

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

550 West Jackson IT-Office Project - Summary Sheet

February 29, 2000

Action Requested:

- 1) Approve the Advertisement of the Department of Planning and Development's intention to negotiate a Redevelopment Agreement with 550 Jackson Associates L.L.C., for the use of TIF funds for the rehabilitation and construction of office space at 550 West Jackson.
- 2) Approve a request for alternate proposals; and
- 3) Recommend the designation of 550 West Jackson Associates L.L.C. as developer if no responsive alternate proposals are received.

Project/Redevelopment:

TIF assistance with the rehabilitation of the base office building and construction of a 14-story addition, directed specifically at information-technology ("IT") based businesses.

Address: 550 West Jackson

Type of Assistance:

TIF funds in an amount not to exceed \$7,500,000, 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 development.

Redevelopers:

550 West Jackson Associates L.L.C., part of Mark Goodman Associates, owner and developer of the site and an experienced office building developer and manager..

SUMMARY

TIF assistance with the rehabilitation of the base office building and construction of a 14-story addition, directed specifically at information-technology ("IT") based businesses, at 550 West Jackson, a site immediately across from Union Station. The site is in the Canal-

8000286

Congress TIF District (see attached map);

Ward: 42 **Alderman:** Burton Natarus

Issues: None identified.

COMMUNITY DEVELOPMENT COMMISSION MEETING

February 29, 2000

550 Jackson Associates L.L.C. - IT-Office Project

Canal-Congress 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 550 Jackson Associates L.L.C. for TIF assistance with the rehabilitation of the base office building and construction of a 14-story addition, directed specifically at information-technology ("IT") based businesses, at 550 West Jackson, a site immediately across from Union Station. The site is in the Canal-Congress TIF District (see attached map);
2. Request alternative proposals; and
3. Recommend to the City Council of the City of Chicago the designation of 550 Jackson Associates L.L.C. as the developer if no responsive alternative proposals are received.

BACKGROUND:

This proposal concerns the existing building at 550 West Jackson Boulevard (the "Building"). The Building is a four story Class C office building with approximately 100,000 square feet of office space and two levels of underground parking. The Building is in the Canal/Congress Tax Increment Financing Redevelopment Project Area, established by the City of Chicago in 1998 (the "TIF District"). 550 Jackson Associates, L.L.C., a development group formed by Mark Goodman & Associates, Inc. (which holds title to the Building), proposes to completely redevelop and enlarge the Building.

The TIF District is a mixed use area comprising 33 buildings in the West Loop area. According to the Canal/Congress Redevelopment Plan, the TIF District is characterized by the presence of various blighting conditions (which constitute "eligibility factors" under the State of Illinois statute authorizing tax increment financing), including (i) buildings over 35 years in age, (ii) obsolescence, (iii) deterioration, (iv) depreciation of physical maintenance,

(v) structures below minimum code, and (vi) excessive vacancies. The City's objective in designating the TIF District was to encourage private investment and development activity in the TIF District, in order to eliminate the blighting factors and increase the economic vitality of the area and the City. Particular goals for the subarea of the TIF District in which the Building is located (i.e. Subarea B) are the (i) redevelopment of obsolete and severely deteriorated properties, (ii) rehabilitation of existing office buildings, (iii) construction of new office buildings, (iv) retention of existing businesses, (v) and attraction of new businesses. The Redevelopment Plan states that all development projects should be of the highest quality standards of design, be visually attractive, meet present-day principles and standards of construction, and, if possible, provide new amenities, infrastructure improvements, and/or public transportation facilities. Ultimately, it is planned that the TIF District "will serve as a cohesive and distinctive business and residential district that functions as part of the central business district and serves as a link between the Loop and the Near West Side Communities."

The Building is located on a block designated in the Redevelopment Plan as Block 113 (the "Block"). There are only two buildings on the Block. According to the Redevelopment Plan, the Block is characterized by deterioration, depreciation of physical maintenance, obsolescence, aging buildings, buildings below minimum code standards and lack of light and ventilation. The Redevelopment Plan indicates that more blighting factors are present in the Block than in any other block in the TIF District.

As the Redevelopment Plan indicates, the Building is in need of significant reconstruction. The walls of the basement parking levels are deteriorating and the curtain wall of the building above is leaking. Besides addressing the problems of deterioration, the owner of the Building intends to redevelop the Building as a modern office building and to attract IT-tenants to the TIF District. Reconstruction of the Building is not financially feasible without significantly expanding the economic base of the Building. Tax Increment Financing ("TIF") assistance is necessary in order to redevelop the Building to the level required to make it a first class office building of the standards required by the Redevelopment Plan. Successful redevelopment of the Building will jump-start redevelopment in the TIF District and provide funds for infrastructure improvements and other amenities. It is anticipated that the proposed redevelopment of the Building will generate a significant amount of increment for the TIF District in excess of the amount needed to fund redevelopment of the Building.

The Building was built in the late 1950s by Mercantile National Bank (the "Bank") to house both the headquarters of the Bank and additional office tenants. The original plans indicate that the Building was designed as a 12-story structure. The massive foundation installed at that time and the capped columns piercing the roof physically demonstrate the Bank's intention to build a building of more than four stories in height. The Bank ran into financial difficulties while construction of the Building was underway and filed a bankruptcy petition in the early 1960s. The directors of the Bank, through a trust, controlled ownership of the property until it sold the Building to MGA in 1985.

Although MGA has continued throughout the years in its efforts to stabilize the Building, the property has consistently underperformed financially, often failing to cover operating expenses from its rents. At the time that MGA acquired the Building there had already been years of deferred maintenance. Economic conditions in the downtown office rental market and the west loop submarket have affected and continue to affect the viability of the Building in its current form. In the 1970s and 1980s economic conditions encouraged the construction of large, modern office buildings in the Central Loop area. By the time this boom had subsided, the Central Loop office market had been significantly overbuilt. The resulting glut of rentable Class A office units in the Central Loop made it impossible for Class B and Class C buildings, especially those located in the West Loop, to compete for quality tenants. Such buildings have had to rely upon smaller tenants who often have significant financial constraints. Historically, the Building has had additional problems attracting tenants because of its small size and physical maintenance issues. Small tenants paying low rental rates have dominated the Building, while age and deferred maintenance have continued to take their toll. The result is that the physical condition of the Building has continued to deteriorate. MGA has expended great efforts and sums to retain control of the property throughout this time of significant difficulties.

In spite of these conditions, in the early 1990's MGA was able to obtain enough funds to undertake a limited renovation of the Building. The exterior skin of the Building was cleaned and painted a modal gray paint to match the limestone and granite base. These changes were combined with a reflective mirror finish added to the window glass to update the exterior appearance of the Building from that of the 1950s. Interior cosmetic improvements were also made. This limited renovation allowed MGA to stabilize the financial condition of the property. MGA was able to attract enough tenants with sufficient rents to increase the cash flow of the Building by over 50% from the date of MGA's initial acquisition. This increase has been maintained in spite of the state of the leasing market, due to an active management policy, early lease renewals and aggressive marketing. Currently the Building's occupancy rate is 75%. However, one tenant (MCI) accounts for 25% of the occupancy, and the balance of the tenants are primarily small businesses and solo professional practitioners. The major lease which MGA recently obtained is with MCI, which is a long term lease of the entire first floor of the Building (other than the lobby area). MCI uses the premises as its primary switching station for the Chicago metro area. The lease's below-market rental rate was dictated by the location and condition of the building, and by MCI's need to invest \$10 million of their funds in the Building, in tenant improvements and telephone switching gear. Despite the fact that MCI has a long term lease at low rental rates, the MCI lease is a positive for the Building. The MCI lease is the only long term lease in the Building.

However, significant physical deterioration continues to threaten the long-term viability of the property. As noted above, the Redevelopment Plan shows that more eligibility factors are present on the Block containing the Building than on any other block in the TIF District; all of these eligibility factors apply to the Building. One of the issues that needs to be addressed immediately is the curtain wall. The curtain wall leaks allowing water into tenant spaces. The underground parking garage is also severely deteriorated. The garage has long term spalling

of concrete and corrosion of steel reinforcing resulting from exposure to water and road salt for the last forty years. Additionally, there is a great deal of asbestos in the Building. Asbestos can be found on all structural steel framing and all piping throughout the Building. These issues are pressing and must be addressed in the near future.

The Building has certain limitations common to all office buildings of its age. The mechanical and electrical systems of the Building are outdated. Any work on these systems is difficult and expensive due to the presence of friable asbestos in the ceiling plenum. To date these components have been repaired in a piecemeal fashion in order to keep them operable. Tenant spaces are not sprinklered, and the building layout is obsolete, with height and space configurations that limit marketability. Finally, to attract first-class tenants on long term leases, the cutting-edge technological systems these tenants demand today must be installed.

In the recent past, there has been an overall increase in office building occupancy rates in the Loop, including the West Loop submarket. Of course, occupancy rates continue to be lower in older buildings (built in 1960 or before) compared to new buildings. Some of this increase is due to the withdrawal of older office and industrial buildings from the market and their conversion to residential or other commercial uses. Obsolete and deteriorated buildings are scattered throughout the central business district in general and the TIF District in particular. The presence of these buildings will continue to act as a drag on the economic and social vitality of the area. However, because of changes in the market conditions in the West Loop area and the boom in residential development on the Near West side, we believe that this is an opportune time to develop a first class office building that will achieve the goals of the Redevelopment Plan. Obsolete in its size, design and systems and plagued by years of deferred maintenance, the Building will require significant investment to redevelop it as a marketable office building. The cost of the demolition, asbestos abatement, and repair of the garage amounts to approximately \$1,700,000 by itself. Demolishing the Building is not an option because of the MCI lease (and MCI's related financial investment). As the Building was structurally designed and initially built as a larger building, an additional tower is to be built over the existing four-story building. Structural engineers have completed a design that creates 14 additional stories (for an additional 320,000 square feet, and a total building square footage of approximately 420,000) to maximize the potential of a site and minimize the construction period

The construction of the project is scheduled to take approximately 12 months. MCI would remain as a tenant in place throughout the entire construction period. The building's remaining leases have been canceled, and the developer is actively working with the tenants to identify relocation space. The developer has engaged Anthony Belluschi Architects of Chicago to design the new 550 West Jackson building. The current plan will result in a totally renovated building with a total height of 19 floors, consisting of twelve floors with a 26,000 square-foot floor plate, six floors with a 17,000 square-foot floor plate, and a penthouse of 8,000 square feet. The Building will have efficiently designed space with a dramatic window line. In addition, the building will provide the cutting-edge computer and communication technology mandatory for IT tenants. The existing two level underground

garage is an important feature of the Building and will enable it to be redeveloped to support the larger size. By using a valet parking configuration 250-300 cars can be accommodated.

The proposed project does not require any change to the current underlying zoning of the parcel. The Building site of approximately 26,000 square feet is currently zoned C 3-7, the highest zoning permitted under the City of Chicago zoning ordinance. Before bonuses for setbacks and arcades the site could support a density of 420,935 square feet or sixteen times the site size, and with bonuses this could be increased to 25 times the site size, or more than 650,000 square feet. As redeveloped, the Building will offer views of the City from three sides as well as from the proposed 12th floor terrace. The Building will feature an offset core on the west side with low and high rise elevators. The parking garage will be rehabilitated. The exterior will consist of a curtain wall inset with green-tinted glass framed in either stainless steel or aluminum on the upper floors and a stone facade at the street level. The location of 550 West Jackson Boulevard, which in the past has worked against the viability of the Building, will become increasingly desirable following its redevelopment. The Building is directly across the street from Chicago's Union Station and convenient to the Loop and nearby transportation. With the creation of the TIF district and the proposed redevelopment of Union Station as well as the continued influence of the residential development to the north and west of the site, MGA believes there is a significant opportunity to redevelop the Building. MGA also believes that the development of this high quality project will be an important force for the revitalization of the entire TIF district.

The applicant is requesting tax increment financing ("TIF") assistance from the City of Chicago in the amount of \$ 7,500,000. Eligible costs would consist of asbestos abatement, garage demolition, garage and building renovation, and site preparation costs associated with the additional vertical construction. 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 550 Jackson Associates 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.

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 550 Jackson Associates L.L.C. for TIF assistance for the rehabilitation and redevelopment of the building at 550 West Jackson Boulevard.
2. Request alternative proposals; and
3. Recommend to the City Council of the City of Chicago the designation of 550 Jackson Associates L.L.C. as the developer if no other responsive alternative proposals are received.

TERMS SHEET

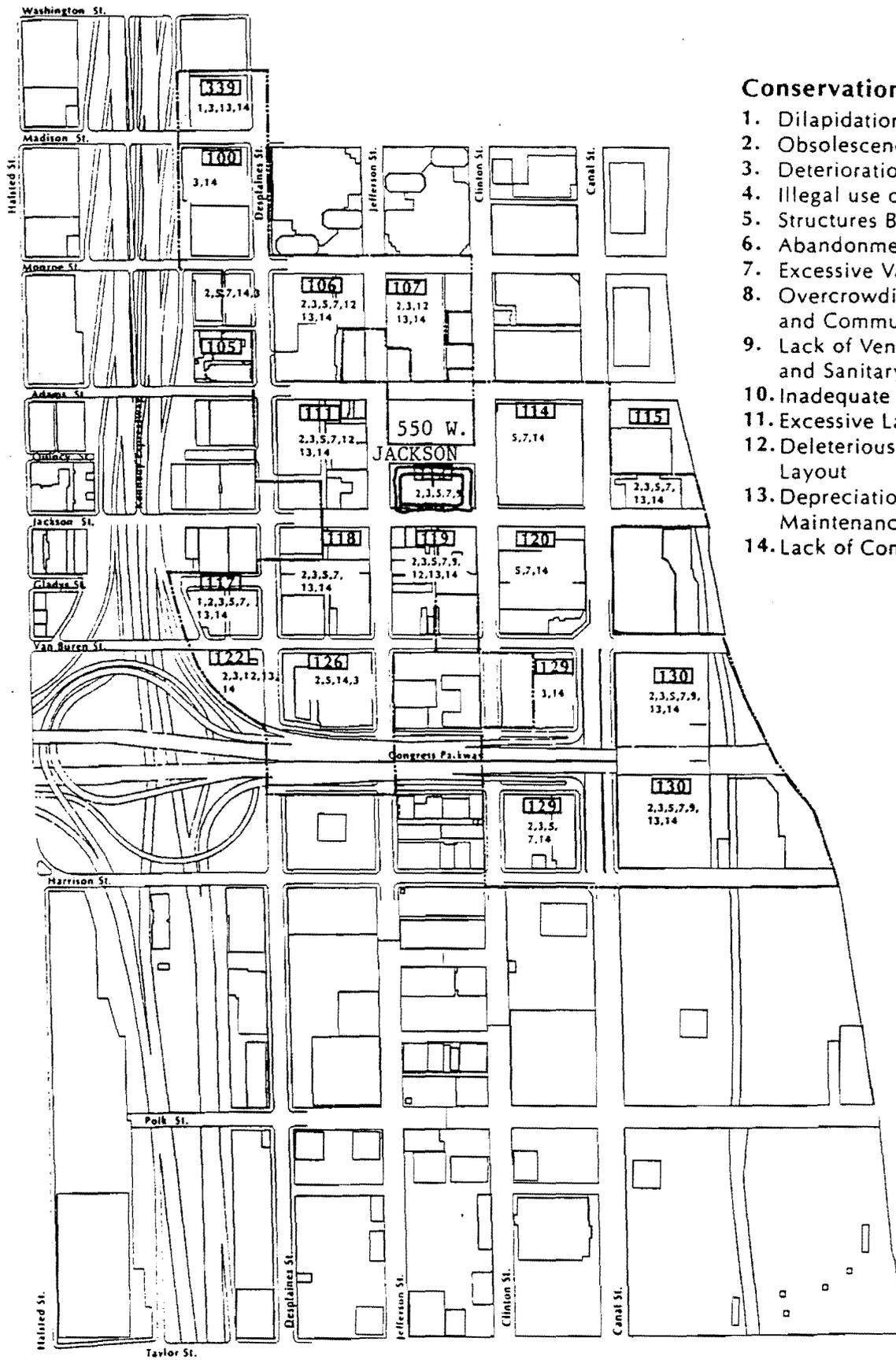
550 W. JACKSON BLVD - OFFICE BLDG	SOURCES	USES
EQUITY	\$15,250,000	
TIF PROCEEDS (Note to collateralize loan)	\$7,500,000	
1ST MORTGAGE CONSTRUCTION LOAN	\$56,690,032	
EXISTING BUILDING (MORTGAGE PAYOFF)		\$3,524,768
PARTNERSHIP DISTRIBUTION TO INVESTORS		\$1,070,000
DEMO, ABATEMENT, & GARAGE REPAIRS		\$1,685,000
BASE BLDG CONSTRUCTION HARD COSTS		\$34,344,862
TENANT IMPROVEMENTS		\$11,950,000
ARCHITECTURAL & ENGINEERING		\$1,950,000
SECURITY, LIGHTING, & SIGNAGE		\$240,000
LEGAL & ACCOUNTING		\$600,000
FINANCING FEES		\$1,825,000
REAL ESTATE TAXES		\$400,000
INSURANCE / BONDING		\$416,000
LEASING COMMISSIONS		\$3,950,000
DEVELOPMENT FEES		\$2,800,000
CONSTRUCTION MANAGEMENT FEE		\$272,710
TESTING & REIMBURSABLES		\$62,000
INSPECTING ARCHITECT		\$100,000
ADVERTISING & PROMOTION		\$350,000
OPERATING DEFICIT		\$781,020
CONTINGENCIES		\$2,922,778
CONSTRUCTION LOAN INTEREST		\$9,929,168
AMERICAN NATIONAL BANK ADMIN. FEE		\$225,000
MEZZANINE LOAN ADMIN. FEE (.15 BP's)		\$61,726
	\$79,440,032	\$79,440,032

The City, through the Department of Planning and Development (DPD), is planning to reimburse the developer for TIF-eligible costs in an amount not to exceed \$7,500,000, with the following provisions to be incorporated in the Redevelopment Agreement:

- Increment available to the project not to exceed 60% of increment generated by the project.
- Tax Increment Financing assistance of \$7,500,000 to be provided in the form of two City of Chicago taxable notes, with closing contingent on 50% leasing to IT tenants with minimum 10-year leases.

- Note A issued at closing in the face amount of \$5,625,000, with principal amount entered and a 10-year amortization period commencing upon the issuance of a certificate of completion.
- Note B issued at closing in the face amount of \$1,875,000. Principal amount will be effective upon issuance of a certificate of completion.
- Building may not to be sold prior to the issuance of a Certificate of Completion. For a period of 5 years thereafter, City approval of a sale is required, and, from a sale occurring during this 5-year period, the City will receive a share of excess profits.

Payments under the Notes are subject to the developer's meeting all applicable conditions and requirements of the redevelopment agreement including, but not limited to, MBE/WBE, prevailing wage, and City residency.



Conservation Factors

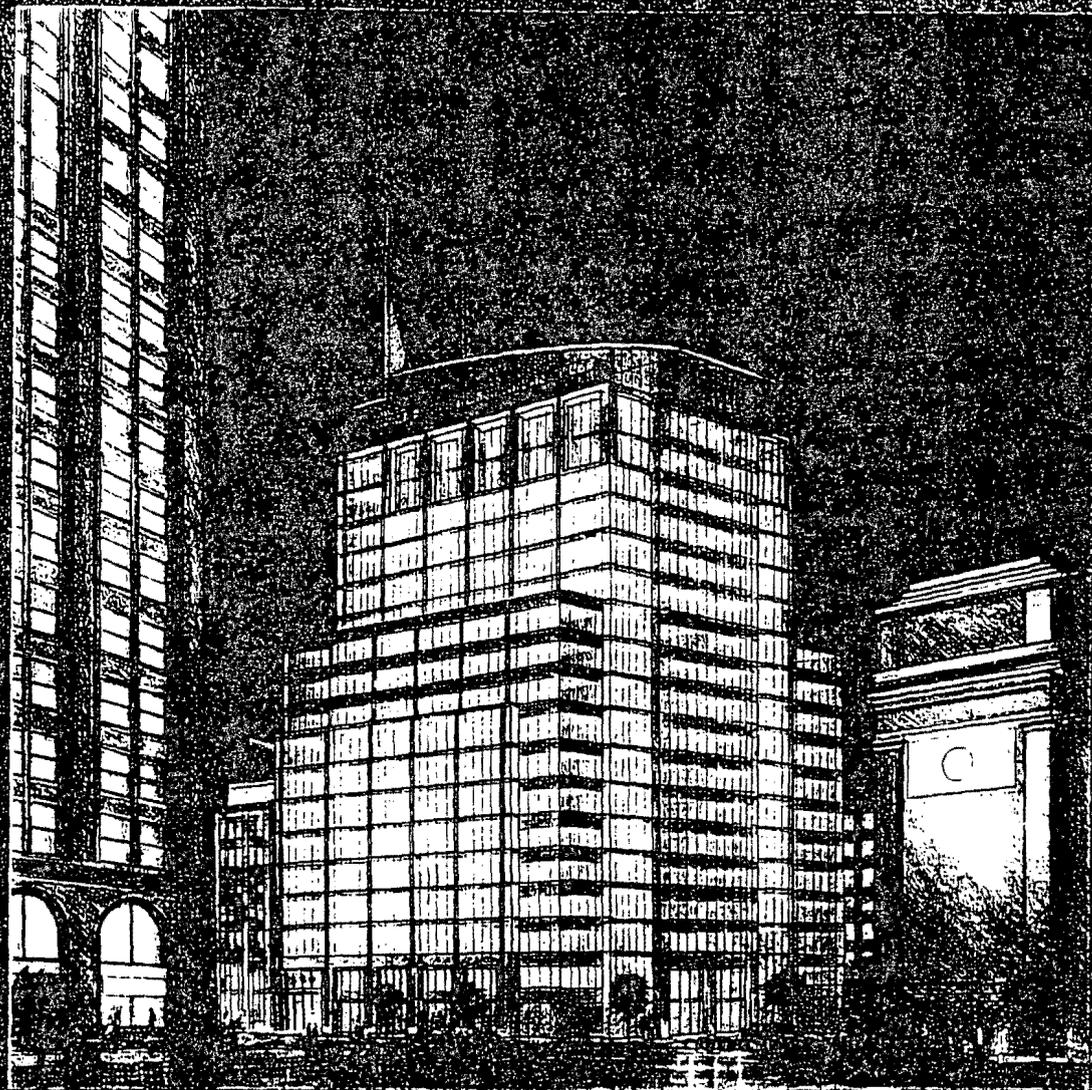
1. Dilapidation
2. Obsolescence
3. Deterioration
4. Illegal use of Individual Structures
5. Structures Below Minimum Code
6. Abandonment
7. Excessive Vacancies
8. Overcrowding of Structures and Community Facilities
9. Lack of Ventilation, Lighting, and Sanitary Facilities
10. Inadequate Utilities
11. Excessive Land Coverage
12. Deleterious Land-Use and Layout
13. Depreciation of Physical Maintenance
14. Lack of Community Planning

Figure 13
Summary of Conservation Factors

City of Chicago – Tax Increment Financing Application



**550 West Jackson
Boulevard Today**



550

WEST JACKSON BLVD.
OFFICE BUILDING DEVELOPMENT
CHICAGO, ILLINOIS

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

550 JACKSON L.L.C.

WITHIN THE
CANAL - CONGRESS REDEVELOPMENT PROJECT AREA,

AND

TO REQUEST ALTERNATIVE PROPOSALS,

AND

TO RECOMMEND TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
THE DESIGNATION OF
550 JACKSON ASSOCIATES 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 98-CDC-__ and pursuant to the Act, enacted three ordinances on

November 12, 1998, pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Canal - Congress 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, 550 West Jackson Associates L.L.C. (the "Company"), has presented to the City's Department of Planning and Development ("DPD") a proposal for rehabilitation of a four-storey office building with new construction of 14 additional floors (the "Project") on a site located at 550 West Jackson 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: _____, 2000

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

EXHIBIT A

Street Boundaries of the Canal - Congress TIF Redevelopment Project Area

The Canal - Congress Redevelopment Project Area is generally bordered by Madison, Monroe and Adams Streets on the north, by Clinton and Canal Streets and the south branch of the Chicago River on the east, by Congress Parkway and Harrison Street on the south, and by the Kennedy Expressway and DesPlaines 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 550 Jackson Associates L.L.C. (the "Company") pursuant to which the City intends to provide \$7,500,000 in financial assistance to the Company, using tax increment allocation financing revenues pursuant to the Act, for the rehabilitation and new construction project for the 550 West Jackson office building (the "Project"), on a site at 550 West Jackson Street (the "Site"), located within the Canal/Congress Redevelopment Project Area (the "Area") established pursuant to the Act. The Site is to be redeveloped for information-technology-related office uses. The street boundaries of the Area are as follows:

The Canal - Congress Redevelopment Project Area is generally bordered by Madison, Monroe and Adams Streets on the north, by Clinton and Canal Streets and the south branch of the Chicago River on the east, by Congress Parkway and Harrison Street on the south, and by the Kennedy Expressway and DesPlaines Street on the west.

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

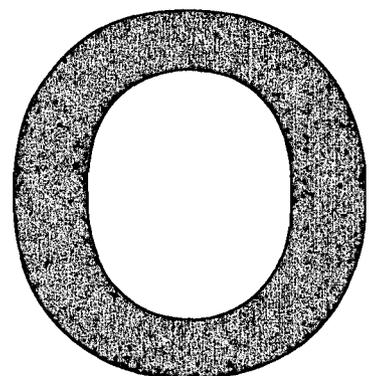
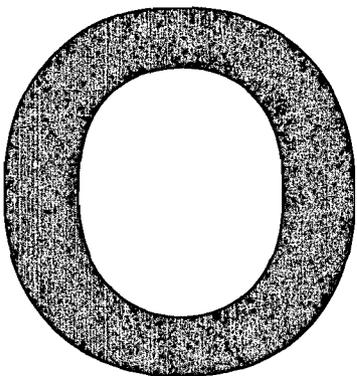
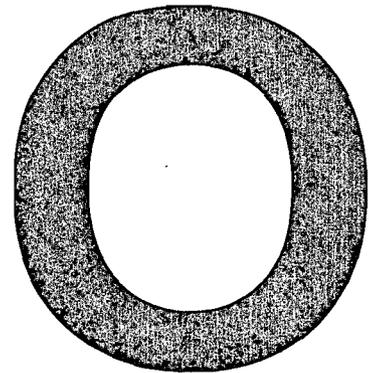
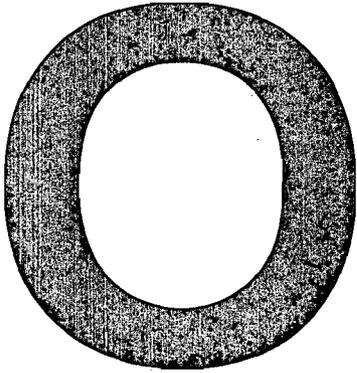
The documents listed below related to the Area and the Project are available for public inspection at the offices of DPD, Room 1000, City Hall, 121 North LaSalle Street, Chicago, Illinois between the hours of 9:00 a.m. and 4:00 p.m. Monday through Friday:

- (i) "Canal / Congress 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

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 March 20th, 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



STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

CERTIFICATE

I, Raymond Redell, 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 29th Day of February, 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 29th Day of February, 2000



ASSISTANT SECRETARY
Raymond Redell

COMMUNITY DEVELOPMENT COMMISSION
OF THE
CITY OF CHICAGO

RESOLUTION NO. 00 - CDC - 38

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

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TO RECOMMEND TO
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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 98-CDC-__ and pursuant to the Act, enacted three ordinances on

November 12, 1998, pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Canal - Congress 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, 550 West Jackson Associates L.L.C. (the "Company"), has presented to the City's Department of Planning and Development ("DPD") a proposal for rehabilitation of a four-storey office building with new construction of 14 additional floors (the "Project") on a site located at 550 West Jackson 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
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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: February 29, 2000

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