

STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

CERTIFICATE

I, Jennifer Rampke, the duly authorized, qualified and Executive 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 8th Day of June 2004 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 8th Day of June 2004


EXECUTIVE SECRETARY
Jennifer Rampke

04-CDC-46

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

RESOLUTION NO. 04 CDC - 46

**AUTHORITY TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH
JJJ PROPERTIES, INC.
WITHIN THE
LINCOLN AVENUE T.I.F. REDEVELOPMENT PROJECT AREA,**

AND

**TO RECOMMEND TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
THE DESIGNATION OF
JJJ PROPERTIES, INC.
AS THE DEVELOPER**

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

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

WHEREAS, the City Council, upon the Commission's recommendation pursuant to Resolution 99-CDC-171 and pursuant to the Act, enacted three ordinances on November 3, 1999 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Lincoln Avenue Redevelopment Project Area (the "Area"), designated the Area as a redevelopment project area and adopted tax increment allocation financing for the Area. The street boundaries of the Area are described on Exhibit A hereto; and

WHEREAS, JJJ Properties, Inc. (the "Developer"), 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 21-unit, 6-story, condominium development, including 5 affordable units.(the "Project"); and

WHEREAS, DPD requests that the Commission recommend to City Council that the Developer be designated as the developer for the Project and that DPD be authorized to negotiate, execute and deliver a redevelopment agreement with the Developer for the Project; 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 recommends to City Council that the Developer be designated as the developer for the Project and that DPD be authorized to negotiate, execute and deliver on the City's behalf a redevelopment agreement with the Developer for the Project.
- Section 3. 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 4. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.
- Section 5. This resolution shall be effective as of the date of its adoption.
- Section 6. A certified copy of this resolution shall be transmitted to the City Council.

ADOPTED: June 8, 2004

June 8, 2004

Attachment: Exhibit A, Street Boundary Description

CITY OF CHICAGO
COMMUNITY DEVELOPMENT COMMISSION
June 8, 2004
Chaville Condominiums, 5978 N. Lincoln Avenue
SUMMARY SHEET

Action Requested:

The resolution before the Commission requests the following actions:

- 1) Grant authority to the City of Chicago to negotiate a Redevelopment Agreement with JJJ Properties, Inc. and/or a related entity to be formed (the "Developer"), for the use of incremental tax revenues and/or tax increment revenue bond proceeds for the development of the Chaville Condominiums (the "Property"), within the Lincoln Avenue Redevelopment Project (the "Area") and;
- 2) Recommend to the City Council of the City of Chicago the designation JJJ Properties, Inc. and/or related entity to be formed as the developer of the Project located within the boundaries of the Area.

Project :

The Developer proposes the construction a 6 story, 21-unit condominium building that will be 39,895 square feet (including parking) (28,000 s.f. for sale condos). The building will have a brick exterior on all four sides with decorative limestone accents. It will also have a "cast in place" structure and a metal mansard roof. Approximately 37 caissons are needed underground due to soft soil conditions. There will be 20 underground parking spaces which can be accessed from the alley and 6 ground level on-site parking spaces. The units are a mix 1,2 and 3 bedroom units ranging from 920-1680 square feet. The Department of Planning and Development and the Department of Housing have worked with the developer to include 5 affordable units.

Type of Development: Residential

Location: The property located at 5978 N. Lincoln Avenue was purchased by JJJ Properties in August, 2003. It is in the 40th ward and Lincoln Avenue Redevelopment Project Area.

Developer: JJJ Properties, Inc.

Assistance: The Developer is requesting \$1,110,000 in Tax Increment Financing in the form of a Developer Note from increment generated by the Project's PINs .

Alderman/Ward: Alderman Patrick O'Connor, 40th Ward

Issues:

None

Public Benefits:

- * This will provided a needed affordable housing opportunity in the Lincoln Avenue in the 40th Ward.
- * The green roof will provide environmental benefits.
- * The project adds to and acts as a catalyst for encouraged residential development of Lincoln Avenue.
- * Demolition of a vacant building and remediation of the site.

M/MBE:

The developer will adhere to the City of Chicago requirements for both the Minority Business Enterprises and Women Business Enterprises and certified letters have been sent to MBE/WBE contractors.

Community Outreach:

The Developer has met with the Alderman and Department of Planning and Development regarding this project. There is no community opposition.

Staff Report
Department of Planning and Development
Community Development Commission
June 8 , 2004

MS. CHAIRMAN AND MEMBERS OF THE COMMISSION:

The resolution before the Commission requests the following actions:

- 1) Grant authority to the City of Chicago to negotiate a Redevelopment Agreement with JJJ Properties, Inc. and/or a related entity to be formed (the "Developer"), for the use of incremental tax revenues and/or tax increment revenue bond proceeds for the development of the Chaville Condominiums (the "Property"), within the Lincoln Avenue Redevelopment Project (the "Area") and;
- 2) Recommend to the City Council of the City of Chicago the designation JJJ Properties, Inc. and/or related entity to be formed as the developer of the Project located within the boundaries of the Area.

Purpose of the Resolution:

Is to recommend TIF assistance to JJJ Properties for the construction of a 6-story, 21-unit condominium development which will provide 5 affordable units in the Lincoln Avenue Redevelopment Project Area, 40th Ward.

Background:

This project involves the acquisition of approximately 10,000 square feet of real estate commonly known as 5978 N. Lincoln Avenue. The project includes the demolition of a vacant restaurant building in need of serious costly repairs. This particular area on Lincoln Avenue in the 40th Ward has focused on new residential and commercial construction. This project will add to the overall vision of plans to redevelop Lincoln Avenue by adding an attractive new residential condominium buildings to the area. The property was purchased by JJJ Properties in August, 2003.

Development Team

The developer is JJJ Properties, Inc. which is a partnership composed of Yong W. Kim and Jane Y. Kim. This team has been involved in residential development in California and commercial developments Winnetka, IL and has a successful real estate portfolio. Together they intend to continue their real estate development endeavors in the City of Chicago.

The architect is Panto-Ulema, Inc. was established in 1998 and is a MBE certified business in the City of Chicago. This award winning firm has extensive experience in commercial, institutional and residential projects in the Chicago Area.

Project Description

The Developer proposes the construction a 6 story, 21-unit condominium building that will be 39,895 square feet (including parking) (28,000 s.f. for sale condos). The building will have a brick exterior on all four sides with decorative limestone accents. It will also have a “cast in place” structure and a metal mansard roof. Due to soft soil conditions, 37 caissons are needed underground . There will be 20 underground parking spaces which can be accessed from the alley and 6 ground level on-site parking spaces. The units are a mix 1,2 and 3 bedroom units ranging from 920-1680 square feet. The Department of Planning and Development and the Department of Housing have worked with the developer to include 5 affordable units which are detailed below:

Affordable Units

<u>Bedrooms</u>	<u>Market Price</u>	<u>Sq. Ft.</u>	<u>Price/SqFt</u>	<u>Write Down</u>	<u>Affordable Price/Sq.ft</u>	<u>Affordable Price</u>
2	\$279,000	1212	\$230	\$123,000	\$128	\$156,000
2	\$279,000	920	\$238	\$123,000	\$146	\$156,000
2	\$279,000	1285	\$217	\$123,000	\$121	\$156,000
2	\$314,900	1180	\$236	\$163,010	\$132	\$151,890
1	\$219,000	1260	\$249	\$ 84,000	\$119	\$135,000
Total	\$1,370,900			\$ 616,010		\$ 754,890

Market Rate Units:

<u>Bedrooms</u>	<u>Amount</u>	<u>Market Price</u>	<u>Sq. Ft.</u>	<u>Price/Sq.Ft.</u>	<u>Total</u>
2	13	\$315,900-\$419,900	1260-1275	\$250-\$274	\$1,254,700
3	3	\$414,900-\$419,900	1260-1275	\$329-\$333	<u>\$4,421,700</u>
					\$5,676,400

Project Schedule:

Construction is scheduled to begin June, 2004 and to be completed in May, 2005.

Deal Structure:

The City proposes \$1,100,000 in TIF assistance which is approximately 15 % of the total project cost of 7,106,203. The TIF provide from the increment generated by the site’s PINs will be distributed in the form of a developer note. The project will generate approximately \$1,416,000 in tax increment. The developer’s rate of return is approximately 3.9%. There will be a profit sharing provision. The City will be entitled as a credit against the Developer Note an amount equal to 50% of the excess profit at a 12% threshold. The credit will be determined and

credited against the Note.

TIF assistance is necessary to make this project feasible for a variety of reasons.

- * First, there is a significant reduction in sales proceeds totaling over \$600,000 due to the addition 5 affordable units. TIF will help subsidize this loss.
- * There are some extraordinary engineering cost due to the soil conditions of the site. Site is located close to the canal which causes softer soil conditions. Approximately 30 caissons need to be placed underground in order to secure a firm foundation.
- * Due to the widening of Lincoln Avenue in this area, the lot size is smaller. A lot would typically be 100x125 and this lot is 100x100. It is necessary to construct underground parking because of limited space on the surface of the lot., again adding to construction costs. The limited space prevented additional units from being built as well.
- * The addition of a green roof also increased the construction costs.

Sources		
Construction Loan	5,110,000	72%
Equity	1,996,203	28%
	7,106,203	
Uses		
Acquisition \$59/sf land	598,000	\$14.99/sf
Site Preparation/Demo	156,000	\$3.91/sf
Hard Construction Costs	5,067,502	127.02/sf
Soft Costs		
Architectural Fees (2.7%)	192,583	
Marketing Fees (4.9%)	352,879	
Developer Fee (2.2%)	159,779	
Construction Interest (3.4%)	245,000	
Other Soft Costs (4.7%)	334,460	
Total Soft Costs	1,284,701	
Total	\$7,106,203	

* See attached Exhibit for detailed Sources and Uses

Profit Analysis

Total Sales Proceeds	\$6,431,290
Selling Expense	<u>307,914</u>
Net Sales	\$6,123,376
Plus TIF	\$1,100,000
TPC (w/o Dev Fee)	<u>6,946,424</u>
Total Profit w/TIF	\$276,952
Profit %	3.9%

Conformance with the Plan:

This project conforms with the goals and plans of the Lincoln Avenue Redevelopment Project Area in that it:

- * Promotes a new vision for the Area that are more compatible with and better serve the private and public needs of the surrounding community by the development of new residential in the Lincoln Area TIF
- * Strengthens the economic well being of the surrounding areas and the City by implementing residential revitalization.
- * Helps create suitable environment for new commercial and residential development that may bring in new dollars to the community from surrounding locations.
- * Will act as a catalyst for further residential development with the plan which is an objective of the Area.

Community Outreach:

The Developer has met with the Alderman's office and the Department of Planning and Development to review their plans. Alderman O'Connor supports this project.

Public Benefits:

The public benefits of this development are:

- * This will provided a needed affordable housing opportunity in the Lincoln Avenue in the 40th Ward.
- * The green roof will provide environmental benefits.
- * The project adds to and acts as a catalyst for encouraged residential development of Lincoln Avenue.
- * Demolition of a vacant building and remediation of the site.

WBE/MBE:

The developer will comply with all the requirements regarding the use of minority and women-owned business contractors for the construction/build-out of the Project. In February of 2004 the Developer notified eight minority and women-owned business associations, by certified mail, of their intent to develop this project.

RECOMMENDATION:

1) Grant authority to the City of Chicago to negotiate a Redevelopment Agreement with JJJ Properties, Inc. and/or a related entity to be formed (the "Developer"), for the use of incremental tax revenues and/or tax increment revenue bond proceeds for the development of the Chaville Condominiums (the "Property"), within the Lincoln Avenue Redevelopment Project (the "Area") and;

2) Recommend to the City Council of the City of Chicago the designation JJJ Properties, Inc. and/or related entity to be formed as the developer of the Project located within the boundaries of the Area.

EXHIBIT
Sources and Uses

Sources:

Construction Loan	\$ 5,110,000
Equity	<u>1,996,203</u>
	\$ 7,106,203

Construction Costs:

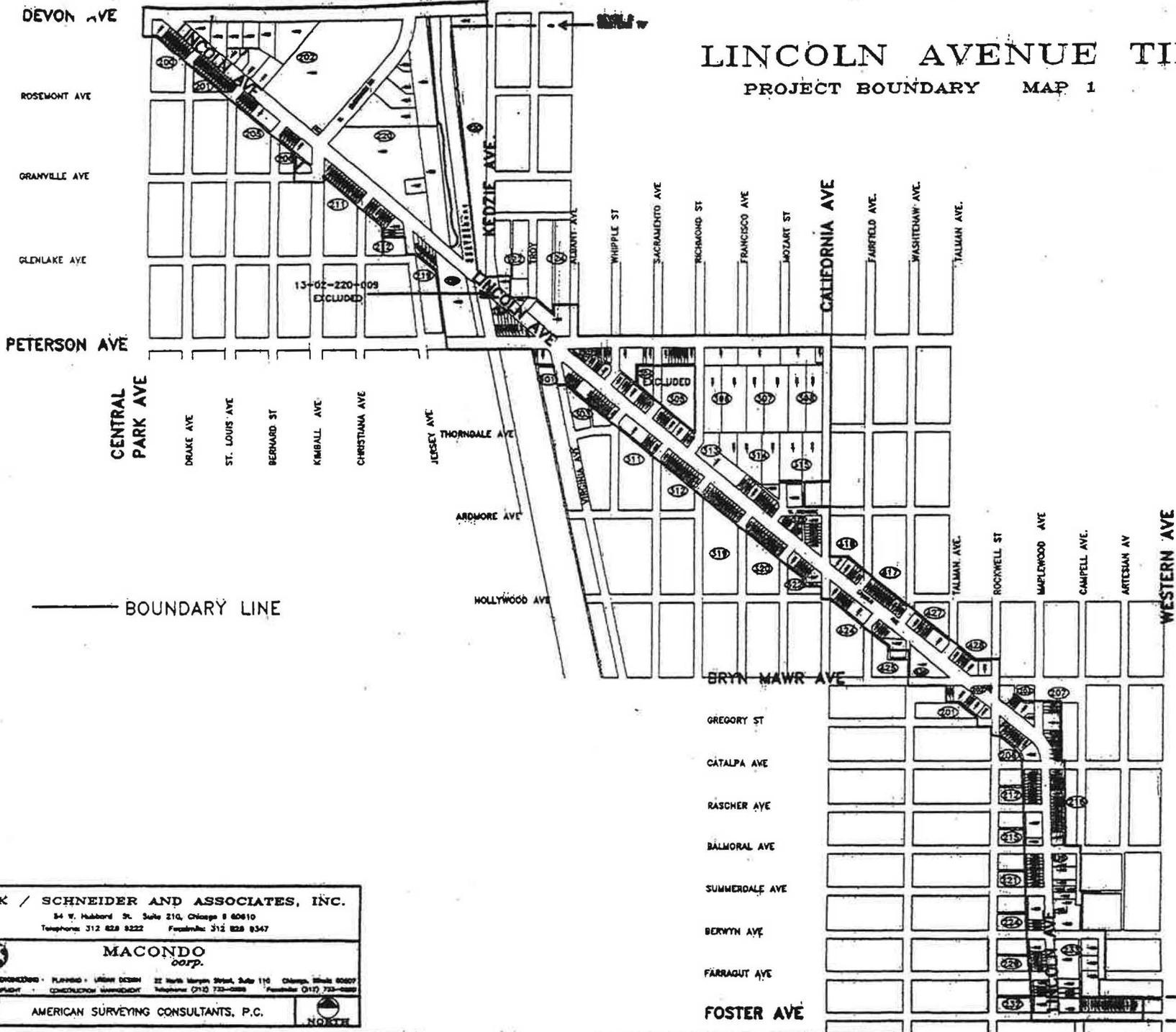
Mass Grading and Demolition	\$ 156,000
Metal Sheeting	90,501
Test and Quality Assurance	30,000
Layout and Surveying	10,000
Site Utilities	82,000
Paving and Exterior	28,000
Landscaping & Ornamental Fence	50,000
Concrete	890,000
Caissons	304,971
Structural and Misc. Steel	190,000
Roofing and Metal Panels	155,000
Glass and Glazing	50,000
Painting	69,000
Interior Plumbing	454,500
Fire Sprinkler	35,000
Drywall	426,200
Carpentry	485,130
Masonry	249,000
Flooring	227,000
Misc. Materials	5,000
HVAC Gas Piping	385,000
Electrical	452,300
Appliances	100,000
General Conditions	58,900
Insurance	50,000
Overhead and Profit	<u>190,000</u>
Total	\$5,223,502

Soft Costs:

Property Acquisition	598,000
Architectural Fees	192,583
Legal Zoning	50,000
Real Estate Taxes	36,000
Construction Interest	245,000
Financial Consultant	100,000
Developer Fee	159,779
Permits	30,000
Marketing Fees	352,879
Engineering	62,000
Soil Testing	6,460
Contingency	<u>50,000</u>
Total	\$1,882,701
Total Project Costs	\$7,106,203

LINCOLN AVENUE TIF

PROJECT BOUNDARY MAP 1



LOUIK / SCHNEIDER AND ASSOCIATES, INC.

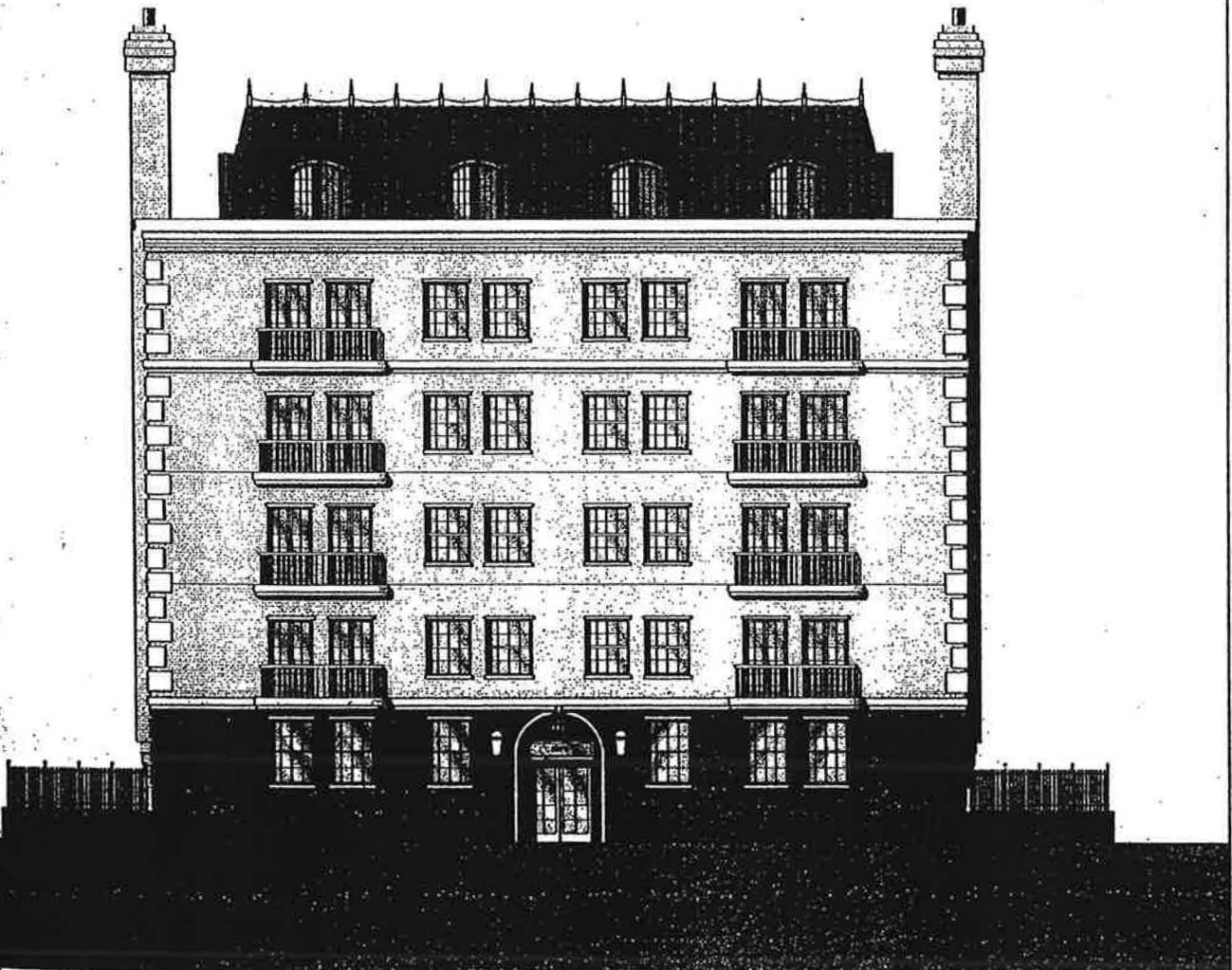
34 W. Hubbard St. Suite 210, Chicago IL 60610
 Telephone: 312 828 8222 Facsimile: 312 828 8347

MACONDO
corp.

ARCHITECTURE ENGINEERING PLANNING LANDSCAPE DESIGN 22 North Morgan Street, Suite 110 Chicago, Illinois 60607
 ECONOMIC DEVELOPMENT CONSULTING MANAGEMENT Telephone: (312) 733-0288 Facsimile: (312) 733-0289

DATE: 12/17/99 AMERICAN SURVEYING CONSULTANTS, P.C.

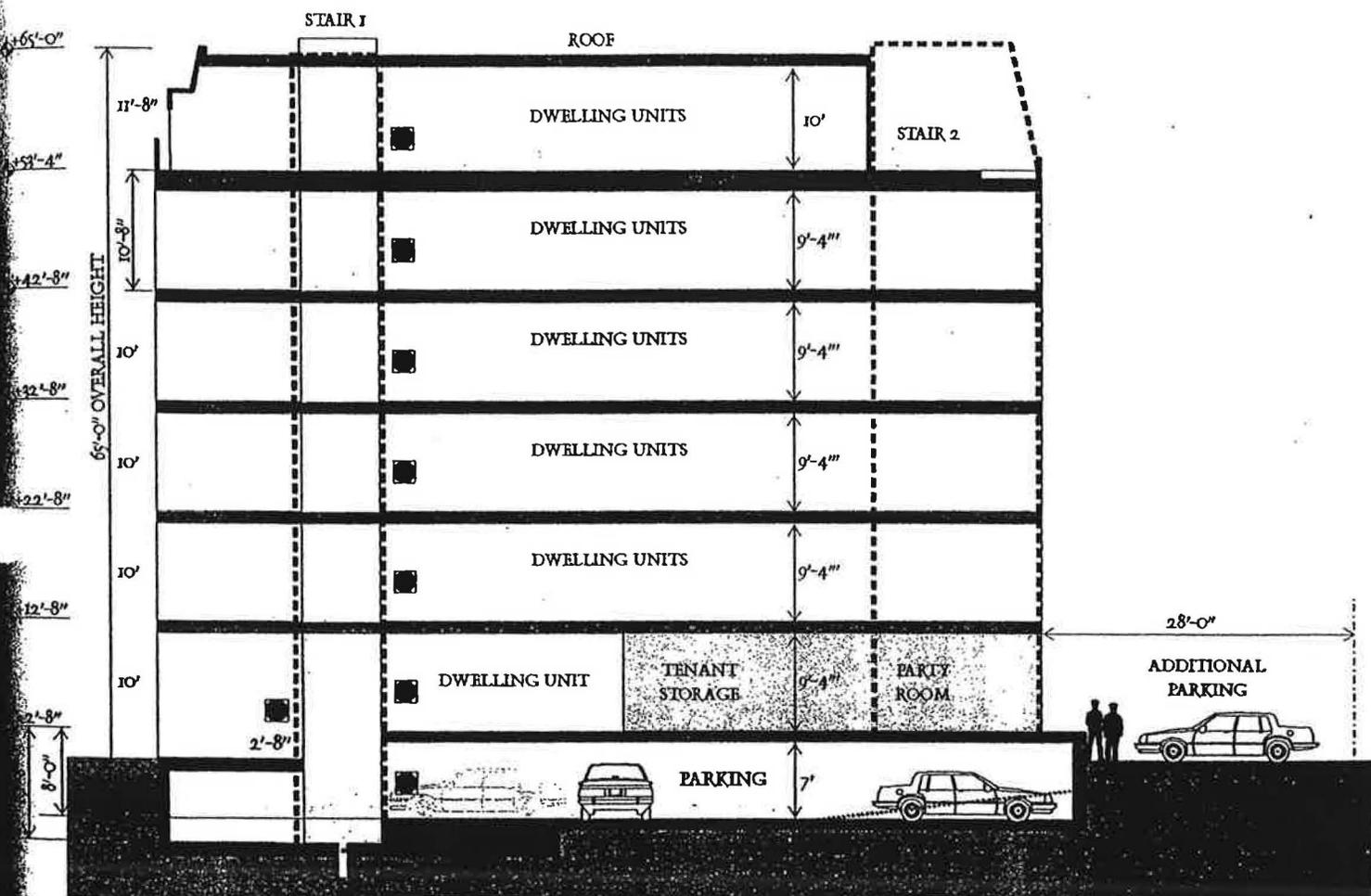




APRIL 2, 2004
PANTOLEMA INC.

CHAVILLE CONDOMINIUMS
5978 N. LINCOLN AVENUE

PANTOLEMA INC.



21 DWELLING UNITS
 21 PARKING SPACES
 1 OFF STREET LOADING BERTH

SECTION

CHAVILLE CONDOMINIUMS
 5978 N. Lincoln Avenue



PANTOULEMA INC.

AN 2, 2004
 PROPERTIES INC.