

STATE OF ILLINOIS)  
  )SS  
COUNTY OF COOK )

**CERTIFICATE**

I, Jennifer Rampke, 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 9<sup>th</sup> Day of October 2001 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 9<sup>th</sup> Day of October 2001**

  
\_\_\_\_\_  
**ASSISTANT SECRETARY**  
**Jennifer Rampke**

**01-CDC-84**

COMMUNITY DEVELOPMENT COMMISSION  
OF THE  
CITY OF CHICAGO

RESOLUTION NO. 01-CDC-84

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

WITH

**THE KEEBLER COMPANY AND ATLANTIC FINANCIAL GROUP, LTD.**

FOR THE USE OF TAX INCREMENT FINANCING BOND PROCEEDS  
AND/OR INCREMENTAL TAX REVENUES

FOR THE REDEVELOPMENT OF AN AREA GENERALLY BOUNDED BY  
110<sup>TH</sup> STREET ON THE SOUTH, LANGLEY AVENUE ON THE WEST,  
THE CHICAGO ROCK ISLAND AND PACIFIC RAILROAD ON THE EAST,  
AND BY A LINE APPROXIMATELY 250 FEET SOUTH OF 108<sup>TH</sup> STREET ON THE  
NORTH

LOCATED WITHIN THE LAKE CALUMET AREA INDUSTRIAL  
REDEVELOPMENT PROJECT AREA,

AND

TO REQUEST ALTERNATIVE PROPOSALS,

AND

CONDITIONAL RECOMMENDATION TO  
THE CITY COUNCIL OF THE CITY OF CHICAGO  
FOR THE DESIGNATION OF

**THE KEEBLER COMPANY AND THE ATLANTIC FINANCIAL GROUP, LTD.**

COLLECTIVELY AS THE DEVELOPER IF NO OTHER  
RESPONSIVE ALTERNATIVE PROPOSALS ARE RECEIVED

WHEREAS, the Community Development Commission (the "Commission") of the City of Chicago (the "City") has heretofore been appointed by the Mayor of the City with the approval of its City Council (referred to herein collectively with the Mayor as the "Corporate

Authorities”) (as codified in Section 2-124 of the Municipal Code of Chicago) pursuant to Section 5/11-74.4-4(k) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the “Act”); and

WHEREAS, the Commission is empowered by the Corporate Authorities to exercise certain powers enumerated in Section 5/11-74.4-4(k) of the Act; and

WHEREAS, the City Council, upon the Commission’s recommendation pursuant to Resolution 00-CDC-91, approved by the Commission on August 22, 2000, and pursuant to the Act, enacted three ordinances on December 13, 2000, published in the Journal of the Proceedings of the City Council on such date at pages 47783-47957, pages 47959-47977 and pages 47979-47996, respectively, pursuant to which the City approved and adopted a certain Redevelopment Project and Plan (the “Plan”) for the Lake Calumet Area Industrial 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 the street address of the Project (as defined herein) are described on Exhibit A hereto; and

WHEREAS, the Keebler Company, a Delaware corporation, and Atlantic Financial Group, Ltd., a Texas limited partnership (collectively referred to as the “Company”) have presented to the City’s Department of Planning & Development (“DPD”) a proposal for the redevelopment of 10839 South Langley Avenue (the “Project”) that is in compliance with the Plan, which redevelopment consists of predevelopment activities (such as planning, design, and environmental remediation), property acquisition, the renovation of an existing 75,000 square foot warehouse facility, the renovation of an existing 78,000 square foot manufacturing facility, the construction of a new 114,000 square foot manufacturing facility, and the addition of new and upgraded landscaping; 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 authority of the Commission to make the required disclosure by publishing notice substantially in the form set forth as Exhibit B hereto (the “Notice”) in the Chicago Sun-Times or the Chicago Tribune, being newspapers of general circulation within the Area; and

WHEREAS, DPD requests that the Commission recommend to the 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 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 the 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: 10-9, 2001

Attachments: Exhibit A: Street boundary description of the Area; Street Address and Boundaries of the Proposed Project  
Exhibit B: Form of Notice Requesting Alternative Proposals

**CITY OF CHICAGO**  
**Community Development Commission**  
**Department of Planning & Development**  
**October 9, 2001**

**SUMMARY SHEET**  
**Keebler Company**  
**Lake Calumet Area Industrial Redevelopment Project Area**

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**Action**

- Requested:**
- 1) Authorize the City of Chicago, through the Department of Planning & Development ("DPD"), to publish a notice of its intention to negotiate a redevelopment agreement with the Keebler Company ("Keebler") and Atlantic Financial Group, Ltd. ("Owner" and, together with Keebler, the "Developer") for the use of tax increment financing bond proceeds and/or incremental tax revenues for the redevelopment of the property located generally at 10839 South Langley Avenue (the "Property"), located within the boundaries of the Lake Calumet Area Industrial Tax Increment Financing Redevelopment Project Area (the "Area");
  - 2) Authorize DPD to request alternative proposals for the redevelopment of the Property located within the boundaries of the Area; and
  - 3) Conditionally recommend to the City Council of the City of Chicago (the "City") the designation of the Keebler and the Owner collectively as the Developer of the Property within the Area if no other responsive alternative proposals are received.

**Project:** The Developer intends the renovation and expansion of the existing Keebler Cone facility located at 10839 South Langley Avenue. The Project will consolidate the operations of the Developer's facility at 37<sup>th</sup> Street and Loomis and another out of state facility into the Langley Avenue location. The Project includes the following components:

- 1) The acquisition and renovation of an existing Central Steel Company property located at 110<sup>th</sup> Street and Langley Avenue. The property is approximately 7.5 acres and contains a 75,000 square foot warehouse building;
- 2) The acquisition and renovation of the existing Keebler Cone facility. The property is approximately 3.6 acres and contains a 78,000 square foot manufacturing plant;

- 3) The acquisition of a 1.5 acre vacant parcel that is owned by the Norfolk Southern Railroad and which links the existing Central Steel and Keebler buildings;
- 4) The construction of an approximately 114,000 square foot building in the open space between the existing buildings. The new building will link the existing ones and will accommodate a new product line and equipment. The entire facility will total 267,000 square feet upon completion of the Project; and
- 5) Keebler will make a capital investment of approximately \$5.6 million in the form of new, refurbished or relocated manufacturing equipment.

**Location:** 10839 South Langley Avenue, Chicago, Illinois 60628, within the Lake Calumet Area Industrial Redevelopment Project Area. The Property is generally bounded by 110<sup>th</sup> Street on the south, Langley Avenue on the west, the Chicago Rock Island and Pacific Railroad on the east and by a line approximately 250 feet south of 108<sup>th</sup> Street on the north.

**Site Area:** 12.6 Acres

**Developer:** Collectively, the Keebler Company, a Delaware corporation and a wholly owned subsidiary of the Kellogg Company, which is a publicly traded Delaware corporation, and Atlantic Financial Group, Ltd., a Texas limited partnership. Keebler will lease the property under the terms of a synthetic lease arranged with SunTrust Capital Markets, Inc. (the "Lender"). Keebler will also serve as Construction Agent for the Owner during construction of the Project.

**Assistance:** \$2,056,700 in tax increment financing assistance. This amount represents 11.2% of the total project budget, currently estimated at \$18,381,940, and will be provided to the Developer in the form of a taxable TIF Developer's Note. The incremental taxes generated by the Property will be pledged towards payment of the Note.

The Developer will apply for a Cook County 6(b) property tax incentive. The net present value of the incentive represents approximately \$1,000,871 in property tax savings. The Developer will also take advantage of the Enterprise Zone Sales Tax Abatement incentive. The estimated value of this incentive is approximately \$160,000.

**Sales Price:** N/A

**Zoning:** Each of the properties involved are zoned M3-3, Heavy Manufacturing District. The proposed use of the subject properties are consistent with their zoning.

**Ward:** 9<sup>th</sup> Ward, Alderman Anthony Beale

**Issues:** N/A

**Public  
Benefits:**

Taxes

Based upon an analysis provided by the Developer, the project will generate a substantial increase in the real estate taxes on the Property. In 2004 the analysis estimates that the real estate taxes will increase from \$170,747 to \$300,938.

Jobs

The Development will retain approximately 321 full-time jobs and will create approximately 75 new jobs. 266 of the 321 retained jobs are filled by residents of the City of Chicago.

Keebler employs a substantial number of seasonal part-time employees and has agreed to retain the services of a local temporary employment agency that will focus on referring City and Ward residents as part-time positions become available.

Prevailing Wage, M\WBE, City Residency

The Developer has agreed to comply with all City ordinances regarding Prevailing Wage, M\WBE and City Residency. A summary of the Developer's M\WBE Plan of Action is attached to this report.

Miscellaneous

Keebler has agreed to sponsor a little league team that is located within the Roseland community and it will also join the Roseland Business Council.

**M\WBE:** The Developer intends to comply with the City's M\WBE requirements. A summary of the Developer's M\WBE Plan of Action is attached to this report.

**Community**

**Outreach:** Alderman Beale and the Calumet Area Industrial Commission support the Project.

**CITY OF CHICAGO**  
**Community Development Commission**  
**Department of Planning & Development**  
**October 9, 2001**

**STAFF REPORT**  
**Keebler Company**  
**Lake Calumet Area Industrial Redevelopment Project Area**

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**MR. CHAIRMAN AND MEMBERS OF THE COMMISSION:**

The Resolution before you requests that the Community Development Commission authorize the Department of Planning & Development ("DPD") to publish a notice of its intention to negotiate a redevelopment agreement with the Keebler Company ("Keebler") and Atlantic Financial Group, Ltd. ("Owner" and, together with Keebler, the "Developer") for the use of tax increment financing bond proceeds and/or incremental tax revenues for the redevelopment of the property located generally at 10839 South Langley Avenue (the "Property"). The Resolution also asks for your authorization to request alternative proposals for the redevelopment of the Property and asks you to conditionally recommend to the City Council of the City of Chicago the designation of Keebler and the Owner collectively as the Developer if no other responsive alternative proposals are received.

**Purpose of Resolution**

To provide Tax Increment Financing assistance for the expansion and redevelopment of an existing manufacturing facility located in the 9<sup>th</sup> Ward.

**Background**

The property to be developed is located within the Lake Calumet Area Industrial Tax Increment Financing Redevelopment Project Area (the "Area"), which was established by the City Council on December 13, 2000. The Area is generally bounded by Dr. Martin Luther King, Jr. Drive on the west, 138<sup>th</sup> Street on the south, Avenue O on the east and 95<sup>th</sup> Street on the north.

The site proposed for redevelopment is located at 10839 South Langley Avenue and is known as the Keebler Cone Facility. The Property is generally bounded by 110<sup>th</sup> Street on the south, Langley Avenue on the west, the Chicago Rock Island and Pacific Railroad on the east and by a line approximately 250' south of 108<sup>th</sup> Street on the north.

The Keebler Company and its subsidiaries constitute the second largest cookie and cracker manufacturer in the United States with annual net sales in fiscal year 1999 of \$2.7 billion and a 26.4% pound share of the U.S. cookie and cracker market. The company produces and distributes a broad line of cookie and cracker products, as well as other consumer food products.

Keebler, founded in 1853, markets its products under well-recognized brands such as Keebler,

Cheez-It, Carr's, Ready Crust, Famous Amos, Murray, Plantation and Austin. Keebler is also a leading manufacturer for both the private label and foodservice markets. Through its Little Brownie Bakers subsidiary, Keebler is a leading licensed supplier of Girl Scout Cookies. Keebler is also the licensed supplier to Sesame Workshop featuring Sesame Street Muppet characters and educational games on a broad range of snack category products.

Keebler conducted extensive analyses regarding the relocation of these operations to other Illinois and out of state Keebler locations, as well as green-site locations. Alternate sites, designs and developers have been evaluated.

The company has determined that assistance from the City of Chicago and the State of Illinois is needed to accomplish the acquisitions, the improvements and the new construction in order to remain in the Chicago area as a viable business.

The location and size of the Property meet the company's requirements, but overall costs associated with acquisition, new construction, renovation and relocation/moving costs will increase the company's occupancy, utilization and operational costs. The requested assistance is critical to the Project's success and implementation.

### **Development Project**

#### Proposed Developer

The Developer is, collectively, the Keebler Company, a Delaware corporation and a wholly owned subsidiary of the Kellogg Company, which is a publicly traded Delaware corporation, and Atlantic Financial Group, Ltd., a Texas limited partnership. Keebler will lease the property under the terms of a synthetic lease arranged with SunTrust Capital Markets, Inc. (the "Lender"). Keebler will also serve as Construction Agent for the Owner during construction of the Project.

#### Proposed Development Team

- 1) Shefsky & Froelich, Ltd. - Attorney
- 2) Epstein & Sons International, Inc. - Architect
- 3) Simborg Industrial Development, Inc. - General Contractor
- 4) Kane, McKenna and Associates. - Financial Consultant
- 5) SunTrust Capital Markets, Inc. - Lender

#### Proposed Project

The Developer intends the renovation and expansion of the existing Keebler Cone facility located at 10839 South Langley Avenue (the "Project"). The Project will consolidate the operations of the Keebler facility at 37<sup>th</sup> Street and Loomis and another out of state facility into the Langley Avenue location. The Project includes the following components:

- 1) The acquisition and renovation of an existing Central Steel Company property located at 110<sup>th</sup> Street and Langley Avenue. The property is approximately 7.5 acres and contains a 75,000 square foot warehouse building;
- 2) The acquisition and renovation of the existing Keebler Cone facility. The property is

approximately 3.6 acres and contains a 78,000 square foot manufacturing plant;

- 3) The acquisition of a 1.5 acre vacant parcel that is owned by the Norfolk Southern Railroad and which links the existing Central Steel and Keebler buildings;
- 4) The construction of an approximately 114,000 square foot building in the open space between the existing buildings. The new building will link the existing ones and will accommodate a new product line and equipment. The entire facility will total 267,000 square feet upon completion of the Project; and
- 5) Keebler will make a capital investment of approximately \$5.6 million in the form of new, refurbished or relocated manufacturing equipment.

### **Deal Structure**

The City intends to negotiate a redevelopment agreement (the "Redevelopment Agreement") with the Developer for an amount of TIF assistance equal to the lesser of \$2,056,700 or 11.2% of the total Project budget, currently estimated to be \$18,381,940, from incremental tax revenues or bond proceeds secured by incremental tax revenues. The Developer will be expected to comply with all City requirements, including M\WBE, Prevailing Wage and City Residency.

The Developer will apply for a Cook County 6(b) property tax incentive. The net present value of the incentive represents approximately \$1,000,871 in property tax savings. The Developer will also take advantage of the Enterprise Zone Sales Tax Abatement incentive. The estimated value of this incentive is approximately \$160,000.

### Sources of Funds

Equity	\$ 444,500
Lender Financing	\$12,255,500
Capital Investment	<u>\$ 5,681,940</u>
<b>Total</b>	<b>\$18,381,940</b>

### Uses of Funds

Capital Investment	\$ 5,681,940
Property Acquisition	\$ 4,700,000
New Construction	\$ 4,600,000
Building Renovation	\$ 935,000
Soft Costs	\$ 810,000
Financing Costs	\$ 500,000
Site Preparation	\$ 325,000
Public Infrastructure	\$ 290,000
Job Training Costs	\$ 250,000
A & E	\$ 230,000
Environmental Surv.	<u>\$ 60,000</u>
<b>Total</b>	<b>\$18,381,940</b>

The capital investment of \$5,681,940 will be provided by Keebler in the form of new, refurbished or relocated manufacturing equipment.

The Lender has committed to a maximum financing amount of \$15,000,000 under the terms of a synthetic lease. A synthetic lease is a complicated financial arrangement in which Keebler does not legally own the property, but leases it from another entity. The synthetic lease will allow

Keebler to realize certain benefits with respect to the reporting of assets and liabilities and will maintain the advantages of ownership.

Under the synthetic lease the Lender (Suntrust) will provide financing to the Owner (Atlantic Financial Group) for acquisition, construction and related soft costs. Keebler will act as the Owner's "Construction Agent" during the construction of the Project. As the lessee, Keebler will be responsible for all costs, fees, taxes and maintenance associated with the property.

### **Conformance with Plan**

The proposed redevelopment is in conformance with the land use goals and objectives of the Lake Calumet Area Industrial Redevelopment Project Area Plan. The Plan proposes industrial, institutional and open space uses.

### **Community Outreach**

Alderman Beale and the Calumet Area Industrial Commission are in support of the project.

### **Public Benefits**

#### Taxes

Based upon an analysis provided by the Developer, the project will generate a substantial increase in the real estate taxes on the Property. In 2004 the analysis estimates that the real estate taxes will increase from \$170,747 to \$300,938.

#### Jobs

The Development will retain approximately 321 full-time jobs and will create approximately 75 new jobs. 266 of the 321 retained jobs are filled by residents of the City of Chicago.

Keebler employs a substantial number of seasonal part-time employees and has agreed to retain the services of a local temporary employment agency that will focus on referring City and Ward residents as part-time positions become available.

#### Prevailing Wage, M\WBE, City Residency

The Developer has agreed to comply with all City ordinances regarding Prevailing Wage, M\WBE and City Residency. A summary of the Developer's M\WBE Plan of Action is attached to this report.

#### Miscellaneous

Keebler has agreed to sponsor a little league team that is located within the Roseland community and it will also join the Roseland Business Council.

### **Recommendations**

The Department of Planning & Development recommends that the Community Development Commission authorize DPD to publish a notice of its intention to negotiate a redevelopment agreement with the Developer for the use of tax increment financing bond proceeds and/or incremental tax revenues for the redevelopment of the property located generally at 10839 South

Langley Avenue. DPD also recommends you authorize a request for alternative proposals for the redevelopment of the Property and that you conditionally recommend to the City Council of the City of Chicago the designation of the Keebler Company and the Owner collectively as the Developer if no other responsive alternative proposals are received.

**Keebler Company**  
**Term Sheet**

**Project Description:**

The Developer intends the renovation and expansion of the existing Keebler Cone facility located generally at 10839 South Langley Avenue. The Project will consolidate the operations of Keebler's facility at 37<sup>th</sup> Street and Loomis and another out of state facility into the Langley Avenue location. The Project includes the following components:

- 1) The acquisition and renovation of an existing Central Steel Company property located at 110<sup>th</sup> Street and Langley Avenue. The property is approximately 7.5 acres and contains a 75,000 square foot warehouse building;
- 2) The acquisition and renovation of the existing Keebler Cone facility. The property is approximately 3.6 acres and contains a 78,000 square foot manufacturing plant;
- 3) The acquisition of 1.5 acre vacant parcel that is owned by the Norfolk Southern Railroad and which links the existing Central Steel and Keebler buildings;
- 4) The construction of an approximately 114,000 square foot building in the open space between the existing buildings. The new building will link the existing ones and will accommodate a new product line and equipment. The entire facility will total 267,000 square feet upon completion of the Project; and
- 5) Keebler will make a capital investment of approximately \$5.6 million in the form of new, refurbished or relocated manufacturing equipment.

**City Funding Commitment to The Keebler Company:**

The total budget for the Project is estimated to be \$18,381,940 for which the City, through the Department of Planning & Development ("DPD"), is planning to reimburse the Developer for TIF-eligible acquisition, premium hard (construction) and related soft costs associated with the redevelopment of the site in an amount equal to \$2,056,700 or 11.2% of total Project costs, whichever is less. The reimbursement will be in the form of a taxable TIF Developer's Note. The incremental taxes generated by the Property will be pledged towards payment of the Note.

The Developer will apply for a Cook County 6(b) property tax incentive. The net present value of the incentive represents approximately \$1,000,871 in property tax savings. The Developer will also take advantage of the Enterprise Zone Sales Tax Abatement incentive. The estimated value of this incentive is approximately \$160,000.

**Sources and Uses of Funds:**

Sources of Funds

Equity	\$ 444,500
Lender Financing	\$12,255,500
Capital Investment	<u>\$ 5,681,940</u>
<b>Total</b>	<b>\$18,381,940</b>

Uses of Funds

Capital Investment	\$ 5,681,940
Property Acquisition	\$ 4,700,000
New Construction	\$ 4,600,000
Building Renovation	\$ 935,000
Soft Costs	\$ 810,000
Financing Costs	\$ 500,000
Site Preparation	\$ 325,000
Public Infrastructure	\$ 290,000
Job Training Costs	\$ 250,000
A & E	\$ 230,000
Environmental Surv.	<u>\$ 60,000</u>
<b>Total</b>	<b>\$18,381,940</b>



**CITY COUNCIL**  
**CITY OF CHICAGO**  
**COUNCIL CHAMBER**

THIRD FLOOR - CITY HALL  
 121 NORTH LASALLE STREET  
 CHICAGO, ILLINOIS 60602  
 TELEPHONE: 312-744-8938

**ANTHONY A. BEALE**  
 ALDERMAN, NINTH WARD

34 EAST 112TH PLACE  
 CHICAGO, ILLINOIS 60629  
 TELEPHONE: (773) 785-1100  
 FAX: (773) 785-2790

**COMMITTEE MEMBERSHIPS**

BUILDINGS  
 COMMITTEES, RULES AND ETHICS  
 ENERGY, ENVIRONMENT PROTECTION  
 AND PUBLIC UTILITIES  
 HISTORICAL LANDMARKS  
 SPECIAL EVENTS AND CULTURAL AFFAIRS

October 3, 2001

Mr. Joseph A. Williams, Chairman  
 Community Development Commission  
 c/o Assistant Commissioner Kathleen Nelson  
 Department of Planning & Development  
 112 North LaSalle Street  
 Chicago, Illinois 60602

Dear Chairman Williams:

This is to advise you of my support for the proposed Keebler Company expansion of it's plant at 108<sup>th</sup> Street and Langley Avenue in my ward.

Keebler and its representatives have presented their plans to me. They are maintaining their current operation at the site and bringing an additional product line and the jobs connected therewith to that site. Their expansion program is very positive for my ward and will be an impetus for further development in the area. Further, they have assured me of their continued support of neighborhood institutions and will make a substantial effort to hire people who live within our community.

The Commission's authorization to the Department of Planning and Development to negotiate a redevelopment agreement with Keebler for the use of tax increment financing bond proceeds and/or incremental tax revenues of the development of this property is in the best interests of the City and my ward and I respectfully ask for your and the Commission's support for the Keebler program.

Sincerely,

Anthony A. Beale  
 Alderman, 9th Ward

cc: Commission Alicia Mazur Berg

## KEEBLER COMPANY

### WBE/MBE ACTION PLAN

Keebler Company (the "Developer") is planning a new construction expansion and renovation project at their current 108<sup>th</sup> and Langley facility (the "Project").

The Project would include the acquisition and renovation of the existing Keebler Company Cone plant, the acquisition and renovation of the Central Steel Company facility, and the construction of an approximate 114,000 sq.ft. building connecting the two existing buildings.

Keebler Company will enter into a lease agreement for the buildings that will provide for the appointment of a construction agent. At this time, it is anticipated that Keebler Company will become the construction agent. As such, Keebler will oversee and monitor all of the City of Chicago's (the "City") requirements regarding the implementation of the City's WBE/MBE hiring regulation.

Keebler will oversee, monitor and implement the City's WBE/MBE Program. Keebler will coordinate these activities with regard to the WBE/MBE requirements with its development agent, Simborg Development, Inc., and all other entities associated with the Project. While Simborg's experience with the City and WBE/MBE program is limited, it has experience in implementing WBE/MBE programs with respect to the following projects:

- a) Construction of a new Village Hall in the Village of Phoenix.
- b) Construction of a new Village Hall in the Village of Calumet Park. This facility also utilized Community Development Block Grant funds.
- c) Construction of a new fire department building for the Village of Calumet Park. This project also utilized Community Block Grant funds.

Keebler Company will follow and implement all of the City's guidelines and regulations.

Keebler Company has notified (via certified mail) those organizations identified by the City to receive information regarding development projects within the City's boundaries.

Keebler Company will schedule meetings with these organizations as the Project progresses and the Project schedules and budgets are finalized.

Keebler Company will record and impart all of the required and essential reports regarding the City's WBE/MBE hiring program in a timely manner.

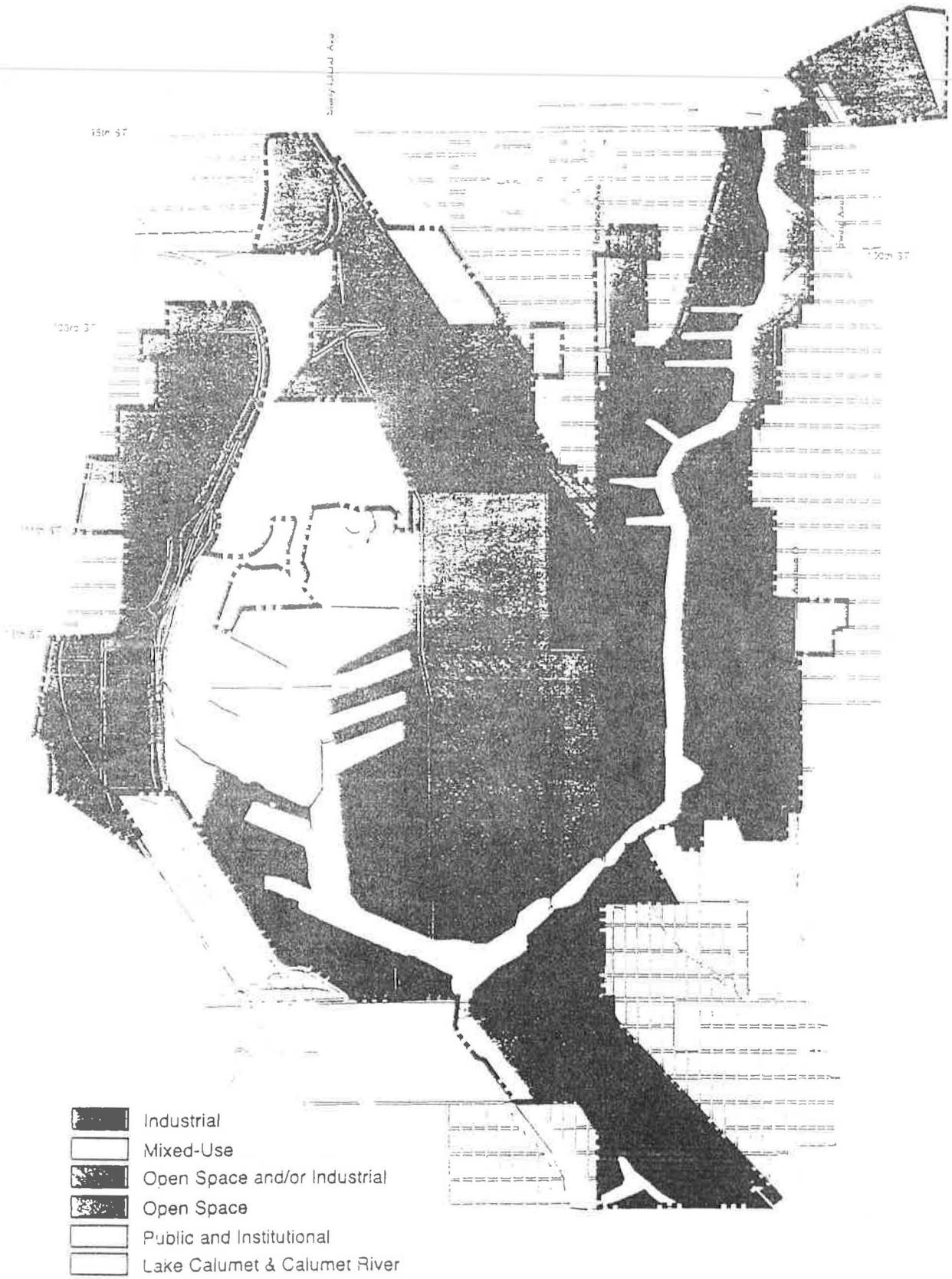


Figure 2  
LAND USE PLAN

**LAKE CALUMET AREA INDUSTRIAL**

Tax Increment Financing Redevelopment Project Area

Chicago, IL 

Prepared By: Trkla, Pettigrew, Allen, & Payne, Inc. 

LANGLEY AVENUE

110th STREET

STEAM LIFT  
TANK AND  
ELECTRICAL  
M. 19.57

1996 EIGHT  
BRICK

STEAM LIFT  
TANK

CHICAGO ROCK ISLAND AND PACIFIC R.R.



CONFIDENTIAL

## **EXHIBIT A**

### **Street Boundaries of the Lake Calumet Area Industrial Redevelopment Area**

The Lake Calumet Area Industrial Redevelopment Project Area is generally bounded by Dr. Martin Luther King, Jr. Drive on the west, 138<sup>th</sup> Street on the south, Avenue O on the east and 95<sup>th</sup> Street on the north.

### **Street Address and Boundaries of the Proposed Project**

10839 South Langley Avenue, Chicago, Illinois 60628. The Project is generally bounded by 110<sup>th</sup> Street on the south, Langley Avenue on the west, the Chicago Rock Island and Pacific Railroad on the east, and by a line approximately 250 feet south of 108<sup>th</sup> Street on the north.

## EXHIBIT B

**PUBLIC NOTICE** is hereby given by the Community Development Commission (“CDC”) of the City of Chicago (the “City”) pursuant to Section 5/11-74.4-4(c) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the “Act”), that the City’s Department of Planning & Development (“DPD”) intends to negotiate a redevelopment agreement (the “Redevelopment Agreement”) with the Keebler Company, a Delaware corporation, and Atlantic Financial Group, Ltd., a Texas limited partnership (collectively referred to as the “Company”), pursuant to which the City intends to provide financial assistance to the Company in the amount of the lesser of \$2,056,700 or 11.2% of the total project budget using tax increment financing bond proceeds and/or incremental tax revenues pursuant to the Act, for eligible costs related to predevelopment activities (such as planning, design, environmental remediation), property acquisition, the renovation of an existing 75,000 square foot warehouse facility, the renovation of an existing 78,000 square foot manufacturing facility, and the construction of a new 114,000 square foot manufacturing facility, and the addition of new and upgraded landscaping (the “Project”). The Project is located on a 12.6 acre site which is generally bounded by 110<sup>th</sup> Street on the south, Langley Avenue on the west, the Chicago Rock Island and Pacific Railroad on the east and by a line approximately 250 feet south of 108<sup>th</sup> Street on the north, and which is commonly known as 10839 South Langley Avenue in Chicago, Illinois (the “Property”). The Property is located within the Lake Calumet Area Industrial Redevelopment Project Area (the “Area”) established pursuant to the Act, and the Project is in compliance with the Plan. The Area is generally bounded as follows:

By Dr. Martin Luther King, Jr. Drive on the west, 138<sup>th</sup> Street on the south, Avenue O on the east and 95<sup>th</sup> Street on the north.

### **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, on or before October 12, 2001 between the hours of 9:00 a.m. and 4:00 p.m. Monday through Friday:

- 1) The Lake Calumet Area Industrial Tax Increment Allocation Finance Program Redevelopment Plan and Project (the “Plan”), and any amendments thereto, which constitutes the City’s redevelopment plan for the Area;
- 2) A term 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 the Company for the Project; and
- 3) The terms of all bids and proposals received, if any, by the City related to the Project and the Redevelopment Agreement.

Please contact Steve Patterson of DPD at (312) 744-0921 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 such proposal. 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 October 26, 2001 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**