leslie Hairston, 5th Ward

Public Benefits: The development will create 16 full time positions with benefits including; medical, dental and vision coverage, income protection, 401k, and discounted stock purchase plan. It will also set the tone for the revitalization of both the 71st Street and Stony Island retail corridor.

MBE/WBE:

The Developer will comply with all requirements regarding the use of minority and women-owned business contractors for the construction/build-out of the Project.

Issues: None

STAFF REPORT

MR. CHAIRMAN AND MEMBERS OF THE COMMISSION:

The resolution before the Commission requests the following actions:

- 1) Grant authority to negotiate a Redevelopment Agreement with BMG Stony Island, LLC (the "Developer") for the use of incremental tax revenues and/or tax increment revenue bond proceeds for the redevelopment of the southeast corner of 71st Street & Stony Island Avenue (the "Property"), located within the 71st/Stony Island Redevelopment Project Area (the "Area") and;
- 2) Recommend to the City Council of the City of Chicago the designation of BMG Stony Island, LLC as the developer of the Project located within the boundaries of the Area.

PURPOSE OF THE RESOLUTION:

The purpose of this resolution is to provide Tax Increment Financing in order to foster economic development on a vacant parcel to revitalize the Area.

BACKGROUND:

This development will influence two historically significant corridors in the South Shore community —Stony Island Avenue from 67th Street and 79th Street and 71st Street from Stony Island Avenue to South Shore Drive.

The development of the South Shore community began when the Illinois Central Railroad built the South Kenwood Station in 1881. Gradually the area began to be built up as a residential community for employees of the railroad. The development of the area was stimulated by the Columbian Exposition of 1893 which was held in nearby Jackson Park. A second construction boom began in 1905 when wealthy families from the Washington Park community took an interest in the area. The community quickly became one of the most affluent in the City. Development and population growth increased until the mid-1950s when crime and property dereliction began to increase. The 71st Street commercial corridor began to deteriorate as many business owners closed their shops and relocated their businesses further north or into the suburbs. As businesses moved out, commercial property prices declined making the properties unattractive for reinvestment. In addition, because many of the commercial properties were built between the early 1900s and 1930s, these properties were ill-suited for evolving commercial space needs and consequently became less attractive locations for commercial investment.

The intersection of 71st and Stony Island is a major focal point in the South Shore community. It gives the first impression to the 71st Street corridor which is the main street of South Shore and is serviced by the Metc Electric rail line. 55,000 cars travel through this gateway daily along Stony Island Avenue, approximately 13,000 cars travel along 71st Street. This intersection services both the primary and secondary commercial corridor. The Department of Planning and Development, as suggested by the 71st Street Commercial Corridor Master Plan, is looking at this intersection as an opportunity to create a new anchor and identity for both commercial corridors.

Most South Shore residents spend little time shopping on 71st Street, indicating that they visit the corridor only for specific items or go to specific establishments. The most common cited reasons for limited patronization (sited in the 71st Street Commercial Corridor Master Plan) include:

- limited service and product selection;
- teen loitering and crime activity(real and perceived);
- the aesthetic appeal of the stores and street;
- and the overall unattractive shopping environment.

There is also a high vacancy rate that exist within the 71st Street corridor consisting of vacant land, vacant buildings and vacant storefronts. All of this indicates that Starbucks will take on a “pioneering” position. The corridor’s demographic characteristics suggest that there is sufficient demand to support a limited amount of retail development. The average household net wealth in South Shore is \$36,397 an income level that is more than high enough to support neighborhood retail, as well as a certain amount of specialty stores. In addition, South Shore residents purchased a total of \$340 million dollars of goods per year with over \$188 million expended outside the community

The overall potential for new commercial development on 71st Street appears to be community-level, value oriented and specialty businesses. Although there are a number of businesses located in the corridor, they do not meet the daily needs of the South Shore residents. This is primarily due to limited selection and poor quality of merchandise, services, and store space offered. Thus, the development of a Starbucks’s store fits this criteria. It is the Department of Planning and Developments belief that Starbucks’s will hopefully reduce the perceived risks of locating in these commercial corridors, thereby influencing other high profile retailers to locate in the area.

BMG Stony Island, LLC started to take an interest in this area in 1999. At that time, BMG Stony Island, LLC purchased two tax parcels at 71st Street and Stony Island Avenue (the southeast corner) to develop a Walgreen’s pharmacy store. The community rejected the Walgreen’s proposal, so the developer was forced to devise another plan. BMG Stony Island, LLC decided to sell the larger parcel (approx. 28,000 square feet) to Centrum Properties in 2001 for development of a LaSalle Bank branch facility. The remaining parcel (approx. 16,000 square feet) is being proposed as the site of this Starbucks’s Coffee store.

PROJECT SUMMARY:

Developer: BMG Stony Island, LLC, c/o Terraco, Inc.

Terraco, Inc. is a full service real estate development, brokerage and management company which owns properties in Illinois, Pennsylvania, Indiana, Ohio and California. Terraco, Inc. has been involved in the development of over 55 shopping centers totaling in excess of 3,000,000 square feet. The company recently negotiated the Lincoln Village Shopping Center at McCormick Blvd and Lincoln Avenue, a project recommended for TIF assistance by the CDC in 2001.

Project Scope:

The developer will construct a free-standing Starbucks Coffee Company store of 1,626 square feet. In addition to in-store seating, this Starbucks store will have a drive-through service window and an outdoor seating area. On site parking will be provided for 13 cars and 6 stacking spaces are provided in the drive-up lane. This will be the first Starbucks located in an African American community in Chicago and the second Starbucks south of Roosevelt Road and east of the Dan Ryan.

The building elevations depict an irregular shaped building using the “Prairie Style” theme of design. Brick and glass are the dominant construction materials. Lush landscaping, coordinated with the architectural theme, will complement the site and attract customers to relax in the outdoor seating area.

The site plan, landscape plan and building design have been crafted to complement the new LaSalle Bank located immediately south of the Starbucks property. The site plan, landscape plan and building design has been reviewed and approved by the zoning unit of the department.

There are several factors that contribute to making this a difficult site to develop. These factors range from perceived beliefs regarding the community, challenges of ingress/egress from the site, to high costs in site preparation and building the structure. All of these factors along with the significant high amount of equity contributed by the developer makes this a high risk development.

Most South Shore residents spend little time shopping on 71st Street, indicating that they visit the corridor only for specific items or go to specific establishments. The most common cited reasons for limited patronization (sited in the 71st Street Commercial Corridor Master Plan) include:

- limited service and product selection;
- teen loitering and crime activity(real and perceived);
- the aesthetic appeal of the stores and street;
- and the overall unattractive shopping environment.

There is also a high vacancy rate that exist within the 71st Street corridor consisting of vacant land, vacant buildings and vacant storefronts. All of this indicates that Starbucks will take on a “pioneering” position.

Another challenge in developing this site is its size and site configuration. Ingress to the site can only be achieved by the northbound traffic on Stony Island avenue and egress from the site is made into the east bound traffic of 71st Street. 71st Street is divided by the Metra Electric rail line. This rail line can be an impediment to patrons leaving the site in that three turns must be made to travel south bound onto Stony Island Avenue.

DEAL STRUCTURE:

Project Cost and Financing (see attached Budget)

The City, through the Department of Planning and Development (DPD), is planning to reimburse the Developer for the TIF-eligible costs equal to the lessor of \$225,000 or 16% of the total actual project costs, currently estimated at \$1,400,000. The City through the Department of Planning and Development (DPD), is planning to provide \$45,000 per year of increment to the developer, annually, over a period of five years. The increment used to reimburse the developer will be generated by project PINs as well as unrelated PINs in the 71st/Stony Island TIF District.

Disbursement is subject to the developer’s meeting all applicable conditions and requirements of the redevelopment agreement including, but not limited to, MBE/WBE, prevailing wage, and City residency.

The TIF assistance will induce the developer to develop the site for a Starbucks’s Coffee Company store. Without the TIF income, the developer will not proceed with the development and would likely sell off the land to another retailer, one not as likely to have the quality of image as a Starbucks’s.

In an analysis of site and purpose, this site presents costly limitations to the developer:

- The site is surrounded by impediments: LaSalle Bank directly to the south is already built leaving Starbucks with just over 16,000 square feet to build a store and drive-thru; the Metra rail tracks located directly to the north of the site bisects 71st Street making it virtually impossible to access the site for west bound traffic and cutting those patrons off from the site; the traffic

- median on Stony Island also makes it difficult for south bound traffic on Stony to access the site;
- The developer will have to pay strict attention to traffic concerns and ingress, egress on the site;
- The site is small and configuration of the store and drive thru will be costly;
- High land cost for small site—especially for major retailer which perceives site to be major risk;
- High site preparation cost because of the tight site configuration; and,
- High building cost to build a quality, full masonry structure with drive-thru, signage, median for ingress and egress, etc.

All of these site issues make the development of this site costly and since the subject site presents so many constraints to the developer, and because the city feels that a quality retailer should be located at this site, DPD recommends TIF assistance to off-set some of the cost of this 1,600 square foot facility.

Sources and Uses

Uses of Funds:		Sources of Funds:	
Land Acquisition	\$ 420,000	Equity	
Site Preparation	\$ 249,200	Land	\$420,000
Hard Costs		Cash	\$160,000
Demo	\$ 22,300	First Mortgage	\$820,000 (North Shore Community Bank)
Building	\$ 308,940		
Tenant Allowance	\$ 40,000		
Permits	\$ 10,000		
Soft Costs			
Arch. & Engin.	\$ 64,100		
Survey/Traffic/Plan	\$ 5,000		
Soil/Environ.	\$ 10,300		
Appraisal	\$ 3,500		
Insurance	\$ 2,500		
Legal	\$ 20,000		
Taxes	\$ 10,000		
Lender's Fee	\$ 10,000		
Constr. Int.	\$ 100,000		
Leasing Fee	\$ 23,000		
Dev. Fee	\$ 50,000		
Title/Escrow	\$ 5,000		
Contingency	\$ 46,160		
Total	\$1,400,000	Total	\$1,400,000

CONFORMANCE WITH THE REDEVELOPMENT PLAN:

The Project conforms to the plan and goals of the 71st/Stony Island TIF. It contributes to the goals of the plan by providing sound economic development in the project area, eliminating conditions which qualify as blighted in the Redevelopment project area and strengthening the economic well being of the project area as well as the City by increasing business activity and taxable values. The proposed project is also consistent with the approved uses for the 71st/Stony Island Avenue Redevelopment Tax Increment Finance District, within which the Site is located.

COMMUNITY OUTREACH:

Alderman Leslie Hairston, 5th Ward supports this Project.

PUBLIC BENEFITS:

Project Benefits

Setting the Tone for Commercial Development

Starbucks's will take on a "pioneering" position that will hopefully reduce the perceived risks of locating in these commercial corridors, thereby influencing other high profile retailers to locate in the area. Benefits will include added traffic, added presence in the neighborhood.

Job Creation

The development will create 16 full time positions with benefits including; medical, dental and vision coverage, income protection, 401k, and discounted stock purchase plan.

MBE / WBE

The Developer will comply with all requirements regarding the use of minority and women-owned business contractors for the construction/build-out of the Project. To date, in May of 2003 the Developer notified eight minority and women-owned business associations, by certified mail, of their intent to develop this project. The Developer will also meet with the Monitoring and Compliance staff in May of 2003 to discuss the monitoring and reporting requirements related to MBE/WBE compliance.

RECOMMENDATION:

The resolution before the Commission requests the following actions:

1) Grant authority to negotiate a Redevelopment Agreement with BMG Stony Island, LLC (the "Developer") for the use of incremental tax revenues and/or tax increment revenue bond proceeds for the redevelopment of the southeast corner of 71st Street & Stony Island Avenue (the "Property"), located within the 71st/Stony Island Redevelopment Project Area (the "Area") and;

2) Recommend to the City Council of the City of Chicago the designation of BMG Stony Island, LLC as the developer of the Project located within the boundaries of the Area.



CITY
OF
CHICAGO

71ST STREET/
STONY ISLAND
TAX
INCREMENT
FINANCING
DISTRICT

JUNE 1998

MAP 2
TIF
BOUNDARY
MAP

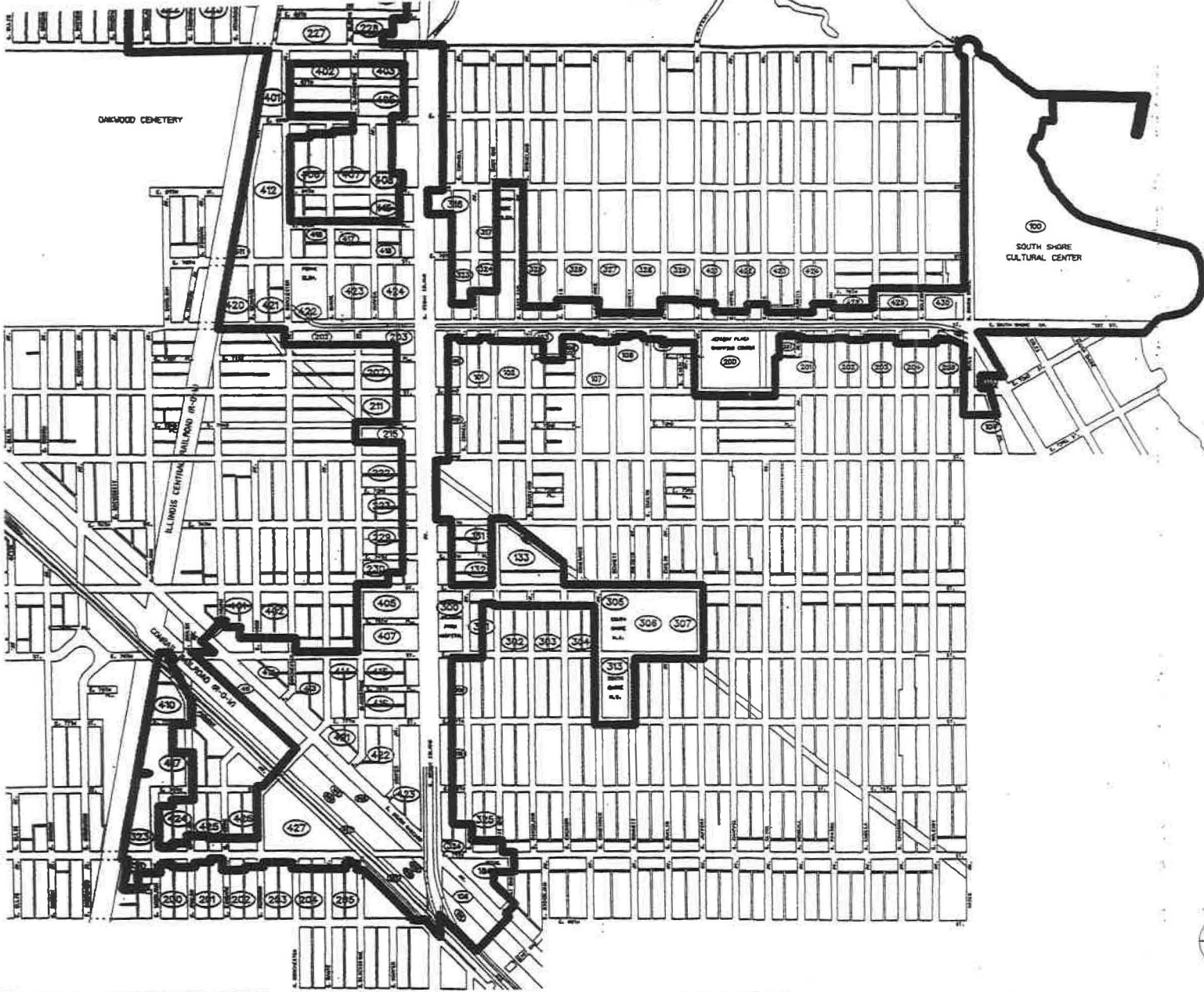
LEGEND:

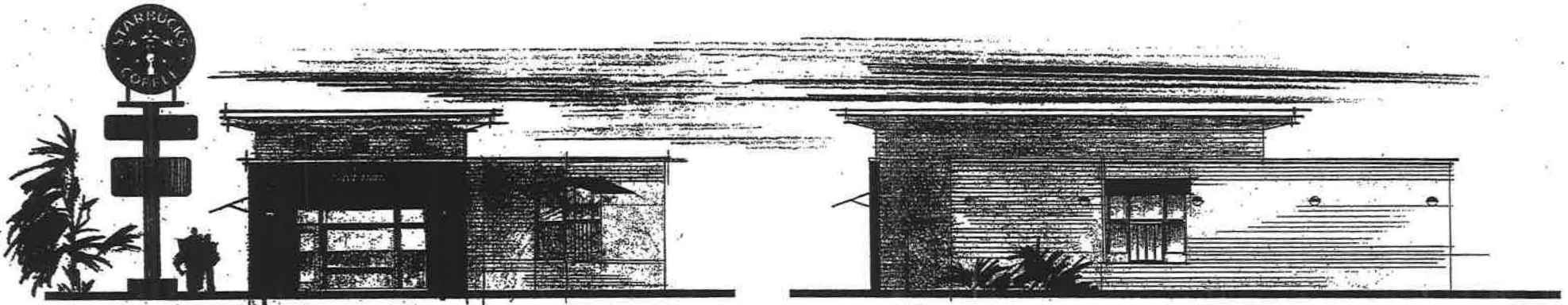
-  TIF AREA
-  BLOCK NUMBER*

* Based on Cook County Property Index Numbering (P-I) System

S. B. Friedman & Company
Real Estate Advisors and Development Consultants

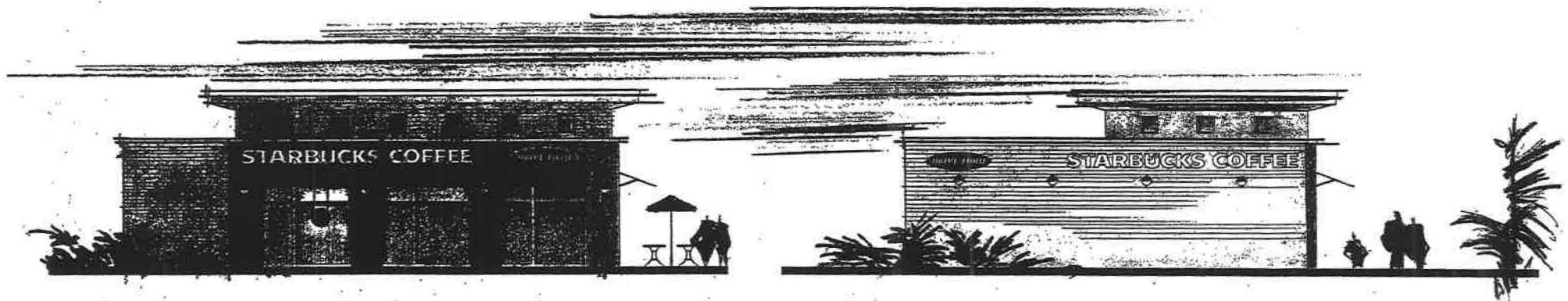
 Campbell Tiu Campbell, Inc.
Architects • Planners • Construction Managers





SOUTH - ENTRY ELEVATION (PARKING)

EAST - BACK ELEVATION (DRIVE-THRU)



WEST - ENTRY ELEVATION (STONY ISLAND)

NORTH - SIDE ELEVATION (71ST)

STARBUCKS COFFEE COMPANY 2401 UTAR AVENUE SOUTH, 8TH FLOOR SEATTLE WASHINGTON 98154		SHEET TITLE: SHEMATIC - ROAST 3 EB ELEVATIONS	
		DATE: 16-DEC-02	SCALE: NTS
STORE: 71ST & STONY ISLAND ADDRESS: STONY ISLAND, IL		DRAWN BY:	SHEET:

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 2510 0004 6507 8181

OFFICIAL USE

CHICAGO, IL 60607		UNIT ID: 0076
Postage	\$ 0.37	Postmark Here
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	
Restricted Delivery Fee (Endorsement Required)		Clerk: KJ1BFF
Total Postage & Fees	\$ 4.42	05/08/03

Sent To **Association of Asian Construction Enterprises**
 Street, Apt. No.; or PO Box No. **333 N. Ogden Avenue**
 City, State, ZIP+4 **Chicago, Illinois 60607**
 Contact: **Perry Nackachi**

PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 2510 0004 6507 8174

CHICAGO, IL 60603		UNIT ID: 0076
Postage	\$ 0.37	Postmark Here
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	
Restricted Delivery Fee (Endorsement Required)		Clerk: KJ1BFF
Total Postage & Fees	\$ 4.42	05/08/03

Sent To **Mexican American Chamber of Commerce**
 Street, Apt. No.; or PO Box No. **122 South Michigan Avenue, Suite 1705**
 City, State, ZIP+4 **Chicago, Illinois 60603**
 Contact: **Omar Duque**

PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 2510 0004 6507 8167

OFFICIAL USE

CHICAGO, IL 60607		UNIT ID: 0076
Postage	\$ 0.37	Postmark Here
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	
Restricted Delivery Fee (Endorsement Required)		Clerk: KJ1BFF
Total Postage & Fees	\$ 4.42	05/08/03

Sent To **Hispanic American Construction Industry Association**
 Street, Apt. No.; or PO Box No. **901 West Jackson, Suite 205**
 City, State, ZIP+4 **Chicago, Illinois 60607**
 Contact: **Rafael Hernandez**

PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 2510 0004 6507 8150

CHICAGO, IL 60606		UNIT ID: 0076
Postage	\$ 0.37	Postmark Here
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	
Restricted Delivery Fee (Endorsement Required)		Clerk: KJ1BFF
Total Postage & Fees	\$ 4.42	05/08/03

Sent To **Federation of Women Contractors**
 Street, Apt. No.; or PO Box No. **330 South Wells, Suite 1110**
 City, State, ZIP+4 **Chicago, Illinois 60606**
 Contact: **Sandra Gidley**

PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

7001 2510 0004 6507 8136

CHICAGO, IL 60653

Postage	\$ 0.37	UNIT ID: 0076
Certified Fee	2.30	Postmark Here
Return Receipt Fee (Endorsement Required)	1.15	Clerk: KJ1BFF
Restricted Delivery Fee (Endorsement Required)		05/08/03
Total Postage & Fees	\$ 4.42	

Sent To: **African American Contractors Association**
 3706 South Indiana Avenue, 1st Floor
 Chicago, Illinois 60653
 Contact: Omar Shareef/Crystal Overton

PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

7001 2510 0004 6507 8143

CHICAGO, IL 60620

Postage	\$ 0.37	UNIT ID: 0076
Certified Fee	2.30	Postmark Here
Return Receipt Fee (Endorsement Required)	1.15	Clerk: KJ1BFF
Restricted Delivery Fee (Endorsement Required)		05/08/03
Total Postage & Fees	\$ 4.42	

Sent To: **Black Contractors United**
 400 W. 76th Street
 Chicago, Illinois 60620
 Contact: Carol Walker, Edward T. McKinnie

PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 2510 0004 6507 8204

CHICAGO, IL 60649

Postage	\$ 0.37	UNIT ID: 0076
Certified Fee	2.30	Postmark Here
Return Receipt Fee (Endorsement Required)	1.15	Clerk: KJ1BFF
Restricted Delivery Fee (Endorsement Required)		05/08/03
Total Postage & Fees	\$ 4.42	

Sent To: **Illinois Association of Minority Contracts**
 1643 East 71st Street
 Chicago, Illinois 60649
 Contact: Babette Payton

PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 2510 0004 6507 8198

CHICAGO, IL 60603

Postage	\$ 0.37	UNIT ID: 0076
Certified Fee	2.30	Postmark Here
Return Receipt Fee (Endorsement Required)	1.15	Clerk: KJ1BFF
Restricted Delivery Fee (Endorsement Required)		05/08/03
Total Postage & Fees	\$ 4.42	

Sent To: **Woman Business Development Center**
 8 South Michigan Avenue, Suite 400
 Chicago, Illinois 60603
 Contact: Hedy Ratner

PS Form 3800, January 2001 See Reverse for Instructions

TERM SHEET

BMG Stony Island, LLC will construct a free-standing Starbucks Coffee Company store of 1,626 square feet. In addition to in-store seating, this Starbucks store will have a drive-through service window and an outdoor seating area. On site parking will be provided for 13 cars and 6 stacking spaces are provided in the drive-up lane.

Starbucks's will take on a "pioneering" position that will hopefully reduce the perceived risks of locating in the 71st Street and Stony Island commercial corridors, thereby influencing other high profile retailers to locate in the area. Benefits will include added traffic and added presence in the neighborhood.

The TIF assistance will induce the developer to develop the site for a Starbucks's Coffee Company store. Without the TIF income, the developer will not proceed with the development and would likely sell off the land to another retailer, one not as likely to have the quality of image as a Starbucks.

In an analysis of the site preparation work, the site constraints were excessive and costly. Therefore, DPD determined that TIF funding was necessary to encourage development of a quality retailer at this location.

Sources and Uses

Uses of Funds:		Sources of Funds:	
Land Acquisition	\$ 420,000	Equity	
Site Preparation	\$ 249,200	Land	\$420,000
Hard Costs		Cash	\$160,000
Demo	\$ 22,300	First Mortgage	\$820,000 (North Shore Community Bank)
Building	\$ 308,940		
Tenant Allowance	\$ 40,000		
Permits	\$ 10,000		
Soft Costs			
Arch. & Engin.	\$ 64,100		
Survey/Traffic/Plan	\$ 5,000		
Soil/Environ.	\$ 10,300		
Appraisal	\$ 3,500		
Insurance	\$ 2,500		
Legal	\$ 20,000		
Taxes	\$ 10,000		
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Constr. Int.	\$ 100,000		
Leasing Fee	\$ 23,000		
Dev. Fee	\$ 50,000		
Title/Escrow	\$ 5,000		
Contingency	\$ 46,160		
Total	\$1,400,000	Total	\$1,400,000

Project Financing

The City, through the Department of Planning and Development (DPD), is planning to reimburse the Developer for the TIF-eligible costs equal to the lesser of \$225,000 or 16% of the total actual project costs, currently estimated at \$1,400,000. The City through the Department of Planning and Development (DPD), is planning to provide \$45,000 per year of increment to the developer, annually, over a period of five years. Increment will be generated by PINs in the 71st/Stony Island TIF District.



1900 EAST 71ST STREET
CHICAGO, ILLINOIS 60649
TELEPHONE: (773) 324-5555
FAX: (773) 324-1585

CITY COUNCIL
CITY OF CHICAGO
COUNCIL CHAMBER

THIRD FLOOR - CITY HALL
121 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60602
TELEPHONE: 312-744-6832

LESLIE A. HAIRSTON
ALDERMAN, FIFTH WARD

COMMITTEE MEMBERSHIP

- BUILDINGS
- COMMITTEES, RULES AND ETHICS
- HUMAN RELATIONS
- PARKS AND RECREATION
- SPECIAL EVENTS AND CULTURAL AFFAIRS

April 28, 2003

Ms. Alicia Mazur-Berg
Commissioner
Department of Planning and Development
121 N. LaSalle ST., RM 1000
Chicago, IL 60602

Re: BMG Stony Island LLC (For Starbuck's)
7101 S. Stony Island Ave.

Dear Commissioner Mazur- Berg:

I am writing you today to give my support for the TIF unit of the Department of Planning and Development to grant BMG Stony Island LLC (Starbuck's) 225, 000.00 dollars in TIF reimbursement expenses.

I thank you in advance for your attention to this matter. If you have any questions, please contact my office at your earliest convenience.

Sincerely,

Leslie A. Hairston
Alderman, Fifth Ward

cc: TIF Unit, DPD

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

RESOLUTION NO. 03 - CDC -

**AUTHORITY TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH
BMG STONY ISLAND, LLC
WITHIN THE
71ST & STONY ISLAND
T.I.F. REDEVELOPMENT PROJECT AREA,**

AND

**TO RECOMMEND TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
THE DESIGNATION OF
BMG STONY ISLAND, LLC
AS THE 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 98-CDC-93 and pursuant to the Act, enacted three ordinances on October 7, 1998 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the 71st & Stony Island 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, BMG Stony Island, LLC (the "LLC"), has presented to the City's Department of Planning and Development ("DPD") a proposal for redevelopment of the Area or a portion thereof that is in compliance with the Plan, consisting of the development of the southeast corner of 71st Street and Stony Island Avenue (the "Project"); and

WHEREAS, the City desires to provide tax increment financing assistance to, and negotiate a redevelopment agreement with the LLC, as developer, in connection with the Project; and

WHEREAS, DPD requests that the Commission recommend to City Council that the LLC be designated as the developer for the Project, that DPD be authorized to negotiate, execute and deliver a redevelopment agreement with the LLC for the Project, and that tax increment financing assistance be provided to the LLC 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 LLC be designated as the developer for the Project and that DPD be authorized to negotiate, execute and deliver on the City's behalf a redevelopment agreement with the LLC for the Project providing for tax increment financing assistance.

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: _____, 2003

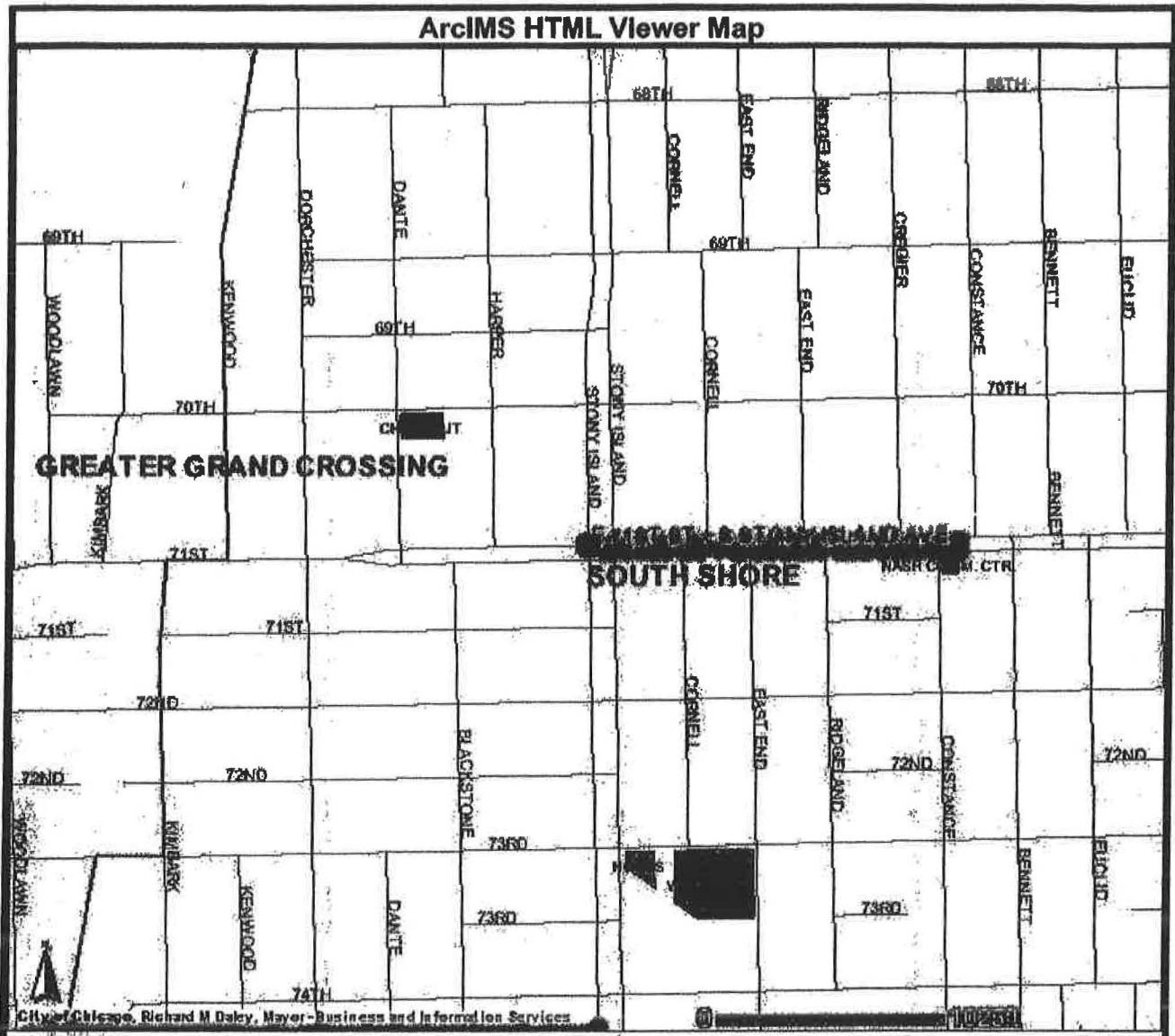
Attachment: Exhibit A, Street Boundary Description

EXHIBIT A

Street Boundary Description of the Area

The Area consists of approximately 497.2 acres and generally includes the properties:

- on both sides of Stony Island, between 67th & 80th Streets;
- both sides of Marquette and 67th Street between Stony Island and the alley immediately west of Woodlawn;
- both sides of 68th Street between the Illinois Central right-of-way and Dorchester, and the south side of 68th Street between Dorchester and Blackstone;
- both sides of 70th Street between the Illinois Central right-of-way and the alley immediately east of Stony Island;
- both sides of 71st Street between the Illinois Central right-of-way and South Shore/Yates Drive, except the south side of 71st between the Illinois Central right-of-way and Dorchester;
- the north side of East South Shore Drive to Lake Michigan and the east side of South Shore Drive and Yates, from 67th Street to south of 72nd Street, including the South Shore Cultural Center;
- the south side of 72nd Place from Stony Island to Blackstone;
- both sides of Kenwood and Dorchester between 67th and 71st Streets except the east side of Dorchester between the alley immediately south of 67th Street and 69th Street;
- both sides of Dante & Harper between 69th and 71st Streets;
- the west side of East End between 69th and 71st Streets;
- both sides of Dorchester, Blackstone, and Harper between 76th Street and South Chicago;
- both sides of Dante between 76th and 78th Streets, except the west side between the Conrail right-of-way and the alley immediately north of 78th Street;
- both sides of Kenwood between 78th and 79th Streets, except the west side between 78th Street and the alley immediately north of 79th Street;
- the west side of Woodlawn between 78th and 79th Streets;
- the west side of Avalon between the Conrail right-of-way and 77th Streets, and between a half-way point between 77th and 78th Streets to south of 78th Street;
- the south side of 75th Street between Blackstone and Jeffery Boulevard, including South Shore High School, bounded by 75th Street on the north, Jeffery on the east, 77th Street on the south, and Constance on the west;
- the north side of 75th Street between the alleys immediately east and west of Stony Island, and between East End and Creiger;
- the east side of East End between 75th Street and 74th Street/vacated rail right-of-way, and the west side of the vacated right-of-way between 74th Street and Creiger;
- both sides of 76th Street between the alley west of Cornell to Kimbark Avenue, except for the north side east of Dorchester to Blackstone and the south side between the alleys immediately west and east of Cornell;
- both sides of 76th Place and 77th Street between South Chicago and Stony Island;
- both sides of South Chicago between 76th Street and East End;
- both sides of 79th Street between the Illinois Central right-of-way and the alley immediately east of East End;
- except the south side between Kimbark and the alley immediately west, and the northeast corner of 79th Street and East End;
- the north side of Anthony between Stony Island and 79th Street.



City of Chicago, Richard M Daley, Mayor - Business and Information Services

Overview

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Legend

<ul style="list-style-type: none"> ▲ CHICAGO PUBLIC SCHOOLS CTA STATIONS CTA LINES Yellow Blue Joint Stations Purple Orange Green Brown Red 	<ul style="list-style-type: none"> ● METRA RAIL STATIONS --- METRA RAIL LINE □ COMMUNITY AREAS □ WARDS ★ POLICE FACILITIES □ POLICE BEATS □ POLICE DISTRICTS □ IL HOUSE DISTRICTS □ IL SENATE DISTRICTS □ ZIPCODE 	<ul style="list-style-type: none"> □ PARCELS --- SECTIONS --- CURB EDGE --- STREETS ▨ BUILDINGS ■ HYDROLOGY ■ PARKS ■ CEMETERIES □ BOUNDARY 	<p>ZONING</p> <ul style="list-style-type: none"> ■ Business ■ Commercial ■ Manufacturing ■ Residential ■ Planned Development ■ Planned Manufacturing
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