


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 14th Day of March, 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 14th Day of March, 2000



ASSISTANT SECRETARY
Raymond Redell

00-CDC-42

8000274

COMMUNITY DEVELOPMENT COMMISSION
OF THE
CITY OF CHICAGO

RESOLUTION NO. 00-CDC-47

AUTHORITY TO PUBLISH NOTICE
OF THE INTENTION OF THE CITY OF CHICAGO

TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH MONROE/CLINTON L.L.C.
(OR A LIMITED PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY
THE GENERAL PARTNER OR MANAGING MEMBER OF WHICH IS AN ENTITY
CONTROLLED BY STEVEN D. FIFIELD) AND THE QUAKER OATS COMPANY
FOR REDEVELOPMENT OF A SITE
LOCATED AT 555 W. MONROE STREET
IN THE
CANAL/CONGRESS TIF
REDEVELOPMENT PROJECT AREA,

AND

TO REQUEST ALTERNATIVE PROPOSALS
FOR THE REDEVELOPMENT OF THE SITE

AND

CONDITIONAL RECOMMENDATION TO
THE CITY COUNCIL OF THE CITY OF CHICAGO FOR
THE DESIGNATION OF
MONROE/CLINTON L.L.C. AS THE DEVELOPER
(OR A LIMITED PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY
THE GENERAL PARTNER OR MANAGING MEMBER OF WHICH IS AN ENTITY
CONTROLLED BY STEVEN D. FIFIELD) AND
THE QUAKER OATS COMPANY AS THE CO-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.) (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-136 and pursuant to the Act, enacted three ordinances on November 12, 1998, published in the Journal of the Proceedings of the City Council of such date at pages 81881 through 81991, pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Canal/Congress Tax Increment Financing Redevelopment Project Area (the "Area"), designated the Area as a redevelopment project area and adopted tax increment allocation financing for the Area. The street boundaries of the Area and street address, if available, are described on Exhibit A hereto; and

WHEREAS, Monroe/Clinton, L.L.C., an Illinois limited liability company (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 construction of a new office building having approximately 452,000 square feet and certain other improvements, of which approximately 300,000 square feet will be leased to The Quaker Oats Company for a new corporate headquarters (the "Project"); 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 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 and Quaker be designated as co-developers 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 14 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, or any limited partnership or limited liability company or other entity of which Steven Fifield is the general partner, managing member or controlling person, and the Quaker Oats Company, be designated as the co-developers for the Project and that DPD be authorized to negotiate, execute and deliver on the City's behalf a redevelopment agreement with the Company and the Quaker Oats 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: March 14 _____, 2000

**DEPARTMENT OF PLANNING AND DEVELOPMENT
CITY OF CHICAGO
COMMUNITY DEVELOPMENT COMMISSION
March 14, 2000
SUMMARY SHEET**

ACTION

- REQUESTED:**
- (1) Approve the Advertisement of the Department of Planning and Development's intention to negotiate a Redevelopment Agreement with Monroe/Clinton L.L.C. and the Quaker Oats Company for the redevelopment of a site located at 555 West Monroe Street in the Canal/Congress TIF Redevelopment Project Area; and
 - (2) Approve a request for alternate proposals; and
 - (3) Recommend the designation of Monroe/Clinton L.L.C. as the developer and the Quaker Oats Company as co-developer if no responsive alternate proposals are received.

PROJECT

SUMMARY: This project entails the relocation of the Quaker Oats Company corporate headquarters from 321 N. Clark Street to a new "Class A" office building to be constructed at 555 W. Monroe Street. The project includes the construction of a seventeen-story office building of approximately 452,000 square feet in gross space. The Quaker Oats Company will lease at least 300,000 square feet of space contiguous to the top floor of the building for a minimum term of 10 years. The proposed tower will include a cafeteria and fitness center for use by Quaker employees as well as other employees of the building. Additionally, approximately 13,000 square feet of retail space will be developed on the ground floor. The project will include enhanced landscaping as well as a publicly accessible rooftop garden. Construction of the office building will be undertaken in accordance with a planned development and all applicable City ordinances and requirements as well as the requirements of the redevelopment agreement.

LOCATION: The project site, currently used for surface parking, is located at 555 W. Monroe Street at the southwest corner of Monroe and Clinton Streets in the Canal/Congress TIF Redevelopment Project Area.

DEVELOPER: Monroe/Clinton L.L.C. and the Quaker Oats Company (the "Company")

ASSISTANCE: The City intends to provide TIF funds as reimbursement for TIF-eligible redevelopment costs in an amount not to exceed \$11,000,000. Up to \$9,750,000 will be in the form of one or more taxable developer notes to Monroe/Clinton L.L.C. which will be issued upon completion of all base building improvements to the office building, the completion of certain tenant improvements, full occupancy of the leased space in the building by the Company, and satisfactory evidence of costs incurred. Further, the City intends to reimburse the Quaker Oats Company up to \$1,250,000, upon satisfactory evidence of costs incurred, to fund one or more of the following expenses: day care services for children of income-qualified employees, completion of job training activities, and/or retraining activities.

PROJECT

BENEFITS: The redevelopment of a currently underutilized site in the West Loop, the retention of Quaker Oats Company headquarters in the City of Chicago, and the retention of a minimum of 800 jobs.

WARD/

ALDERMAN: 42nd Ward/Alderman Burton Natarus

ISSUES:

None

**COMMUNITY DEVELOPMENT COMMISSION MEETING
March 14, 2000**

STAFF REPORT REGARDING A RESOLUTION

**GRANTING AUTHORITY TO
PUBLISH NOTICE
OF THE INTENTION OF THE CITY OF CHICAGO**

**TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH
MONROE/CLINTON L.L.C. (OR A LIMITED PARTNERSHIP,
LIMITED LIABILITY COMPANY OR OTHER ENTITY THE GENERAL PARTNER
OR MANAGING MEMBER OF WHICH IS AN ENTITY CONTROLLED
BY STEVEN D. FIFIELD) AND THE QUAKER OATS COMPANY
FOR REDEVELOPMENT OF A SITE
LOCATED AT 555 W. MONROE STREET
IN THE
CANAL/CONGRESS TIF
REDEVELOPMENT PROJECT AREA,**

AND

**TO REQUEST ALTERNATIVE PROPOSALS
FOR THE REDEVELOPMENT OF THE SITE**

AND

**TO RECOMMEND TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
THE DESIGNATION OF
MONROE/CLINTON L.L.C. AS THE DEVELOPER
(OR A LIMITED PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER
ENTITY
THE GENERAL PARTNER OR MANAGING MEMBER OF WHICH IS AN ENTITY
CONTROLLED BY STEVEN D. FIFIELD) AND
THE QUAKER OATS COMPANY AS THE CO-DEVELOPER IF NO OTHER
RESPONSIVE ALTERNATIVE PROPOSALS ARE RECEIVED**

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 Monroe/Clinton L.L.C (or a limited partnership, limited

liability company or other entity the general partner or managing member of which is an entity controlled by Steven D. Fifield) and the Quaker Oats Company for redevelopment of a site at 555 W. Monroe Street in the Canal/Congress TIF Redevelopment Project Area (see attached map); and

2. Request alternative proposals; and
3. Recommend to the City Council of the City of Chicago the designation of Monroe/Clinton L.L.C. (or a limited partnership, limited liability company or other entity the general partner or managing member of which is an entity controlled by Steven D. Fifield) as the developer and the Quaker Oats Company as the co-developer if no other responsive alternative proposals are received.

BACKGROUND

The Quaker Oats Company has been headquartered in Chicago since its formation in 1901. Its Chicago roots date back even longer to when the first Quaker Mill went into operation at 16th and Dearborn in 1879. Quaker is the producer of many leading food products with international distribution. Further, it is a socially responsible company and local organizations and individuals benefit by the Company's presence in Chicago. For example, in 1998, the Quaker Oats Foundation made grants totaling more than \$1.6 million. Local organizations which benefitted from a portion of this money include the Cabrini-Green Tutoring Program, Second Harvest, and the Greater Chicago Food Depository. Quaker also supports organizations through financial contributions, product donations and volunteer efforts. Local organizations benefitting from this support in 1998 included the Chicago Urban League, YMCA of Metropolitan Chicago, and the Boys and Girls Clubs of Chicago. In addition to grants and financial contributions, the Company offers scholarships for children of Quaker employees.

From 1987 to the present, the Company has leased approximately 479,000 square feet at 321 North Clark Street in a building known as the Quaker Tower. The current lease expires in August 2002. Last year, the Company began a search for alternative space for its corporate headquarters both within downtown Chicago and the suburbs.

In an effort to retain this important company in Chicago, the Department of Planning and Development (DPD) worked with the newly formed Chicago Partnership for Economic Development, a joint venture with the city's private sector that is charged with mobilizing and leading the city's public and private economic development efforts. Quickly upon learning of the Company's search for a new corporate headquarters location, the Partnership contacted the Company to determine its short-term and long-term needs for space and financing. Later, DPD and Quaker met to develop a financial plan that would meet the Company's needs for space and provide for key employee amenities.

As a result of the collaborative efforts of DPD and the Partnership, the Quaker Oats Company is proposing to relocate its corporate headquarters from 321 North Clark Street to a new office building to be constructed at 555 West Monroe. As the project is currently proposed, up to \$9.75 million in TIF assistance will be used to off-set developer costs and ensure a cost-competitive

location for the Quaker Oats Company within the City of Chicago. The funds will be used as reimbursement for TIF-eligible expenses, including land acquisition, demolition, site preparation and public improvements. Up to an additional \$1.25 million in TIF assistance may be used to cover one or more of the following TIF eligible expenses: day care services, or job training, or retraining costs necessitated by the Company's relocation. Should the Quaker Oats Company decide to take advantage of reimbursement costs for day care services, the City would seek an amendment to the Canal/Congress TIF Redevelopment Plan (the "Plan") to add day care services as a budget line item in accordance with the recently revised Tax Increment Allocation Redevelopment Act.

By keeping the Company in the city, hundreds of full-time equivalent jobs will be retained as the Company relocates approximately 1,100 employees to a new location within the downtown area. Retaining these jobs will have a synergistic effect on other aspects of the economy as well. Through this deal, the City will keep the Quaker Oats Company, a major corporation with a long and socially responsible history, in Chicago while at the same time facilitating the redevelopment of underutilized property.

THE PROPERTY:

The proposed office building will be constructed on the southwest corner of Monroe and Clinton Streets within the Canal/Congress tax increment financing district. The site is currently used for surface parking. Parking and other site development issues will be addressed through the planned development process.

DEVELOPMENT PROJECT:

Monroe/Clinton L.L.C. (the "Developer") and the Quaker Oats Company, (the "Company") are proposing a project that entails the relocation of the Quaker Oats Company corporate headquarters from 321 North Clark Street to a new office building to be constructed at 555 West Monroe. The Company will lease a minimum of 300,000 square feet of space from the office developer for a minimum of 10 years. The Company will maintain its corporate headquarters at 555 W. Monroe for a minimum term of 10 years from the date of its full relocation into the new offices, currently projected to be September 1, 2002.

Office Building Component

Monroe/Clinton L.L.C. will construct a "Class A" office building at 555 West Monroe Street consisting of approximately 452,000 square feet of gross rentable space and a height of 17 stories including mechanicals. The building will contain a fitness center and cafeteria for use by Quaker Oats employees as well as other building employees. In addition, 13,000 square feet of retail space will be developed on the ground floor. The project will include enhanced landscaping as well as a publicly accessible rooftop garden. The Office Building Component will include the construction of all base building improvements including complete build-out of plumbing, electrical, HVAC, telecommunications and other building systems for the entire building, all exterior building improvements, and certain tenant improvements. Construction of the office building will be undertaken in accordance with a planned development and all applicable City ordinances and requirements as well as the requirements of the redevelopment agreement.

Company Component

The Quaker Oats Company may undertake job training and retraining activities as part of its relocation to new, modernized facilities at 555 West Monroe Street. Additionally, the Company may undertake to provide day care services to employees who qualify for assistance under the current TIF legislation, subject to the amendment of the Canal/Congress TIF plan.

The Office Building is scheduled to begin construction by January 31, 2001 and be completed by August 31, 2002.

DEVELOPMENT ENTITY

The development entity is Monroe/Clinton L.L.C. Steven D. Fifield ("Fifield") is the president and currently is the 100% owner of Monroe/Clinton L.L.C. It is anticipated that prior to the closing of the redevelopment agreement, an additional equity investor will be brought in to provide a substantial amount of the owner equity shown in the project budget. However, Fifield will continue to have a small equity interest, will serve as the managing member for the Office Developer, and will be required to personally execute performance and payment guarantees for the benefit of the construction lender in connection with the project.

Steven Fifield has extensive development experience in and around Chicago during the last 25 years. As leader of Fifield Realty Corporation, Fifield has been responsible for over \$1.3 billion in commercial, hotel, industrial, and residential development from 1977-1999. Some of the company's other projects include the 201 Madison Garage and Retail Building and rehabilitation of the Civic Opera Building.

The Quaker Oats Company is the co-developer of this project. As mentioned earlier, up to \$1.25 million in TIF assistance may be used to cover day care services and/or job training and retraining costs. In addition, the Quaker Oats Company will undertake its own tenant improvements.

FINANCIAL ASSISTANCE:

The City intends to provide Monroe/Clinton L.L.C. and/or the Company for TIF-eligible costs not to exceed \$11,000,000. This reimbursement would be funded from incremental revenues of the Canal/Congress TIF district.

One or more taxable developer notes with a principal amount up to \$9,750,000 and an interest rate not to exceed 9% will be provided to Monroe/Clinton L.L.C. The note(s) will be issued upon the completion of all base building improvements to the office building, the completion of certain tenant improvements and amenities, full occupancy of the leased space in the building by the Company, and satisfactory evidence of costs incurred. Issuance of the note(s) is further subject to Monroe/Clinton L.L.C. and the Company meeting all applicable conditions and requirements of the redevelopment agreement including, but not limited to, those related to M/WBE, City residency, and prevailing wage, and the relocation by the Company of a minimum of 800 full-time equivalent employees to the 555 W. Monroe building.

Reimbursement of \$1,250,000 to the Company will occur upon satisfactory evidence of costs incurred by the Company for one or more of the following expenses: day care services for

children of income-qualified employees, completion of job training activities, and/or retraining activities. Reimbursement is subject to the availability of incremental revenues, or other sources of funds as well as the Company meeting all applicable conditions and requirements of the redevelopment agreement. The reimbursement of TIF-eligible day care costs is dependent upon the amendment of the Canal/Congress TIF plan.

PUBLIC BENEFITS:

The most significant public benefit of this proposed deal is the City's retention of a socially responsible major corporation that has been located within the City of Chicago for more than 120 years, and the hundreds of jobs that will remain in the City as a result of the proposed relocation of the Company's headquarters. In addition, Monroe/Clinton L.L.C. will contribute \$500,000 in cash to fund open space improvements across the street from the Office Building site on the block bounded by Monroe, Adams, Jefferson, and Des Plaines; provide a publicly accessible rooftop garden as part of the construction of the office building; and will enhance the landscaping required under City ordinance.

CONFORMANCE WITH THE REDEVELOPMENT PLAN

The proposed project is consistent with the goals and objectives set forth in the Canal/Congress Tax Increment Financing Redevelopment Project and Plan. Specifically, the new "Class A" office building will strengthen the economic well-being of the area by bringing into productive use an underutilized site within the Central District, and encourage the retention of an existing business within the City of Chicago employee hundreds of people.

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 Monroe/Clinton L.L.C. (or a limited partnership, limited liability company or other entity the general partner or managing member of which is an entity controlled by Steven D. Fifield) and the Quaker Oats Company for development of a site at 555 W. Monroe Street in the Canal/Congress Redevelopment Project Area (see attached maps); and
2. Request alternative proposals; and
3. Recommend to the City Council of the City of Chicago the designation of Monroe/Clinton L.L.C.(or a limited partnership, limited liability company or other entity the general partner or managing member of which is an entity controlled by Steven D. Fifield) as the developer, and the Quaker Oats Company as the co-developer if no other responsive alternative proposals are received.

TERM SHEET

Project Description: This project entails both the relocation of the Quaker Oats Company corporate headquarters from 321 N. Clark Street to a new "Class A" office building to be constructed at 555 W. Monroe Street. The project includes the construction of a seventeen-story office building of approximately 452,000 square feet in gross space. The Quaker Oats Company will lease at least 300,000 square feet of space contiguous to the top floor of the building for a minimum term of 10 years. The proposed tower will include a cafeteria and fitness center for use by Quaker employees as well as other employees of the building. Additionally, approximately 13,000 square feet of retail space will be developed on the ground floor. The project will include enhanced landscaping as well as a publicly accessible rooftop garden. As proposed, the project will result in the retention of the Quaker Oats Company in the City of Chicago and the retaining of hundreds of jobs as well as facilitating the redevelopment of underutilized property within the Central District.

ESTIMATED OFFICE BUILDING BUDGET

SOURCES:

Developer Equity	\$ 10,681,685
Construction Debt	\$ 78,000,000
Total Sources:	\$ 88,681,685

USES:

Land* \$11,055,000

Hard Costs (Base/Exterior Building):

Base Building/Payment/Performance Bond	\$37,454,240
Tenant Improvement Allowance (for Company Only)	\$15,180,000
Tenant Improvement Allowance (Remaining)	\$ 4,070,025
Total Hard Costs	\$56,704,265

Soft Costs (Base/Exterior Building)

Architectural & Engineering	\$ 1,525,000
Legal	\$ 720,000
Marketing/Space Planning	\$ 225,000
Developer's Fee	\$ 1,845,000
Fees/Permits	\$ 240,000
Leasing Commissions	\$ 4,434,672
Consultants	\$ 320,000
Loan Fees	\$ 1,421,205
Working Capital	\$ 275,000
Construction Contingency	\$ 2,500,000
Interim Real Estate Taxes	\$ 225,000
Interim Interest	\$ 7,011,543
Interim Insurance	\$ 180,000
Total Soft Costs:	\$20,922,420

Total Uses: \$88,681,685**

*Land figure represents pro rata portion of the total purchase price of the site upon which the project site is a part.

**Tax increment financing (TIF) monies generated by the parcel underlying the proposed project to be used to reimburse for TIF-eligible redevelopment costs (i.e., land acquisition, site preparation, demolition) to off-set developer costs and ensure a cost-competitive location for the Quaker Oats Company within the City of Chicago.

Assistance to be provided in the form of one or more taxable developer note(s) to Monroe/Clinton L.L.C. with a total principal amount not to exceed \$9,750,000 and a fixed-interest rate of 9%. Issuance to occur upon completion of all base building improvements to the office building, the completion of certain tenant improvements, full occupancy of the leased space in the building by the Company and satisfactory evidence of costs incurred.

ESTIMATED COMPANY TENANT IMPROVEMENT BUDGET

Interior Construction	\$ 3,750,000
Fire Protection	\$ 450,000
Electrical	\$ 4,500,000
Raised Flooring (10,000 sq. ft.)	\$ 150,000
Mechanical	\$ 2,700,000
Security	\$ 300,000
General Conditions	\$ 948,000
Contractor Overhead/Profit	\$ 513,000
Furniture	\$ 7,950,000
Furniture Installation	\$ 600,000
Carpeting	\$ 900,000
Telecom Cabling	\$ 1,050,000
Telecom	\$ 750,000
Moving	\$ 270,000
Architectural/Engineering	\$ 1,350,000
Project Management Fee	\$ 350,000
Contingency	\$ 2,653,100
Total	\$ 29,184,100*

*Of this amount, \$15,180,000 to be funded by as part of the tenant allowance budget and the remainder to be funded by the Quaker Oats Company.

In addition to offsetting the redevelopment costs, TIF monies will be provided to the Quaker Oats Company as reimbursement on a pay-as-you-go basis from those parcels underlying the project, or from other sources of funds, of up to \$1,250,000 for one or more of the following costs: the fund day care services of income-qualified employees, job training, and/or retraining costs.

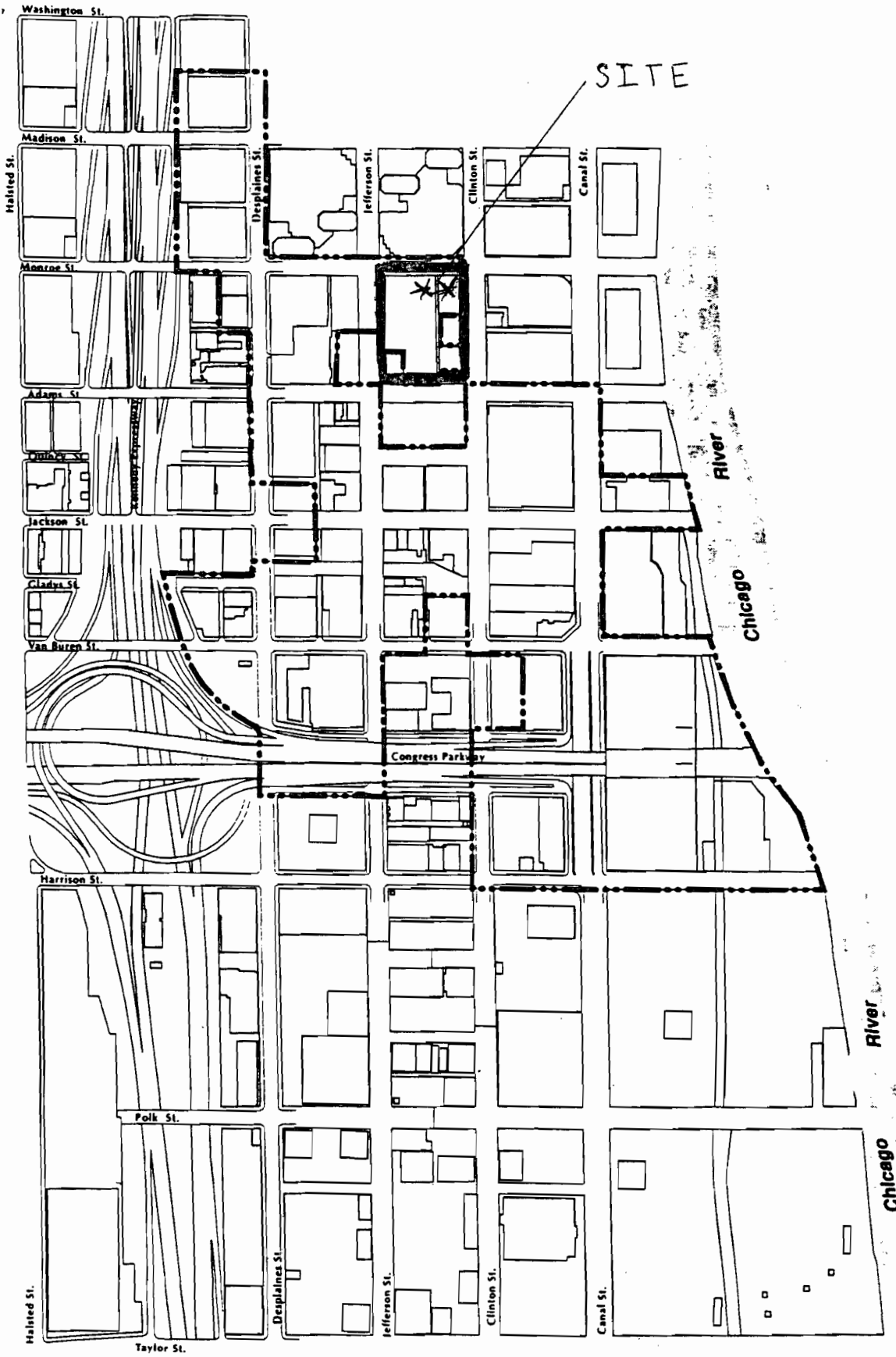


Figure 1
Boundary

----- Project Area Boundary

COMMUNITY DEVELOPMENT COMMISSION
OF THE
CITY OF CHICAGO

RESOLUTION NO. 00-CDC-___

AUTHORITY TO PUBLISH NOTICE
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THE QUAKER OATS COMPANY AS THE CO-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.) (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-136 and pursuant to the Act, enacted three ordinances on November 12, 1998, published in the Journal of the Proceedings of the City Council of such date at pages 81881 through 81991, pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Canal/Congress Tax Increment Financing Redevelopment Project Area (the "Area"), designated the Area as a redevelopment project area and adopted tax increment allocation financing for the Area. The street boundaries of the Area and street address, if available, are described on Exhibit A hereto; and

WHEREAS, Monroe/Clinton, L.L.C., an Illinois limited liability company (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 construction of a new office building having approximately 452,000 square feet and certain other improvements, of which approximately 300,000 square feet will be leased to The Quaker Oats Company for a new corporate headquarters (the "Project"); 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 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 and Quaker be designated as co-developers 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 14 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, or any limited partnership or limited liability company or other entity of which Steven Fifield is the general partner, managing member or controlling person, and the Quaker Oats Company, be designated as the co-developers for the Project and that DPD be authorized to negotiate, execute and deliver on the City's behalf a redevelopment agreement with the Company and the Quaker Oats 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

EXHIBIT A

Street Boundaries of the Area

The Project Area is generally bounded on the north by Madison, Monroe and Adams Streets; on the south by Congress Parkway and Harrison Street; on the east by Clinton and Canal Streets and the South Branch of the Chicago River; and on the west by the Kennedy Expressway and Desplaines 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.) (1993) (the "Act"), that the City's Department of Planning and Development ("DPD") intends to negotiate a redevelopment agreement (the "Redevelopment Agreement") with Monroe/Clinton, L.L.C., an Illinois limited liability company, or any limited partnership or limited liability company or other entity of which Steven Fifield is the general partner, managing member or controlling person (the "Company"), and the Quaker Oats Company, pursuant to which the City intends to provide financial assistance to the Company and the Quaker Oats Company, using tax increment allocation financing revenues pursuant to the Act for the construction of a new office building having approximately 452,000 square feet and certain other improvements, of which approximately 300,000 square feet will be leased to The Quaker Oats Company for a new corporate headquarters located at 555 West Monroe Street, (the "Site") in Chicago, Illinois (the "Project"), located within the Canal/Congress Tax Increment Financing Redevelopment Project Area (the "Area") established pursuant to the Act. The Area is to be redeveloped exclusively for office and ancillary retail uses. The street boundaries of the Area are as follows:

The Project Area is generally bounded on the north by Madison, Monroe and Adams Streets; on the south by Congress Parkway and Harrison Street; on the east by Clinton and Canal Streets and the South Branch of the Chicago River; and on the west by the Kennedy Expressway and Desplaines Street.

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) "The Canal/Congress Tax Increment Financing Redevelopment Project and Plan", which constitutes the City's redevelopment plan for the Area;
- (ii) a terms sheet showing all proposed material terms of the Redevelopment 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 Dinah Wayne of DPD at (312) 742-6088 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 April 3, 2000 at 2:00 p.m., at which time all alternative proposals will be opened and reviewed.

Joseph Williams, Chairman
COMMUNITY DEVELOPMENT COMMISSION
City of Chicago