

**FY 2024**

**ANNUAL TAX INCREMENT FINANCE  
REPORT**



**SUSANA A. MENDOZA**  
ILLINOIS STATE COMPTROLLER

Name of Municipality: City of Chicago Reporting Fiscal Year: 2024  
County: Cook Fiscal Year End: 12/31/2024  
Unit Code: 016/620/30

**FY 2024 TIF Administrator Contact Information-Required**

First Name: Ciere Last Name: Boatright  
Address: City Hall, 121 N LaSalle Title: Administrator  
Telephone: (312) 744-4190 City: Chicago Zip: 60602  
E-mail: TIFreports@cityofchicago.org

I attest to the best of my knowledge, that this FY 2024 report of the redevelopment project area(s)

in the **City/Village** of:

**City of Chicago**

is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and or Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.].

6/27/2025

Written signature of TIF Administrator

Date

**Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)\***

**FILL OUT ONE FOR EACH TIF DISTRICT**

Name of Redevelopment Project Area	Date Designated MM/DD/YYYY	Date Terminated MM/DD/YYYY
105th/Vincennes	10/3/2001	12/31/2025
107th/Halsted	4/2/2014	12/31/2038
111th/Kedzie	9/29/1999	12/31/2035
116th/Avenue O	10/31/2018	12/31/2042
119th/Halsted	2/6/2002	12/31/2026
119th/I-57	11/6/2002	12/31/2026
24th/Michigan	7/21/1999	12/31/2035
26th/King Drive	1/11/2006	12/31/2030
35th/Halsted	1/14/1997	12/31/2033
35th/State	1/14/2004	12/31/2028
43rd/Cottage Grove	7/8/1998	12/31/2034
47th/Ashland	3/27/2002	12/31/2026
47th/Halsted	5/29/2002	12/31/2026
47th/King Drive	3/27/2002	12/31/2026
47th/State	7/21/2004	12/31/2028
51st/Archer	5/17/2000	12/31/2024
51st/Lake Park	11/15/2012	12/31/2036
53rd Street	1/10/2001	12/31/2025
63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2036
67th/Cicero	10/2/2002	12/31/2026

67th/Wentworth	5/4/2011	12/31/2035
71st/Stony Island	10/7/1998	12/31/2034
73rd/University	9/13/2006	12/31/2030
79th Street Corridor	7/8/1998	12/31/2034
79th/Cicero	6/8/2005	12/31/2029
79th/Southwest Highway	10/3/2001	12/31/2025
79th/Vincennes	9/27/2007	12/31/2031
83rd/Stewart	3/31/2004	12/31/2028
87th/Cottage Grove	11/13/2002	12/31/2026
95th/Western	7/13/1995	12/31/2031
Addison South	5/9/2007	12/31/2031
Archer/Central	5/17/2000	12/31/2024
Archer/Western	2/11/2009	12/31/2033
Armitage/Pulaski	6/13/2007	12/31/2031
Austin Commercial	9/27/2007	12/31/2031
Avalon Park/South Shore	7/31/2002	12/31/2026
Avondale	7/29/2009	12/31/2033
Belmont/Central	1/12/2000	12/31/2036
Belmont/Cicero	1/12/2000	12/31/2024
Bronzeville	11/4/1998	12/31/2034
Bryn Mawr/Broadway	12/11/1996	12/31/2032
Canal/Congress	11/12/1998	12/31/2034
Central West	2/16/2000	12/31/2036
Chicago/Central Park	2/27/2002	12/31/2026
Chicago/Kingsbury	4/12/2000	12/31/2024
Cicero/Archer	5/17/2000	12/31/2024
Cicero/Stevenson	7/20/2022	12/31/2046
Clark/Montrose	7/7/1999	12/31/2035
Commercial Avenue	11/13/2002	12/31/2026
Cortland/Chicago River	4/10/2019	12/31/2043
Devon/Sheridan	3/31/2004	12/31/2028
Diversey/Chicago River	10/5/2016	12/31/2040
Diversey/Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025
Edgewater/Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	12/31/2025
Englewood Neighborhood	6/27/2001	12/31/2037
Ewing Avenue	3/10/2010	12/31/2034
Foster/California	4/2/2014	12/31/2038
Foster/Edens	2/28/2018	12/31/2042
Fullerton/Milwaukee	2/16/2000	12/31/2027
Galewood/Armitage Industrial	7/7/1999	12/31/2035
Goose Island	7/10/1996	12/31/2032
Greater Southwest Industrial (East)	3/10/1999	12/31/2035
Greater Southwest Industrial (West)	4/12/2000	12/31/2024
Harrison/Central	7/26/2006	12/31/2030
Hollywood/Sheridan	11/7/2007	12/31/2031
Homan/Arthington	2/5/1998	12/31/2034
Humboldt Park Commercial	6/27/2001	12/31/2025
Jefferson/Roosevelt	8/30/2000	12/31/2024
Kennedy/Kimball	3/12/2008	12/31/2032
Kinzie Industrial Corridor	6/10/1998	12/31/2034

X

Lake Calumet Area Industrial	12/13/2000	12/31/2036
Lakefront	3/27/2002	12/31/2026
LaSalle Central	11/15/2006	12/31/2030
Lawrence/Broadway	6/27/2001	12/31/2037
Lawrence/Kedzie	2/16/2000	12/31/2036
Lawrence/Pulaski	2/27/2002	12/31/2026
Lincoln Avenue	11/3/1999	12/31/2035
Little Village East	4/22/2009	12/31/2033
Little Village Industrial Corridor	6/13/2007	12/31/2031
Madden/Wells	11/6/2002	12/31/2038
Madison/Austin Corridor	9/29/1999	12/31/2035
Michigan/Cermak	9/13/1989	12/31/2025
Midway Industrial Corridor	2/16/2000	12/31/2024
Midwest	5/17/2000	12/31/2036
Montrose/Clarendon	6/30/2010	12/31/2034
Near North	7/30/1997	12/31/2033
North Pullman	6/30/2009	12/31/2033
Northwest Industrial Corridor	12/2/1998	12/31/2034
Ogden/Pulaski	4/9/2008	12/31/2032
Ohio/Wabash	6/7/2000	12/31/2024
Peterson/Pulaski	2/16/2000	12/31/2024
Pilsen Industrial Corridor	6/10/1998	12/31/2034
Pratt/Ridge Industrial Park Conservation Area	6/23/2004	12/31/2028
Pulaski Industrial Corridor	6/9/1999	12/31/2035
Randolph/Wells	6/9/2010	12/31/2034
Red Line Extension	12/14/2022	12/31/2058
Red Purple Modernization Phase One (Transit TIF)	11/30/2016	12/31/2052
River West	1/10/2001	12/31/2025
Roosevelt/Cicero Industrial Corridor	2/5/1998	12/31/2034
Roosevelt/Clark	4/10/2019	12/31/2043
Roosevelt/Racine	11/4/1998	12/31/2034
Roseland/Michigan	1/16/2002	12/31/2026
Sanitary and Ship Canal	7/24/1991	12/31/2027
South Chicago	4/12/2000	12/31/2036
Stevenson Brighton	4/11/2007	12/31/2031
Stockyards Southeast Quadrant Industrial	2/26/1992	12/31/2028
Stony Island Commercial/Burnside Industrial	6/10/1998	12/31/2034
Touhy/Western	9/13/2006	12/31/2030
Washington Park	10/8/2014	12/31/2038
West Irving Park	1/12/2000	12/31/2024
West Woodlawn	5/12/2010	12/31/2034
Western Avenue North	1/12/2000	12/31/2024
Western Avenue South	1/12/2000	12/31/2024
Western/Ogden	2/5/1998	12/31/2034
Western/Rock Island	2/8/2006	12/31/2030
Wilson Yard	6/27/2001	12/31/2025
Woodlawn	1/20/1999	12/31/2035

\*All statutory citations refer to one of two sections of the Illinois Municipal Code: The Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

**SECTION 2** [Sections 2 through 8 must be completed for each redevelopment project area listed in Section 1.]

**FY 2024**

**Name of Redevelopment Project Area:**

Lawrence/Broadway

**Primary Use of Redevelopment Project Area\*:** Combination/Mixed

\*Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

**If "Combination/Mixed" List Component Types:** Commercial/Residential/Office

**Under which section of the Illinois Municipal Code was the Redevelopment Project Area designated? (check one):**

**Tax Increment Allocation Redevelopment Act**     X    

**Industrial Jobs Recovery Law**           

**Please utilize the information below to properly label the Attachments.**

	No	Yes
For redevelopment projects beginning prior to FY 2022, were there any amendments, to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] <b>If yes, please enclose the amendment (labeled Attachment A).</b> For redevelopment projects beginning in or after FY 2022, were there any amendments, enactments or extensions to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] <b>If yes, please enclose the amendment, enactment or extension, and a copy of the redevelopment plan (labeled Attachment A).</b>		X
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] <b>Please enclose the CEO Certification (labeled Attachment B).</b>		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] <b>Please enclose the Legal Counsel Opinion (labeled Attachment C).</b>		X
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] <b>If yes, please enclose the Activities Statement (labeled Attachment D).</b>		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] <b>If yes, please enclose the Agreement(s) (labeled Attachment E).</b>	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] <b>If yes, please enclose the Additional Information (labeled Attachment F).</b>	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] <b>If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G).</b>	X	
Were there any reports <u>submitted to</u> the municipality <u>by</u> the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] <b>If yes, please enclose the Joint Review Board Report (labeled Attachment H).</b>	X	
Were any obligations issued by the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] <b>If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached (labeled Attachment J).</b>	X	
An analysis prepared by a financial advisor or underwriter, <u>chosen by the municipality</u> , setting forth the nature and term of obligation; projected debt service including required reserves and debt coverage; <u>and actual debt service</u> . [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] <b>If attachment I is yes, the Analysis and an accompanying letter from the municipality outlining the contractual relationship between the municipality and the financial advisor/underwriter <u>MUST</u> be attached (labeled Attachment J).</b>	X	
Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) <b>If yes, please enclose audited financial statements of the special tax allocation fund (labeled Attachment K).</b>		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] <b>If yes, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L).</b>		X
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] <b>If yes, please enclose the list only, not actual agreements (labeled Attachment M).</b>	X	
For redevelopment projects beginning in or after FY 2022, did the developer identify to the municipality a stated rate of return for each redevelopment project area? Stated rates of return required to be reported shall be independently verified by a third party chosen by the municipality. <b>If yes, please enclose evidence of third party verification, may be in the form of a letter from the third party (labeled Attachment N).</b>	X	



**SECTION 3.1** [65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)) and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d)]

**FY 2024**

**Name of Redevelopment Project Area:**

**Lawrence/Broadway**

**Provide an analysis of the special tax allocation fund.**

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 39,640,687

<b>SOURCE of Revenue/Cash Receipts:</b>	<b>Revenue/Cash Receipts for Current Reporting Year</b>	<b>Cumulative Totals of Revenue/Cash Receipts for life of TIF</b>	<b>% of Total</b>
Property Tax Increment	\$ 8,451,752	\$85,803,157	47%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 1,090,945	\$ 2,911,228	2%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources		\$ 95,185,504	52%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ -	\$ -	0%

**All Amount Deposited in Special Tax Allocation Fund** \$ 9,542,697

**Cumulative Total Revenues/Cash Receipts** \$ 183,899,889 100%

**Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)** \$ 4,667,900

**Transfers to Municipal Sources** \$ 575,824

**Distribution of Surplus**

**Total Expenditures/Disbursements** \$ 5,243,724

**Net/Income/Cash Receipts Over/(Under) Cash Disbursements** \$ 4,298,973

**Previous Year Adjustment (Explain Below)**

**FUND BALANCE, END OF REPORTING PERIOD\*** \$ 43,939,660

\* If there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

**Previous Year Explanation:**

(a) Cumulative figures for the categories of 'Interest,' 'Land/Building Sale Proceeds' and 'Other' may not be fully available for this report due to either: (i) the disposal of certain older records pursuant to the City's records retention policy, or (ii) the extraordinary administrative burden of developing cumulative City records prior to the City's conversion to its current accounting system in 2003.

**SECTION 3.2 A [65 ILCS 5/11-74.4-5 (d) (5) (c) and 65 ILCS 5/11-74.6-22 (d) (5)(c)]**

**FY 2024**

**Name of Redevelopment Project Area:**

**Lawrence/Broadway**

**ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND**

**PAGE 1**

<b>Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]</b>	<b>Amounts</b>	<b>Reporting Fiscal Year</b>
1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
	86,900	
		\$ 86,900
2. Annual administrative cost.		
		\$ -
3. Cost of marketing sites.		
		\$ -
4. Property assembly cost and site preparation costs.		
		\$ -
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
	4,581,000	
		\$ 4,581,000
6. Costs of the construction of public works or improvements.		
		\$ -



**SECTION 3.2 A**  
**PAGE 3**

13. Relocation costs.			
			\$ -
14. Payments in lieu of taxes.			
			\$ -
15. Costs of job training, retraining, advanced vocational or career education.			
			\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.			
Costs of interest incurred by a Developer related to the construction, renovation or rehabilitation			
Costs of construction of new housing units for low income or very low income households.			
			\$ -
17. Cost of day care services.			
			\$ -
18. Other.			
			\$ -
<b>TOTAL ITEMIZED EXPENDITURES</b>			<b>\$ 4,667,900</b>

(1) Costs relate directly to the salaries and fringe benefits of employees working solely on tax increment financing districts.





**SECTION 4** [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

**FY 2024**

**Name of Redevelopment Project Area:**

**Lawrence/Broadway**

**Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.**

X	Indicate an 'X' if no property was acquired by the municipality within the redevelopment project area.
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Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (5):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (6):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (7):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

## SECTION 5 [20 ILCS 620/4.7 (7)(F)]

FY 2024

Name of Redevelopment Project Area:

Lawrence/Broadway

## PAGE 1

Page 1 MUST be included with TIF report. Pages 2 and 3 are to be included ONLY if projects are listed.

Select ONE of the following by indicating an 'X':

1. <u>NO</u> projects were undertaken by the Municipality Within the Redevelopment Project Area.	
2. The municipality <u>DID</u> undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a and 2b.)	X
2a. The total <b>number</b> of <u>ALL</u> activities undertaken in furtherance of the objectives of the redevelopment plan:	8
2b. Did the municipality undertake any <b>NEW</b> projects in fiscal year 2022 or any fiscal year thereafter within the Redevelopment Project Area?	1

## LIST ALL projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 17,889,461	\$ -	\$ 36,755,769
Public Investment Undertaken	\$ 16,387,352	\$ 785,883	\$ 14,497,238
Ratio of Private/Public Investment	1 1/11		2 53/99

## Project 1 Name: Uptown Goldblatts Venture, LLC (Project Completed)

Private Investment Undertaken (See Instructions)	\$ 17,889,461	\$ -
Public Investment Undertaken	\$ 5,102,433	\$ -
Ratio of Private/Public Investment	3 42/83	0

## Project 2 Name: Gunnison Street Lofts, LLC (Project is Ongoing\*\*\*)

Private Investment Undertaken (See Instructions)	\$ -	\$ 6,623,130
Public Investment Undertaken	\$ 1,788,293	\$ 104,176
Ratio of Private/Public Investment	0	3 8/17

## Project 3 Name: Leland Apartments - Leland Limited Partnership (Project is Ongoing\*\*\*)

Private Investment Undertaken (See Instructions)	\$ -	\$ 12,774,804
Public Investment Undertaken	\$ 542,052	\$ -
Ratio of Private/Public Investment	0	6 31/80

## Project 4 Name: Uptown Theater (Project Completed)

Private Investment Undertaken (See Instructions)	\$ -	\$ -
Public Investment Undertaken	\$ 1,372,037	\$ -
Ratio of Private/Public Investment	0	0

## Project 5 Name: Theus Property Holdings (Project is Ongoing\*\*\*)

Private Investment Undertaken (See Instructions)	\$ -	\$ 5,188,990
Public Investment Undertaken	\$ 1,136,660	\$ 181,708
Ratio of Private/Public Investment	0	3 4/7

## Project 6 Name: SBIF - Lawrence Broadway\*\* (Project is Ongoing\*\*\*)

Private Investment Undertaken (See Instructions)	\$ -	\$ 7,000,000
Public Investment Undertaken	\$ 1,620,382	\$ 3,500,000
Ratio of Private/Public Investment	0	2

**Project 7 Name: TIFWorks - Lawrence Broadway\*\* (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)	\$ -		\$ -
Public Investment Undertaken	\$ 325,496		\$ 636,096
Ratio of Private/Public Investment	0		0

**Project 8 Name: CircEsteem (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)	\$ -		\$ 5,168,845
Public Investment Undertaken	\$ 4,500,000	\$ 500,000	\$ 5,000,000
Ratio of Private/Public Investment	0		1 3/89

**Project 9 Name:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 10 Name:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 11 Name:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 12 Name:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 13 Name:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 14 Name:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 15 Name:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

## Section 5 Notes

**FY 2024**

**Name of Redevelopment Project Area:**

**Lawrence/Broadway**

### **General Notes**

(a) Each actual or estimated Public Investment reported here is, to the extent possible, comprised only of payments financed by tax increment revenue, and may include interest amounts paid to finance the Public Investment amount. In contrast, each actual or estimated Private Investment reported here is, to the extent possible, comprised of payments financed by revenues that are not tax increment revenues and, therefore, may include private equity, private lender financing, private grants, other public monies, or other local, state or federal grants or loans.

(b) Each amount reported here under Public Investment Undertaken, Total Estimated to Complete Project, is the maximum amount of payments financed by tax increment revenue that could be made pursuant to the corresponding Project's operating documents, but not including interest that may later be payable on developer notes, and may not necessarily reflect actual expenditures, if any, as reported in Section 3 herein. The total public investment amount ultimately made under each Project will depend upon the future occurrence of various conditions, including interest that may be payable on developer notes as set forth in the Project's operating documents.

### **Project/Program-Specific Notes**

\*\* Depending on the particular goals of this type of program, the City may: i) make an advance disbursement of the entire public investment amount to the City's program administrator, ii) disburse the amounts through an escrow account, or iii) pay the funds out piecemeal to the program administrator or to the ultimate grantee as each ultimate grantee's work is approved under the program.

\*\*\* As of the last date of the reporting fiscal year, the construction of this Project was ongoing; the Private Investment Undertaken and Ratio figures for this Project will be reported on the Annual Report for the fiscal year in which the construction of the Project is completed and the total Private Investment figure is available.

SECTIONS 6.2, 6.3, and 6.4 are required by law, if applicable. (65 ILCS 5/11-74.4-5(d))

**Lawrence/Broadway**

<b>Number of Jobs Retained</b>	<b>Number of Jobs Created</b>	<b>Job Description and Type (Temporary or Permanent)</b>	<b>Total Salaries Paid</b>
			\$

Project Name	The number of jobs, if any, projected to be created at the time of approval of the redevelopment agreement.*		The number of jobs, if any, created as a result of the development to date, for the reporting period, under the same guidelines and assumptions as was used for the projections used at the time of approval of the redevelopment agreement.**	
	Temporary	Permanent	Temporary	Permanent

\*\* see footnote on following page

[illegible]

<sup>^^</sup> see footnote on following page

Project Name	Stated Rate of Return
N/A	N/A

## Section 6 Notes

**FY 2024**

**Name of Redevelopment Project Area:**

**Lawrence/Broadway**

### **General Notes**

#### **Section 6.2**

\* All RDAs shown were entered into during or after FY 2022. "Permanent" jobs are defined as permanent, full-time, or full-time-equivalent jobs that are anticipated to be created or retained at some time during the term of the RDA. "Temporary" jobs are defined as part-time, construction, temporary or seasonal jobs listed as required or aspirational in the RDA that are anticipated to be created during construction of the project. RDAs with no jobs covenant are not shown. An RDA will be removed from this Section once the job covenant ends, or the RDA terminates. TIFWorks and similar job training programs are not shown.

\*\* "Permanent" jobs shown are those that are affirmed by the Developer on the first anniversary date of the completion of the project and throughout the term of the RDA. "Temporary" jobs shown are those that are affirmed by the Developer after project construction is completed.

#### **Section 6.3**

^ All RDAs shown were entered into during or after FY 2022. The amount of increment increase projected is the cumulative amount that is projected to be created for all PINs in the RDA from the anticipated project stabilization year through the term of the TIF Redevelopment Area. RDAs are removed once the RDA is terminated or expired. RDAs involving tax-exempt properties and those with no increment increase projected by the City over the term of the respective RDA, are not shown.

^^ The amount shown is the increase in cumulative PIN increment collected from the actual project stabilization year through the TIF Redevelopment Area expiration year, to the extent the information is available from tax records.



**SECTION 7** [Information in the following section is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.]

**FY 2024**

**Name of Redevelopment Project Area:**

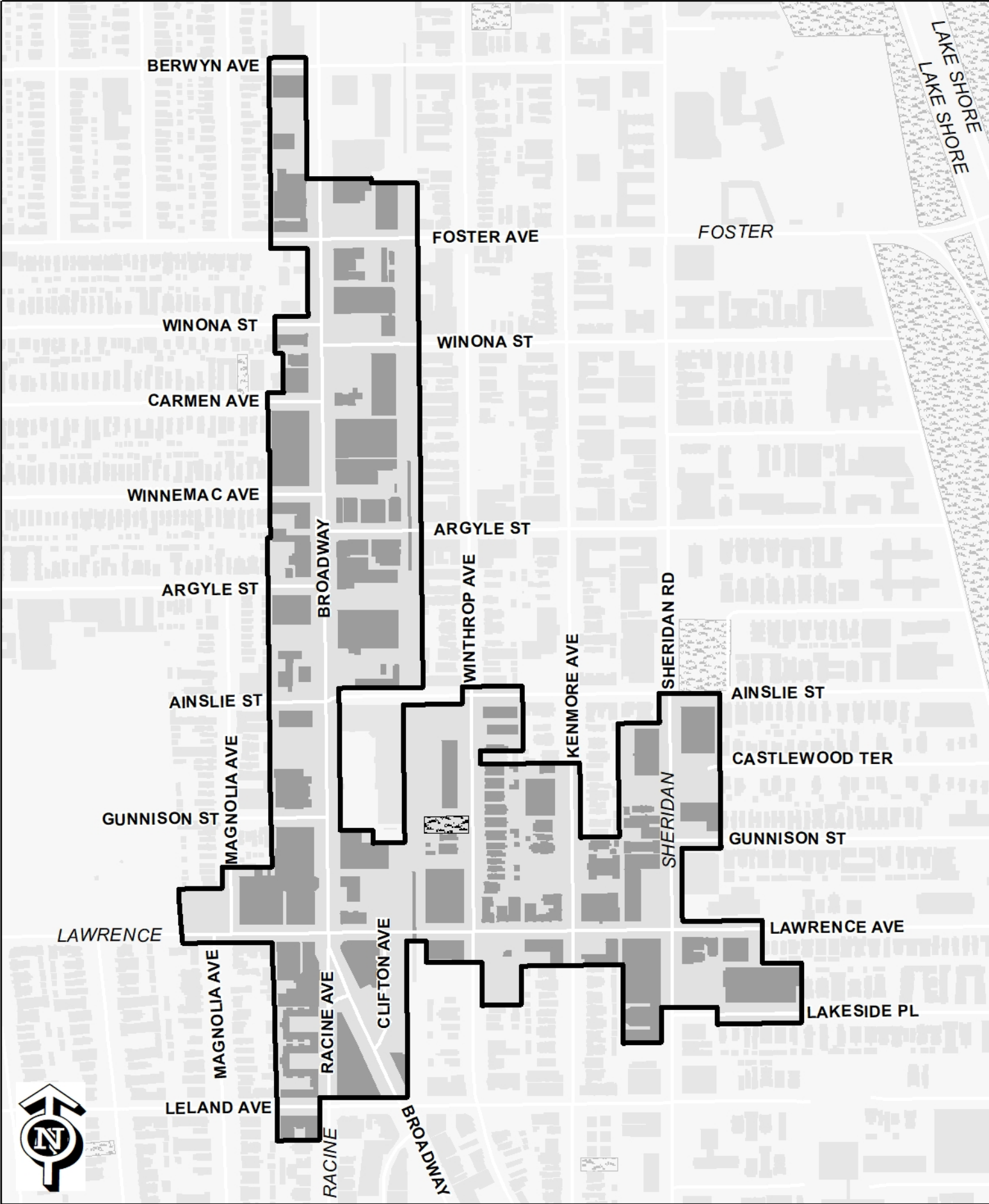
*Lawrence/Broadway*

**Provide a general description of the redevelopment project area using only major boundaries.**

Optional Documents	Enclosed
Legal description of redevelopment project area	
Map of District	X

# Lawrence/Broadway TIF

## Annual Report



## FY 2024

### **Lawrence/Broadway**

<b>Year of Designation</b>	<b>Base EAV</b>	<b>Reporting Fiscal Year EAV</b>

If overlapping taxing district received a surplus, list the surplus.

[illegible]

ORDINANCE

**WHEREAS**, pursuant to ordinances adopted on June 27, 2001, and published in the Journal of the Proceedings of the City Council of the City of Chicago (the "Journal") for such date at pages 62216 to 62340 and under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4.1 et seq., as amended (the "Act"), the City Council (the "Corporate Authorities") of the City of Chicago (the "City"): (i) approved a redevelopment plan and project (the "Plan") for a portion of the City known as the "Lawrence/Broadway Redevelopment Project Area" (the "Area") (the "Plan Ordinance"); (ii) designated the Area as a "redevelopment project area" within the requirements of the Act (the "Designation Ordinance"); and (iii) adopted tax increment financing for the Area (the "TIF Adoption Ordinance" and, together with the Original Plan Ordinance and the Designation Ordinance, referred to herein collectively as the "TIF Ordinances"); and

**WHEREAS**, the Plan established the estimated date of completion of the redevelopment project described therein and of the retirement of obligations issued to finance redevelopment project costs to be December 31, 2025, which date is no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third (23<sup>rd</sup>) calendar year following the year in which the ordinance approving the Area was adopted, in accordance with the provisions of Section 11-74.4-3(n)(3) of the Act in effect on the date of adoption of the TIF Ordinances; and

**WHEREAS**, the City anticipates that the Illinois General Assembly may adopt a bill (the "Bill") which would amend the Act to, among other things, change the dates set forth in Section 11-74.4-3(n)(3) of the Act by which redevelopment projects in the Area must be completed and obligations issued to finance redevelopment project costs must be retired to be no later than December 31 of the year in which the payment to a municipal treasurer as provided in Section 11-74.4-8(b) of the Act is to be made with respect to ad valorem taxes levied in the thirty-fifth (35<sup>th</sup>) calendar year following the year in which the ordinance approving a redevelopment project area was adopted; and

**WHEREAS**, the Corporate Authorities desire further to amend and supplement the Plan to conform to Section 11-74.4-3.5(c) of the Act, as amended by the Bill, in accordance with the procedures set forth in Section 11-74.4-3(n)(3) of the Act;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

**SECTION 1. Recitals.** The above recitals are incorporated herein and made a part hereof.

**SECTION 2. Approval of Amendment Number 1 to the Plan.** "Amendment No. 1 to the Lawrence/Broadway Tax Increment Financing Redevelopment Area Project and Plan" ("Amendment No. 1"), a copy of which is attached hereto as Exhibit A, is hereby approved.

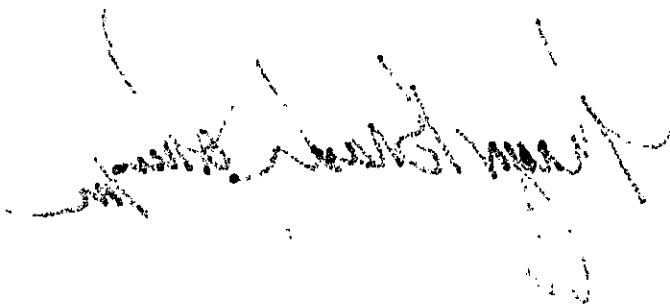
**SECTION 3. Finding.** The Corporate Authorities hereby find that the estimated dates of completion of the redevelopment project described in the Plan and of the retirement of obligations

issued to finance redevelopment project costs set forth in the Plan, as amended by Amendment No. 1, conform to the provisions of Section 11-74.4-3(n)(3) and Section 11-74.4-3.5(c) of the Act, as amended by the Bill.

**SECTION 4. Invalidity of Any Section.** If any provision of this ordinance 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 ordinance.

**SECTION 5. Superseder.** All ordinances (including, without limitation, the TIF Ordinances), resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflicts.

**SECTION 6. Effective Date.** This ordinance would be in full force and effect immediately upon (1) the Bill becoming law and (2) the passage and approval of this ordinance.

A large, stylized handwritten signature in black ink, likely belonging to a city official, is written across the lower left portion of the page.

15-21-51

EXHIBIT A

AMENDMENT NO. 1 TO THE LAWRENCE/BROADWAY TAX INCREMENT FINANCING  
REDEVELOPMENT AREA PROJECT AND PLAN

1. In Section V entitled "Redevelopment Project," subsection G entitled "Issuance of Obligations," the second paragraph shall be deleted and replaced with the following:

"The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City Treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the thirty-fifth (35<sup>th</sup>) calendar year following the year in which the ordinance approving the Project Area is adopted (by December 31, 2037). Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One or more series of obligations may be sold at one (1) or more times in order to implement this Redevelopment Plan. Obligations may be issued on a parity or subordinated basis."

2. In Section X entitled "Phasing And Scheduling," the third paragraph shall be deleted and replaced with the following:

"The estimated date for completion of Redevelopment Projects is no later than December 31, 2037."



FIN



OFFICE OF THE MAYOR  
CITY OF CHICAGO

BRANDON JOHNSON  
MAYOR

December 2, 2024

TO THE HONORABLE, THE CITY COUNCIL  
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance amending the Lawrence/Broadway TIF Redevelopment Plan and Project to revise the expiration date.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "BJ", followed by a horizontal line.

Mayor



CITY OF CHICAGO

COMMITTEE ON FINANCE  
CITY COUNCIL  
CITY HALL - ROOM 302  
121 NORTH LASALLE STREET  
CHICAGO, ILLINOIS 60602

ALDERMAN PAT DOWELL  
CHAIRMAN

PHONE: 312-744-3380

December 13, 2024  
CHICAGO, ILLINOIS

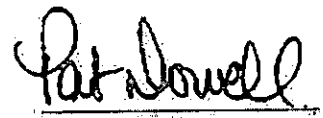
**TO THE PRESIDENT AND MEMBERS OF THE CITY COUNCIL:**

Your Committee on Finance which was referred an ordinance concerning the First Amendment to the Lawrence/Broadway Tax Increment Financing (TIF) Redevelopment Plan and Project to revise the expiration date.  
**46th, 47th & 48th Wards**  
(O2024-0014212)

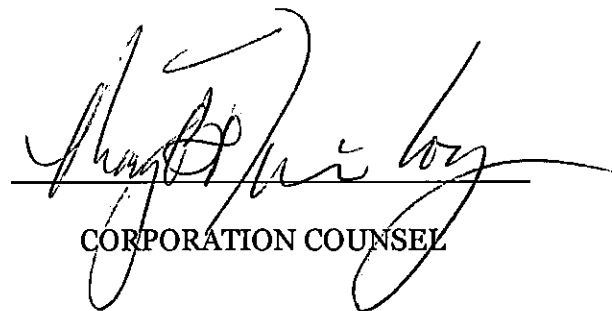
Having the same under advisement, begs leave to report and recommend that Your Honorable Body **Pass** the proposed ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present with no dissenting votes on **December 12, 2024**.

(signed)

  
Pat Dowell, Chairman  
Committee on Finance

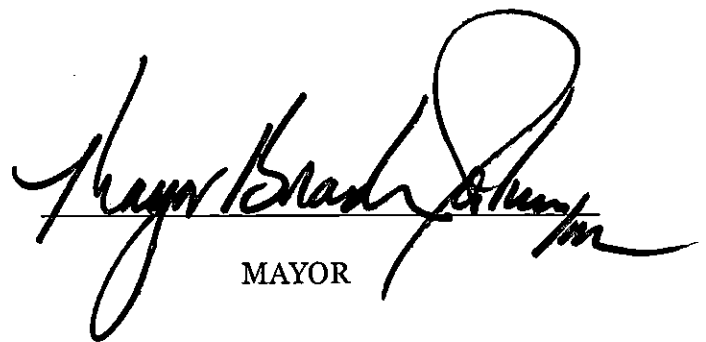
APPROVED



CORPORATION COUNSEL

DATED: December 18, 2024

APPROVED



MAYOR

DATED: 12.18.24

STATE OF ILLINOIS            )  
  )  
COUNTY OF COOK            )

CERTIFICATION

TO:

Susana Mendoza  
Comptroller of the State of Illinois  
555 W. Monroe Street, 1400S-A  
Chicago, Illinois 60661  
Attention: Rosanna Barbaro-Flores,  
Director of Local Government

Jolenna Nanalig, AVC Finance & Treasurer  
City Colleges of Chicago  
180 N. Wabash Avenue, Suite 200  
Chicago, Illinois 60601

Xochitl Flores, Bureau Chief  
Cook County Bureau of Economic Dev.  
69 West Washington Street, Suite 2900  
Chicago, Illinois 60602

Damon Howell, Comptroller  
Forest Preserve District of Cook County  
69 W. Washington Street, Suite 2060  
Chicago, Illinois 60602

Miroslava Mejia Krug, Chief Financial Officer  
Chicago Board of Education  
42 West Madison Street  
Chicago, Illinois 60602

Jacqueline Torres, Director of Finance  
Metropolitan Water Reclamation District  
of Greater Chicago  
100 East Erie Street, Room 243  
Chicago, Illinois 60611

Lamarr Miller, President  
South Cook County Mosquito Abatement District  
15500 Dixie Highway  
P.O. Box 1030  
Harvey, Illinois 60426

Carlos Ramirez-Rosa  
General Superintendent & CEO  
Chicago Park District  
4830 S. Western Avenue  
Chicago, Illinois 60609

I, Brandon Johnson, in connection with the annual report (the "Report") of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq. (the "Act"), with regard to the Lawrence/Broadway Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

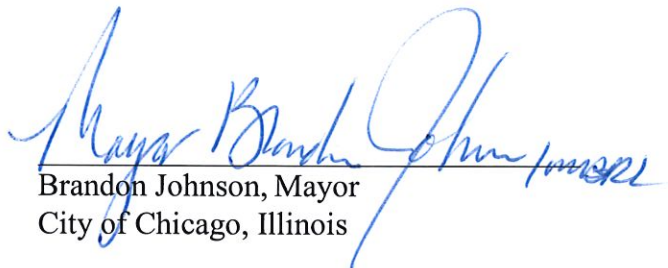
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2024, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

3. In giving this Certification, I have relied on the opinion of the Corporation Counsel of the City furnished in connection with the Report.

4. This Certification may be relied upon only by the addressees hereof.

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this June 27, 2025.

  
Brandon Johnson, Mayor  
City of Chicago, Illinois



DEPARTMENT OF LAW  
CITY OF CHICAGO

June 27, 2025

Susana Mendoza  
Comptroller of the State of Illinois  
555 W. Monroe Street, 1400S-A  
Chicago, Illinois 60661  
Attention: Rosanna Barbaro-Flores,  
Director of Local Government

Jolenna Nanalig, AVC Finance & Treasurer  
City Colleges of Chicago  
180 N. Wabash Avenue, Suite 200  
Chicago, Illinois 60601

Xochitl Flores, Bureau Chief  
Cook County Bureau of Economic Dev.  
69 West Washington Street, Suite 2900  
Chicago, Illinois 60602

Damon Howell, Comptroller  
Forest Preserve District of Cook County  
69 W. Washington Street, Suite 2060  
Chicago, Illinois 60602

Miroslava Mejia Krug, Chief Financial Officer  
Chicago Board of Education  
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Chicago, Illinois 60602

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of Greater Chicago  
100 East Erie Street, Room 243  
Chicago, Illinois 60611

Lamarr Miller, President  
South Cook County Mosquito Abatement District  
15500 Dixie Highway  
P.O. Box 1030  
Harvey, Illinois 60426

Carlos Ramirez-Rosa  
General Superintendent & CEO  
Chicago Park District  
4830 S. Western Avenue  
Chicago, Illinois 60609

Re: Lawrence/Broadway Redevelopment Project Area  
(the "Redevelopment Project Area")

Dear Addressees:

I am the Corporation Counsel of the City of Chicago, Illinois (the "City") and, in such capacity, I am the head of the City's Law Department. In such capacity, I am providing the opinion required by Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act"), in connection with the submission of the report (the "Report") in accordance with, and containing the information required by, Section 11-74.4-5(d) of the Act for the Redevelopment Project Area.



Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment project area, and adoption of tax increment allocation financing for the Redevelopment Project Area, all in accordance with the then applicable provisions of the Act. Various departments of the City, including, if applicable, the Law Department, Department of Planning and Development, Department of Finance and Office of Budget and Management (collectively, the "City Departments"), have personnel responsible for and familiar with the activities in the Redevelopment Project Area affecting such City Departments and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

In my capacity as Corporation Counsel, I have relied on the factual certification of the Commissioner of the Department of Planning and Development attached hereto as Schedule 1, along with the general knowledge and actions of the appropriately designated and trained staff of the Law Department and other applicable City Departments involved with the activities affecting the Redevelopment Project Area. In addition, I have caused to be examined or reviewed by members of the Law Department of the City the certified audit report, to the extent required to be obtained by Section 11-74.4-5(d)(9) of the Act and submitted as part of the Report, which is required to review compliance with the Act in certain respects, to determine if such audit report contains information that might affect my opinion. I have also caused to be examined or reviewed such other documents and records as were deemed necessary to enable me to render this opinion. Nothing has come to my attention that would result in my need to qualify the opinion hereinafter expressed.

Based on the foregoing, it is my opinion that, in all material respects, the City is in compliance with the provisions and requirements of the Act in effect and then applicable at the time actions were taken from time to time with respect to the Redevelopment Project Area.

This opinion is given in an official capacity and not personally and no personal liability shall derive herefrom. Furthermore, the only opinion that is expressed is the opinion specifically set forth herein, and no opinion is implied or should be inferred as to any other matter. Further, this opinion may be relied upon only by the addressees hereof and the Mayor of the City in providing his required certification in connection with the Report, and not by any other party.

Very truly yours,



Mary Richardson-Lowry  
Corporation Counsel

## **SCHEDULE 1**

**June 27, 2025**

### **CERTIFICATION**

Commissioner  
Department of Planning and Development  
City of Chicago

I, Ciere Boatright, am the Commissioner of the Department of Planning and Development ("DPD") of the City of Chicago, Illinois (the "City") and, in such capacity, I am the head of DPD. I am also the TIF Administrator for the City for purposes of the Report (defined below). In such capacity, I am providing this Certification for the Corporation Counsel of the City to rely upon in connection with the opinion required by either Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act"), or by Section 11-74.6-22(d)(4) of the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1 et seq. (the "Law"), as the case may be, in connection with the submission of an annual report for calendar year 2024 (the "Report") containing the information required by Section 11-74.4-5(d) of the Act or Section 11-74.6-22(d) of the Law for each of the Redevelopment Project Areas listed in Section 1 of the Report and hereby incorporated into this Certification (the "Redevelopment Project Areas").

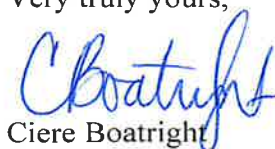
I hereby certify the following to the Corporation Counsel of the City:

1. DPD has overall responsibility for and is familiar with the activities in each of the Redevelopment Project Areas. DPD personnel are familiar with the requirements of the Act and the Law and are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the City's Department of Law with respect to legal issues that may arise from time to time regarding the requirements of, and compliance with, the Act and the Law.
2. DPD personnel have monitored compliance with the requirements of the Act and the Law during the previous fiscal year under my supervision and to my reasonable satisfaction in connection with each of the Redevelopment Project Areas.

Based on the foregoing, I hereby certify to the Corporation Counsel of the City that, in all material respects, DPD has taken the appropriate actions to ensure that the City is in compliance with the provisions and requirements of the Act and the Law in effect and then applicable at the time actions were taken from time to time with respect to each of the Redevelopment Project Areas.

This Certification is given in an official capacity and not personally and no personal liability shall derive herefrom. Further, this Certification may be relied upon only by the Corporation Counsel of the City in providing the required legal opinion in connection with the Report, and not by any other party.

Very truly yours,



Ciere Boatright  
Commissioner  
Department of Planning and Development

FY 2024

Name of Redevelopment Project Area:

Lawrence/Broadway

Projects that were implemented during the reporting year are set forth below:

<u>Name of Project</u>
CircEsteem LLC



Doc# 2407108039 Fee \$88.00  
 ILRHSP FEE:\$18.00 RPRF FEE:\$1.00  
 KAREN A. YARBROUGH  
 COOK COUNTY CLERK'S OFFICE  
 DATE: 3/11/2024 3:45 PM  
 PAGE: 1 OF 57

This agreement was prepared by and  
 after recording return to:  
 Keith A. May, Esq.  
 City of Chicago Department of Law  
 121 North LaSalle Street, Room 600  
 Chicago, IL 60602

**CIRCESTEEM REDEVELOPMENT AGREEMENT**  
**(Chicago Recovery Plan Community Development Grant)**

This CircEsteem Redevelopment Agreement (this "Agreement") is made as of the "Agreement Date" by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Developer. Capitalized terms not otherwise defined herein shall have the meaning given in the table headed "Project Information" or in Section 2, as applicable.

**TABLE OF CONTENTS**

Project Information	Section 10 Indemnification
Signature Page	Section 11 Default and Remedies
Section 1 Recitals	Section 12 Mortgaging of the Project
Section 2 Definitions	Section 13 General Provisions
Section 3 The Project	Exhibit A Legal Description of the Property
Section 4 Project Financing	Exhibit B Project Budgets (Project, M/WBE, TIF Eligible)
Section 5 Conditions Precedent	Exhibit C Insurance Requirements
Section 6 Completion of Construction or Rehabilitation	Exhibit D Requisition Form
Section 7 Covenants/Representations/Warranties of Developer	Exhibit E Annual Compliance Report
Section 8 Maintaining Records and Right to Inspect	Exhibit F Construction Compliance
Section 9 Environmental Matters	Exhibit G Escrow Agreement

## PROJECT INFORMATION

Term (Agreement Section where first used)	Definition										
Agreement Date (preamble)	March <u>11</u> , 2024										
Developer (preamble)	CircEsteem Inc., an Illinois not for profit corporation										
Project (Recitals)	The Developer proposes to redevelop the existing 14,000 square foot former Lakeside Theater building, a potentially contributing property in the Uptown Square Historic District. The building is the current home of CircEsteem, a youth development organization that unites youth across all backgrounds and identities by fostering self-esteem and mutual respect through the practice and performance of circus arts. The project scope will include a full renovation of the property, including the restoration of the historic terra cotta façade, reconfigured lobby space, the build-out of training, performance and classroom spaces, as well as offices for the organization. In addition, a new kitchen and pantry will also be constructed. Developer will sublease or make other space arrangements for the use of not more than ten percent (10%) of the Project by Alternatives, Inc.										
Ordinance Date (Recitals)	April 19, 2023										
TIF Area (Recitals)	Lawrence/Broadway Redevelopment Project Area										
City Grant (Definitions)	\$5,000,000										
Commencement Date (3.01)	Not later than 180 days after the Ordinance Date										
Completion Date (3.01)	Not later than 24 months after the Ordinance Date										
Estimated Project Cost (4.01)	\$10,168,845										
Funding Sources (4.01)	<table border="1"> <thead> <tr> <th>Funding Source</th><th>Amount</th></tr> </thead> <tbody> <tr> <td>Equity</td><td>\$3,000,000</td></tr> <tr> <td>Capital Campaign Fundraising</td><td>\$2,168,845 (inclusive of a state grant in the amount of \$225,000 and front-funded initially through Lender Financing)</td></tr> <tr> <td>City Grant</td><td>\$5,000,000</td></tr> <tr> <td><b>TOTAL</b></td><td><b>\$10,168,845</b></td></tr> </tbody> </table>	Funding Source	Amount	Equity	\$3,000,000	Capital Campaign Fundraising	\$2,168,845 (inclusive of a state grant in the amount of \$225,000 and front-funded initially through Lender Financing)	City Grant	\$5,000,000	<b>TOTAL</b>	<b>\$10,168,845</b>
Funding Source	Amount										
Equity	\$3,000,000										
Capital Campaign Fundraising	\$2,168,845 (inclusive of a state grant in the amount of \$225,000 and front-funded initially through Lender Financing)										
City Grant	\$5,000,000										
<b>TOTAL</b>	<b>\$10,168,845</b>										

Trade Names (5.05)	CircEsteem
Certificate Deadline (6.05)	March <u>11</u> , 2026
Permitted Liens (12)	"Permitted Liens" Any mortgage securing any Lender Financing and those matters set forth as Schedule B title exceptions in the Title Policy, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.
Notice Addresses (13.14)	<p><u>If to the Developer:</u> CircEsteem Inc.  4370 N. Sheridan Rd.  Chicago, IL 60640  Attention: Executive Director</p> <p><u>If to the City:</u>  City of Chicago, Department of Planning and Development  121 North LaSalle Street, Room 1000  Chicago, Illinois 60602  Attention: Commissioner</p> <p>With a copy to:  City of Chicago, Department of Law  121 North LaSalle Street, Room 600  Chicago, Illinois 60602  Attention: Finance and Economic Development Division</p>

**Signature page to Redevelopment Agreement**

IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the Agreement Date.

CircEsteem Inc.

By:   
\_\_\_\_\_  
Dan Roberts  
Executive Director

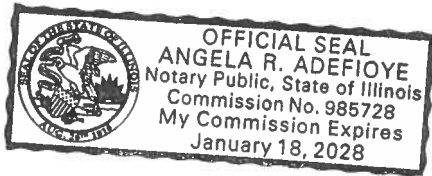
CITY OF CHICAGO

By: \_\_\_\_\_  
Ciere Boatright, Commissioner  
Department of Planning and Development

STATE OF ILLINOIS     )  
                                      ) SS  
COUNTY OF COOK     )

I, Angela AdeFioye, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Dan Roberts, personally known to me to be the Executive Director of CircEsteem, Inc., an Illinois not-for-profit corporation ("Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by Developer, as his/her free and voluntary act and as the free and voluntary act of Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 3<sup>rd</sup> day of March, 2024.



(SEAL)

Angela AdeFioye  
Notary Public

My Commission Expires January 18 2028



**Signature page to Redevelopment Agreement**

IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the Agreement Date.

CircEsteem Inc.

By: \_\_\_\_\_  
Dan Roberts  
Executive Director

CITY OF CHICAGO

By:  \_\_\_\_\_  
Ciere Boatright, Commissioner  
Department of Planning and Development

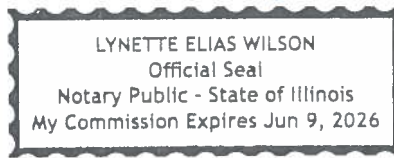
COUNTY OF COOK )

I, LYNETTE ELIAS WILKINSON, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Ciere Boatright, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by City, as his/her free and voluntary act and as the free and voluntary act of City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 7<sup>th</sup> day of March, 2024.

Genette Eliahuon  
Notary Public

My Commission Expires June 9 2026



## SECTION 1. RECITALS

A. Constitutional Authority. As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois (the "State"), the City has the power to regulate for the protection of the public health, safety, morals and welfare of its inhabitants, and pursuant thereto, has the power to encourage private development in order to enhance the local tax base, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

B. Statutory Authority. The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects.

C. City Council Authority. On the Ordinance Date, the City Council of the City (the "City Council") adopted an ordinance authorizing the Commissioner of DPD to enter into this Agreement to fund a portion of the costs of the Project.

D. TIF Area. The Project is located in the TIF Area. Under ordinances adopted on June 27, 2001 and published in the Journal of Proceedings of the City Council of the City for such date, the City Council: (i) approved a redevelopment plan and project (the "Redevelopment Plan") for the TIF Area; (ii) designated the TIF Area as a "redevelopment project area" within the requirements of the TIF Act; and (iii) adopted tax increment financing for the TIF Area. Items (i)-(iii) above are collectively referred to herein as the "TIF Ordinances".

E. City Funds. The City agrees to use, in the amounts set forth in Section 4.02 hereof, Incremental Taxes (as defined below)(the "City Funds") to pay for or reimburse the Developer for the costs of TIF-Funded Improvements (as defined below) pursuant to the terms and conditions of this Agreement.

Now, therefore, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

## SECTION 2. DEFINITIONS

For purposes of this Agreement, in addition to the terms defined in the table headed "Project Information", the following terms shall have the meanings set forth below:

"Affiliate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with the Developer.

"Annual Compliance Report" shall mean a signed report from Developer to the City in substantially the form attached as Exhibit F to this Agreement.

"Certificate" shall mean the Certificate of Completion of Construction or Rehabilitation.

"City Council" shall have the meaning set forth in the Recitals hereof.

"City Funds" shall have the meaning set forth in the Recitals hereof.

"City Grant" shall have the meaning set forth in the Project Information hereof.

"Closing Date" shall mean the date of execution and delivery of this Agreement by all parties hereto, which shall be deemed to be the date appearing in the first paragraph of this Agreement.

"Compliance Period" shall mean that period beginning on the date of the issuance of the Certificate until the third anniversary of such date.

"Corporation Counsel" shall mean the City's Department of Law.

"EDS" shall mean the City's Economic Disclosure Statement and Affidavit, on the City's then-current form.

"Environmental Laws" shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code.

"Equity" shall mean funds of Developer (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in the Funding Sources.

"Escrow" shall mean the construction escrow established pursuant to the Escrow Agreement.

"Escrow Agreement" shall mean the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof by the City, the Title Company (or an affiliate of the Title Company), Developer and Developer's lender(s), substantially in the form of Exhibit G attached hereto.

"Event of Default" shall have the meaning set forth in Section 11 hereof.

"Final Project Cost" shall mean the total actual cost of the construction of the Project, as certified to and reasonably acceptable to DPD under Section 6.01 hereof.

"IEPA" shall mean the Illinois Environmental Protection Agency.

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the TIF Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the TIF Fund established to pay redevelopment project costs and obligations incurred in the payment thereof.

"Lender Financing" shall mean any funds borrowed by Developer from lenders and available to pay for Costs of the Project, in the amounts set forth in the Funding Sources, and any refinancing thereof.

"MBE(s)" shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a minority-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

"MBE/WBE Budget" shall mean the budget attached hereto as Exhibit B.

"MBE/WBE Program" shall have the meaning set forth in Exhibit F hereof.

"Municipal Code" shall mean the Municipal Code of the City of Chicago, as amended from time to time.

"NFR Letter" shall mean a "no further remediation" letter issued by IEPA pursuant to the Site Remediation Program.

"Occupancy Covenant" shall have the meaning set forth in Section 7.05 hereof.

"Operations Covenant" shall have the meaning set forth in Section 7.04 hereof.

"Project Budget" shall mean the budget attached hereto as Exhibit B, showing the total cost of the Project by line item, furnished by Developer to DPD, in accordance with Section 4.01 hereof.

"Property" shall mean the real property described on Exhibit A.

"Redevelopment Plan" shall have the meaning set forth in the Recitals hereof.

"Redevelopment Project Costs" shall mean redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act that are included in the budget set forth in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.

"Requisition Form" shall mean the document, in the form attached hereto as Exhibit D, to be delivered by Developer to DPD pursuant to Section 4.06 of this Agreement.

"Scope Drawings, Plans and Specifications" shall mean final construction documents containing a site plan and working drawings and specifications for the Project, as submitted to the City as the basis for obtaining building permits for the Project.

"Site Remediation Program" shall mean the program for the environmental remediation of the Property undertaken by the Developer and overseen by the IEPA, upon completion of which (to the satisfaction of the IEPA) the IEPA shall issue an NFR Letter with respect to the Property to the Developer.

"Survey" shall mean a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property, meeting the 2016 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, effective February 23, 2016, dated within 75 days prior to the Closing Date, reasonably acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

"Sustainable Development Policy" shall mean the Chicago Sustainable Development Policy for the Project in effect as of the date of Developer's initial application for the City Grant.

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending at the fifth anniversary of the date the Certificate is issued.

"TIF" shall have the meaning set forth in the Recitals.

"TIF Fund" shall mean the special tax allocation fund created by the City in connection with the TIF Area into which the Incremental Taxes will be deposited.

"TIF-Funded Improvements" shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement. Exhibit B lists the TIF-Funded Improvements for the Project.

"TIF Ordinances" shall have the meaning set forth in the Recitals hereof.

"Title Company" shall mean Near North National Title LLC (d/b/a near North Title Group).

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Developer as the insured, noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Property related to Lender Financing, if any, issued by the Title Company.

"WARN Act" shall mean the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101 et seq.).

"WBE(s)" shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the

City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

### SECTION 3. THE PROJECT

3.01 Project Completion. With respect to the rehabilitation and construction of the Project, Developer shall: (i) commence construction no later than the Commencement Date, and (ii) complete construction and conduct operations therein no later than the Completion Date.

3.02 Project Budget; Funding Sources. Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than the Estimated Project Cost. The Developer hereby certifies to the City that (a) the Funding Sources shall be sufficient to complete the Project, and (b) the Project Budget and Funding Sources are true, correct and complete in all material respects.

3.03 Scope Drawings, Plans and Specifications. Developer has delivered the Scope Drawings, Plans and Specifications to DPD and DPD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings, Plans and Specifications shall be submitted to DPD as a Change Order pursuant to Section 3.06 hereof. The Scope Drawings, Plans and Specifications shall at all times conform to all applicable federal, state and local laws, ordinances and regulations. Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.04 DPD Approval. Any approval granted by DPD of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only and does not affect or constitute any approval required by any other City department or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by DPD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

3.05 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.02 (Other Governmental Approvals) hereof. Developer shall not commence construction of the Project until Developer has obtained all necessary permits and approvals (including but not limited to DPD's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required hereunder.

3.06 Change Orders. Except as provided below in this Section 3.06, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be delivered by Developer to DPD as necessary; provided, that any Change Order relating to any of the following must be submitted by Developer to DPD for DPD's prior written approval: (a) a reduction in the gross or net square footage of Developer Space by five percent (5%) or more (either individually or cumulatively); (b) a change in the use of Developer Space to a use other than the Project; (c) a delay in the completion of the Project by more than six (6) months; or (d) Change Orders resulting in

an aggregate increase to the Project Budget of ten percent (10%) or more (each of the foregoing, a "Material Change Order"). Developer shall not authorize or permit the performance of any work relating to any Material Change Order or the furnishing of materials in connection therewith prior to the receipt by Developer of DPD's written approval (to the extent said City prior approval is required pursuant to the terms of this Agreement).

3.07 Survey Updates. On the Completion Date, the Developer shall provide an updated Survey if the Project added new improvements to the Property.

3.08 Signs and Public Relations. Developer shall erect a sign of size and style reasonably approved by the City in a conspicuous location on the Property during the Project, indicating that financing has been provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding Developer, the Property and the Project in the City's promotional literature and communications.

#### **SECTION 4. PROJECT FINANCING**

4.01 Estimated Project Cost and Sources of Funds. The cost of the Project is estimated to be \$10,168,845, to be applied in the manner set forth in the Project Budget.

4.02 City Grant. Subject to the terms and conditions of this Agreement, the City hereby agrees to provide up to the amount of the City Grant to reimburse the cost of TIF-Funded Improvements and allocated by the City for that purpose only so long as the amount of Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such costs.

4.03 Uses of City Grant. City Grant funds may only be used to pay directly or reimburse Developer for costs of TIF-Funded Improvements. Exhibit B sets forth, by line item, the Project Budget for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Grant funds for each line item therein (subject to the conditions described in this Agreement), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a TIF- Funded Improvement.

4.04 Distribution of City Grant.

Escrow Agreement alternative: Given that the Grantee has elected to receive the City Grant via progress payments (escrow), then subject to the conditions described in Section 4.02 and Section 4.03, the City shall disburse the City Grant in installments as described in the Escrow Agreement.

4.05 [intentionally omitted]

4.06 Requisition Form. When Developer submits documentation to the City in connection with a request for the payment of the City Grant as described in Sections 4.04, beginning on the first request for payment and continuing through the earlier of (i) the Term of the Agreement or (ii) the date that Developer has been reimbursed in full under this Agreement, Developer shall provide DPD with a



Requisition Form, along with the documentation described therein. Developer shall meet with DPD at the request of DPD to discuss the Requisition Form(s) previously delivered.

4.07 Preconditions of Disbursement. Prior to disbursement of the City Grant hereunder, Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion.

4.08 Cost Overruns. If the aggregate cost of TIF-Funded Improvements exceeds the City Grant funds available pursuant to Section 4.02 hereof, or if the cost of completing the Project exceeds the Estimated Project Cost, Developer shall be solely responsible for such excess cost, and shall hold the City harmless from any and all costs and expenses of completing the Project.

4.09 Conditional Grant. The City Grant being provided hereunder is being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Grant is subject to being reimbursed as provided in Section 11.02. The City Grant will be paid only so long as the amount of Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such grant.

## **SECTION 5. CONDITIONS PRECEDENT**

The Developer must satisfy the following conditions before the City will execute and deliver this Agreement, unless such conditions are waived in writing by the City:

5.01 Project Budget. DPD must have approved the Project Budget.

5.02 Other Governmental Approvals. The Developer must have secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DPD. Such approvals shall include, without limitation, all building permits necessary for the Project; provided, however, that if the City agrees to close before construction commences, such building permits shall be secured prior to commencement of any such construction work for which such building permits are necessary.

5.03 Financing. The Developer must have furnished proof reasonably acceptable to the City that it has Equity and Lender Financing to complete the Project.

5.04 Acquisition and Title. The Developer must have furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured, along with copies of all Schedule B title exception documents. The Title Policy must be dated as of the Closing Date and contain only those title exceptions acceptable to the City in its sole discretion and evidence the recording of this Agreement. The Title Policy must contain such endorsements as may be reasonably required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. If the Project involves any acquisition of real property, the Developer must have provided DPD with documentation related to such acquisition acceptable to the City in its sole discretion.

5.05 Evidence of Clean Title. The Developer, at its own expense, must have provided the City with searches under its name and any Trade Names as follows:

Secretary of State	UCC search
Secretary of State	Federal tax search
Cook County Recorder	UCC/Fixture search
Cook County Recorder	Federal tax search
Cook County Recorder	State tax search
Cook County Recorder	Memoranda of judgments search
U.S. District Court	Pending suits and judgments
Clerk of Circuit Court, Cook County	Pending suits and judgments

5.06 Environmental. Developer has provided the City with the Phase I ESA and the Phase II ESA (both as herein defined) along with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audit(s).

5.07 Corporate Documents. Developer has provided a copy of its articles or certificate of incorporation or organization containing the original certification of the Secretary of State; certificates of good standing from the Secretary of State of its state of incorporation or organization and all other states in which Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; bylaws or operating agreement; and such other organizational documentation as the City has requested.

5.08 Economic Disclosure Statement. Developer shall provide to the City an EDS, dated as of the Closing Date, which is incorporated by reference, and Developer further will provide any other affidavits or certifications as may be required by federal, state or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference.

5.09 Litigation. The Developer must have provided to Corporation Counsel and DPD, a description of all pending or threatened litigation or administrative proceedings involving the Developer and the Property.

5.10 Insurance. The Developer, at its own expense, must have insured the Property in accordance with Exhibit C hereto, or Accord Form 27 certificates evidencing the required coverages.

5.11 Construction Compliance Informational Conference. Developer shall provide to the City a copy of the informational conference letter signed by DPD's construction and compliance division.

5.12 Surveys. Developer shall provide the City with a copy of the Survey(s).

## **SECTION 6. COMPLETION OF CONSTRUCTION OR REHABILITATION**

6.01 Certificate of Completion of Construction or Rehabilitation. Upon completion of the Project in accordance with the terms of this Agreement and upon the Developer's written request, DPD shall issue to the Developer a Certificate of Completion of Construction or Rehabilitation (the

“Certificate”) in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. If the Developer has not fulfilled its obligation, DPD will issue a written statement detailing the measures which must be taken in order to obtain them.

DPD may require a single inspection by an inspecting architect hired at the Developer’s expense to confirm the completion of the Project. DPD shall make its best efforts to respond to Developer’s written request for the Certificate within forty-five (45) days by issuing the Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by Developer in order to obtain the Certificate. Developer may resubmit a written request for the Certificate upon completion of such measures.

The Developer acknowledges and understands that the City will not issue the Certificate and pay out the final installment of the City Grant (given that the Grantee has elected to receive the City Grant via an Escrow Agreement), until the following conditions have been met:

- Evidence certified to and acceptable to DPD of the Final Project Cost. The City Grant will be reduced on a pro rata basis if the Final Project Cost is less than the Estimated Project Cost;
- Evidence that the Developer has incurred costs of TIF-Funded Improvements in an equal amount to, or greater than, the City Grant;
- Receipt of a Certificate of Occupancy or other evidence acceptable to DPD that the Developer has complied with building permit requirements for Project;
- Evidence acceptable to DPD that the Project is in compliance with the Operations Covenant and the Occupancy Covenant; and
- Evidence acceptable to DPD in the form of a closeout letter from the Department of Housing’s Bureau of Construction and Compliance stating that the Developer is in complete compliance with all City Requirements (MBE/WBE, City Residency, and Prevailing Wage), as defined in Exhibit F.

6.02 Continuing Obligations. The Certificate relates only to the respective performance of the work associated with the Project improvements. After the issuance of the Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein unrelated to such work will remain in effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at Sections 7.02, 7.04, and 7.05 as covenants that run with the land will bind any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement or such shorter period as may be explicitly provided for therein. The other executory terms of this Agreement shall be binding only upon the Developer or a permitted assignee under Section 7.01(i) of this Agreement.

6.03 Failure to Complete. If the Developer fails to complete the Project in accordance with the terms of this Agreement, the Certificate will not be issued, and the City will have the right to terminate this Agreement. If this occurs, no City Grant funds will be paid to the Developer.

6.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide the Developer, at the Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

6.05 Failure to Obtain Certificate. If the Developer has not received the Certificate by the Certificate Deadline, the City shall have the right to terminate the Agreement and cancel any future payments.

6.06 Sustainability Requirements. The Developer shall provide evidence acceptable to the City that it has complied with the Moderate Renovation Project requirements of the Chicago Sustainable Development Policy for the Project within one year of the date of the issuance of the Certificate. If a default occurs under the Chicago Sustainable Development Policy requirement, the City shall have the right to reduce the amount of the City Grant by \$250,000.

## **SECTION 7. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER**

7.01 General. Developer represents, warrants and covenants, as of the date of this Agreement and as of the date of each disbursement of the City Grant hereunder that:

(a) Developer is a corporation or limited liability company duly incorporated or organized, validly existing, qualified to do business in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(c) the execution, delivery and performance by Developer of this Agreement has been duly authorized by all necessary action, and does not and will not violate its certificate or articles of incorporation or organization, bylaws or operating agreement as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which Developer is now a party or by which Developer is now or may become bound;

(d) during the Term of the Agreement, the Developer will continue to own good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon), or a leasehold interest therein, free and clear of all liens except for the Permitted Liens and such other matters as DPD may consent to in writing;

(e) Developer is now and for the Term of the Agreement shall remain solvent and able to pay its debts as they mature;

(f) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting Developer which would impair its ability to perform under this Agreement;

(g) Developer has and shall maintain all government permits, certificates and consents necessary to conduct its business and to construct, complete and operate the Project;

(h) Developer is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which Developer is a party or by which Developer is bound;

(i) Developer shall not do any of the following without the prior written consent of DPD for the Term of the Agreement: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition, except in connection with financing needed to complete the Project;

(j) Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing as disclosed to the City; and

(k) has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement or any City Contract with Developer in violation of Chapter 2-156-120 of the Municipal Code;

7.02 Covenant to Redevelop. Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

7.03 Use of City Grant. City Grant funds disbursed to Developer shall be used by Developer solely to reimburse Developer for its payment for TIF-Funded Improvements as provided in this Agreement.

7.04 Operations Covenant. The Developer hereby covenants and agrees, throughout the Term of the Agreement, to maintain that the entire Project shall remain occupied and otherwise open for business (the "Operations Covenant"). The covenants set forth in this Section shall run with the land and be binding upon any transferee.

7.05 Occupancy Covenant. The Developer hereby covenants and agrees, throughout the Term of the Agreement, to maintain that not less than 75% of the Project shall remain occupied by operational businesses (the "Occupancy Covenant"). The covenants set forth in this Section shall run with the land and be binding upon any transferee.

7.06 Jobs Reporting Requirement. The Developer hereby covenants and agrees, throughout the Term of the Agreement, to report to DPD information about jobs maintained at the Project in a form acceptable to DPD.

7.07 Annual Compliance Report. Following the issuance of the Certificate, each Year throughout the Term of the Agreement, the Developer shall submit to DPD by June 30<sup>th</sup> the Annual Compliance Report itemizing each of Developer's obligations under this Agreement during the preceding calendar year. If this report is not received within this timeframe, the City will notify Developer in writing of such deficiency. Thereafter, Developer shall have ten (10) days to file the Annual Compliance Report with DPD. Developer's failure to timely submit the report will constitute an Event of Default.

7.08 Arms-Length Transactions. Unless DPD has given its prior written consent with respect thereto, no Affiliate of Developer may receive any portion of the City Grant, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement or other Project costs, as applicable. Developer shall provide information with respect to any entity to receive the City Grant directly or indirectly (whether through payment to the Affiliate by Developer and reimbursement to Developer for such costs using the City Grant, or otherwise), upon DPD's request, prior to any such disbursement.

7.09 Conflict of Interest. Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the TIF program, or any consultant hired by the City or Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in Developer's business or the Property.

7.10 Disclosure of Interest. Developer's counsel has no direct or indirect financial ownership interest in Developer, the Property or any other aspect of the Project.

7.11 Financial Statements. Developer shall obtain and provide to DPD audited Financial Statements for Developer's most recent fiscal year ended before the Agreement Date and each year thereafter for the Term of the Agreement. In addition, Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

7.12 Insurance. The Developer shall provide and maintain during the Term of the Agreement, and cause other applicable parties to provide and maintain, the insurance coverages specified in Exhibit C.

7.13 Compliance with Laws. To the best of Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, Developer shall provide evidence reasonably satisfactory to the City of such compliance.

7.14 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property in the Recorder's Office of Cook County. If the Permitted Liens include any existing mortgages, such mortgagee must execute a subordination agreement acceptable to the City in its sole discretion.

7.15 Inspector General. It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapter 2-56 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

7.16 Non-Governmental Charges. Except for the Permitted Liens, and subject to the next sentence, the Developer agrees to pay or cause to be paid when due any Non-Governmental Charges. The Developer has the right, before any delinquency occurs, to contest any Non-Governmental Charge by appropriate legal proceedings properly and diligently prosecuted, so long as such proceedings serve to prevent any sale or forfeiture of the Property.

7.17 Governmental Charges.

(a) Payment of Governmental Charges. Unless being contested in accordance with Section 7.17(b) below, Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Property or the Project, or become due and payable, and which create, may create, a lien upon Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to Developer, the Property or the Project including but not limited to real estate taxes.

(b) Right to Contest. Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner

provided in this Agreement unless Developer has given prior written notice to DPD of Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option:

(i) Developer shall demonstrate to DPD's satisfaction that legal proceedings instituted by Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent or remove a lien against, or the sale or forfeiture of, all or any part of the Property to satisfy such Governmental Charge prior to final determination of such proceedings; and/or

(ii) Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest.

7.18 Developer's Failure to Pay Or Discharge Lien. If Developer fails to pay any Governmental Charge or to obtain discharge of the same, Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of Developer under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DPD by Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer's own expense.

7.19 FOIA and Local Records Act Compliance.

(a) FOIA. The Developer acknowledges that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et. seq., as amended ("FOIA"). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If the Developer receives a request from the City to produce records within the scope of FOIA, then the Developer covenants to comply with such request within 48 hours of the date of such request. Failure by the Developer to timely comply with such request shall be an Event of Default.

(b) Exempt Information. Documents that the Developer submits to the City with the Annual Compliance or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by the Developer to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as "proprietary, privileged or confidential." If the Developer marks a document as "proprietary, privileged and confidential", then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will



determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

(c) Local Records Act. The Developer acknowledges that the City is subject to the Local Records Act, 50 ILCS 205/1 et. seq, as amended (the "Local Records Act"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, the Developer covenants to use its best efforts to assist the City in its compliance with the Local Records Act

## **SECTION 8. MAINTAINING RECORDS AND RIGHT TO INSPECT**

8.01 Books and Records. The Developer, the general contractor and each subcontractor shall keep and maintain books and records that fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto and as otherwise necessary to evidence the Developer's compliance with its obligations under this Agreement, including, but not limited to, payroll records, general contractor's and subcontractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices and the like. Such books and records shall be available at the applicable party's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense.

8.02 Inspection Rights. Upon three (3) business days' notice, any authorized representative of the City has access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

## **SECTION 9. ENVIRONMENTAL MATTERS**

9.01 No Recognized Environmental Conditions ("RECs") were identified in the Phase I Environmental Site Assessment dated January 22, 2022 and previously provided by the Developer to the City ("Phase I ESA"). Nonetheless, in light of the existence of a non-regulated heating oil tank in the Property as well as the historical use of a portion of the Property as cleaners, the City requested that the Developer perform a Phase II Environmental Site Assessment to ascertain if any environmental impacts exist that may be associated with the aforementioned environmental concerns. The Developer provided the City with a Limited Phase II Environmental Site Assessment for the Property dated October 25, 2023 ("Phase II ESA"), the scope of which was approved by the City's Department of Assets, Information and Services ("AIS"), describing four (4) soil borings beneath the basement slab of the Property that were made, with the results of the soil samples analyzed for volatile organic compounds. The City, through AIS, agrees that all soil sample results were below laboratory reporting limits. Therefore, the City has determined that, in connection with the Project, no updating or expansion of the Phase I ESA is required, nor is any additional Phase II or other sampling or invasive testing. The City agrees that it is not necessary to enroll the Property in the Site Remediation Program.

9.02 The Developer shall reasonably cooperate and consult with the City at all relevant times (and in all cases upon the City's request) with respect to environmental matters relating to the Property. In accordance with Section 5.06, the Developer has provided the City with a reliance letter pertaining to the Phase I ESA and Phase II ESA and not later than the Developer making a request for the Certificate,

the Developer shall provide the City with reliance letters for any other future environmental assessment, investigation, or survey reports produced concerning the Property related to the Project. The Developer agrees to promptly deliver to the City copies of all reports, surveys, field data, correspondence and analytical results prepared by or for the Developer regarding the condition of the Property if such documentation is prepared as part of the Project. The reports should be sent electronically to AIS at [AIS\\_EHS\\_Notifications@cityofchicago.org](mailto:AIS_EHS_Notifications@cityofchicago.org).

9.03 The Developer completed the removal of the on-site heating oil tank located in the basement of the Property on January 18, 2024 in accordance with applicable Environmental Laws.

9.04 The City requested that the Developer complete a comprehensive Hazardous Building Material Survey. The scope of the Hazardous Building Material Survey included the following, which shall collectively be called "Hazardous Building Material":

- (a) asbestos and lead-based paint surveys;
- (b) testing and visually inspecting and, as necessary, testing the Property to determine the presence and location of polychlorinated biphenyl (PCB)-containing equipment and materials (such as lighting ballasts, switchgears, transformers, and hydraulic fluids);
- (c) mercury-containing equipment and materials (mercury lamps, thermostats, switches, thermometers, regulators, and gauges);
- (d) radioactive material-containing equipment and/or waste;
- (e) medical wastes (such as biological or infectious wastes, hazardous chemicals, and/or wastes);
- (f) refrigerants such as chlorofluorocarbons (CFCs);
- (g) large appliances or equipment;
- (h) mold; or
- (i) any other materials that may require special handling or disposal during or after renovation, demolition, or abatement work.

The Developer submitted the Hazardous Building Material Survey on December 16, 2023 and AIS has approved it. That report documented the type, location, quantity, and condition of lead-based paint at the property. The Developer will incorporate the results of the Hazardous Building Material Survey into its Project documents and any lead-based paint that will be impacted by renovation or demolition activities, or any that is in poor or unstable condition will be addressed in accordance with EPA and OSHA regulations. As necessary, the lead-based paint will be removed. When removal is not warranted or necessary, alternative methods may be utilized if appropriate to stabilize or prevent access to materials. A report documenting the completion of the all lead-based paint abatement work shall be submitted to and approved by the City prior to approval of the Property for occupancy.

9.05 The City acknowledges that the Developer has commenced the redevelopment and renovation of the Property prior to the date hereof and such redevelopment and renovation work is currently ongoing. The Developer acknowledges and agrees that the Property shall be renovated and redeveloped in compliance with all Environmental Laws and the terms of this Agreement. The Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental

Laws incurred, suffered by or asserted against the City and arising from or exacerbated by the Project.

## **SECTION 10. INDEMNIFICATION**

Developer agrees to indemnify, defend and hold the City, its officers, officials, members, agents and employees harmless from and against any and all losses, costs, damages, liabilities, claims, suits, judgments, demands, actions, causes of action of every kind or nature and expenses (including, without limitation, attorneys' fees and court costs) arising out of or incidental to the failure of Developer to perform its obligations under this Agreement. Upon reasonable notice from the City of any claim which the City believes to be covered hereunder, Developer shall timely appear in and defend all suits brought upon such claim and shall pay all costs and expenses incidental thereto, but the City shall have the right, at its option and at its own expense, to participate in the defense of any suit, without relieving Developer of any of its obligations hereunder. The obligations set forth in this section shall survive any termination or expiration of this Agreement.

## **SECTION 11. DEFAULT AND REMEDIES**

11.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 7 (Covenants, Representations, and Warranties of Developer), shall constitute an "Event of Default" by the Developer hereunder:

(a) the failure of Developer to complete the Project in accordance with the terms of this Agreement;

(b) the failure of the Developer to comply with any covenant or obligation, or the breach by the Developer of any representation or warranty, under this Agreement or any related agreement;

(c) the making or furnishing by Developer to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect and Developer fails to cure such default within thirty (30) days after written notice from the City;

(d) the commencement of any bankruptcy, insolvency, liquidation or reorganization proceedings under any applicable state or federal law, or the commencement of any analogous statutory or non-statutory proceedings involving the Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

(e) the appointment of a receiver or trustee for the Developer, for any substantial part of the Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of the Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within sixty (60) days after the commencement thereof;

(f) the entry of any judgment or order against the Developer or the Property which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

(g) the dissolution of the Developer or the death of any natural person who owns a 50% or more ownership interest in the Developer, unless, in the case of a death, the Developer establishes to the DPD's satisfaction that such death shall not impair the Developer's ability to perform its executory obligations under this Agreement; or

(h) in the event the Developer relocates the business without the prior written consent of the City during the Term of the Agreement.

11.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, may suspend disbursement of the City Grant and may seek reimbursement of the City Grant. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy.

11.03 Cure Period. Unless otherwise provided in this Section, in the event Developer shall fail to perform a covenant, representation or warranty which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to perform such covenant within thirty (30) days of its receipt of a written notice from the City specifying that it has failed to perform such covenant.

## **SECTION 12. MORTGAGING OF THE PROJECT**

The Permitted Liens are the only mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof. No mortgagee shall have the right to succeed to the Developer's rights under this Agreement unless the sale, assignment, or transfer receives the sole written consent of the City. This consent shall be in the City's sole discretion and which, if granted, may be conditioned upon, among other things, the assignee's assumption of all of the Developer's obligations under this Agreement.

Upon the request of a lender providing Lender Financing, the City shall agree to subordinate its interests under this Agreement to the mortgage of such lender pursuant to a written subordination agreement, the form of which shall be in a form reasonably acceptable to the City and Corporation Counsel. This provision does not apply to (i) mortgage(s) that replace any permanent mortgage and which secure financing in a principal amount not to exceed the principal amount of the permanent loan being refinanced, or (ii) any bridge loan outstanding immediately prior to such refinancing.

## **SECTION 13. GENERAL PROVISIONS**

13.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance

duly adopted by the City Council. The term "material" for the purpose of this Section 13.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental or construction obligations of Developer by more than ten percent (10%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by Developer by more than one-hundred and eighty (180) days.

13.02 Entire Agreement. This Agreement (including each Exhibit attached hereto, which is hereby incorporated herein by reference) constitutes the entire Agreement between the parties hereto and it supersedes all prior agreements, negotiations and discussions between the parties relative to the subject matter hereof.

13.03 Limitation of Liability. No member, official or employee of the City shall be personally liable to Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

13.04 Further Assurances. The Developer agrees to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

13.05 No Implied Waivers. No waiver by either Party of any breach of any provision of this Agreement will be a waiver of any continuing or succeeding breach of the breached provision, a waiver of the breached provision itself, or a waiver of any right, power or remedy under this Agreement. No notice to, or demand on, either Party in any case will, of itself, entitle that Party to any further notice or demand in similar or other circumstances.

13.06 Titles and Headings. Titles and headings to paragraphs contained in this Agreement are for convenience only and are not intended to limit, vary, define or expand the content of this Agreement.

13.07 Remedies Cumulative. The remedies of a party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any other remedies of such party unless specifically so provided herein.

13.08 Disclaimer. Nothing contained in this Agreement nor any act of the City shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving the City.

13.09 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

13.10 Governing Law and Venue. This Agreement will be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to the principles of conflicts of

law thereof. If there is a lawsuit under this Agreement, each Party hereto agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois.

13.11 Approval. Wherever this Agreement provides for the approval or consent of the City, DPD or the Commissioner, or any matter is to be to the City's, DPD's or the Commissioner's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City, DPD or the Commissioner in writing and in the reasonable discretion thereof. The Commissioner or other person designated by the Mayor of the City shall act for the City or DPD in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

13.12 Binding Effect. This Agreement shall be binding upon Developer, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of Developer, the City and their respective successors and permitted assigns (as provided herein). Except as otherwise provided herein, this Agreement shall not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right.

13.13 Force Majeure. Neither the City nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

13.14. Notices. Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the Notice Address, by any of the following means: (a) personal service; (b) overnight courier, or (c) registered or certified mail, return receipt requested.

13.15. Severability. If any provision of this Agreement, or the application thereof, to any person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms shall provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth herein.

13.16. Survival of Agreements. All warranties, representations, covenants and agreements of this Agreement shall be true, accurate and complete at the time of the execution of this Agreement, and

shall survive the execution, delivery and acceptance hereof by the parties hereto and shall be in effect throughout the Term of the Agreement.

13.17. Exhibits. All of the exhibits attached to this Agreement are incorporated into this Agreement by reference.

13.18. Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

**Exhibit A**  
**Legal Description of the Property**

**EXHIBIT "A"**

**LEGAL DESCRIPTION**

Lots 6 and 7 in Williams Deering Surrenden Subdivision of the West ½ of the Northeast ¼ of Section 17,  
Township 40 North, Range 14 East of the Third Principal Meridian in Cook County, Illinois.

COMMON ADDRESS:           4730 North Sheridan Road, Chicago, Illinois 60640

PIN NO:                       14-17-203-014-0000



**Exhibit B**  
**Project Budget and Eligible Costs**

	PROJECT BUDGET (\$)	MBE/WBE BASIS (\$)	TIF ELIGIBLE (\$)
<b>Acquisition</b>	<b>1,257,099</b>	<b>0</b>	<b>1,257,099</b>
<b>Hard Costs</b>			
Interior Building Demolition	164,080	164,080	164,080
Shell	1,908,977	1,908,977	1,908,977
Interior	1,078,122	1,078,122	1,078,122
Elevators	84,120	84,120	84,120
Sprinklers	172,363	172,363	172,363
Plumbing	198,500	198,500	198,500
HVAC	828,760	828,760	828,760
Electrical & Low Voltage	1,050,072	1,050,072	1,050,072
FF&E	400,000	400,000	0
Rigging Equipment	388,238	0	0
General Conditions	494,249	494,249	494,249
CM Fee	190,755	0	190,755
Construction Materials Testing	597,434	597,434	597,434
Hard Cost Contingency	15,000	0	15,000
<b>Total Hard Costs</b>	<b>7,570,670</b>	<b>6,976,677</b>	<b>6,782,432</b>
<b>Soft Costs/Fees</b>			
Architecture & Engineering	395,285	395,285	294,288
Environmental Remediation	89,063	0	89,063
Survey/Title/Appraisal	11,475	0	0
Legal	30,000	0	0
TIF Consultant	17,300	17,300	0
Tax Credit Consultant Fees	13,500	0	0
Financing Fees	64,606	0	0
Construction Loan Interest	255,208	0	51,042
Permits	41,250	0	0
Project Management Fees	123,500	0	0
Insurance	165,921	0	0
Soft Cost Contingency	133,968	0	0
<b>Total Soft Costs</b>	<b>1,341,076</b>	<b>412,585</b>	<b>434,393</b>

<b>Total Project Costs</b>	<b>10,168,845</b>	<b>7,389,262</b>	<b>8,473,924</b>
<b>MWBE Breakout</b>	MBE (26%)	1,921,208	
	WBE (6%)	443,356	
	<b>Total</b>	<b>2,364,564</b>	

## **Exhibit C**

### **Insurance Requirements**

Developer shall comply, and require its general contractor and subcontractors to comply, with the City's insurance requirements for the monitoring term. All Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in the Agreement.

Developer must furnish the Department of Planning and Development with the Certificates of Insurance, or such similar evidence, to be in force on the date of the Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of the Agreement. Developer must submit evidence of insurance prior to closing. Developer shall advise all insurers of the Agreement provisions regarding insurance.

The insurance must provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

#### **COMMERCIAL GENERAL LIABILITY INSURANCE (PRIMARY AND UMBRELLA)**

Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage liability.

Coverage must include the following: All premises and operations, products/completed operations, explosion, collapse, underground, separation of insured, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

#### **WORKERS COMPENSATION AND EMPLOYERS LIABILITY**

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employers Liability coverage with limits of not less than \$500,000 each accident, illness or disease.

#### **AUTOMOBILE LIABILITY (PRIMARY AND UMBRELLA)**

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

## Exhibit D

### Requisition Form

STATE OF ILLINOIS )  
 ) ss  
COUNTY OF COOK )

The affiant, \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_, a  
\_\_\_\_\_, \_\_\_\_\_ (the "Developer"), hereby certifies that with respect to that certain  
\_\_\_\_\_, \_\_\_\_\_ Redevelopment Agreement between Developer and the City of Chicago dated  
\_\_\_\_\_, \_\_\_\_\_ (the "Agreement"):

A. Total expenditures for the Project, in the total amount of \$\_\_\_\_\_, have been made:

B. TIF-Funded Improvements for the Project, in the amount of \$\_\_\_\_\_, have been made:

C. This paragraph C sets forth and is a true and complete statement of all costs of TIF-Funded Improvements for the Project reimbursed by the City to date: \$ \_\_\_\_\_

D. Developer requests reimbursement for the following cost of TIF-Funded Improvements: \$\_\_\_\_\_

E. [Intentionally Omitted]

F. None of the costs referenced in paragraph D have been previously reimbursed by the City.

G. Developer hereby certifies to the City that, as of the date hereof:

1. Except as described in the attached certificate, the representations and warranties contained in the Agreement are true and correct and Developer is in compliance with all applicable covenants contained herein.

2. No event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default, exists or has occurred.

All capitalized terms which are not defined herein have the meanings given such terms in the Agreement. The City shall have the right, in its discretion, to require Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by Developer.

CircEsteem Inc.

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

Name:

Title:

Subscribed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires \_\_\_\_\_

**Exhibit E**  
**Annual Compliance Report**

**CircEsteem Inc.**  
**CIRCESTEEM REDEVELOPMENT AGREEMENT**  
**Dated as of [INSERT DATE]**  
**[INSERT YEAR] Annual Compliance Report**

Pursuant to Section 7.07 of the above referenced redevelopment agreement ("RDA"), CircEsteem Inc. ("Developer") is committed to providing an annual compliance report.

Obligations under the Agreement during the [INSERT YEAR] calendar year:

- (a) Itemize each of Developer's obligations under this Agreement during the preceding calendar year.
- Compliance with the Operations Covenant (Section 7.04) – Pursuant to Section 7.04 of the RDA, the Project is required to maintain its operations at the Project.
  - Compliance with the Occupancy Covenant (Section 7.05) – Pursuant to Section 7.05 of the RDA, the Project is required to have (100%) of the Project remain open, occupied, and otherwise open for business.
  - Compliance with the Jobs Reporting Requirement (Section 7.06).
  - Delivery of Financial Statements and unaudited financial statements (Section 7.11).
  - Delivery of updated insurance certificate (Section 7.12)
  - Provide evidence of payment of Non-Governmental Charges (Section 7.16)
  - Compliance with all executory provisions of the RDA.
- (b) Certify Developer's compliance or noncompliance with such obligations.
- The Project is in operation.
  - The Property is [INSERT PERCENTAGE] occupied.
- (c) Attach evidence of such compliance or noncompliance.
- (d) Provide a report stating the number of jobs, if any, created as a result of the Project for this reporting period.
- (e) Certify that Developer is not in default beyond applicable notice and cure period with respect to any provision of the RDA or any related agreements;
- Developer hereby certifies that the project is not in default with any provisions of the Agreement.

**Attachments**

**I certify that the Developer is not in default with respect to any provision of the Redevelopment Agreement, or any related agreements.**

\_\_\_\_\_  
CircEsteem, Inc. [INSERT DATE]

## Exhibit F Construction Compliance

### AGREEMENTS WITH CONTRACTORS

1. Bid Requirement for General Contractor and Subcontractors. Prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City of Chicago, and shall submit all bids received to DPD, if requested, for its inspection and written approval. For the TIF-Funded Improvements, unless otherwise approved by DPD, Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner.
2. Construction Contract. Prior to the Closing Date, the Developer must provide DPD with a certified copy of the construction contract, together with any modifications, amendments or supplements thereto, and upon DPD's request, a copy of any subcontracts. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.
3. Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer must require the General Contractor to be bonded for its payment by sureties having an AA rating or better using a bond in a form acceptable to the City. The City shall be named as obligee or co-obligee on any such bonds.
4. Employment Profile. Upon DPD's request, the Developer, the General Contractor and all subcontractors must submit to DPD statements of their respective employment profiles. Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the Construction Hiring Requirements.
5. Other Provisions. In addition to the requirements of Agreements with Contractors, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.05 (Change Orders), Exhibit F Construction Hiring Requirements, and Section 9.01 (Books and Records) of the RDA.

### CONSTRUCTION HIRING REQUIREMENTS

1. Employment Opportunity. The Developer shall contractually obligate its or their various contractors, subcontractors or any Affiliate of the Developer operating on the Property (collectively, with the Developer, the "Employers" and individually an "Employer") to agree, that for the Term of this Agreement with respect to Developer and during the period of any other party's provision of services in connection with the construction of the Project or occupation of the Property:

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation,

military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Area; and to provide that contracts for work in connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Area.

(c) Each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City's Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this Paragraph, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.

(e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this paragraph shall be a basis for the City to pursue its remedies under the Redevelopment Agreement.

2. Prevailing Wage. The Developer, the General Contractor and all subcontractors must pay the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all persons working on the Project. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the



Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this Prevailing Wage.

3. City Resident Construction Worker Employment Requirement. The Developer agrees for itself and its successors and assigns, and shall contractually obligate its General Contractor and shall cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, the Developer, its General Contractor and each subcontractor shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

The Developer may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code of Chicago in accordance with standards and procedures developed by the Chief Procurement Officer of the City.

"Actual residents of the City" shall mean persons domiciled within the City. The domicile is an individual's one and only true, fixed and permanent home and principal establishment.

The Developer, the General Contractor and each subcontractor shall provide for the maintenance of adequate employee residency records to show that actual Chicago residents are employed on the Project. Each Employer shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted to the Commissioner of DPD in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the Employer hired the employee should be written in after the employee's name.

The Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. The Developer, the General Contractor and each subcontractor shall maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project.

At the direction of DPD, affidavits and other supporting documentation will be required of the Developer, the General Contractor and each subcontractor to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

Good faith efforts on the part of the Developer, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to

replace the actual, verified achievement of the requirements of this Paragraph concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that the Developer has failed to ensure the fulfillment of the requirement of this Paragraph concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Paragraph. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by the Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to the Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether the Developer must surrender damages as provided in this paragraph.

Nothing herein provided shall be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246" and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement or related documents.

The Developer shall cause or require the provisions of this paragraph to be included in all construction contracts and subcontracts related to the Project.

4. MBE/WBE Commitment. The Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate the General Contractor to agree that, during the Project:

(a) Consistent with the findings which support the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE" Program"), Section 2-92-420 et seq., Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this paragraph 4, during the course of the Project, at least the following percentages of the MBE/WBE Budget attached hereto as Exhibit B (as these budgeted amounts may be reduced to reflect decreased actual costs) shall be expended for contract participation by MBEs or WBEs:

- i. At least 26 percent by MBEs  
And
- ii. At least 6 percent by WBEs.

(b) For purposes of MBE/WBE Commitment only, the Developer (and any party to whom a contract is let by the Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by the Developer in connection with the Project) shall be deemed a "contract" as such terms are defined in Section 2-92-420, Municipal Code of Chicago.

(c) Consistent with Section 2-92-440, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer), or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as a General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this paragraph 4. The Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in its activities and operations other than the Project.

(d) Prior to the City's issuance of a Final Certificate, the Developer shall provide to DPD a final report describing its efforts to achieve compliance with this MBE/WBE commitment. Such report shall include inter alia the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist DPD in determining the Developer's compliance with this MBE/WBE commitment. DPD has access to the Developer's books and records, including, without limitation, payroll records, books of account and tax returns, and records and books of account in accordance with the Redevelopment Agreement, on five (5) business days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, the Developer shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this Subsection (e), the disqualification procedures are further described in Section 2-92-540, Municipal Code of Chicago.

(f) Any reduction or waiver of the Developer's MBE/WBE commitment as described in this paragraph 4 shall be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago.

(g) Prior to the commencement of the Project, the Developer, the General Contractor and all major subcontractors shall be required to meet with the monitoring staff of DPD with regard to the Developer's compliance with its obligations under this Exhibit F. During this meeting, the Developer shall

demonstrate to DPD its plan to achieve its obligations under this Exhibit F, the sufficiency of which shall be approved by DPD. During the Project, the Developer shall, upon the request of the monitoring staff of DPD, such interim reports as the monitoring staff may require. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation, that the Developer is not complying with its obligations hereunder shall, upon the delivery of written notice to the Developer, be deemed an Event of Default hereunder.

**Exhibit G**  
**Escrow Agreement**

(to be attached at Closing Date)

Escrow Account No. IL2303231-C

Project Address: 4730 N. Sheridan Rd., Chicago, IL 60640

Project PIN: 14-17-203-014-0000

## ESCROW AGREEMENT

This ESCROW AGREEMENT (the "**Escrow Agreement**"), dated as of March 11, 2024, is made and executed by the **CITY OF CHICAGO**, Illinois, an Illinois municipal corporation, acting by and through its Department of Planning and Development (the "**City**"); **CIRCESTEEM, INC.**, an Illinois not-for-profit corporation (the "**Developer**"); and **NEAR NORTH NATIONAL TITLE LLC (d/b/a NEAR NORTH TITLE GROUP)** (the "**Escrow Agent**") as escrow agent, all as more particularly described on Exhibit A.

## RECITALS

- A. The City has made a certain Chicago Recovery Plan Community Grant using Incremental Taxes to the Developer pursuant to that certain CircEsteem Redevelopment Agreement (the "**RDA**") dated as of the date hereof, executed concurrently with this Escrow Agreement, and recorded with the Cook County Recorder's Office as document number \_\_\_\_\_.
- B. Section 4.02 of the RDA provides for up to a maximum of \$5,000,000 in City Funds (as defined in the RDA) to be deposited by the City in an Escrow Account (as hereinafter defined) for disbursement from time to time in accordance with the RDA and this Escrow Agreement, to pay or reimburse the Developer for the costs of certain TIF-Funded Improvements (as defined in the RDA) incurred in connection with the Project (as defined in the RDA).
- C. Subject to the terms and conditions contained in the RDA and this Escrow Agreement, the City shall deposit from time to time into the Escrow Account created by this Escrow Agreement all or part of the City Funds requested pursuant to requests made by the Developer in the form attached hereto as Exhibit D, submitted by the Developer to the City (the "**Draw Request**"), and approved by the City.
- D. As of the date hereof, the Developer has invested approximately \$3,000,000 cash equity (the "**Developer's Expended Cash Equity**") and approximately \$2,168,845 in loan proceeds from IFF (the "**Loan Proceeds**") into the Project.
- E. The City and the Developer (collectively, the "**Funders**") desire to utilize the staff and expertise of the Escrow Agent to collect, review and approve lien waivers, and disburse the Escrowed Proceeds (as hereinafter defined), subject to the terms and conditions of this Escrow Agreement.

**NOW, THEREFORE**, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

I. Creation of and Deposits to Escrow Account.

A. Escrow Account. There is hereby created with the Escrow Agent an escrow account for the Project (the "**Escrow Account**") into which the City Funds shall be deposited (the City Funds deposited into the Escrow account are herein referred to as the "Escrowed Proceeds"). The Escrow Agent will provide, upon written request by any party hereto, any information regarding the disbursement of funds from the Escrow Account, including but not limited to specific disbursements of the Escrowed Proceeds.

B. Developer's Cash Equity. The City acknowledges that the Developer has invested, as of the date hereof, the Developer's Expended Cash Equity and the Loan Proceeds into the Project.

D. City's Deposits, City Funds. Over the term of this Escrow Agreement, the City will deposit into the Escrow Account up to a maximum of \$5,000,000 in City Funds, as set forth in the RDA and on Part I of Exhibit B hereto, per the draw schedule set forth in Part II of Exhibit B hereto. Following the approval by the City of each Draw Request requiring the disbursement of City Funds, the City shall make a deposit of City Funds with the Escrow Agent in immediately available funds, in the amount approved by the City, pursuant to such request for disbursement as provided in Section IV hereof, provided, however, that (i) no event shall have occurred which is or, with the passage of time or the giving of notice or both, would become an Event of Default under the RDA, and (ii) each condition set forth in Section IV, as applicable, shall have been satisfied. If the City, pursuant to a Draw Request, deposits with the Escrow Agent funds in an amount greater than the amount requested, the Escrow Agent shall promptly transfer the amount of such excess back to the City.

II. Allocation of Costs with Respect to Sources of Funds.

A. Disbursement of Escrowed Proceeds. With respect to the disbursement of the Escrowed Proceeds:

1. TIF-Eligible Costs. Each amount disbursed for costs described on Exhibit C hereto as TIF-Eligible Costs (as defined in the RDA) shall be funded from the City Funds in the amount specified in Exhibit C, except as otherwise explicitly approved in writing by the City.

2. Ineligible Costs. Each amount disbursed for costs described on Exhibit C hereto as Ineligible Costs OR not described on Exhibit C as an TIF-Eligible Cost (the "**Ineligible Costs**") shall be funded (or has been funded) from sources other than City Funds ("Additional Cash Equity").

### III. Manner of Disbursement.

Disbursements from the Escrow Account are to be made as follows, pursuant to each Draw Request approved pursuant to Section IV hereof:

A. By checks to each subcontractor evidencing payment due for labor and/or materials furnished for the Project;

B. To the construction manager (the "**General Contractor**") for general requirements, builder's overhead (and for builder's profit, when applicable) and for labor and/or materials furnished directly by the General Contractor for the Project, approved by the City pursuant to such disbursement request; if there is no General Contractor for the Project and the Developer is acting as its own General Contractor for the Project then all references herein to the General Contractor shall mean the Developer;

C. To the General Contractor for labor and/or materials furnished by subcontractors when such items have been paid directly by the General Contractor, and when substantiated by paid receipts, payment affidavits, and lien waivers from the subcontractor; and/or

D. By checks to the Developer and/or other parties as approved by the City for non-construction items or aspects of construction handled other than by General Contractor, including property acquisition, financing costs, or other expenses when substantiated by invoices, paid receipts, payment affidavits, lien waivers or any other documents requested by the City in its sole discretion.

For purposes of this Escrow Agreement, the term "subcontractor" shall include all mechanics and materialmen furnishing services, labor, materials and supplies to the Project.

IV. Conditions Precedent to Disbursements. NOTWITHSTANDING ANYTHING IN THIS ESCROW AGREEMENT TO THE CONTRARY, THE ESCROW AGENT SHALL NOT MAKE ANY DISBURSEMENTS OF CITY FUNDS HEREUNDER IF THE CITY HAS NOTIFIED THE ESCROW AGENT IN WRITING (BY A FORMAL LETTER OR EMAIL) NOT TO DO SO. IF THE ESCROW AGENT SHALL HAVE RECEIVED SUCH A NOTICE FROM THE CITY, THE ESCROW AGENT SHALL NOT MAKE ANY DISBURSEMENTS OF CITY FUNDS HEREUNDER (a) EXCEPT AS PROVIDED IN SECTION V(F) HEREOF OR (b) UNLESS AND UNTIL THE CITY HAS NOTIFIED THE ESCROW AGENT IN WRITING TO DO SO.

The additional terms and conditions under which disbursements are to be made under this Escrow Agreement are as follows:

A. All Disbursements. The requirements for all disbursements, including the first and final disbursement, are as follows:



1. Prior to each disbursement of funds hereunder, the following shall be furnished to Escrow Agent:

- a. An approved Draw Request duly issued by the City in the form attached hereto as Exhibit D, together with such accompanying support documentation as the City may require, including, without limitation, copies of paid invoices for work and materials for which reimbursement is being sought;
- b. A sworn owner's statement disclosing all contractors and material suppliers with whom the Developer has contracted, their respective addresses, work or materials to be furnished, amounts of contracts, amounts paid to date, amounts of current payments and balances due (the "**Owner's Statement**");
- c. A sworn General Contractor's statement setting forth in detail all contractors and material suppliers with whom the General Contractor has contracted for the Project, their respective addresses, work or materials to be furnished, amounts of contracts, amounts paid to date, amounts of current payments and balances due (the "**Contractor's Statement**"), together with the partial waiver of the General Contractor in the amount of the draw, and waivers of liens, affidavits, supporting waivers and/or release of liens, if necessary, from subcontractors and material suppliers listed thereon;
- d. Sufficient funds in the aggregate, consisting of Additional Cash Equity, if necessary, and City Funds to cover the total amount of the disbursement.

B. Final Disbursement. Upon completion of the Project and prior to the final disbursement of City Funds hereunder, and in addition to the requirements set forth above for all disbursements:

1. The Developer shall promptly submit notice thereof to the City; and
2. The Developer shall provide the Escrow Agent a copy of a Certificate of Completion duly issued by the City.

V. Escrow Agent. It is understood by the parties hereto that the following provisions govern the duties of the Escrow Agent hereunder:

A. The Escrow Agent may, at its discretion, take whatever steps the Escrow Agent may deem necessary to verify the accuracy of any sworn statement required hereunder;

B. If at any time the Escrow Agent shall discover a misstatement of a material fact in any request or other notice from the Developer, it shall promptly give notice of such discovery to the City and shall thereafter not disburse City Funds from the Escrow Account until such misstatements shall have been corrected to the satisfaction of the City;

C. The Escrow Agent will not accept any blanket lien waivers by the General Contractor as to labor performed and/or materials furnished by others. The Escrow Agent will not accept any blanket waiver pre-signed by any subcontractor;

D. While the subcontractors and any suppliers of labor and materials listed on sworn statements are not parties to this Escrow Agreement and have no standing hereunder, the Escrow Agent is authorized to furnish to those persons information which the Escrow Agent may deem appropriate with regard to the times at which disbursements might be made to them, and what conditions remain unsatisfied when the Escrow Agent is not in a position to disburse;

E. Any requirement or undertaking herein notwithstanding, there is no obligation assumed by the Escrow Agent for ensuring that sufficient funds will be available to pay all costs incurred in completing the Project, or that the Project will be completed. Except with respect to funds for which the Escrow Agent shall have received investment instructions in writing, the Escrow Agent shall be under no duty to invest or reinvest any cash at any time held by it hereunder. Subject to paragraph G of this Section V, all income, if any, derived from any use which the Escrow Agent may make of any deposits hereunder shall belong to the respective depositors;

F. Subject to paragraph G of this Section V, upon receipt of written notice to the Escrow Agent from any Funder, the Escrow Agent shall transfer to such Funder all amounts previously disbursed by such Funder into the Escrow Account that remain in the Escrow Account;

G. Notwithstanding paragraphs E and F of this Section V, after payment by Escrow Agent of the final disbursement hereunder, Escrow Agent shall disburse any City Funds then remaining in the Escrow Account to the City and any Additional Cash Equity then remaining in the Escrow Account to the Developer;

H. The Escrow Agent's charges for the services performed and title insurance protection furnished hereunder are the responsibility of the Developer and are to be paid from funds deposited herein, and the Escrow Agent reserves the right to suspend further processing of funds in the Escrow Account until this is done or other arrangements satisfactory to the Escrow Agent have been made; and

I. It is understood by the parties hereto that the requirements listed in this Section V are solely for the Escrow Agent's benefit to assist the Escrow Agent in fulfilling its obligations hereunder.

VI. General.

A. Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth on Exhibit E hereto, by any of the following means: (a) personal service; (b) electronic communications; (c) overnight courier, receipt requested; or (d) registered or certified mail, return receipt requested. Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand or request sent pursuant to either clause (a) or (b) above shall be deemed received upon such personal service or upon dispatch by electronic means with confirmation of receipt. Any notice, demand or request sent pursuant to clause (c) above shall be deemed received on the Business Day (as defined below) immediately following deposit with the overnight courier, and any notice, demand or request sent pursuant to clause (d) above shall be deemed received two Business Days following deposit in the mail. "**Business Day**" as used herein shall mean a day on which banks in the City of Chicago are not authorized or required to remain closed and which shall not be a public holiday under the laws of the State of Illinois or any ordinance or resolution of the City of Chicago.

B. No changes, amendments, modifications, cancellations or discharge of this Escrow Agreement, or any part hereof, shall be valid unless in writing executed by the parties hereto or their respective successors and assigns.

C. No official, officer or employee of the City shall be personally liable to the Developer or any successor in interest in the event of any default or breach of this Escrow Agreement by the City, or for any amount which may become due to the Developer or any successor in interest, or on any obligation under the terms of this Escrow Agreement.

D. The Escrow Agent and the Funders agree that this Escrow Agreement is not intended to give any benefits, rights, privileges, actions or remedies to any person, partnership, firm or corporation other than the Escrow Agent, the City and the Developer, as a third party beneficiary or otherwise, under any theory of law.

E. If any provision of this Escrow Agreement, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held invalid, the remainder of this Escrow Agreement shall be construed as if such invalid part were never included herein and this Escrow Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

F. This Escrow Agreement shall be governed as to performance and interpretation in accordance with the internal laws of the State of Illinois, without regard to its conflict of laws principles.

G. This Escrow Agreement may be executed in several counterparts, each of which shall constitute an original and all of which shall constitute one and the same instrument.

H. Developer understands that Escrow Agent makes no representation that a title insurance policy insuring over mechanics' lien claim will necessarily issue without additional title insurance underwriting requirements being met.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

**IN WITNESS WHEREOF**, the parties hereto have caused this Escrow Agreement to be duly executed and delivered as of the date first written above.

**CITY OF CHICAGO, ILLINOIS,**

acting by and through its Department of Planning and Development

By: \_\_\_\_\_  
Ciere Boatright  
Commissioner  
Department of Planning and Development

**CIRCESTEEM, INC.,**

an Illinois not-for-profit corporation

By: \_\_\_\_\_  
Name: Dan Roberts  
Title: Executive Director

**NEAR NORTH NATIONAL TITLE LLC (d/b/a/ Near North Title Group)**, an Illinois limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT A

### PARTIES

1. CircEsteem, Inc., an Illinois or not-for-profit corporation, referred to herein as the "**Developer**", having an address at 4730 N. Sheridan Road, Chicago, Illinois 60640; Attention: Executive Director.
2. City of Chicago, Illinois, referred to herein as the "**City**", having an address at its Department of Planning and Development, City Hall, 121 North LaSalle Street, 10<sup>th</sup> Floor, Chicago, Illinois 60602, Attention: Commissioner.
3. Near North National Title LLC (d/b/a Near North Title Group), an Illinois limited liability company, referred to herein as the "**Escrow Agent**", having an address at 222 North LaSalle Street, Suite 600, Chicago, Illinois 60601; Attention: Clennie Hernandez, Escrow Officer.

## EXHIBIT B

### FUNDING OF THE ESCROW ACCOUNT

- I. Total amount of City Funds to be disbursed into the Escrow Account over the term of the Escrow Agreement: \$5,000,000.
- II. Disbursements and Draw Schedule
  - a. Developer's Draw Requests for City Funds shall be made no more often than every month (it being understood that disbursements of Additional Cash Equity, if any, may be made more often). Each Draw Request shall constitute a representation by Developer that it reaffirms as true all of the representations made to the City herein and that all conditions to associated disbursements (as hereinafter defined) have been fulfilled; that any materials to be paid for have been physically incorporated into the Project free of any liens and encumbrances; and, that the work conforms to applicable statutes, laws, ordinances, regulations and requirements. At the time of the third Draw Request for City Funds, the Developer shall meet with Construction Compliance to evaluate progress towards the MBE/WBE commitment.
  - b. Developer shall give notice to the Escrow Agent of a Draw Request approved pursuant to Section IV above at least ten (10) business days before the requested disbursement date.
  - c. The total Escrowed Proceeds disbursed are allocated in accordance with the following Draw Schedule:
    - i. **Draw 1 at not less than 50% of Project Completion** shall include
      1. Up to 50% of City Funds in the amount of and no more than \$2,500,000 if sufficient TIF-Eligible Costs have been incurred
    - ii. **Draw 2 at not less than 70% of Project Completion** shall include
      1. Up to 70% of City Funds in the amount of and no more than \$3,500,000 if sufficient TIF-Eligible Costs have been incurred
    - iii. **Draw 3 at not less than 90% of Project Completion** shall include
      1. Up to 90% of City Funds in the amount of and no more than \$4,500,000 if sufficient TIF-Eligible Costs have been incurred
    - iv. **Draw 4 at 100% of Project Completion** shall include
      1. Up to 100% of City Funds in the amount of and no more than \$5,000,000 if sufficient TIF-Eligible Costs have been incurred

## EXHIBIT C

### PROJECT BUDGET<sup>1</sup> (attached)

	PROJECT BUDGET (\$)	MBE/WBE BASIS (\$)	TIF ELIGIBLE (\$)
<b>Acquisition</b>	<b>1,257,099</b>	<b>0</b>	<b>1,257,099</b>
<b>Hard Costs</b>			
Interior Building Demolition	164,080	164,080	164,080
Shell	1,908,977	1,908,977	1,908,977
Interior	1,178,122	1,178,122	1,178,122
Elevators	84,120	84,120	84,120
Sprinklers	172,363	172,363	172,363
Plumbing	198,500	198,500	198,500
HVAC	828,760	828,760	828,760
Electrical & Low Voltage	1,050,072	1,050,072	1,050,072
FF&E	400,000	400,000	0
Rigging Equipment	388,238	0	0
General Conditions	494,249	494,249	494,249
CM Fee	190,755	0	190,755
Construction Materials Testing	597,434	597,434	597,434
Hard Cost Contingency	15,000	0	15,000
<b>Total Hard Costs</b>	<b>7,670,670</b>	<b>7,076,677</b>	<b>6,882,432</b>
<b>Soft Costs/Fees</b>			
Architecture & Engineering	422,889	422,889	294,288
Environmental Remediation	89,063	0	89,063
Survey/Title/Appraisal	11,475	0	0
Legal	30,000	0	0
TIF Consultant	17,300	17,300	0
Tax Credit Consultant Fees	13,500	0	0
Financing Fees	64,606	0	0
Construction Loan Interest	127,604	0	38,281
Permits	41,250	0	0
Project Management Fees	123,500	0	0
Insurance	165,921	0	0

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<sup>1</sup> NTD: To be updated by CircEsteem



Soft Cost Contingency	133,968	0	0
<b>Total Soft Costs</b>	<b>1,241,076</b>	<b>440,189</b>	<b>421,632</b>
<b>Total Project Costs</b>	<b>10,168,845</b>	<b>7,516,866</b>	<b>8,561,163</b>
<b>MWBE Breakout</b>	MBE (26%)	1,954,385	
	WBE (6%)	451,012	
	<b>Total</b>	<b>2,405,397</b>	

## EXHIBIT D

### REQUISITION FORM

STATE OF ILLINOIS       )  
  ) SS  
COUNTY OF COOK       )

The affiant, \_\_\_\_\_, of \_\_\_\_\_, a  
\_\_\_\_\_ (the "**Developer**"), hereby certifies that with respect to that  
certain \_\_\_\_\_ Redevelopment Agreement between Developer and the City of  
Chicago dated \_\_\_\_\_, \_\_\_\_\_ (the "**Agreement**"):

A. Total expenditures for the Project, in the total amount of \$ \_\_\_\_\_, have  
been made:

B. TIF-Eligible Improvements for the Project, in the amount of \$ \_\_\_\_\_,  
have been made:

C. This paragraph C sets forth and is a true and complete statement of all costs of TIF-  
Eligible Improvements for the Project reimbursed by the City to date: \$ \_\_\_\_\_

D. Developer requests reimbursement for the following cost of TIF-Eligible  
Improvements:  
\$ \_\_\_\_\_

E. [intentionally omitted]

F. None of the costs referenced in paragraph D above have been previously  
reimbursed by the City.

G. Developer hereby certifies to the City that, as of the date hereof:

1. Except as described in the attached certificate, the representations and  
warranties contained in the Agreement are true and correct and Developer is in compliance  
with all applicable covenants contained herein.

2. No event of Default or condition or event which, with the giving of notice  
or passage of time or both, would constitute an Event of Default, exists or has occurred.

All capitalized terms which are not defined herein have the meanings given such terms in  
the Agreement. The City shall have the right, in its discretion, to require Developer to submit  
further documentation as the City may require in order to verify that the matters certified to above  
are true and correct, and any disbursement by the City shall be subject to the City's review and  
approval of such documentation and its satisfaction that such certifications are true and correct;  
provided, however, that nothing in this sentence shall be deemed to prevent the City from relying  
on such certifications by Developer.

CIRCESTEEM, INC.,  
an Illinois not-for-profit corporation

By (Signature): \_\_\_\_\_

Name: Dan Roberts

Title: Executive Director

Subscribed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires \_\_\_\_\_

## EXHIBIT E

### ADDRESSES OF PARTIES FOR NOTICE

IF TO THE CITY:

As set forth on Exhibit A hereto, with copies to:

Department of Planning and Development  
City of Chicago  
121 North LaSalle Street, 10<sup>th</sup> Floor  
Chicago, Illinois 60602  
Attention: Financial Incentives Division

Department of Finance  
City of Chicago  
121 North LaSalle Street, 7<sup>th</sup> Floor  
Chicago, Illinois 60602  
Attention: Comptroller

Office of the Corporation Counsel  
City of Chicago  
121 North LaSalle Street, Suite 600  
Chicago, Illinois 60602  
Attention: Finance and Economic Development Division

IF TO THE DEVELOPER:

As set forth on Exhibit A hereto, with copies to:

Johnson Research Group  
105 W. Madison St., Suite 406  
Chicago, Illinois 60602  
Attention: President

IF TO THE ESCROW AGENT:

As set forth on Exhibit A hereto.

CITY OF CHICAGO, ILLINOIS  
LAWRENCE/BROADWAY  
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2024

CITY OF CHICAGO, ILLINOIS  
LAWRENCE/BROADWAY REDEVELOPMENT PROJECT

C O N T E N T S

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Statement of activities and governmental fund revenues, expenditures and changes in fund balance	7
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## INDEPENDENT AUDITOR'S REPORT

The Honorable Brandon Johnson, Mayor  
Members of the City Council  
City of Chicago, Illinois

### **Opinion**

We have audited the accompanying financial statements of the Lawrence/Broadway Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Lawrence/Broadway Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Chicago, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of Matter**

As described in Note 1, the financial statements of the Lawrence/Broadway Redevelopment Project, City of Chicago, Illinois, are intended to present the financial position and the changes in financial position, of only that portion of the special revenue funds of the City of Chicago, Illinois that is attributable to the transactions of the Lawrence/Broadway Redevelopment Project. They do not purport to, and do not, present the financial position of the City of Chicago, Illinois, as of December 31, 2024 and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Chicago's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

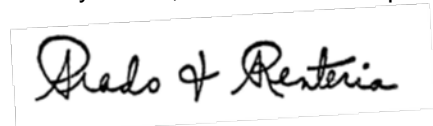
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Lawrence/Broadway Redevelopment Project's basic financial statements. The Schedule of Expenditures by Statutory Code is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



June 27, 2025



CITY OF CHICAGO, ILLINOIS  
LAWRENCE/BROADWAY REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

As management of the Lawrence/Broadway Tax Increment Redevelopment Project Area (Project), we offer the readers of the Project's financial statements this narrative overview and analysis of the Project's financial performance for the year ended December 31, 2024. Please read it in conjunction with the Project's financial statements, which follow this section.

*Overview of the Financial Statements*

This discussion and analysis is intended to serve as an introduction to the Project's basic financial statements. The Project's basic financial statements include three components: 1) government-wide financial statements, 2) governmental fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information concerning the Project's expenditures by statutory code.

*Basic Financial Statements*

The basic financial statements include two kinds of financial statements that present different views of the Project – the *Government-Wide Financial Statements* and the *Governmental Fund Financial Statements*. These financial statements also include the notes to the financial statements that explain some of the information in the financial statements and provide more detail.

*Government-Wide Financial Statements*

The government-wide financial statements provide both long-term and short-term information about the Project's financial status and use accounting methods similar to those used by private-sector companies. The statement of net position includes all of the project's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the Project's net position and how they have changed. Net position – the difference between the Project's assets and liabilities – is one way to measure the Project's financial health, or position.

*Governmental Fund Financial Statements*

The governmental fund financial statements provide more detailed information about the Project's significant funds – not the Project as a whole. Governmental funds focus on: 1) how cash and other financial assets can readily be converted to cash flows and 2) the year-end balances that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more financial resources that can be spent in the near future to finance the Project. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the statements to explain the relationship (or differences) between them.

CITY OF CHICAGO, ILLINOIS  
LAWRENCE/BROADWAY REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(Continued)

*Notes to the Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements. The notes to the financial statements follow the basic financial statements.

*Other Supplementary Information*

In addition to the basic financial statements and accompanying notes, this report also presents a schedule of expenditures by statutory code. This supplementary information follows the notes to the financial statements.

*Condensed Comparative Financial Statements*

The condensed comparative financial statements are presented on the following page.

*Analysis of Overall Financial Position and Results of Operations*

Property tax revenue for the Project was \$8,945,932 for the year. This was a decrease of 3 percent over the prior year. The change in net position (including other financing uses) produced an increase in net position of \$4,793,153. The Project's net position increased by 10 percent from the prior year making available \$51,251,953 of funding to be provided for purposes of future redevelopment in the Project's designated area. Expenses decreased this year due to the Project's formulation of a redevelopment plan or necessary funding was not substantially complete or available.

CITY OF CHICAGO, ILLINOIS  
LAWRENCE/BROADWAY REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(Concluded)

Government-Wide

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 51,766,189	\$ 55,359,048	\$ (3,592,859)	-6%
Total liabilities	<u>514,236</u>	<u>8,900,248</u>	<u>(8,386,012)</u>	-94%
Total net position	<u>\$ 51,251,953</u>	<u>\$ 46,458,800</u>	<u>\$ 4,793,153</u>	10%
Total revenues	\$ 10,036,877	\$ 10,032,728	\$ 4,149	-%
Total expenses	<u>4,667,900</u>	<u>27,198,658</u>	<u>(22,530,758)</u>	-83%
Other financing (uses) sources	<u>(575,824)</u>	<u>25,979,443</u>	<u>(26,555,267)</u>	-102%
Changes in net position	<u>4,793,153</u>	<u>8,813,513</u>	<u>(4,020,360)</u>	-46%
Ending net position	<u>\$ 51,251,953</u>	<u>\$ 46,458,800</u>	<u>\$ 4,793,153</u>	10%

CITY OF CHICAGO, ILLINOIS  
LAWRENCE/BROADWAY REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUND BALANCE SHEET  
DECEMBER 31, 2024

<u>A S S E T S</u>	Governmental Fund	Adjustments	Statement of Net Position
Cash and investments	\$ 43,362,209	\$ -	\$ 43,362,209
Property taxes receivable	8,240,687	-	8,240,687
Accrued interest receivable	163,293	-	163,293
Total assets	<u>\$ 51,766,189</u>	<u>\$ -</u>	<u>\$ 51,766,189</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Vouchers payable	\$ 363,686	\$ -	\$ 363,686
Due to other City funds	93,183	-	93,183
Other accrued liability	57,367	-	57,367
Total liabilities	<u>514,236</u>	<u>-</u>	<u>514,236</u>
Deferred inflows	<u>7,312,293</u>	<u>(7,312,293)</u>	<u>-</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for future redevelopment project costs	<u>43,939,660</u>	(43,939,660)	-
Total liabilities, deferred inflows and fund balance	<u>\$ 51,766,189</u>		
Net position:			
Restricted for future redevelopment project costs		<u>51,251,953</u>	<u>51,251,953</u>
Total net position		<u>\$ 51,251,953</u>	<u>\$ 51,251,953</u>

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental fund	\$ 43,939,660
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<u>7,312,293</u>
Total net position - governmental activities	<u>\$ 51,251,953</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS  
LAWRENCE/BROADWAY REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2024

	Governmental Fund	Adjustments	Statement of Activities
Revenues:			
Property tax	\$ 8,451,752	\$ 494,180	\$ 8,945,932
Interest	1,090,945	-	1,090,945
Total revenues	9,542,697	494,180	10,036,877
Expenditures/expenses:			
Economic development projects	4,667,900	-	4,667,900
Excess of revenues over expenditures	4,874,797	494,180	5,368,977
Other financing uses:			
Operating transfers out (Note 2)	(575,824)	-	(575,824)
Excess of revenues over expenditures and other financing uses	4,298,973	(4,298,973)	-
Change in net position	-	4,793,153	4,793,153
Fund balance/net position:			
Beginning of year	39,640,687	6,818,113	46,458,800
End of year	<u>\$ 43,939,660</u>	<u>\$ 7,312,293</u>	<u>\$ 51,251,953</u>

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - governmental fund	\$ 4,298,973
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<u>494,180</u>
Change in net position - governmental activities	<u>\$ 4,793,153</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS  
LAWRENCE/BROADWAY REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In June 2001, the City of Chicago (City) established the Lawrence/Broadway Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the special revenue funds of the City.

The financial statements present only the activities of the Lawrence/Broadway Tax Increment Redevelopment Project and do not purport to present the financial position and the changes in financial position of any other special revenue funds of the City of Chicago, Illinois, as of December 31, 2024 and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

(b) *Accounting Policies*

The accounting policies of the Project are based upon accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

(c) *Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) and the governmental fund financial statements (i.e., the balance sheet and the statement of governmental fund revenues, expenditures and changes in fund balance) report information on the Project. See Note 1(a).

(d) *Measurement Focus, Basis of Accounting and Financial Statements Presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting* with only current assets and liabilities included on the balance sheet. Under *the modified accrual basis of accounting*, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end. Expenditures are recorded when the liability is incurred.

CITY OF CHICAGO, ILLINOIS  
LAWRENCE/BROADWAY REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Continued)

Note 1 – Summary of Significant Accounting Policies (Continued)

(d) *Measurement Focus, Basis of Accounting and Financial Statements Presentation (Concluded)*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

(e) *Assets, Liabilities and Net Position*

*Cash and Investments*

Cash being held by the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned and fair market value adjustments on pooled investments are allocated to participating funds based on their average combined cash and investment balances. Since investment income is derived from pooled investments, the fair value measurement and fair value hierarchy disclosures of GASB 72 will not be separately presented in a note disclosure.

The City values its investments at fair value or amortized cost. U.S. Government securities purchased at a price other than par with a maturity of less than one year are recognized at amortized cost.

*Deferred Inflows*

Deferred inflows represent deferred property tax revenue amounts to be recognized as revenue in future years in the governmental fund financial statements.

*Capital Assets*

Capital assets are not capitalized in the governmental fund but, instead, are charged as current expenditures when purchased. The Government-wide financial statements (i.e., the statement of net position and the statement of activities) of the City includes the capital assets and related depreciation, if any, of the Project in which ownership of the capital asset will remain with the City (i.e., infrastructure, or municipal building). All other construction will be expensed in both the government-wide financial statements and the governmental fund as the City nor Project will retain the right of ownership.

CITY OF CHICAGO, ILLINOIS  
LAWRENCE/BROADWAY REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Concluded)

Note 1 – Summary of Significant Accounting Policies (Concluded)

(f) *Stewardship, Compliance and Accountability*

*Illinois Tax Increment Redevelopment Allocation Act Compliance*

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

The maximum reimbursable amount is set forth in each agreement. If the total project cost is lower than the project budget established in the agreement, the reimbursable amount will be prorated.

Note 2 – Operating Transfers Out

During 2024, in accordance with State statutes, the Project transferred \$575,824 to the contiguous Hollywood/Sheridan Redevelopment Project to fund the redevelopment agreement with Hollywood House Limited Partnership for the development located at 5700 North Sheridan Road.

Note 3 – Tax Abatement Agreement

GASB Statement No. 77, Tax Abatement Disclosures ("GASB 77"), requires governments that enter into tax abatement agreements to disclose: (1) brief descriptive information concerning the agreement; (2) the gross dollar amount of taxes abated during the period; and (3) commitments made by government, other than to abate taxes, that are part of the tax abatement agreement.

The City uses tax increment financing to pay for (or reimburse) developers for the costs of the TIF funded improvements pursuant to the terms and conditions of the redevelopment agreement entered into by the City and the developer.

Under the terms of the redevelopment agreements, the City approved a tax abatement impacting this TIF district in 2023. The Project paid the developers \$4,500,000 during the year ended December 31, 2024 and \$195,899 during the year ended December 31, 2023.

Prior year data is included here to ensure full transparency in accordance with TIF reporting requirements.

Note 4 – Commitments

As of December 31, 2024, the Project has various outstanding service and construction projects with encumbrances for approximately \$500,000.



## SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS  
LAWRENCE/BROADWAY REDEVELOPMENT PROJECT  
SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing

\$ 86,900

Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures

4,581,000

\$ 4,667,900

INDEPENDENT AUDITOR'S REPORT

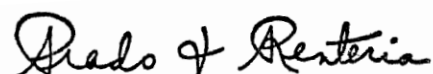
The Honorable Brandon Johnson, Mayor  
Members of the City Council  
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Lawrence/Broadway Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental fund balance sheet as of December 31, 2024, and the related statement of activities and governmental fund revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 27, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the Lawrence/Broadway Redevelopment Project of the City of Chicago, Illinois.

However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Project's noncompliance with the above referenced regulatory provisions, insofar as they relate to accounting matters.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.



June 27, 2025