

DEPARTMENT OF PLANNING AND DEVELOPMENT
CITY OF CHICAGO
JUNE 27, 2000

ROOSEVELT HOTEL, L.L.C. ASSOCIATES, L.P.
NEAR SOUTH REDEVELOPMENT PROJECT AREA

SUMMARY SHEET

ACTION

- REQUESTED:**
- 1) Approve the Advertisement of the Department of Planning and Development's intention to negotiate a Redevelopment Agreement with Roosevelt Hotel, L.L.C. or an entity controlled by Alison Davis and Keith Giles, for the use of TIF funds for the redevelopment of a site at 1152 South Wabash Avenue, located within the Near South TIF; and
 - 2) Approve a request for alternate proposals; and
 - 3) Recommend the designation of Roosevelt Hotel, L.L.C. or an entity controlled by Alison Davis and Keith Giles, as developer if no responsive alternate proposals are received.

PROJECT: Rehabilitation of the historically significant Roosevelt Hotel into 42 units of rental housing, at least 9 of which will be affordable to households at 80% or less of area median income. The project will also include approximately 4,200 square feet of retail/commercial space on the ground floor, and must provide for at least 30 parking spaces to be available for sale or lease to building residents.

ADDRESS: 1152 South Wabash Avenue

**ALDERMAN/
WARD:**

Alderman Madeline Haithcock of the 2nd Ward has indicated her support and a Letter of Support has been provided.

**AMOUNT/TYPE
OF ASSISTANCE:**

TIF funds in an amount not to exceed the lesser of \$2,350,000 or 29% of the total project budget (now estimated at \$8,140,042) to be funded from the Near South TIF incremental tax revenues or bond proceeds secured by incremental tax revenues for TIF-eligible costs. Such bond proceeds may come from junior lien obligation bonds that the City presently intends to issue in the fall of 2000.

DEVELOPER:

Roosevelt Hotel, L.L.C., made up of RSD, L.P., and Keith Giles of Frankel & Giles Real Estate & Development Services, or an entity controlled by Alison Davis and Keith Giles. RSD, L.P. is owned by Alison Davis (1%) and the Davis Family (99%).

ISSUES:

DPD is not aware of any issues that would negatively impact this project or the designation of this developer.

**COMMUNITY DEVELOPMENT COMMISSION MEETING
JUNE 27, 2000**

STAFF REPORT

MR . CHAIRMAN AND MEMBERS OF THE COMMISSION

The Resolution before you requests that you:

- 1) Grant authority to publish notice of the intention of the City of Chicago to negotiate a redevelopment agreement with Roosevelt Hotel, L.L.C. or an entity controlled by Alison Davis and Keith Giles for redevelopment of a site at 1152 S. Wabash in the Near South Redevelopment Project Area; and
- 2) Request alternative proposals; and
- 3) Recommend to the City Council of the City of Chicago the designation of Roosevelt, L.L.C. or an entity controlled by Alison Davis and Keith Giles, as the developer if no other responsive alternative proposals are received.

BACKGROUND

The property to be redeveloped is located within the Near South Tax Increment Financing Redevelopment Project Area. The City Council, upon the Commission's recommendation pursuant to the Act, enacted three ordinances on November 28, 1990 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Central Station Redevelopment Project Area, (amended as "Near South" on August 3, 1994), (the "Area"), designated the Area as a redevelopment project area and adopted tax increment allocation financing for the Area.

The site proposed for redevelopment is the property located at 1152 S. Wabash Avenue and is commonly referred to as the Roosevelt Hotel. The original eight-story building was built in 1892, operating as the Somerset Hotel, and has been placed on the National Register of Historic Places.

Although structurally sound, the property is in significant disrepair and unsightly. In recent years, the hotel was run as a transient hotel. The previous owner had permitted the building to physically deteriorate, resulting in over 60 building violations on the property. A vacation order was issued as the result of this deterioration. The violations consist of plumbing and electrical violations, sagging floors to loose masonry on the exterior among many other items.

DEVELOPMENT PROJECT

Proposed Developer

The proposed developer of the property is Roosevelt Hotel, L.L.C., or an entity controlled by Alison Davis and Keith Giles. made up of RSD, L.P., and Keith Giles of Frankel & Giles Real Estate & Development Services. RSD, L.P. is owned by Alison Davis (1%) and the Davis Family (99%).

Proposed Development Project

Since closing, the developer has begun to prepare the building for its complete historic rehabilitation. The entire property will be gutted, from the structure to the roof and converted into a functional, historically preserved 42- unit apartment building with and commercial space on the first floor. The building is secure, the interior has been cleaned and all of the furniture has been disposed of. Once

the interior demolition permit is secured, the interior walls will be removed and the floors repaired. Exploratory work has begun on the exterior of the structure so that plans can be finalized and the facade approved by historic preservation group in Springfield.

The rehabilitation of the Roosevelt Hotel will result in the reuse of a recently vacated and rapidly dilapidating historically-significant structure in a key location in Chicago's Near South neighborhood. The end result will be apparently 42 residential units consisting of seven studios, 28 one-bedroom, and seven two-bedroom units. At least one studio, seven one-bedroom, and one two-bedroom units will be reserved to be affordable to households at or below 80% of area median income. The project will also include approximately 4,200 square feet of retail/commercial space on the ground floor, and provide for at least 30 parking spaces to be available for sale or lease to building residents

Parking

The Developer must provide at least 30 spaces for the residential redevelopment of the Roosevelt Hotel. The City will lease to the Developer up to 30 spaces on the City-owned parking lot located at 1136-40 S. Wabash for the tenants of the Roosevelt Hotel building. In early fall 2000 DPD will issue an RFP for the redevelopment of the 1136-40 S. Wabash property. The RFP will require all proposals to include the provision of at least 30 parking spaces on a permanent basis at market rates to the developer of the Roosevelt Hotel for the tenants of the Roosevelt Hotel building. During the construction of the new development at 1136-40 S. Wabash, the Developer will be required to make best efforts to identify interim parking spaces for the tenants, utilizing any surrounding city-owned properties or privately-owned parking lot.

The parking arrangements that DPD has negotiated with the Developer are consistent with other residential rental deals within the downtown area that are receiving TIF assistance such as the Fisher Building and 201 N. Wells. All three projects involve extensive historic restoration of historic, architecturally significant buildings located in the vicinity of the downtown business district where on-site parking is not feasible. A market study prepared for the 201 N. Wells project in late 1998 identified a significant demand for lower-priced rental housing with smaller units requiring little or no parking. CTA came out in support of the study and the transit-based residential 201 N. Wells project at CDC and City Council in 1999.

In addition, this urban residential, transit-oriented project is located near the Red, Green, and Orange CTA rail lines and several bus lines.

Affordability

As described, at least nine of the 42 units will be reserved for households at or below 80% of median income. However, should the Developer chose to convert the building to a condominium structure after the five-year moratorium mandated by the historic tax credit provisions, each of the affordable units will have a deed restriction in place for the life of the TIF District to insure that resale can occur only to a buyer who qualifies under the 120% of area median income standard for for-sale housing.

DEAL STRUCTURE

The City intends to negotiate a redevelopment agreement with Roosevelt, L.L.C. or an entity controlled by Alison Davis and Keith Giles to provide TIF assistance in an amount equal to the lessor of \$2.35 million or 29% of the total project budget from incremental tax revenues or bond proceeds secured by incremental tax revenues. Such bond proceeds may come from junior lien obligation bonds that the City presently intends to issue in the fall of 2000. These funds will be used for the TIF-eligible acquisition and/or rehabilitation costs associated with the redevelopment project. As security

for its assistance, the Developer will obtain a Letter of Credit (L/C) for the amount of the TIF assistance which will decline during the rehabilitation of the Project to ensure compliance with all City requirements, including M/WBE, Prevailing Wage, and City Residency, and to maintain the affordable housing components.

Project Budget

Sources:

Developer Equity	999,599	12%
Historic Tax Credits ⁽¹⁾	883,507	11%
Lender Financing	3,906,936	48%
TIF Request	2,350,000	29%
Total Sources	\$8,140,042	100%

Uses:⁽²⁾

Acquisition	2,700,000	33%
Rehabilitation	4,341,189	53%
Architectural Design	107,842	1%
Supervision	43,137	1%
Soft Costs	947,874	12%
Total Uses/Project Budget	\$8,140,042	100%

⁽¹⁾ Because only a portion of the tax credit equity will be paid prior to the completion of construction, the Developer will need to initially provide additional equity or lender financing.

⁽²⁾ There will be no Developer Fee.

CONFORMANCE WITH THE REDEVELOPMENT PLAN

The uses of the subject property proposed by Roosevelt, L.L.C. are consistent with the Near South Tax Increment Financing Redevelopment Plan and Project (the "Plan") in terms of land use and the furthering of the Plan's goals and objectives. With regard to land uses, the Plan states that residential and mixed uses are permitted throughout the Area.

BENEFITS

Quality of Life

The substantial rehabilitation of a historically significant, but vacant, dilapidated, and rapidly deteriorating building in the heart of the Near South neighborhood will inevitably have numerous benefits throughout the Area, including the beautification of a highly-visible eyesore and the addition of market-rate and affordable rental housing to address market demand.

Public Benefits Programs

DPD is currently working with the Developer to design an appropriate Public Benefits program for the neighborhood.

RECOMMENDATION

The Department of Planning and Development recommends that the Community Development Commission take the following actions, as embodied in the attached resolutions:

1. Grant authority to publish notice of the intention of the City of Chicago to negotiate a redevelopment agreement for development of a site at 1152 S. Wabash in the Near South Redevelopment Project Area with Roosevelt, L.L.C. or an entity controlled by Alison Davis and Keith Giles; and
2. Request alternative proposals; and
3. Recommend to the City Council of the City of Chicago the designation of Roosevelt, L.L.C. or an entity controlled by Alison Davis and Keith Giles as the developer if no other responsive alternative proposals are received.



NEW CENTURY
BANK *The New Direction in Banking*

tel 312-944-5400
fax 312-944-0555

OUR IRREVOCABLE ~~STANDBY LETTER OF~~
~~CREDIT NUMBER~~ 6449042-005

DATE OF ISSUE: MAY 5, 2004
PAGE: 1

BENEFICIARY:
CITY OF CHICAGO
121 N. LASALLE STREET, ROOM 1000
CHICAGO, IL 60602
ATTN.COMMISSIONER DEPT. OF PLANNING
AND DEVELOPMENT

APPLICANT:
ROOSEVELT HOTEL LP.
C/O FRANKEL & GILES 1538 S. STATE ST.
CHICAGO, IL 60602

AMOUNT AVAILABLE: ~~USD. \$230,000.00~~
EXACTLY TWO HUNDRED THIRTY THOUSAND AND
00/100'S US DOLLARS

EXPIRY DATE: MAY 5, 2005

AT THE REQUEST AND FOR THE ACCOUNT OF ROOSEVELT HOTEL, L.P, C/O FRANKEL & GILES, 1538 S. STATE ST. CHICAGO, ILLINOIS 60605, NEW CENTURY BANK (THE "BANK"), HEREBY ESTABLISHES IN YOUR FAVOR OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO.6449042-005 IN THE AMOUNT OF TWO HUNDRED THIRTY THOUSAND UNITED STATES DOLLARS (USD \$230,000.00) (THE 'STATED AMOUNT'). WE HEREBY AUTHORIZE THE DRAWING PARTY (DEFINED BELOW) TO DRAW ON US FOR PAYMENT TO CITY OF CHICAGO (THE "BENEFICIARY") IN AN AMOUNT NOT TO EXCEED THE STATED AMOUNT IN ACCORDANCE WITH THE TERMS AND CONDITIONS HEREINAFTER SET FORTH. THE "DRAWING PARTY" IS ANY INDIVIDUAL WHO AT THE TIME SUCH DRAFT IS PRESENTED TO US PURPORTS TO BE THE COMMISSIONER, THE ACTING COMMISSIONER, OR A DEPUTY COMMISSIONER OF THE DEPARTMENT OF PLANNING AND DEVELOPMENT, OR ANY SUCCESSOR DEPARTMENT THERETO OF BENEFICIARY. BENEFICIARY MAY CHANGE THE "DRAWING PARTY" TO BE ANY INDIVIDUAL WHO IS THE COMMISSIONER, THE ACTING COMMISSIONER OR A DEPUTY COMMISSIONER OF ANOTHER DEPARTMENT OF BENEFICIARY, BY DELIVERING A NOTICE IN THE FORM ATTACHED HERE AS EXHIBIT C WITH BLANKS COMPLETED TO THE BANK AT 363 WEST ONTARIO ST., CHICAGO, IL ATTN: LOAN ADMINISTRATION AND TO ROOSEVELT HOTEL, L.P. EACH BY HAND DELIVERY, BY OVERNIGHT DELIVERY, INCLUDING FEDERAL EXPRESS DELIVERY OR BY UNITED STATES REGISTERED OR CERTIFIED MAIL. OF: (A) THIS ORIGINAL LETTER OF CREDIT AND AMENDMENT(S), IF ANY, TOGETHER WITH; (B) AN ENDORSED SIGHT DRAFT ISSUED BY THE DRAWING PARTY IN THE FORM ATTACHED HERETO AS EXHIBIT A, WITH BLANKS COMPLETED, TOGETHER WITH: (C) A WRITTEN STATEMENT SIGNED BY THE DRAWING PARTY ACTING ON BEHALF OF THE BENEFICIARY IN THE FORM ATTACHED HERETO AS EXHIBIT B, WITH BLANKS COMPLETED. PARTIAL AND MULTIPLE DRAWS SHALL BE PERMITTED. THE BENEFICIARY AND ROOSEVELT HOTEL, L.P. MAY, FROM TIME TO TIME, REDUCE THE STATED AMOUNT OF THIS LETTER OF CREDIT PROVIDING A JOINT WRITTEN DIRECTION TO THE BANK SPECIFYING THE NEW STATED AMOUNT. SUCH JOINT WRITTEN

8002188

OUR IRREVOCABLE STANDBY LETTER OF
CREDIT NUMBER: 6449042-005

DATE OF ISSUE: May 5, 2004
PAGE: 2

DIRECTION SHALL BE DELIVERED IN THE SAME MANNER AS NOTICES OF CHANGE IN THE DRAWING PARTY. UPON OUR RECEIPT OF SUCH JOINT WRITTEN DIRECTION, THE STATED AMOUNT SHALL BE REDUCED ACCORDINGLY.

ANY DEMAND PRESENTED UNDER THIS LETTER OF CREDIT MUST BEAR ON ITS FACE THAT IT IS DRAWN UNDER NEW CENTURY BANK, STANDBY LETTER OF CREDIT NO. 6449042-005.

DEMAND FOR PAYMENT MAY BE MADE PRIOR TO THE STATED EXPIRATION DATE OF THIS LETTER OF CREDIT, OR ANY AUTOMATICALLY EXTENDED EXPIRATION DATE OF THIS LETTER CREDIT AT ANY TIME DURING OUR BUSINESS HOURS ON A BUSINESS DAY. AS USED HEREIN, THE TERM "BUSINESS DAY" MEANS A DAY ON WHICH THE BANK IS OPEN IN CHICAGO, ILLINOIS FOR THE PURPOSE OF CONDUCTING COMMERCIAL BANKING BUSINESS.

IF WE RECEIVE THIS ORIGINAL LETTER OF CREDIT AND SIGHT DRAFT AND WRITTEN STATEMENT DESCRIBED ABOVE (TOGETHER THE "DRAW DOCUMENTS") AT OUR ADDRESS STATED ABOVE ON A BUSINESS DAY, WHICH IS ON OR BEFORE THE DATE THIS LETTER OF CREDIT EXPIRES, WE WILL DULY HONOR YOUR DRAFT, PROVIDED ALL TERMS AND CONDITIONS HAVE BEEN COMPLIED WITH.

SUCH FUNDS SHALL BE PAID NO LATER THAN THE CLOSE OF BUSINESS ON THE FOLLOWING BUSINESS DAY AFTER WE RECEIVE THE DRAW DOCUMENTS, PROVIDED THE DRAW DOCUMENTS ARE RECEIVED PRIOR TO 11:00 A.M. ON SUCH BUSINESS DAY. IF THE DRAW DOCUMENTS ARE RECEIVED AFTER 11.00 A.M. ON SUCH BUSINESS DAY, SUCH FUNDS SHALL BE PAID NO LATER THAN THE CLOSE OF BUSINESS OF THE THIRD BUSINESS DAY AFTER WE RECEIVE THE DRAW DOCUMENTS.

IF A DEMAND FOR PAYMENT MADE HEREUNDER DOES NOT, IN ANY INSTANCE, CONFORM TO THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, WE SHALL GIVE YOU NOTICE ON OR BEFORE THE THIRD BUSINESS DAY THAT THE DEMAND FOR PAYMENT WAS NOT IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, STATING THE REASONS THEREFORE AND STATING THAT WE ARE HOLDING ANY DOCUMENTS AT YOUR DISPOSAL OR WE ARE RETURNING THE SAME TO YOU, AS WE MAY ELECT. UPON BEING NOTIFIED THAT THE DEMAND FOR PAYMENT WAS NOT IN CONFORMITY WITH THE TERMS OF THIS LETTER OF CREDIT, YOU MAY ATTEMPT TO CORRECT ANY SUCH NONCONFORMITY IF AND TO EXTENT THAT YOU ARE ABLE TO DO SO.

THIS LETTER OF CREDIT SETS FORTH IN FULL THE TERMS OF OUR UNDERTAKING, AND THIS UNDERTAKING SHALL NOT IN ANY WAY BE MODIFIED, AMENDED OR AMPLIFIED BY REFERENCES

OUR IRREVOCABLE STANDBY LETTER OF
CREDIT NUMBER: 6449042-005

DATE OF ISSUE: May 5, 2004
PAGE: 3

TO ANY DOCUMENT, INSTRUMENT OR AGREEMENT REFERRED TO HEREIN EXCEPT THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS HEREINAFTER MENTIONED AND EXCEPT THE SIGHT DRAFT AND WRITTEN STATEMENT REFERRED TO HEREIN.

TO THE EXTENT NOT CONSISTENT WITH THE EXPRESS TERMS HEREOF, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE TERMS OF THE INTERNATIONAL STANDBY PRACTICES 1998, ICC PUBLICATION NO. 590 ("ISP98"). AS TO MATTERS NOT GOVERNED BY ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS.

WE AGREE THAT WE HAVE NO RIGHT OR OBLIGATION TO DETERMINE THE TRUTHFULNESS OF ANY STATEMENTS PRESENTED TO US OR OTHERWISE MAKE THE INQUIRY INTO THE STATEMENTS PRESENTED TO US UNDER THIS LETTER OF CREDIT. WE WILL ACCEPT DOCUMENTS AS TENDERED.

THIS LETTER OF CREDIT IS NOT TRANSFERABLE.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE AUTOMATICALLY EXTENDED FOR AN ADDITIONAL PERIOD OF ONE YEAR FROM THE PRESENT OR FUTURE EXPIRATION DATE, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO SUCH DATE WE SHALL NOTIFY YOU AND ROOSEVELT HOTEL, L.P. IN WRITING BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, OR BY OVERNIGHT COURIER, THAT WE ELECT NOT TO RENEW THIS LETTER OF CREDIT FOR SUCH ADDITIONAL PERIOD. WE AGREE THAT A COPY OF ANY SUCH WRITTEN NOTICE SHALL ALSO BE SENT TO CITY OF CHICAGO, DEPARTMENT OF LAW, ROOM 600, 121 NORTH LASALLE STREET, CHICAGO, ILLINOIS 60602, ATTENTION: FINANCE DIVISION (THE "DEPARTMENT OF LAW") WITHIN SUCH TIME PERIOD AND IN SUCH MANNER. IN THE EVENT YOU ARE SO NOTIFIED, ANY UNDRAWN PORTION OF THE CREDIT SHALL BE AVAILABLE UPON PRESENTATION OF YOUR SIGHT DRAFT AND THE ORIGINAL LETTER OF CREDIT AND AMENDMENTS. IF ANY, WITHOUT THE NEED TO PRESENT THE WRITTEN STATEMENT DESCRIBED ABOVE UP UNTIL THE CURRENT EXPIRY DATE. WE HEREBY AGREE WITH YOU THAT DEMANDS PRESENTED IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED ON PRESENTATION AS AFORESAID.

OUR IRREVOCABLE STANDBY LETTER OF
CREDIT NUMER: 6449042-005

DATE OF ISSUE: May 5, 2004
PAGE: 4

EXHIBIT A

SIGHT DRAFT

CHICAGO, ILL _____

FOR VALUE RECEIVED
PAY ON DEMAND TO THE CITY OF CHICAGO
U.S. (U.S.\$)

IRREVOCABLE STANDBY LETTER OF CREDIT NO.6449042-005 DATED May 5, 2004. "DRAWN
UNDER NEW CENTURY BANK, STANDBY LETTER OF CREDIT NO. 6449042-005".

TO: NEW CENTURY BANK
363 W. ONTARIO ST., CHICAGO, IL. 60603

THE CITY OF CHICAGO, ACTING BY
AND THROUGH IT'S DEPARTMENT OF

BY: _____
(COMMISSIONER)
OR (ACTING COMMISSIONER)
OR (DEPUTY COMMISSIONER)

OUR IRREVOCABLE STANDBY LETTER OF
CREDIT NUMBER: 6449042-005

DATE OF ISSUE: May 5, 2004
PAGE: 6

EXHIBIT C

CHICAGO, IL

TO: NEW CENTURY BANK
363 W. ONTARIO ST., CHICAGO, IL. 60610

GENTLEMEN:

THIS STATEMENT IS GIVEN WITH REFERENCE TO YOUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. 6449042-005 DATED May 5, 2004. FROM AND AFTER THE DATE OF YOUR RECEIPT OF THIS NOTICE, THE "DRAWING PARTY" IS ANY INDIVIDUAL WHO AT THE TIME SUCH DRAFT IS PRESENTED TO YOU PURPORTS TO BE THE COMMISSIONER, THE ACTING COMMISSIONER OR A DEPUTY COMMISSIONER OF THE DEPARTMENT OF _____, OR ANY SUCCESSOR DEPARTMENT THERETO OF BENEFICIARY.

CITY OF CHICAGO, ACTING BY AND
THROUGH (ITS DEPARTMENT OF PLANNING AND
DEVELOPMENT) OR (ITS DEPARTMENT OF _____)

BY: _____
(COMMISSIONER)
OR (ACTING COMMISSIONER)
OR (DEPUTY COMMISSIONER)

C.C. ROOSEVELT HOTEL, L.P.

NEW CENTURY BANK


AUTHORIZED SIGNATURE

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

**RESOLUTION NO. 00-CDC-
AUTHORITY TO PUBLISH NOTICE
OF THE INTENTION OF THE CITY OF CHICAGO
TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH
ROOSEVELT, L.L.C.
(or an entity controlled by Alison Davis and Keith Giles)
WITHIN THE
NEAR SOUTH REDEVELOPMENT PROJECT AREA,**

AND

TO REQUEST ALTERNATIVE PROPOSALS,

AND

**RECOMMEND TO
THE CITY COUNCIL OF THE CITY OF CHICAGO FOR
THE DESIGNATION OF
ROOSEVELT, L.L.C.
(or an entity controlled by Alison Davis and Keith Giles)
AS THE DEVELOPER IF NO OTHER
RESPONSIVE ALTERNATIVE PROPOSALS ARE RECEIVED**

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 (referred to herein collectively with the Mayor as the "Corporate Authorities") (as codified in Section 2-124 of the City's Municipal Code) pursuant to 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.) (the "Act"); 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 Act; and

WHEREAS, the City Council, upon the Commission's recommendation pursuant to the Act, enacted three ordinances on November 28, 1990 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Central Station Redevelopment Project Area, (amended as "Near South" on August 3, 1994), (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 as amended are described on Exhibit A hereto; and

8002186

WHEREAS, Roosevelt, L.L.C., or an entity controlled by Alison Davis and Keith Giles, an Illinois limited liability corporation, (the "Company"), has presented to the City's Department of Planning and Development ("DPD") a proposal for redevelopment of the Area or a portion thereof that is in compliance with the Plan, consisting of the rehabilitation of the Roosevelt Hotel that will result in the reuse of a recently vacated and rapidly dilapidating structure in a key location in Chicago's Near South neighborhood. The end result will be approximately 42 residential units consisting of seven studios, 28 one-bedroom, and seven two-bedroom units. At least one studio, seven one-bedroom, and one two-bedroom units will be reserved to be leased at rents affordable to households at or below 80% of area median income. The project will also include approximately 4,200 square feet of retail/commercial space on the ground floor, and must provide for at least 30 parking spaces to be available for sale or lease to building residents; and

WHEREAS, pursuant to Section 5/11-74.4-4(c) of the Act, the City may not enter into any agreement regarding redevelopment 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 notice substantially in the form set forth as Exhibit B hereto (the "Notice") in the Chicago Sun-Times or the Chicago Tribune, being newspapers of general circulation within the Area; and

WHEREAS, DPD requests that the Commission recommend to City Council that the Company be designated as the developer for the Project and that DPD be authorized to negotiate, execute and deliver a redevelopment agreement with the Company for the Project, if no responsive alternative proposals are received by DPD within fourteen days after publication of the Notice; 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 Company 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 Company for the Project, so long as no responsive alternative proposals are received by DPD within the time recited above.

Section 4. 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 5. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 6. This resolution shall be effective as of the date of its adoption.

Section 7. A certified copy of this resolution shall be transmitted to the City Council.

ADOPTED: _____, 2000

Attachments: Exhibit A, Street Boundary Description
Exhibit B, Form of Notice requesting Alternative Proposals

EXHIBIT A
Street Boundary Description of the
Near South
Tax Increment Financing Redevelopment Project Area

The Area consists of approximately 375 acres on 48 blocks and is generally bounded on the north by Congress Parkway, on the east by South Michigan Avenue and South Lake Shore Drive, on the south by East 21st Street, and on the west by South State Street.

EXHIBIT B

PUBLIC NOTICE is hereby given by the Community Development Commission ("CDC") 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 (the "Redevelopment Agreement") with Roosevelt, L.L.C. or an entity controlled by Alison Davis and Keith Giles, (the "Company") pursuant to which the City intends to

provide the Company with an amount of TIF assistance equal to the lesser of \$2.35 million or 29% of the total project budget from incremental tax revenues or bond proceeds secured by incremental tax revenues. These funds will be used for the TIF-eligible acquisition and/or rehabilitation costs associated with the redevelopment project located at 1152 S. Wabash in the Near South Redevelopment Project Area. The project will consist of the rehabilitation of the Roosevelt Hotel into approximately 42 residential units consisting of seven studios, 28 one-bedroom, and seven two-bedroom units. At least one studio, seven one-bedroom, and one two-bedroom units will be reserved to be leased at rents affordable to households at or below 80% of area median income. The project will also include approximately 4,200 square feet of retail/commercial space on the ground floor, and must provide for at least 30 parking spaces to be available for sale or lease to building residents.

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

The documents listed below related to the Area and the Project are available for public inspection at the offices of DPD, Room 1000, City Hall, 121 North LaSalle Street, Chicago, Illinois between the hours of 9:00 a.m. and 4:00 p.m. Monday through Friday:

(i) "Near South Tax Increment Financing Redevelopment Project and Plan"

(ii) a terms sheet showing all proposed material terms of the Redevelopment Agreement 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 Company 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 Agreement.

Please contact Cynthia Thomas of DPD at (312) 744-0087 to review these materials and for information regarding the form required for proposals submitted to the City. Those submitting alternative proposals must be financially and otherwise qualified to complete the Project. 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 North LaSalle Street, Chicago, Illinois 60602, until July 12, 2000 at 10:00 a.m., at which time all alternative proposals will be opened and reviewed.

Joseph Williams, Chairman
COMMUNITY DEVELOPMENT COMMISSION
City of Chicago

**REGULAR MEETING
OF THE
COMMUNITY DEVELOPMENT COMMISSION
121 NORTH LASALLE STREET
CITY HALL/ 2ND FLOOR-CITY COUNCIL CHAMBERS**

JUNE 27, 2000

I. Roll Call

II. Old Business

A. GALEWOOD-ARMITAGE INDUSTRIAL TIF (WARD: 29)

Request Authority to acquire one parcel located at 1921 North Narragansett, located within the Galewood-Armitage TIF Redevelopment Project Area.

B. STOCKYARDS ANNEX TIF REDEVELOPMENT PROJECT AREA AND STOCKYARDS SOUTHEAST QUADRANT INDUSTRIAL REDEVELOPMENT PROJECT AREA(WARD: 11)

Authority to Advertise the City of Chicago's Intention to Enter into a Negotiated Sale with Stockyards Inn, L.L.C. for the Sale of a City-owned parcel located at 4146-4152 South Halsted Street, subject to survey, located within the Stockyards Annex Tax Increment Financing Redevelopment Project Area, and a City-owned parcel of approximately one acre comprising a portion of Tax Pin No. 20-05-200-147-0000 located within the Stockyards Southeast Quadrant Industrial Tax Increment Financing Redevelopment Project Area (collectively, the "City Parcels"); and Publish Notice of the Intention of the City of Chicago to provide Tax Increment Financing Assistance and Negotiate a Redevelopment Agreement with Stockyards Inn, L.L.C. for the Redevelopment of the City Parcels; and Authorize a request for Alternative Proposals; Recommend to the City Council of the City of Chicago the Sale of the City Parcels, subject to survey, to Stockyards Inn, L.L.C. if no Responsive Alternative Proposals are Received; and Recommend to the City Council of the City of Chicago the designation of Stockyards L.L.C. as the developer if no alternative proposals are received.

**C. STOCKYARDS INDUSTRIAL-COMMERCIAL TIF
REDEVELOPMENT PROJECT AREA (WARD: 12)**

Authorize the Advertisement of the Department of Planning and Development's Intention to negotiate a Redevelopment Agreement with Value City Department Stores Inc. for the use of tax increment financing bond proceeds and/or incremental tax revenues for the development of 4700 S. Damen in the Stockyards Industrial-Commedia Redevelopment Project Area; To Request Alternative Proposals; and to Recommend to the City Council of the City of Chicago the Designation of Value City Department Stores Inc. as the Developer if no other Responsive Alternative Proposals are receive.

D. 63RD/CAMPBELL REDEVELOPMENT AREA (WARD: 15)

Authorize the Advertisement of the Department of Planning and Development's Intention to enter into a negotiated Sale with Greater Southwest Development Corporation for the parcels located at 2614 W. 63rd Street, PIN: 19-13-427-034; 2612 W. 63rd Street, PIN: 19-13-427-035; 2606 W. 63rd Street, PIN: 19-13-427-037 and 6257 S. Rockwell, PIN:19-13-427-040, all being located within the 63re/Campbell Redevelopment Area.

**E. NEAR SOUTH TIF REDEVELOPMENT PROJECT AREA
(WARD: 2)**

Request Approval of the Designation of Roosevelt L.L.C. for the Roosevelt Hotel at 1152 S. Wabash located within the Near South Redevelopment Project Area; to Request Alternative Proposals; and to Recommend to the City Council of the City of Chicago the Designation of Roosevelt L.L.C. as the Developer if no Responsive Proposals are Received.

II New Business

**A. LAKE CALUMET INDUSTRIAL TIF REDEVELOPMENT
PROJECT AREA (WARD: 10)**

Accept for Review and Study the Redevelopment Plan and Project for the proposed Lake Calumet Redevelopment Project Area (the "Area"); Set a date for a Public Hearing on Tax Increment Allocation Financing in the Area; and to Set a date for a meeting of the Joint Review Board.

STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

CERTIFICATE

I, Michelle Nolan, the duly authorized, qualified and Assistant Secretary of the **Community Development Commission of the City of Chicago**, and the custodian of the records thereof, do hereby certify that I have compared the attached copy of a Resolution adopted by the **Community Development Commission of the City of Chicago** at a Regular Meeting Held on the 27th Day of June, 2000 with the original Resolution adopted at said meeting and recorded in the minutes of the Commission, and do hereby certify that said copy is a true, correct and complete transcript of said Resolution.

Dated this the 27th Day of June, 2000



ASSISTANT SECRETARY

Michelle Nolan

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

**RESOLUTION NO. 00-CDC-32
AUTHORITY TO PUBLISH NOTICE
OF THE INTENTION OF THE CITY OF CHICAGO
TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH
ROOSEVELT, L.L.C.
(or an entity controlled by Alison Davis and Keith Giles)
WITHIN THE
NEAR SOUTH REDEVELOPMENT PROJECT AREA,**

AND

TO REQUEST ALTERNATIVE PROPOSALS,

AND

**RECOMMEND TO
THE CITY COUNCIL OF THE CITY OF CHICAGO FOR
THE DESIGNATION OF
ROOSEVELT, L.L.C.
(or an entity controlled by Alison Davis and Keith Giles)
AS THE DEVELOPER IF NO OTHER
RESPONSIVE ALTERNATIVE PROPOSALS ARE RECEIVED**

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 (referred to herein collectively with the Mayor as the "Corporate Authorities") (as codified in Section 2-124 of the City's Municipal Code) pursuant to 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.) (the "Act"); 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 Act; and

WHEREAS, the City Council, upon the Commission's recommendation pursuant to the Act, enacted three ordinances on November 28, 1990 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Central Station Redevelopment Project Area, (amended as "Near South" on August 3, 1994), (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 as amended are described on Exhibit A hereto; and

WHEREAS, Roosevelt, L.L.C., or an entity controlled by Alison Davis and Keith Giles, an Illinois limited liability corporation, (the "Company"), has presented to the City's Department of Planning and Development ("DPD") a proposal for redevelopment of the Area or a portion thereof that is in compliance with the Plan, consisting of the rehabilitation of the Roosevelt Hotel that will result in the reuse of a recently vacated and rapidly dilapidating structure in a key location in Chicago's Near South neighborhood. The end result will be approximately 42 residential units consisting of seven studios, 28 one-bedroom, and seven two-bedroom units. At least one studio, seven one-bedroom, and one two-bedroom units will be reserved to be leased at rents affordable to households at or below 80% of area median income. The project will also include approximately 4,200 square feet of retail/commercial space on the ground floor, and must provide for at least 30 parking spaces to be available for sale or lease to building residents; and

WHEREAS, pursuant to Section 5/11-74.4-4(c) of the Act, the City may not enter into any agreement regarding redevelopment 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 notice substantially in the form set forth as Exhibit B hereto (the "Notice") in the Chicago Sun-Times or the Chicago Tribune, being newspapers of general circulation within the Area; and

WHEREAS, DPD requests that the Commission recommend to City Council that the Company be designated as the developer for the Project and that DPD be authorized to negotiate, execute and deliver a redevelopment agreement with the Company for the Project, if no responsive alternative proposals are received by DPD within fourteen days after publication of the Notice; 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 Company 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 Company for the Project, so long as no responsive alternative proposals are received by DPD within the time recited above.

Section 4. 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 5. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 6. This resolution shall be effective as of the date of its adoption.

Section 7. A certified copy of this resolution shall be transmitted to the City Council.

ADOPTED: June 27, 2000

Attachments: Exhibit A, Street Boundary Description
Exhibit B, Form of Notice requesting Alternative Proposals

EXHIBIT A
Street Boundary Description of the
Near South
Tax Increment Financing Redevelopment Project Area

The Area consists of approximately 375 acres on 48 blocks and is generally bounded on the north by Congress Parkway, on the east by South Michigan Avenue and South Lake Shore Drive, on the south by East 21st Street, and on the west by South State Street.

EXHIBIT B

PUBLIC NOTICE is hereby given by the Community Development Commission ("CDC") 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 (the "Redevelopment Agreement") with Roosevelt, L.L.C. or an entity controlled by Alison Davis and Keith Giles, (the "Company") pursuant to which the City intends to

provide the Company with an amount of TIF assistance equal to the lesser of \$2.35 million or 29% of the total project budget from incremental tax revenues or bond proceeds secured by incremental tax revenues. These funds will be used for the TIF-eligible acquisition and/or rehabilitation costs associated with the redevelopment project located at 1152 S. Wabash in the Near South Redevelopment Project Area. The project will consist of the rehabilitation of the Roosevelt Hotel into approximately 42 residential units consisting of seven studios, 28 one-bedroom, and seven two-bedroom units. At least one studio, seven one-bedroom, and one two-bedroom units will be reserved to be leased at rents affordable to households at or below 80% of area median income. The project will also include approximately 4,200 square feet of retail/commercial space on the ground floor, and must provide for at least 30 parking spaces to be available for sale or lease to building residents.

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

The documents listed below related to the Area and the Project are available for public inspection at the offices of DPD, Room 1000, City Hall, 121 North LaSalle Street, Chicago, Illinois between the hours of 9:00 a.m. and 4:00 p.m. Monday through Friday:

- (i) "Near South Tax Increment Financing Redevelopment Project and Plan"
- (ii) a terms sheet showing all proposed material terms of the Redevelopment Agreement 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 Company 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 Agreement.

Please contact Cynthia Thomas of DPD at (312) 744-0087 to review these materials and for information regarding the form required for proposals submitted to the City. Those submitting alternative proposals must be financially and otherwise qualified to complete the Project. 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 North LaSalle Street, Chicago, Illinois 60602, until July 12, 2000 at 10:00 a.m., at which time all alternative proposals will be opened and reviewed.

Joseph Williams, Chairman
COMMUNITY DEVELOPMENT COMMISSION
City of Chicago