City of Chicago
Department of Planning and Development

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

December 10, 2019

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name:	Ramova Theater
Applicant Name:	Our Revival Chicago, LLC
Project Address:	3518 S. Halsted St.
Ward and Alderman:	11th Ward, Alderman Patrick Daley Thompson
Community Area:	Bridgeport, 60
Redevelopment Project Area:	35th/Halsted
Requested Action:	Negotiated sale of 3518-3520 S. Halsted St. and TIF Developer Designation
Proposed Project:	A 38,761 square foot mixed-use theater development including an 1,800 person capacity auditorium, 4,000 square feet of restaurant space, and 5,000 square feet of brewery space. The development will also include a 20,728 square foot parking lot across the street.
Goal of Project:	Rehabilitate and reopen the historic Ramova Theater. To create a catalyst for revitalization of the Halsted Street commercial district.
Estimated Market Value:	$765,000 ($42.24 per square foot)
Sale Price:	$1
Estimated Acquisition Assistance:	$764,999

TIF Assistance: $6,640,000

II. PROPERTY DESCRIPTION

CITY PROPERTY					
Address	**PIN**	**Size (s.f)**	**Current Use**	**Current Zoning**	**Proposed Zoning***
3518 S. Halsted	17-32-404-026	14,210	Ramova Theater	B3-3	C3-3/Planned Development
3520 S. Halsted	17-32-404-019	3,900	Vacant Lot	B3-3	C3-3/Planned Development
DEVELOPMENT PROPERTY					
Address	**PIN**	**Size (s.f)**	**Current Use**	**Current Zoning**	**Proposed Zoning***
3508-3516 S. Halsted	17-32-404-025	4,336	Vacant Commercial Building	B3-3	C3-3/Planned Development
3506 S. Halsted	17-32-404-027	5,056	Bridgeport News Building	B3-3	C3-3/Planned Development
3531-3547 S. Halsted	17-33-300-013	20,782	Vacant Parking Lot	B1-1	B1-1
	17-33-300-014				
	17-33-300-015				
	17-33-300-016				
	17-33-300-017				
	17-33-300-018				
	17-33-300-019				

*Planned Development application is currently under review by DPD and is slated for Plan Commission in January 2020.

III. BACKGROUND

The Ramova Theater opened in 1929 and served as a movie theater until it closed in 1985. It has sat vacant since then. The City acquired the Ramova Theater through eminent domain in 2001 for $285,000 and acquired 3520 S. Halsted via warranty deed in 2006 for $300,000. After the City acquired the Theater, it spent $65,000 for emergency roof and drainage work and spends $7,380 per year to secure the doors and windows. In 2013, the Public Building Commission spent $333,000 to stabilize the masonry of the building.

DPD has been working to revitalize the commercial corridor on Halsted Street. DPD sold 12 lots on the NWC of 35th and Halsted through an RFP in 2004 for a mixed-use retail and residential condominium project. The Department is also soon to close on a negotiated sale of two lots at

31st and Halsted slated for commercial use. This project would significantly improve the commercial retail offerings of the neighborhood and serve as a catalyst for future development in the area.

The Bridgeport neighborhood has a total population of 33,637 with 12,734 households. The neighborhood is primarily a mix between White non-hispanic (33.6%), Hispanic or Latino (24%), and Asian non-hispanic (39%). Bridgeport's median household income is $45,671, less than Chicago's median income which is $52,497. The neighborhood is primarily residential while Halsted contains more commercial, retail and office space.

IV. PROPOSED DEVELOPMENT TEAM

Our Revival Chicago, LLC is a single purpose entity created for the redevelopment of the Ramova Theater. It is wholly owned by Our Revival, LLC, an entity created by Tyler Nevius. Tyler Nevius is a senior vice president at Endeavor entertainment, a large event and talent agency. The Developer is working with Kevin Hickey of the Duck Inn as the restaurant operator.

The Developer has also retained McHugh Construction for the rehabilitation of the Theater, who has completed other projects such as the 275,000 square foot renovation of the Civic Opera House and the 171,000 square foot rebuilt Goodman Theater.

Consultants:

Legal Services
Dykema Gossett
10 S. Wacker Dr., Suite 2300
Chicago, IL 60606

TIF Consultant
Laube Companies
200 S. Wacker Dr., Suite 3100
Chicago, IL 60606

Architect
O'Riley Office LLC
Chicago, IL

General Contractor
McHugh Construction
1737 S. Michigan Ave
Chicago, IL 60616

V. PROPOSED PROJECT

The Developer intends to purchase the historic Ramova Theater and adjacent side lot from the City of Chicago and the adjacent vacant commercial building to the north, the adjacent Bridgeport News property to the north, and a parking lot to the southeast from private parties.

The Developer is proposing to redevelop the Ramova Theater and commercial properties into a 38,671 square foot mixed use complex that consists of a live music venue with 1,800 person capacity, a 4,000 square foot restaurant and a 5,000 square foot brewery. In addition to live music, the theater will also offer comedy shows and community focused programming. In

addition, performances will be scheduled by an independent booking agency. The Developer intends use the parking lot across the street as accessory parking.

In order to fit the various uses for the Project, the Developer has to purchase the neighboring commercial buildings to the north. As the Ramova Theater was only designed as a movie theater, there is no room behind the screen for back of the house or backstage functions, so the adjacent commercial building is necessary for those functions and for the restaurant and brewery. The Bridgeport News property is key to the overall project as it allows for load-in/load-out to take place behind the Theater instead of on Halsted Street and more room for the restaurant, brewery, and other functions.

VI. LAND ACQUISITION

Our Revival LLC plans to purchase the Ramova Theater and side lot from the City of Chicago for $1, the neighboring vacant commercial building from a private seller for $1,350,000, the Bridgeport News property from a private seller for $1,300,000, and a parking lot to the southeast from a private seller for $1,400,000.

VII. FINANCIAL STRUCTURE

The project will be financed with a mix of investor equity and debt and State funds. The City intends to reimburse the Developer for a portion of its TIF-eligible costs in an amount not to exceed $6,640,000. The TIF funds plus the $764,999 land write-down are approximately 32.37% of the Total Project Cost, currently estimated to be $22,876,893. The reimbursement will come from increment generated from the 35th/Halsted TIF District and will be provided as a lump sum through the issuance of a forgivable loan to the Developer at Certificate of Completion. The RDA will have a 10-year compliance period and the loan forgiveness will be based on that schedule. In the first three years of the compliance period, the Developer will make interest only payments and there will be no loan forgiveness. For the remaining years, so long as the Developer is not in default, DPD will forgive a portion of the principal balance and associated interest. More specifically, in years 4 and 5, $1 million will be forgiven annually and in years 6-10, $928,000 will be forgiven annually. If the Developer defaults on the RDA, it will have to repay the outstanding balance of the loan at that time.

The following table identifies the Project's proposed sources and uses of funds:

SOURCES	AMOUNT	% OF TOTAL
Equity	$4,868,447	21.28%
Debt	$10,368,446	45.32%
TIF Bridge Loan	$6,640,000	29.02%
State Funds	$1,000,000	4.37%
Total Sources	**$22,876,893**	**100.00%**

USES	DEVELOPER BUDGET	% OF TOTAL
Acquisition		
City Property	$1	0.00%
Private Property	$4,050,000	17.70%
Total Acquisition	**$4,050,001**	**17.70%**
Hard Costs		
Site Work (Demolition, Excavation, Foundation)	$1,135,549	4.96%
Construction	$9,490,905	41.49%
General conditions, insurance, fees	$2,728,154	11.93%
FF&E	$2,475,966	10.82%
Hard Cost Contingency	$821,049	3.59%
Total Hard Costs ($429.60 psf GBA)	**$16,651,623**	**72.79%**
Soft Costs/Fees		
Architect	$850,000	3.72%
Closing Costs on Land	$25,000	0.11%
Legal & Licensing	$190,000	0.83%
Financing Costs (Equity/Debt)	$100,000	0.44%
Due Diligence Costs	$51,000	0.22%
Property Taxes	$59,269	0.26%
Operating Reserve	$850,000	3.72%
Const. Insurance	$50,000	0.22%
Total Soft Costs	**$2,175,269**	**9.51%**
Total Project Costs	**$22,876,893**	**100.00%**

VIII. CITY PROTECTION

The Developer will comply with an ongoing operations covenant to ensure that the development is continuously operated as a theater, restaurant, and brewery. Additionally, starting at Certificate of Completion, the Developer will comply with an ongoing occupancy covenant that requires a minimum number of performances per week and that the restaurant and brewery are open for business. If the Developer does not maintain the required occupancy or operations then it will be an Event of Default and the City will demand repayment of the remaining balance of the loan.

IV. PROJECT BENEFITS

The proposed Project will provide the following benefits:

Activation of Vacant Property: The project will revive the historic Ramova Theater which has sat vacant since April 1985.

Neighborhood Catalyst: The project will eliminate a large vacant commercial space in the neighborhood and will catalyze growth within the area.

Historic Preservation: The project will refurbish the façade of the Ramova Theater and the Developer has agreed to consent to landmark status for the Theater.

Job Creation: The project is estimated to generate 80 permanent full time jobs and 110 temporary construction jobs.

Construction Compliance: The Developer will comply with the requirements of Chicago's affirmative action ordinance, which requires contract participation of 26% by minority-owned business enterprises (MBEs) and 6% by woman-owned business enterprises (WBEs). The developer has provided notification of the proposed project, by certified mail, to several associations of minority and women contractors. A sample version of the letter and copies of the post office receipts for the certified letters are presented as exhibits to this report. The Developer will also comply with the requirements of Chicago's City residency ordinance, which requires that at least half of all construction-worker hours be filled by Chicago residents and will be required to pay prevailing wage.

X. COMMUNITY SUPPORT

The Developer and Alderman hosted a community meeting on November 19, 2019 to discuss the project and the City's involvement. Nearly 200 people attended the meeting and were highly supportive of the project and the plan to restore the Ramova Theater.

Alderman Patrick Daley Thompson supports the use of TIF funds for the project.

XI. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The proposed project is located in the 35th/Halsted Tax Increment Financing Redevelopment Project Area. The proposed project will satisfy the following goals of the Redevelopment Plan:

- Reduce or eliminate those conditions which qualify the Area as a blighted area
- Enhance the tax base of the Area by encouraging private investment in new development and by facilitating the development of underutilized property
- Strengthen the economic well-being of the Area and the City by increasing business activity, taxable values, and job opportunities

- Provide needed incentives to encourage a broad range of improvements for both new development and the rehabilitation of existing buildings

The implementation strategy for achieving the goals of the Plan includes the need to provide TIF financial assistance to create jobs and spur development in the Project Area.

The proposed project also conforms to the plan's land use map, which calls for commercial development at the subject site.

XII. CONDITIONS OF ASSISTANCE

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

It is DPD policy that no business will be conducted with a development entity whose any principal has outstanding municipal debts (such as unpaid parking tickets, unpaid water bills, unpaid business licenses, and others), is in arrears of child support payments, or who is a debtor in bankruptcy, a defendant in a legal action for deficient performance, a respondent in an administrative action for deficient performance, or a defendant in any criminal action. Before today's action is presented to the City Council for approval, the Department will conduct a thorough background check of all principals having an ownership interest of 7.5 percent or greater, and of the boards of directors and trustees of non-profit organizations. Similar background checks will be conducted on the development entity itself.

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

XIII. RECOMMENDATION

The Department of Planning and Development has thoroughly reviewed the proposed project, the qualifications of the development team, the financial structure of the project, its need for public assistance, and DPD requests that the CDC recommend to the City Council the sale of 3518 and 3520 S. Halsted to Our Revival Chicago, LLC, recommend the designation of Our Revival Chicago, LLC as the Developer for the Ramova Theater, and authorize DPD to negotiate, execute, and deliver a redevelopment agreement with Our Revival Chicago, LLC.

EXHIBITS

Neighborhood Map or Aerial
TIF Map
Site Plan
Rendering
Sample M/WBE Letter
Copies of M/WBE Certified Receipts

TIF PROJECT SCORECARD

Ramova Theater

3518 S. Halsted St.

Developer intends to purchase the historic Ramova Theater and side lot from the City of Chicago and the neighboring commercial buildings in order to develop the properties into a 38,671 square foot mixed use theater complex that consists of a live music venue with 1,800 person capacity, a 4,000 square foot restaurant and a 5,000 square foot brewery. Additionally, the Developer intends to purchase a parking lot on the adjacent block for use as accessory parking.

Type of Project: Mixed use - Theater and retail

Developer: Our Revival Chicago, LLC

Total Project Cost: $22,876,893

Timeline for Completion: 14-16 month construction timeline

TIF Funding Request: $6,664,000

Project Status: CDC planned for December 10, 2019

TIF District: 35th/Halsted

RETURN ON INVESTMENT BENCHMARKS

- **Advances Goal of Economic Development Plan** YES ☑ NO ☐
  Make Chicago a premier destination for tourism and entertainment
- **Advances Goal of TIF District** YES ☑ NO ☐
  Strengthen the economic well-being of the Area and City by increasing business activity, taxable values, and job opportunities
- **Addresses Community Need** YES ☑ NO ☐
  Renovation of a long vacant theater and more retail options
- **Jobs Created/Retained**
  Jobs created - 80 permanent, 110 construction
- **Affordable Housing Units Created/Preserved**
  N/A
- **Return on Investment to City**
  N/A

FINANCIAL BENCHMARKS

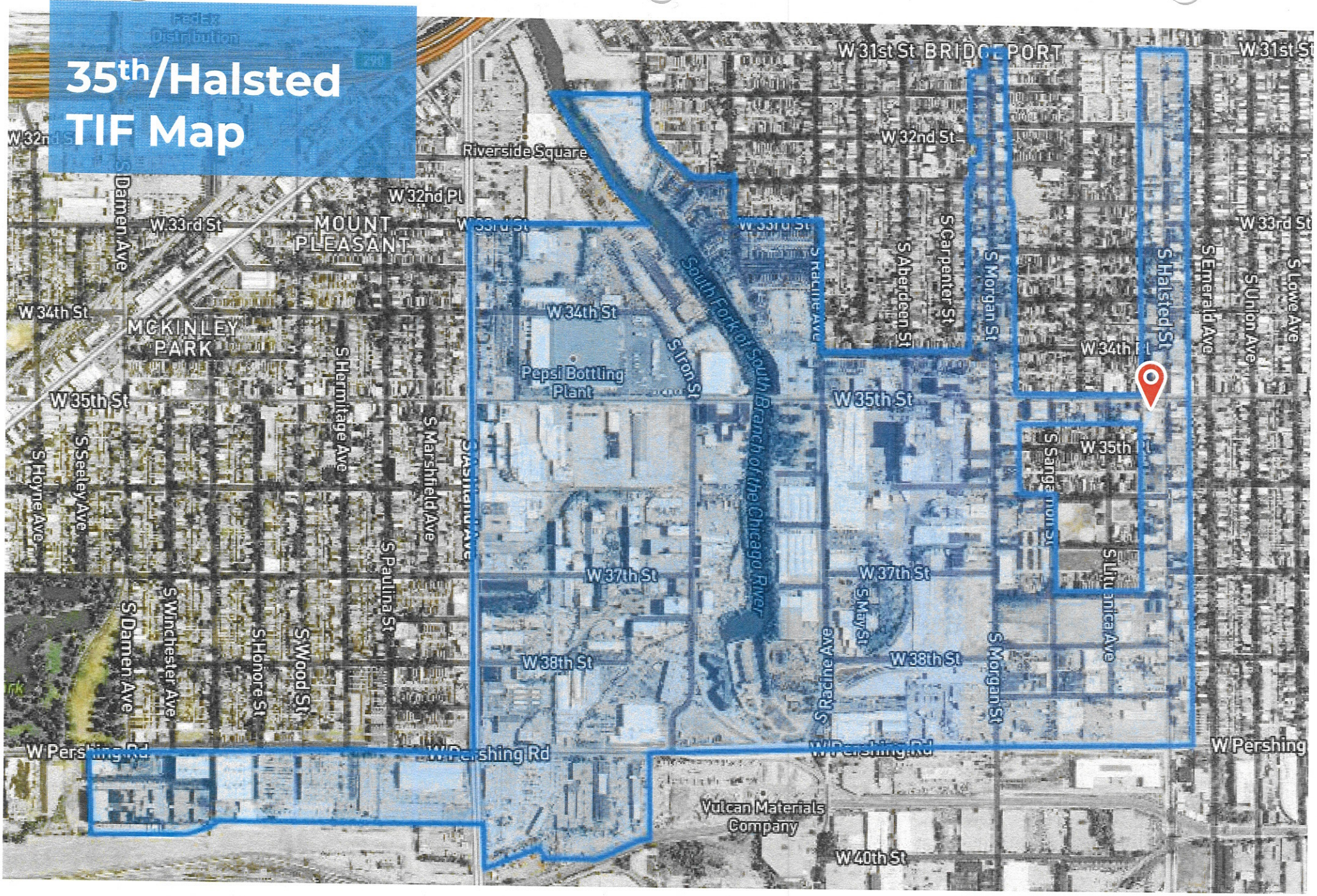
- **Other Funds Leveraged by $1 of TIF**
- **Types of Other Funding Leveraged** YES ☐ NO ☑
- **Financing Structure**
  Equity - $4,868,447
  Debt - $10,368,446
  State funds - $1,000,000
  TIF funds - $6,664,000

RDA TERMS

- **Payment Schedule:**
  Payment in full at Certificate via forgivable loan
- **Taxpayer Protection Provisions** YES ☑ NO ☐
  Flip provision & clawback of City funds
- **Monitoring Term of Agreement:**
  10 year compliance period

OTHER CONSIDERATIONS

35th/Halsted TIF Map



Neighborhood Context

Proposed Site Plan

LEVEL 1

LEVEL 2

Project Rendering

DYKEMA

Dykema Gossett PLLC
10 S. Wacker Drive
Suite 2300
Chicago, IL 60606
WWW.DYKEMA.COM
Tel: (312) 876-1700
Fax: (312) 876-1155

Andrew P. Scott
Direct Dial: (312) 627-8325
Direct Fax: (866) 950-3678
Email: APScott@dykema.com

November 22, 2019

Via Certified Mail
Return Receipt Requested

African American Contractors Association
7445 S. South Chicago
Chicago, Illinois 60619
Attn: Omar Shareef

Re: **3506 to 3520 South Halsted Street, Chicago, IL; 3531 to 3543 South Halsted Street, Chicago, IL**

Dear Mr. Shareef:

Our Revival Chicago, LLC is pleased to announce the redevelopment of the above-referenced properties. The property at 3506 to 3520 South Halsted Street consists of three buildings which will be redeveloped into a live music and entertainment venue, brewery/tap room and restaurant. The property at 3531 to 3543 South Halsted Street is vacant and will be redeveloped into a parking lot to serve the uses at 3506 to 3520 South Halsted Street.

Our Revival Chicago, LLC has chosen McHugh Construction to be the general contractor for the project. The project will require participation of trades such as carpentry, electrical, mechanical, plumbing, paving and others. Attached to this letter is a preliminary project budget, which identifies the items subject to minority business enterprise (MBE) participation of 26 percent and women business enterprise (WBE) participation of six percent. The project is not expected to start until early/mid 2020. In mid-February, I or a project representative will follow up with your organization to provide a more definitive bid schedule, construction start date and project contact. In the meantime, should you have any questions, please let me know.

At your request, the general contractor will meet with a representative of your organization to present the project budget and schedule. At your request, the general contractor will also provide your organization with one copy of the project bid documents (including plans and specifications).

Our Revival Chicago, LLC is requesting that you make your member companies aware of this exciting project so that they may submit bids for appropriate subcontracting opportunities at the appropriate time.

Sincerely,

DYKEMA GOSSETT, PLLC

Andrew P. Scott

Attachment

cc: Aaron Dorsey

PROJECT BUDGET AND ELIGIBLE COSTS

DRAFT

	Project Budget		MBE/WBE Budget		TIF - Eligible Budget
Acquisition	**$ 4,050,001**				**$ 3,414,001**
Hard Costs					
Site	$ 1,370,075		$ 1,370,075		$ 773,370
Substructure	$ 202,889		$ 202,889		$ 202,889
Structure	$ 1,332,709		$ 1,332,709		$ 728,193
Exterior Enclosure	$ 1,821,105		$ 1,821,105		$ 1,536,605
Finishes	$ 1,923,928		$ 1,923,928		$ 1,170,215
Equipment & Pools	$ 120,000		$ 120,000		$ -
Vertical transportation	$ 165,000		$ 165,000		$ 165,000
MEPs	$ 3,665,749		$ 3,665,749		$ 3,545,749
General conditions, insurance, fees	$ 2,753,154		$ 2,753,154		$ 1,361,683
Brewery FFE	$ 1,035,450		$ 1,035,450		$ -
Lighting/Sound FFE	$ 970,000		$ 970,000		$ -
Other FF&E	$ 470,516		$ 470,516		$ -
Hard Cost Contingency	$ 821,049		$ 821,049		$ 474,185
Total Hard Costs	**$ 16,651,623**		**$ 16,651,623**		**$ 9,957,889**
Soft Costs/Fees					
Architect	$ 850,000				$ 508,311
Environmental	$ 8,000				$ 8,000
Legal (Zoning, Finance, Permitting)	$ 180,000				$ 107,642
Financing Costs (Equity/Debt)	$ 100,000				$ 30,000
Due Diligence Costs	$ 35,000				$ -
Appraisal	$ 8,000				$ -
Closing Costs	$ 25,000				$ -
Licenses, Food, Liquor, etc.	$ 10,000				$ -
Property Taxes	$ 59,269				$ -
Contingency	$ 100,000				$ 59,801
Opening Cost Allowance	$ 750,000				$ -
Const. Insurance	$ 50,000				$ 29,901
Total Soft Costs	**$ 2,175,269**		**$ -**		**$ 743,655**
Total	**$ 22,876,893**		**$ 16,651,623**		**$ 14,115,545**
	MBE	**26%**	**$ 4,329,422**		
	WBE	**6%**	**$ 999,097**		

DRAFT

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Return Receipt (Electronic)	$	0.00
Certified Mail Restricted Delivery	$	0.00
Postage	$	0.47 .50
Total Postage and Fees	$	6.67 6.80

NOV 22 2019 Postmark Here

Sent to: Omar Shareef
African American Contractors Association
7445 S. South Chicago Avenue
Chicago, IL 60619

Reference Information
Andrew P. Scott
116629-1

PS Form 3800, Facsimile, July 2015

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Return Receipt (Electronic)	$	0.00
Certified Mail Restricted Delivery	$	0.00
Postage	$	0.47 .50
Total Postage and Fees	$	6.67 6.80

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Sent to: Omar Duque
Illinois Hispanic Chamber of Commerce
222 W. Merchandise Mart Plaza
Suite 1212, c/o 1871
Chicago, IL 60654

Reference Information
Andrew P. Scott
116629-1

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Postage	$	0.47 .50
Total Postage and Fees	$	6.67 6.80

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Sent to: Edward Mckinnie
Black Contractors United (BCU)
12000 S. Marshfield Avenue
Calumet Park, IL 60827

Reference Information
Andrew P. Scott
116629-1

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Postage	$	0.47 .50
Total Postage and Fees	$	6.67 6.80

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Sent to: Perry Nakachi
Association of Asian Constructio Enterprises (AACE)
5677 W. Howard Street
Niles, IL 60714

Reference Information
Andrew P. Scott
116629-1

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Postage	$	~~0.47~~ .50
Total Postage and Fees	$	~~6.67~~ 6.80

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Sent to: ~~Beth Doria~~
Federal of Women Contractors
4210 W. Irving Road
Chicago, IL 60641

Reference Information
Andrew P. Scott
116629-1

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Certified Mail Fee	$	~~3.45~~ 3.50
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Total Postage and Fees	$	~~6.67~~ 6.80

Postmark Here

Sent to: ~~Jamie Neely~~
Women's Business Development Center
(WBDC)
8 S. Michigan Avenue
Suite 400
Chicago, IL 60603

Reference Information
Andrew P. Scott
116629-1

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USPS® ARTICLE NUMBER

9414 7266 9904 2149 2236 42

Certified Mail Fee	$	~~3.45~~ 3.50
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Return Receipt (Electronic)	$	0.00
Certified Mail Restricted Delivery	$	0.00
Postage	$	~~0.47~~ .50
Total Postage and Fees	$	~~6.67~~ 6.80

Sent to: ~~Jorge Perez~~
Hispanic American Construction Industry
(HACIA)
650 W, Lake Street
Suite 415
Chicago, IL 60661

Reference Information
Andrew P. Scott
116629-1

PS Form 3800, Facsimile, July 2015

COMMUNITY DEVELOPMENT COMMISSION
OF THE
CITY OF CHICAGO

RESOLUTION NO. __ - CDC -

AUTHORIZATION TO ENTER INTO A NEGOTIATED SALE WITH OUR REVIVAL CHICAGO, LLC FOR DISPOSITION OF THE PROPERTY LOCATED AT 3518-20 SOUTH HALSTED STREET WITHIN THE 35TH/HALSTED REDEVELOPMENT PROJECT AREA

AND
AUTHORIZATION TO NEGOTIATE A REDEVELOPMENT AGREEMENT WITH OUR REVIVAL CHICAGO, LLC

AND
RECOMMENDATION TO THE CITY COUNCIL OF THE CITY OF CHICAGO FOR THE DESIGNATION OF OUR REVIVAL CHICAGO, LLC AS DEVELOPER

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

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

WHEREAS, the City Council, upon the Commission's recommendation pursuant to Resolution 96-CDC-70 and pursuant to the Act, enacted three ordinances on January 14, 1997, pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the 35th/Halsted Redevelopment Project Area (the "Area"), designated the Area as a redevelopment project area and adopted tax increment allocation financing for the Area. The street boundaries of the Area are described on Exhibit A hereto; and

WHEREAS, the City owns the property located at 3518-20 S. Halsted having the Property Identification Number(s) (PINs) 17-32-404-026-0000 and 17-32-404-019-0000 (the "Disposition Parcels") and desires that it be redeveloped; and

WHEREAS, Our Revival Chicago, LLC, together with its affiliates, (the "Developer") plans to acquire the properties located at 3508-16 S. Halsted, 3506 S. Halsted, and 3531-3547 S. Halsted having the Property Identification Number(s) (PINs) 17-32-404-025-0000, 17-32-404-027-0000 and 17-33-300-013 thru 019-0000 (the "Developer Property", the Disposition Parcels together with the Developer Property shall be referred to as the "Project Property"); and

WHEREAS, staff of the Department of Planning and Development of the City of Chicago (the "Department") have entered into discussions with Developer concerning the sale of the Disposition Parcels and development of the Project Property to include the renovation of the Ramova Theater, development of a restaurant and brewery, and development of a parcel for use as accessory parking (the "Project"); and

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

WHEREAS, the Developer has proposed to pay $1 as consideration for the purchase of the Disposition Parcels, which is $764,999 less than the appraised fair market value of $765,000; and

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

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

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

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

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

Section 1. The above recitals are incorporated herein and made a part hereof.

Section 2. The Commission hereby authorizes DPD to publish the Notice.

Section 3. The Commission hereby recommends to City Council that the Developer be designated as the developer for the Project and that DPD be authorized to negotiate, execute and deliver on the City's behalf a redevelopment

agreement with the Developer for the Project, so long as no responsive alternative proposals are received by DPD within the time recited above or, if alternative proposals are received and DPD in its sole discretion determines that the Developer's Project is the best proposal.

Section 4. DPD is hereby authorized to advertise the City's intent to negotiate the sale and redevelopment of the Disposition Parcels and to request responsive alternative proposals.

Section 5. Said proposals must be submitted in writing to Maurice D. Cox, Commissioner, Department of Planning and Development, Attn: Aaron Dorsey, City Hall- Room 1006, 121 North LaSalle Street, Chicago, Illinois 60602 within 30 days of the date of the first publication of the Notice and shall contain names of parties, offer prices for the Disposition Parcels, evidence of financial qualifications, and a timetable for redevelopment before said proposal will be considered.

Section 6. In the event that no responsive proposals are received at the conclusion of the advertising period, or if alternative proposals are received and DPD in its sole discretion determines that the Developer's Project is the best proposal, then the sale of the land described in Exhibit A shall be recommended to the City Council without further Commission action.

Section 7. If any provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this resolution.

Section 8. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

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

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

ADOPTED: December 10, 2019

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

Exhibit B, Form of Notice Requesting Alternative Proposals

EXHIBIT A

Street Addresses and P.I.N.s of Disposition Parcels
and
Street Boundaries of the
35th/Halsted Tax Increment Financing
Redevelopment Project Area

Address	P.I.N.
3518 S. Halsted St	17-32-404-026-0000
3520 S. Halsted St	17-32-404-019-0000

Tax Increment Financing Redevelopment Project Area

The Area is generally bounded by 31st and 35th Streets on the north, property fronting Morgan Street and Halsted Street, and the alley between Halsted and Emerald Streets on the east, Pershing Road on the south, and Ashland and Damen Avenues on the west.

EXHIBIT B

PUBLIC NOTICE is hereby given by the Community Development Commission of the City of Chicago (the "City") pursuant to section 5/11-74.4-4 (c) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"), that the City's Department of Planning and Development ("DPD") intends to negotiate a redevelopment agreement with Our Revival Chicago, LLC, together with its affiliates, (the "Developer") pursuant to which the City intends to provide financial assistance to the Developer in the amount of $6,664,000 or 29% of the total project budget from 35th/Halsted incremental tax revenues pursuant to the Act for eligible costs associated with the Ramova Theater development project to be located at 3518 S. Halsted, located in the 35th/Halsted TIF Redevelopment Project Area (the "Area"). The project will consist of the renovation of the Ramova Theater, development of a restaurant and brewery, and development of a parcel for use as accessory parking (the "Project"). The City also intends to negotiate a redevelopment agreement with the Developer for the sale of two individual tax parcels, described in Schedule 1 attached hereto (the "Disposition Parcels"), for $1. As part of the Project, the Developer intends to acquire the properties located at 3508-16 S. Halsted, 3506 S. Halsted, and 3531-3547 S. Halsted (the "Developer Property", the Disposition Parcels together with the Developer Property shall be referred to as the "Project Property") from private parties and contribute them to the Project. The Project Property is located within the Area established pursuant to the Act, and the Project is in compliance with the 35th/Halsted TIF Redevelopment Plan. The Area is generally bounded as follows:

31st and 35th Streets on the north, property fronting Morgan Street and Halsted Street, and the alley between Halsted and Emerald Streets on the east, Pershing Road on the south, and Ashland and Damen Avenues on the west.

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

The documents listed below related to the Area, the Project and the Disposition Parcels are available for public inspection on or before December 11, 2019 at the offices of DPD, Room 1000, 121 N. LaSalle, Chicago, Illinois between the hours of 9:00 a.m. and 4:00 p.m. Monday through Friday:

(i) A 35th/Halsted Tax Increment Financing Redevelopment Project and Plan, which constitutes the City's redevelopment plan for the Area;

(ii) a terms sheet showing all proposed material terms of the redevelopment agreements as of the date hereof, including but not limited to an estimated Project budget setting forth the amount of financial assistance the City intends to provide to the Developer for the Project; and

(iii) the terms of all bids and proposals received, if any, by the City related to the Project and the redevelopment agreements.

Please contact DPD at (312) 744-4190 to review these materials and for information regarding the form required, if any, for proposals submitted to the City. Proposals shall include the general plan for the redevelopment of the Disposition Parcels, the names of the party or parties making the proposal, the price offered, evidence of financial qualifications and capacity to complete said redevelopment, and the timetable for implementation. The City reserves the right to reject any and all proposals. Proposals will be received by the City at DPD's offices, Room 1000, City Hall, 121 N. LaSalle, Chicago, Illinois 60602, until January 10, 2020 at 4:00 p.m., at which time all alternative proposals will be opened and reviewed.

Jorge Perez, Chairman
COMMUNITY DEVELOPMENT COMMISSION

SCHEDULE 1

The Disposition Parcels

Address	P.I.N.
3518 S. Halsted St	17-32-404-026-0000
3520 S. Halsted St	17-32-404-019-0000