



COMMUNITY DEVELOPMENT COMMISSION  
OF THE  
CITY OF CHICAGO

RESOLUTION NO. 00 - CDC - 54

AUTHORITY TO PUBLISH NOTICE  
OF THE INTENTION OF THE CITY OF CHICAGO  
TO NEGOTIATE A  
REDEVELOPMENT AGREEMENT WITH

CLARK / TAYLOR L.L.C.

WITHIN THE  
RIVER SOUTH REDEVELOPMENT PROJECT AREA,

AND

TO REQUEST ALTERNATIVE PROPOSALS,

AND

TO RECOMMEND TO  
THE CITY COUNCIL OF THE CITY OF CHICAGO  
THE DESIGNATION OF  
CLARK / TAYLOR L.L.C.  
AS THE DEVELOPER IF NO  
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.) (1993) (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 Resolution 97-CDC-55 and pursuant to the Act, enacted three ordinances on July 30,

1997, pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the River South redevelopment project area (the "Area"), designated the Area as a redevelopment project area and adopted tax increment allocation financing for the Area (such ordinances, collectively, the "TIF Ordinances"). The street boundaries of the Area and street address are described on Exhibit A hereto; and

WHEREAS, Clark / Taylor L.L.C. (the "Company"), has presented to the City's Department of Planning and Development ("DPD") a proposal for acquisition and dedication of land to be used for public roadway and the construction thereon of public streets (the "Project") on a site generally bounded by Polk Street, Clark Street, Roosevelt Road and Wells Street (the "Site"); 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, being a newspaper 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: April 11, 2000

Attachments:       Exhibit A, Description of the Area  
                          Exhibit B, Form of Notice requesting Alternative Proposals

**DEPARTMENT OF PLANNING AND DEVELOPMENT  
CITY OF CHICAGO**

**LaSalle Park Development Project - Summary Sheet**

**April 11th, 2000**

**Action Requested:**

- 1) Approve the Advertisement of the Department of Planning and Development's intention to negotiate a Redevelopment Agreement with Clark Taylor L.L.C., for the use of TIF funds for the construction of new public rights-of-way in the blocks bounded by Polk, Wells, Roosevelt and Clark Streets.
- 2) Approve a request for alternate proposals; and
- 3) Recommend the designation of Clark Taylor L.L.C. as developer if no responsive alternate proposals are received.

**Project/Redevelopment:**

Vacation of unused City rights-of-way, and dedication of a new right-of-way and construction thereon of an extension of South Wells Street from Taylor Street to Roosevelt Road, and other street and alley improvements in the district..

**Address:** LaSalle Park, 1000 South Clark Street

**Type of Assistance:**

TIF funds in an amount not to exceed the actual cost of acquiring right-of-way and constructing public roads and alleys, currently estimated at \$8,373,943, to be funded from TIF increment from the project site. Increment would secure taxable City of Chicago notes for Phase I and II of the construction.

**Redevelopers:**

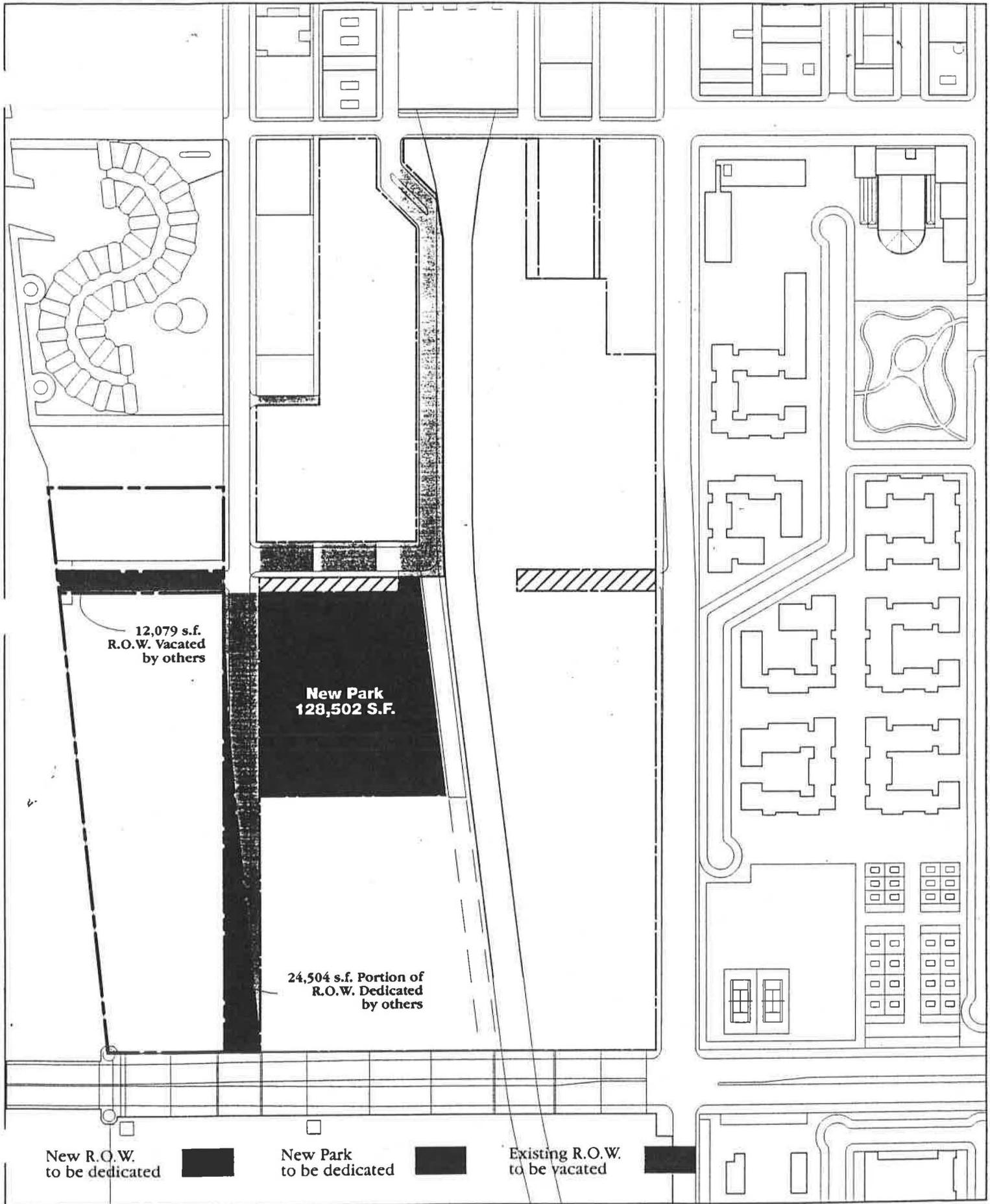
Clark Taylor L.L.C., to be formed by Higgins Development Partners, owner and developer of the LaSalle Park site.

## SUMMARY

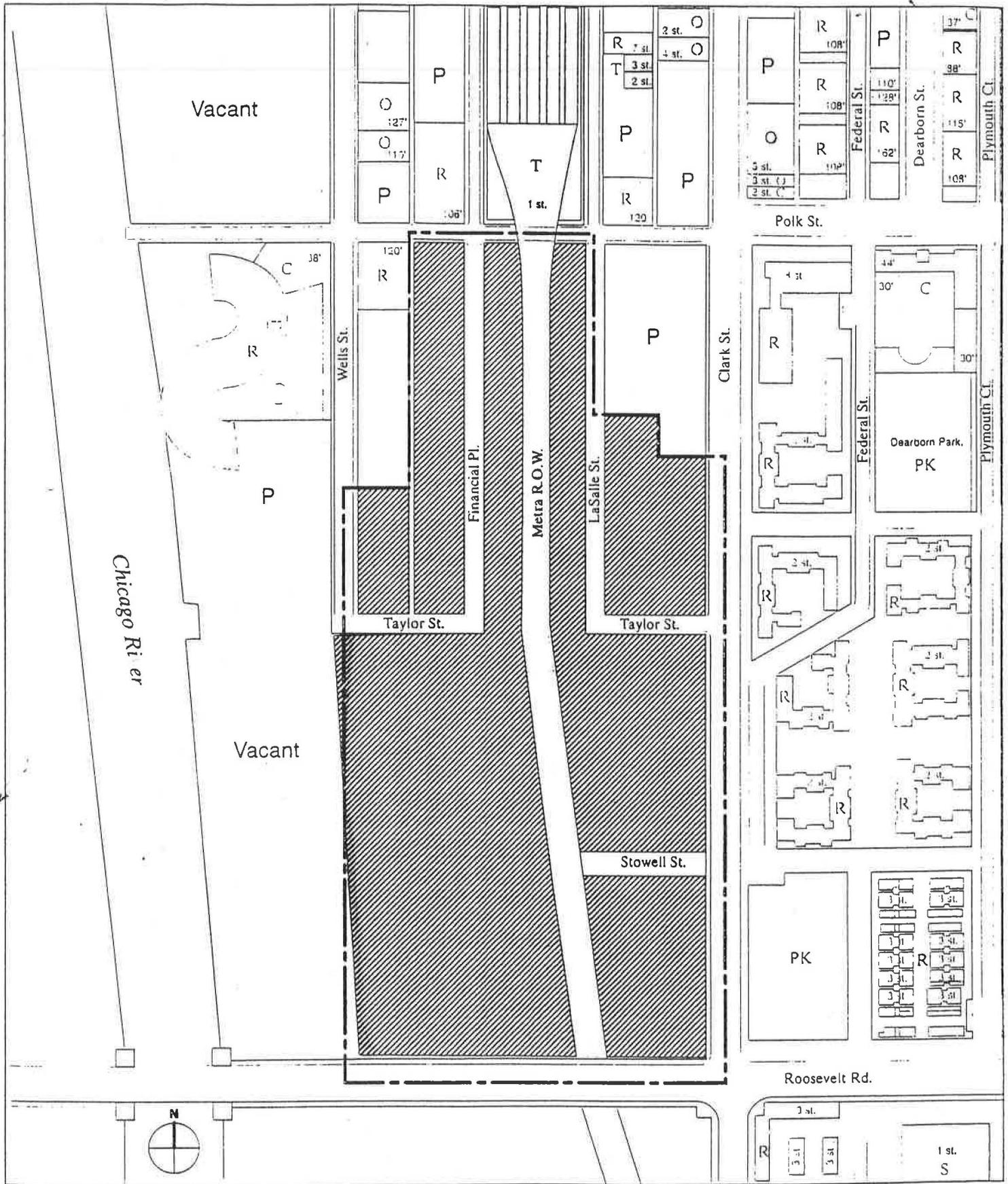
This is a public infrastructure project, which will result in the extension and opening of Wells Street to Roosevelt Road. Some other public streets and alleys will be built or improved within the project site. Funding will be derived from 80% of the increment generated by the LaSalle Park project.

**Ward:** 2    **Alderman:** Madeline Haithcock.

**Issues:** None identified.

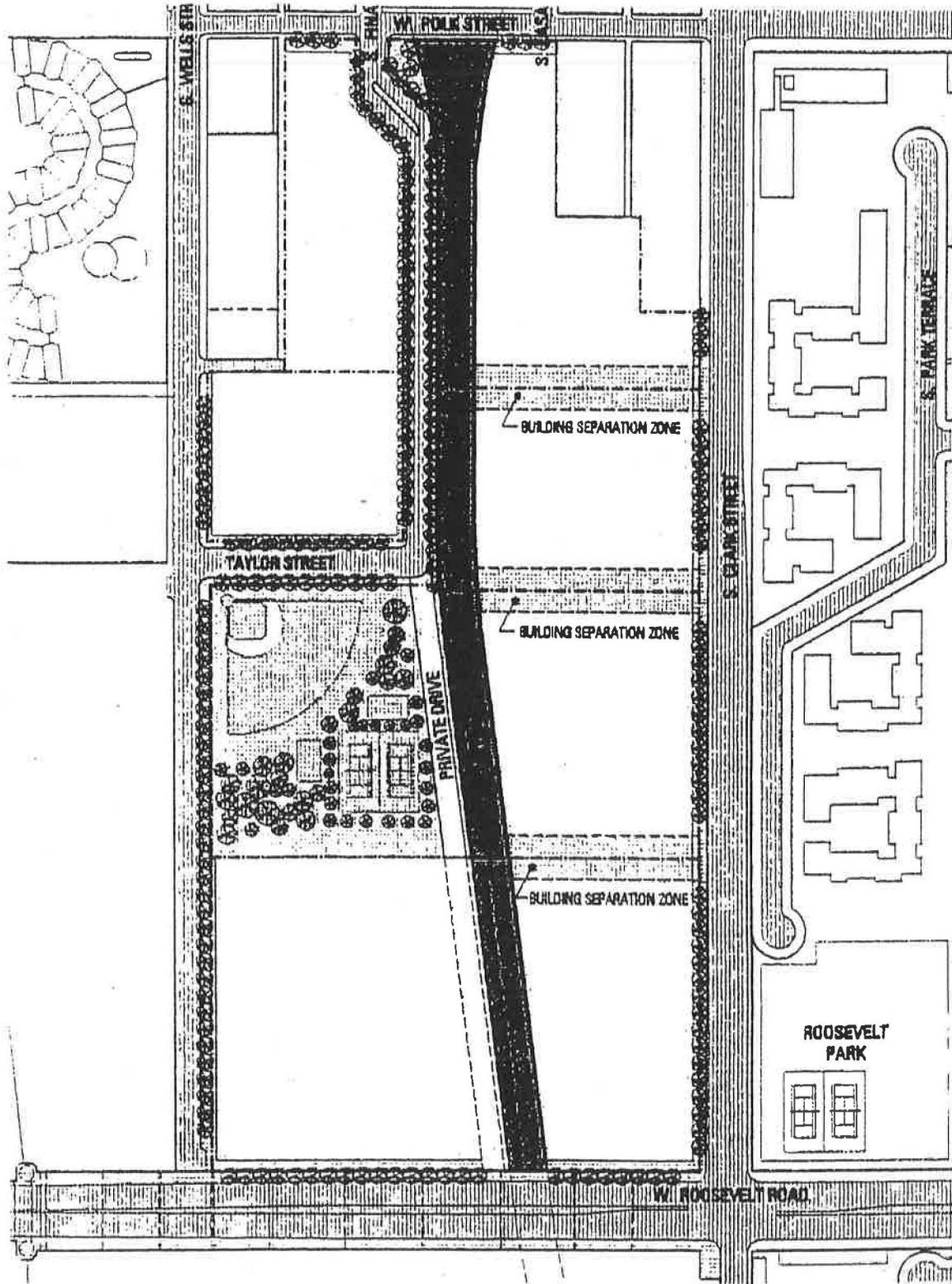


**Cacciatore Property Line and Public R. O. W. Adjustment Map (approximate)**  
 LaSalle Park · Chicago, IL January 2000



October 12, 1998

- |                  |  |             |  |            |  |              |  |
|------------------|--|-------------|--|------------|--|--------------|--|
| P.D. Boundary    |  | Park        |  | Office     |  | Util./Trans. |  |
| Subject Property |  | Residential |  | Commercial |  | School       |  |



LANDSCAPING SHOWN IN THE BUILDING SEPARATION ZONES MAY INCLUDE PLANT MATERIAL, ROADS, WALKS, AND LANDSCAPE AREAS.

<p>LEONARD LAURANCE AND ASSOCIATES          400 N MICHIGAN AVE          CHICAGO          ILLINOIS 60611          USA          ARCHITECTS</p>	<p><b>LaSalle Park</b>          Chicago, IL</p>	<p><b>Landscape /          Streetscape Plan</b></p>	<p>8 Oct 1998</p>
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# COMMUNITY DEVELOPMENT COMMISSION MEETING

April 11th, 2000

Clark Taylor L.L.C. - Public Infrastructure Project

River South TIF District

Developer Designation - 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 Clark Taylor L.L.C. for TIF assistance with the construction of public streets and alleys in support of the LaSalle Park Planned Development. The site is in the River South TIF District (see attached map);
2. Request alternative proposals; and
3. Recommend to the City Council of the City of Chicago the designation of Clark Taylor L.L.C. as the developer if no responsive alternative proposals are received.

## **BACKGROUND:**

Because of the early development of railroad yards on the south side of the Loop, Wells Street south of Polk Street was built out only as far as Taylor. In support of the Planned Development project known as LaSalle Park, and to provide for further private development to the west, the City is proposing TIF assistance to the developers of LaSalle Park, primarily for the construction of Wells Street from Taylor to Roosevelt Road, Financial Place from Polk to Taylor, and for improvements to Taylor Street.

The estimated cost of the infrastructure improvements that Higgins is proposing to construct is approximately \$8.4 million. The City is planning to issue its Notes for Phase I and II of the construction, for an amount that will increase as Higgins expends money for the improvements. The Developer proposes to construct the public improvements in at least two phases. The attached term sheet shows the estimated costs of the improvements for Phase I and Phase II improvements. The Developer anticipates committing to commence the Phase I improvements in 2000 and to complete such improvements by Spring of 2002. The Developer anticipates committing to commence the Phase II improvements no later than 2004 and to complete such improvements 24 months after commencement. Further, the park

improvements and street signals, if necessary, would be installed as required under the planned development. The Note would be payable only from real estate incremental taxes generated by the currently controlled Higgins' property, i.e., the property generally bounded by Polk Street on the north side, Clark Street on the east side, Roosevelt Road on the south side and Wells Street on the west side. The construction of Wells Street will not only benefit the Developer's property, but will also benefit the property to the west owned by Cacciatore. In fact, a portion of proposed Wells Street is on the Cacciatore property. The developer is currently negotiating for purchase of the property; and anticipates that there will be some adjustments to the rights-of-way which will require dedications and vacation.

## PROJECT NARRATIVE

Clark Taylor L.L.C. is an affiliate of Higgins Development Partners, L.L.C. ("Higgins"), the successor entity to Walsh Higgins & Co., a full service real estate firm which provided services in build-to-suit development, development management, real estate financing, real estate consulting and asset management. Higgins is essentially the same company as before its name change with the exception of an ownership component. Former principals in Walsh Higgins and Co., Matt and Dan Walsh, recently left the company, and their ownership interest was purchased by an entity owned by the Pritzker family. The other principal in Walsh Higgins & Co., John Higgins, is now a principal in Higgins. Higgins is headquartered in Chicago and has regional offices in Washington, D.C. and the San Francisco Bay Area.

Having assumed most of the projects initiated prior to the reorganization, Higgins has a portfolio of highly successful office, distribution, laboratory, data center, hotel, and residential developments. It provides comprehensive real estate services to a wide variety of corporate, public sector and institutional clients. The company under its former and current ownership structure has developed, or is developing, more than 10 million square feet of space.

Many of the projects completed by Walsh Higgins & Co. were done for America's most successful corporations, notably including AT&T Bell Laboratories, Chrysler Corporation, Rykoff-Sexton Foods, Budget Rent-a-Car, Federal Express, Host Marriott and Allied Van Lines. The company also had extensive experience working in public/private partnerships with all levels of government as well as institutional clients including the United States General Services Administration, the City of Chicago, and the University of Cincinnati, as well as many others.

### Project

Higgins owns and proposes to develop in phases the 24-acre property bounded generally by Polk Street on the north side, Clark Street on the east side, Roosevelt Road on the south side and Wells Street on the west side (the "Subject Property").

In January of 1999, the City Council approved an amendment to a planned development (the "PD") which governs the development of the Subject Property. The PD divides the Subject Property into eight sub-areas and provides for, with the exception of one sub-area, mixed use development. For example, permitted uses include dwelling units, offices, hotels, retail, hospital, senior housing, restaurants, theaters, day care and schools. One of the sub-areas, which is nearly three acres, will be dedicated for open space such as a park, and/or other recreational uses.

The Subject Property, and surrounding area, lack adequate roadway infrastructure. Several roadways, such as Financial Place, Wells Street and Taylor Street, in and around the Subject Property, have not been constructed. As a result, access to the western half of the Subject Property is limited. In addition, Polk Street and Clark Street, are in an older condition and are not sufficient to accommodate the traffic to be generated by development in the Subject Property area. Due to these factors, improvement of the roadway infrastructure is a critical component in the success of not only Higgins' property but also the entire Near South Area.

#### Public Infrastructure Improvements

In connection with the development of the Subject Property, Higgins proposes the following public roadway improvements, which will be completed in two phases, between Polk Street and Roosevelt Road (the "Polk To Roosevelt Roadway Improvements"):

Construction and dedication of a new, four lane public roadway (including sidewalks, parkways, street trees, street lights and utilities) on Wells Street between Taylor Street and Roosevelt Road. (Phase I)

Construction and dedication of a new, four lane public roadway (including sidewalks, parkways, street trees, street light and utilities) on a relocated Financial Place between Polk Street and Taylor Street. (Phase I)

Construction and dedication of a new alley between Wells Street and the relocated Financial Place upon the occupancy of a development parcel adjacent to the alley. (Phase I)

Construction of a temporary bus turnaround (contingent upon the issuance of a building permit for the 150th dwelling unit on the Subject Property and the Chicago Transit Authority's commitment to provide service on Wells Street). (Phase I)

Improvements to existing roadways (including sidewalks, parkways, street trees and street lights) on Polk Street between the Metra Tracks and Wells Street, on Wells Street between Polk Street and Taylor Street. (Phase I)

Improvements (including sidewalks, parkways, street trees and street lights) on Taylor Street between the relocated Financial Place and Wells Street. (Phase II)

Installation of traffic signals at the Wells/Taylor, the Polk/Wells and the Polk/Financial Place intersections, if warranted. (Phase II)

The Polk To Roosevelt Roadway Improvements will yield a substantial private benefit to the development of other properties in the Near South area and will yield a substantial public benefit to the Near South area as a whole. The Polk to Roosevelt roadway improvements are a first, necessary and integral step toward meeting the City's goals for improving the roadway network in the Near South area. Among the public needs fulfilled and the public benefits provided by these improvements are:

Provision of a north-south route. The first critical piece of the long talked about "Wells-Wentworth Connector" will be in place. Without the proposed extension, the connector cannot be completed.

Increased points of access. The first and only roadway access to the approximately 60 acres south of Roosevelt Road will be possible (in addition to benefitting the properties west of the Metra tracks and north of Roosevelt Road).

Enhanced traffic movement. The new roadways will handle some of the traffic currently on South Clark Street, allow a better balance of traffic distribution in the area and relieve pressure on the Wells/Polk intersection.

#### Requested City Assistance

To make this Project a reality, public sector assistance, in the form of Tax Increment Financing ("TIF") will be necessary. Higgins estimates that the total costs for infrastructure improvements are approximately \$8.4 million. Without TIF assistance, the infrastructure improvements would not be economically feasible and could not proceed expeditiously.

The applicant is requesting tax increment financing ("TIF") assistance from the City of Chicago in the amount of \$ 8,373,943. Because there are currently no outstanding bonds for the TIF District and the requested assistance can be supported with the increment to be generated by the site, the developer and the City are proposing City of Chicago Notes.

The Department of Planning and Development plans to advertise its intention to designate the developer for the site and the use of tax increment financing in support of the development, and will invite alternative proposals to be submitted within fourteen (14) days of the date of the first publication of the advertisement. If no other acceptable proposals are received before the expiration of the advertising period, without further action by the Community Development Commission the designation of Clark Taylor L.L.C. as the developer and the use of tax increment financing will be recommended to the City Council for its approval. The Department of Law will negotiate a redevelopment agreement for approval by the City Council which will govern the use of the tax increment financing funds and the redevelopment of the property. Support for this project has been expressed by the Alderman

and the community. The developer has sent notification of the project to MBE / WBE contractor associations.

The developer has established a track record of employing an aggressive but practical approach to maximizing diversity of participation on their projects. In a number of cases these efforts have exceeded the required goals. In addition to meeting the Department of Planning and Development's standard participation requirements for minority and women's business enterprises, the developer has agreed to award an additional 5% of the constructions costs to minority and women's business enterprises. Additionally, the developer has committed to make appropriate efforts to recruit minority and women's businesses for future development projects on the LaSalle Park property west of the Metra tracks (to the extent that the developer controls such projects). These efforts would include notifying the Department's list of M/WBE contractor associations, holding meetings with the associations regarding appropriate projects and taking appropriate steps to identify opportunities for M/WBE participation..

**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 with Clark Taylor L.L.C. for TIF assistance for the public infrastructure associated with the construction of South Wells Street.
2. Request alternative proposals; and
3. Recommend to the City Council of the City of Chicago the designation of Clark Taylor L.L.C. as the developer if no other responsive alternative proposals are received.

Terms Sheet

Clark Taylor Street Infrastructure Project

<u>Use of Funds</u>	<u>Phase I</u>	<u>Phase II</u>
Property Acquisition:	\$1,225,200	\$0
Wells Street construction (including construction and installation of sidewalks, parkways and street lights).	\$783,700	\$0
Financial Place & Taylor Street construction (including construction and installation of sidewalks, parkways and street lights).		\$1,033,000
Traffic Signals		\$360,000
Construction of sewer & water improvements	\$314,000	\$1,806,500
Street Scape	\$218,981	\$218,982
CTA turnaround	\$50,000	\$0
Excess facility, charges (i.e., utility relocations)	\$125,000	\$125,000
Construction Management	\$83,750	\$117,660
Legal/engineering/surveys/soil testing/inspections	\$743,845	\$116,115
Contingency	\$362,245	\$589,965
	<b>Total</b>	<b>\$ 4,367,222</b>

Sources of Funds:

Developer Equity and/or Loan Proceeds	\$3,906,721	\$4,367,222
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## **EXHIBIT A**

### **Street Boundaries of the River South TIF Redevelopment Project Area**

The River South Redevelopment Project Area is generally bordered by Van Buren Street and Congress Parkway on the north; Federal Street, Clark Street, and State Street on the east; Cullerton Street on the south; and the Chicago River and Stewart Street 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.) (1993) (the "Act"), that the City's Department of Planning and Development ("DPD") intends to negotiate a Redevelopment Agreement with Clark / Taylor L.L.C. (the "Company") pursuant to which the City intends to provide \$8,373,943 in financial assistance to the Company, using tax increment allocation financing revenues pursuant to the Act, for the acquisition by the developer of land and the subsequent dedication of the acquired parcel and various other parcels of land and the construction thereon of public streets (the "Project"), on a site generally bounded by Polk Street, Clark Street, Roosevelt Road and Wells Street and Wells Street as extended southwards (the "Site"), located within the River South Redevelopment Project Area (the "Area") established pursuant to the Act. The Site is to be redeveloped for mixed uses established by a Planned Development designation. The street boundaries of the Area are as follows:

The Redevelopment Project Area is generally bordered by Van Buren Street and Congress Parkway on the north; Federal Street, Clark Street, and State Street on the east; Cullerton Street on the south; and the Chicago River and Stewart Street on the west.

### 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) "River South Tax Increment Financing Redevelopment Plan and Project"
- (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 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 Bob Ruhloff of DPD at (312) 744-9478 to review these materials and for information regarding the form required for proposals submitted to the City. Those