

**City of Chicago
Department of Housing and Economic Development**

**STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
REQUESTING DEVELOPER DESIGNATION
March 13, 2012**

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name: Hyatt Place Chicago at Hyde Park

Applicant Name: Smart Hotels/Olympia Chicago, LLC is the developer entity undertaking the Hyatt Place Chicago at Hyde Park Project. The Developer consists of five member entities, Olympia Chicago, LLC with 40% interest, Smart Hotels Chicago, LLC with 40% interest, The Olympia Companies, LLC with 8% interest, SHG University Chicago with 8% interest, and the remaining 4% interest is owned by various entities. The key principals of Smart Hotels/Olympia Chicago, LLC are Kevin P. Mahaney, Jonathan Adams and Ed Small.

Project Address: 5223 S. Harper Ave

Ward and Alderman: 4th Ward

Community Area: Hyde Park Community Area

Redevelopment Project Area: 53rd Street Tax Increment Finance District

Requested Action: TIF Developer Designation

Proposed Project: Construction of approximately 84,000 square foot hotel, with approximately 131 rooms and 50 below-grade parking spaces.

TIF Assistance: \$5,215,162 .00

II. PROPERTY DESCRIPTION

Address:	5223 S. Harper Ave.
Location:	Northeast corner of South Harper and East 52 nd Place.
Tax Parcel Numbers:	20-11-412-039-0000
Land Area:	15,488 sq. ft.
Current Use:	The site is currently vacant. The site previously included a retail development.
Current Zoning:	PD 38
Proposed Zoning:	PD 38
Environmental Condition:	N/A.

III. BACKGROUND

The Department of Community Development and University of Chicago jointly issued an RFQ/P on December 8, 2008 for the Harper Court Project Area, an approximately 3 acre site located on the northwest corner of 53rd Street and Lake Park Avenue within the 53rd Street TIF. The City of Chicago and University of Chicago were both owners of the entire project site.

Eleven (11) development teams responded to the RFQ/P and five (5) were chosen to submit full proposals to redevelop the entire project area. In January 2010, Vermilion Development was selected as the successful respondent for the Harper Court RFP by representatives of the DCD, Alderman's office, and U of C. Vermilion Development's proposal consisted of a strong urban plan, unique partnership, diverse team and, creative financial plan.

Vermillion's proposal for the site was a master plan that included 150,000 square feet of office space, 100,000 square feet of retail space, 458 parking spaces, a future phase of approximately 395 residential units, and an approximately 150 key hotel.

On September 14, 2010 the proposed master plan was presented to the Community Development Commission, and the first phase of the Master Plan that included the office space, the retail space, and the 458 parking spaces was approved with a total project cost was of \$106 million dollars, public incentives for the project were 19% of the entire project budget. This request did not include the hotel or the residential components of the Master Plan.

In this report we are seeking approval for Developer Designation and a TIF request of \$5,215,162

for the hotel component of the Master Plan of the Harper Court site.

This project is within the 53rd Street TIF Project Area, the Hyde Park Community, and it is located within Planned Development #38 which is zoned for commercial/retail and parking.

IV. PROPOSED DEVELOPMENT TEAM

Development Entity: Smart Hotels/Olympia Chicago, LLC is the developer entity undertaking the Hyatt Place Chicago at Hyde Park Project. The Developer consists of five member entities, Olympia Chicago, LLC with 40% interest, Smart Hotels Chicago, LLC with 40% interest, The Olympia Companies, LLC with 8% interest, SHG University Chicago with 8% interest, and the remaining 4% interest is owned by various entities. The key principals of Smart Hotels/Olympia Chicago, LLC are Kevin P. Mahaney, Jonathan Adams and Ed Small. The developer's organization chart is included in the exhibits.

Smart Hotels Chicago team members have extensive experience with hotel projects as part of mixed-use developments. Smart Hotels has recently completed a comparable hotels project at Duke University in Durham, North Carolina. Smart Hotels team members' experience with mixed-use project includes the Marriott at Key Tower at Tower City in Cleveland, Ohio. The extensive involvement of team members in projects such as these makes Smart Hotels uniquely qualified for the Hotel Project.

Olympia Chicago, LLC is a subsidiary of The Olympia Companies, a second generation, New England-base hospitality company. The predecessor company to The Olympia companies was founded in 1969 and has over 35 years of experience in the hospitality industry. Today, The Olympia Companies, through its subsidiaries, manages over 1,600 hotel rooms in four states. The properties range from and independent, Four Diamond resort to award winning franchise hotels. While the hotel will be Hyatt-branded, a subsidiary of the Olympia companies will manage the hotel after completion of construction.

Consultants:

Architect

Legat Architects
651 West Washington Blvd
Chicago, IL 60661

TIF Consultant

Laube Companies
200 S. Wacker Dr., 3100
Chicago, Illinois. 60606

Attorneys

Dykeman Gossett PLLC
10 S. Wacker Drive
Suite 2300
Chicago, IL 60606

Financing Consultant

William Blair & Company
222 West Adams Street
Chicago, IL 60606

V. PROPOSED PROJECT

Project Overview: The Developer intends to acquire an approximately 14,600 square foot parcel at the northeast corner of South Harper Avenue and East 52nd Place to construct a select service hotel (the Hotel Project). The hotel will consist of 84,000 square feet and have approximately 131 rooms and will also include 50 below grade parking spaces.

The hotel design blends traditional aesthetics with contemporary materials to respond to the fabric of the neighborhood. The exterior of the hotel will be comprised of glass and sandstone colored porcelain tiles resembles natural stone. Interlocking zinc shingles will add further architectural interest since they will weather to create a patina appearance compatible with the neighborhood.

Amenities for the Hotel Project will be comparable to other select service hotels. This will include a small work out facility and a swimming pool for guests. There will also be a breakfast and "on the go" deli foods' area, also available for guests. The hotel will also include conference rooms and meeting facilities for business travelers and community groups. Finally, a business center with computers, printers and other amenities will be offered.

A site plan, floor plans and elevation are provided as exhibits to this report.

Environmental Features: The building will have a 100% green roof (net of mechanicals) and the Developer is striving for LEED silver certification. With respect to the green roof, the Developer hopes to incorporate 95%-4 inch green roof trays and 5%-6 inch trays so it can select a wider range of planting materials. By doing so, the Developer may be able to achieve the "Site Development - Protect or Restore Habitat" LEED credit. By having a larger array of plant material from succulents to prairie grasses, the Developer will be able to attract native insects and birds to the roof.

The following are some of the sustainable elements that will be incorporated in this project: Energy efficient HVAC systems, Exterior structural insulated panels with a ventilated tile façade system that will decrease energy costs by 30% over a standard facility of similar size, Low flow plumbing fixtures, Desk and/or guest controlled HVAC and lighting systems, No or low VOC paints and carpets, Zero use of CFC refrigerants, Use of recycled steel, sheet rock and concrete where feasible, Use of regionally sourced materials where feasible, Active construction waste management program, and Vehicle sharing program in the hotel garage.

This development will comply with DHED's Green Matrix requirements.

VI. FINANCIAL STRUCTURE

The City, through the Department of Housing and Economic Development, intends to reimburse the Developer for a portion of their TIF Eligible costs in an amount not exceed the lesser of

\$5,215,162 (\$3,216,722 NPV) or 18% of the Total project budget, currently estimated to be \$28,573,790. The City's assistance will be provided as a reimbursement for TIF-eligible construction loan interest and any other TIF-eligible costs. Per the State TIF Act, up to 30% of the construction loan interest can be reimbursed with TIF funds, but the reimbursement must come from TIF funds on hand; interest costs cannot be paid through a Note structure. These funds will be remitted annually, funded by increment created by the Developer's Project PINs only. The estimated annual payments will be lower in the first years that the project is operating and will increase as the increment from the Project increases. Other TIF eligible costs will be captured in an interest bearing Note.

The Developer is also in the process of applying for Class 7B property tax abatement. The Class 7B is utilized to incentivize development in commercial areas. The 7B application has not been through the DHED/City approval process and will also require approval from Cook County. If the Class 7B is approved by the City Council and the County the property taxes over the life of the TIF will be reduced from \$5.2M to \$3.09M. The tax reduction was taken into account when forecasting the amount of increment that would be generated by the Hotel PINs and will not affect the repayment of the construction loan interest. If a 7B is not part of the financial package the TIF assistance will be a combination of an interest bearing Note and Recovery Zone bond interest, paid out over time.

The total assistance package, between TIF funds and any potential tax abatement will equal a Net Present Value of \$3.2M, or \$5.2M present value.

The Developer is financing the construction and acquisition with equity and proceeds from a Recovery Zone bond. TIF funds and any potential property tax savings are not part of the construction financing but serve to increase the Developer's long term rate of return to levels acceptable to industry standards.

While DHED does not often present financing packages to CDC with both a TIF and tax abatement component the consideration is merited by this deal. Because this project involves new construction there are not enough TIF-eligible costs for the Development entity to fully realize the value of their increment generation. The Hotel investors, in accordance with industry wide standards, require a level of IRR that can not be met without combining the 7B and the TIF assistance. The increment that will be foregone if the 7B is granted, plus the interest reimbursement, equal the amount the City would have paid on an interest bearing note with a face value of \$3.2M. The 7B expires after 12 years, at which point the full benefit of the increased EAV will be realized.

Because of the extraordinary costs associated with the project, this development would not move forward without utilizing TIF in order to help bridge the financing gap. The cost of the hotel construction is not supported by the annual revenues in terms of delivering an adequate return on investment. The Hotel will be a wonderful complement to the already underway Harper Court development and will provide a quality accommodation option for visitors to the University of Chicago and Hyde Park area.

Sources and Uses of Funds

Sources	Amount	% of Total Sources
Recovery Zone Bond Financing	21,268,214.00	74%
Developer Equity	7,305,576.00	26%
Total Sources	28,573,790.00	100%

Uses	Amount	\$/sf of Building*
Land Acquisition	3,276,600.00	\$39.01
Site Clearance and Preparation	723,400.00	\$8.61
Hard Costs	14,755,741.00	\$175.66
FF & E	2,620,000.00	\$31.19
Soft Costs		
Interest/Financing Costs	2,956,300.00	
Workin Capital	150,000.00	
Hard Cost Contingency	287,904.00	
Soft Cost Contingency	596,000.00	
Arch. & Engring	520,000.00	
Legal/Cons/Clsing/Title/Survey	200,000.00	
Project Development Consultant	200,000.00	
Permit Fees	200,000.00	
Developer Fee	1,140,000.00	
Insurance	138,094.00	
Other soft costs (2.0% of total costs)	809,751.00	
Total Soft Costs (18.2% of total costs)	7,198,049.00	\$85.69
Total Uses	28,573,790.00	\$340.16

*Gross building area is 84,000 square feet

A stabilized year pro-forma is included in exhibits.

VII. PUBLIC BENEFITS

The proposed project will provide the following public benefits.

Property Taxes: The project will expand the tax base because the investment in the property will result in an increase in its assessed value.

Environmental Features: The project will incorporate 100% Green Roof and strive for LEED Certification for the building.

Permanent Jobs: The project is estimated to generate 21 permanent jobs. The department's workforce development specialists will work with the developer on job training and placement.

Construction Jobs: The project will produce 150-200 temporary construction jobs.

New Tax Revenue: The project will generate new tax revenue of approximately \$350,000 yearly in new hotel, sales, and parking taxes.

Affirmative Action: The developer will comply with the requirements of Chicago's affirmative action ordinance, which requires contract participation of 24% by minority-owned business enterprises (MBEs) and 4% by woman-owned business enterprises (WBEs). The developer has provided notification of the proposed project, by certified mail, to several associations of minority and women contractors. A sample version of the letter and copies of the post office receipts for the certified letters are presented as exhibits to this report.

City Residency: The developer will comply with the requirements of Chicago's city residency ordinance, which requires that at least half of all construction-worker hours be filled by Chicago residents. The developer will also comply with the requirement that all construction jobs are paid the prevailing wage.

VIII. COMMUNITY SUPPORT

Alderman Will Burns endorses the project as well as the Hyde Park Chamber of Commerce, both have provided letters of support. The project was presented to the community at a meeting held on January 5, 2012. (See exhibits for a copy of the support letters).

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The proposed project is located in the 53rd Street Tax Increment Financing Redevelopment Project Area. The proposed project will satisfy the following goals of the area's redevelopment plan: Reducing and eliminating conditions that qualify the 53rd Street Redevelopment Project Area (RPA) as a conservation area and provides the direction and mechanisms necessary to re-establish the RPA as an active and vibrant mixed-use commercial district that provides a comprehensive range of commercial and retail uses to the surrounding residential community.

X. CONDITIONS OF ASSISTANCE

If the proposed resolution is approved by the CDC, HED will negotiate a redevelopment agreement with the developer. The redevelopment agreement will incorporate the parameters of the proposed project as described in this staff report.

It is HED policy that no business will be conducted with a development entity whose any principal has outstanding municipal debts (such as unpaid parking tickets, unpaid water bills, unpaid business licenses, and others), is in arrears of child support payments; or who is a debtor in bankruptcy, a defendant in a legal action for deficient performance, a respondent in an administrative action for deficient performance, or a defendant in any criminal action.

Closing of the sale of the property will not occur before the City Council has approved the

redevelopment agreement, the developer has obtained all necessary City approvals including zoning and building permits, and the developer has presented proof of financing. The documents will include a development timetable.

XI. RECOMMENDATION

The Department of Housing and Economic Development has thoroughly reviewed the proposed project, the qualifications of the development team, the financial structure of the project, its need for public assistance, its public benefits, and the project's conformance with the redevelopment area plan, and HED recommends that the CDC recommend to the City Council the designation of Smart Hotels/Olympia Chicago, LLC as Developer for the construction of approximately 84,000 square foot hotel, with approximately 131 rooms and 50 below grade parking spaces located at 5223 S. Harper Avenue.

EXHIBITS

Redevelopment Area Map
Neighborhood Map or Aerial
+Survey or Plat
Site Plan
Typical Floor Plan
Front Elevation or Rendering
Sample M/WBE Letter
Copies of M/WBE Certified Letter Receipts
Lender's Letter of Interest
Community Letters of Support
Alderman's Letter of Support

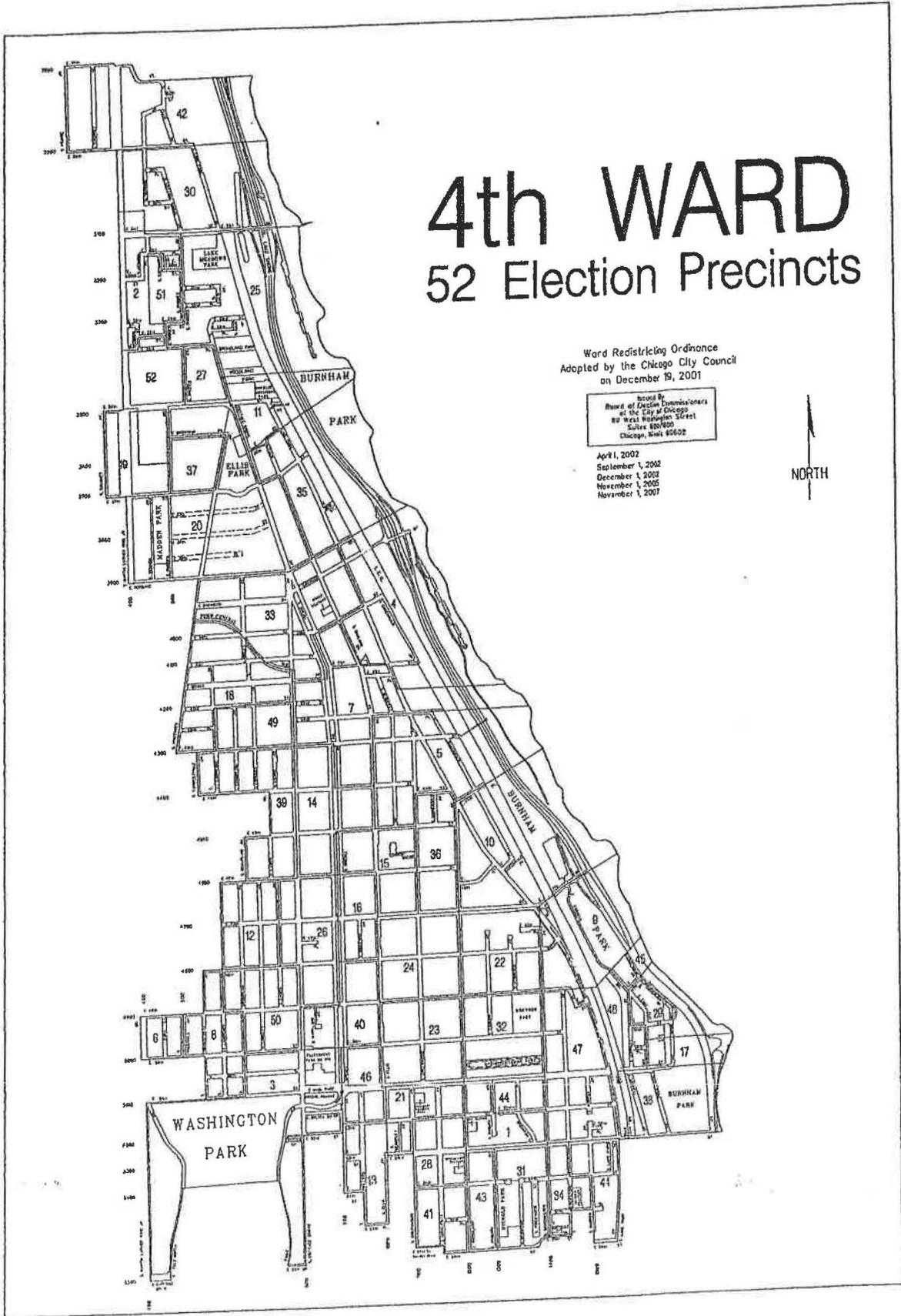
4th WARD

52 Election Precincts

Ward Redistricting Ordinance
Adopted by the Chicago City Council
on December 19, 2001

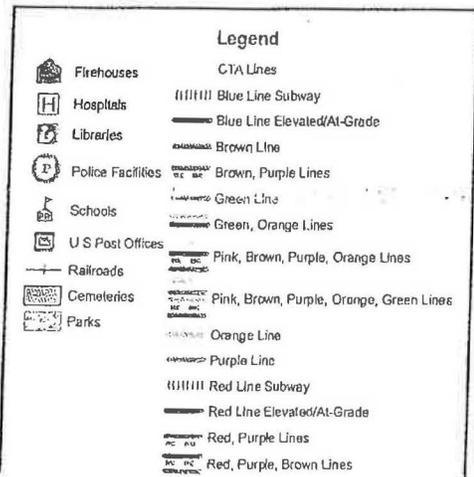
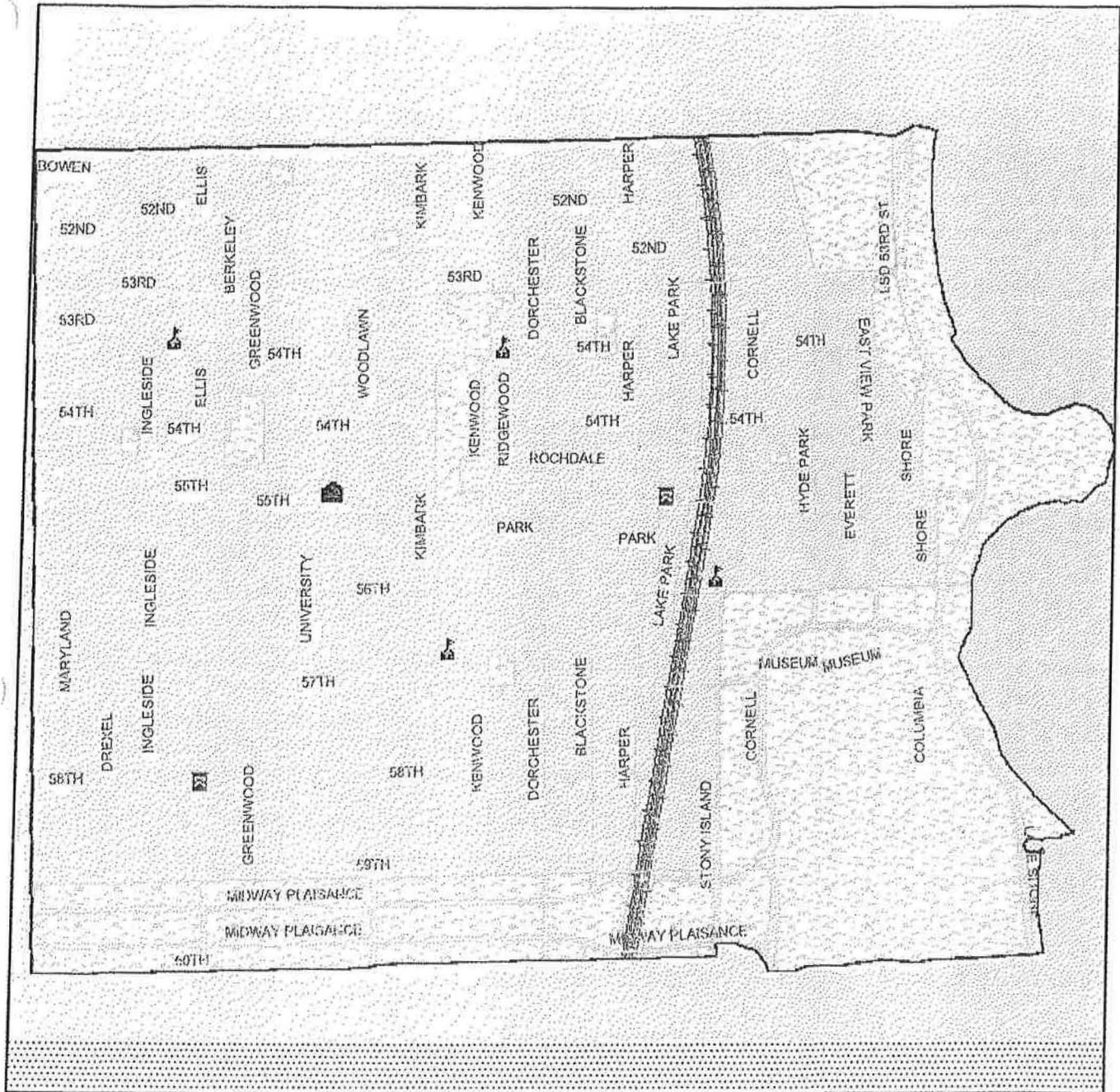
Printed By:
Board of Election Commissioners
of the City of Chicago
80 West Washington Street
Suite 400/400
Chicago, Illinois 60602

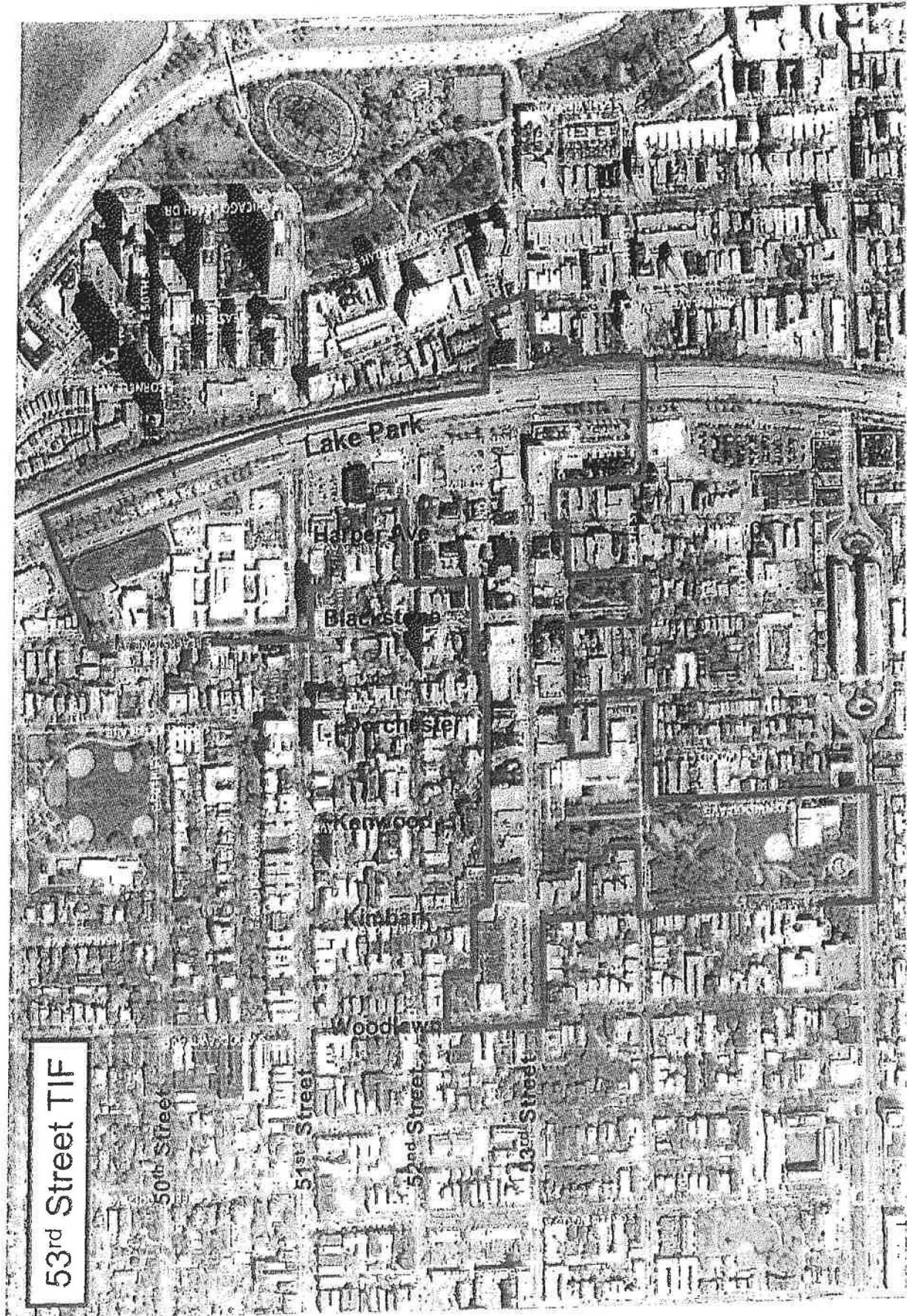
April 1, 2002
September 1, 2002
December 1, 2002
November 1, 2005
November 1, 2007



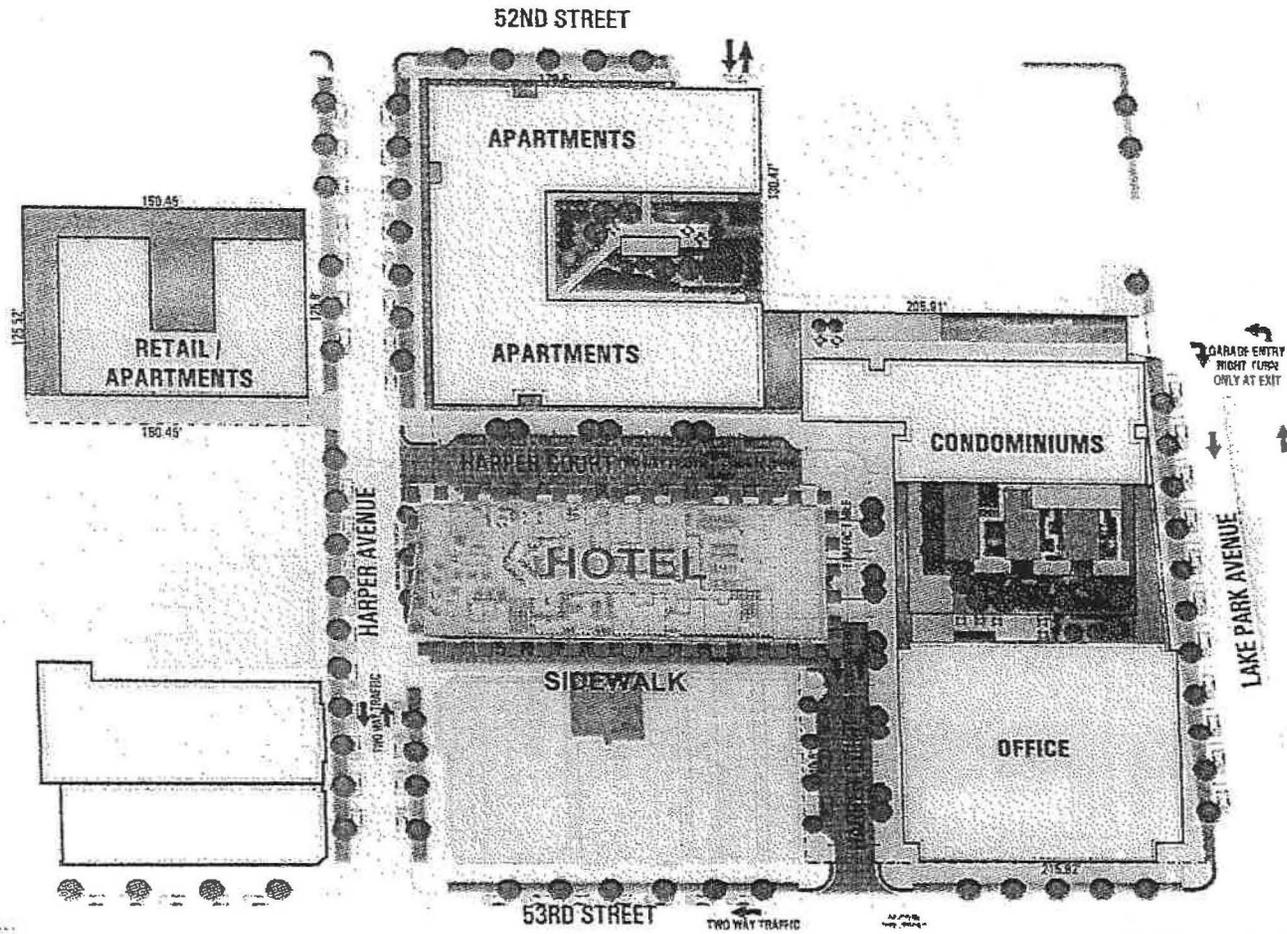


HYDE PARK





Site Plan

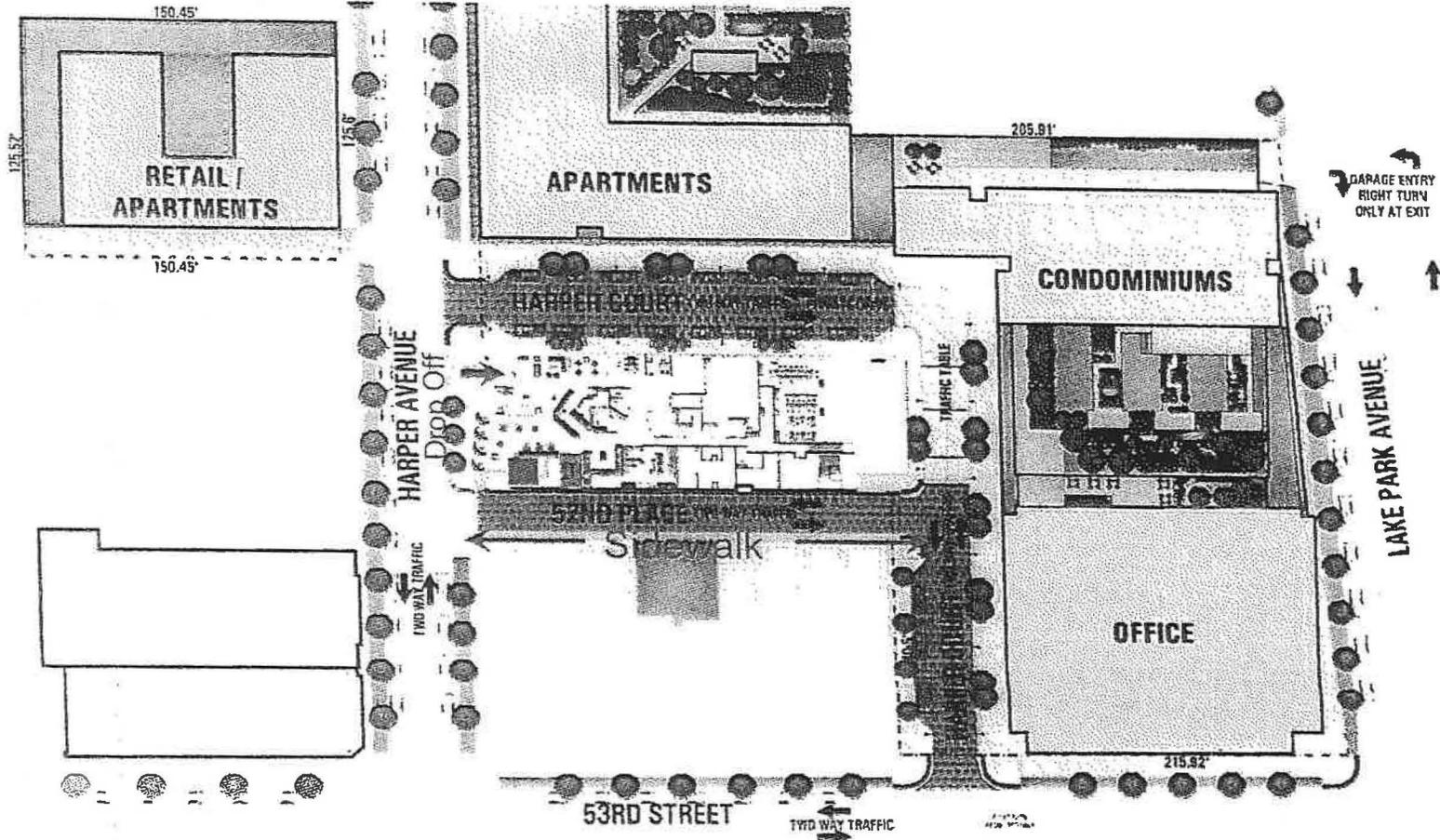


SMART
OLYMPIA

Hotel at Harper Court

LEGATARCHITECTS
sustainability performance design

Site Plan



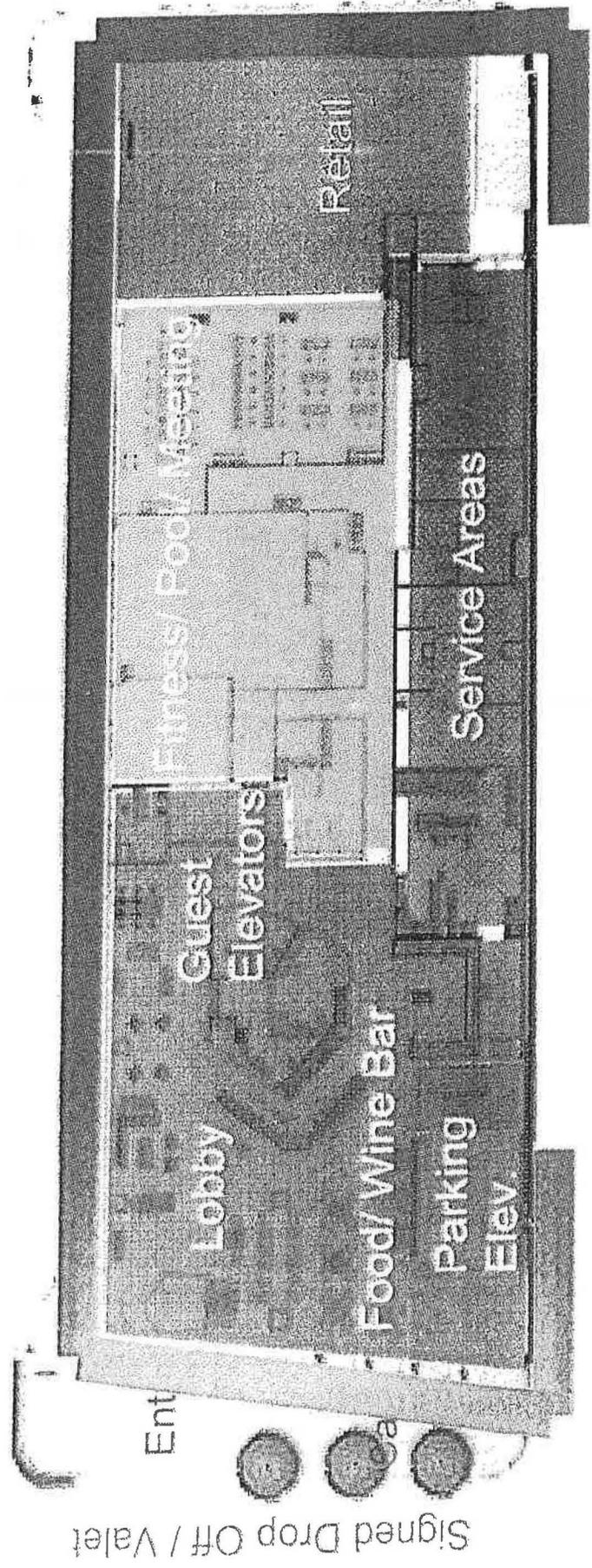
SMART
OLYMPIA

Hotel at Harper Court

LEGATARCHITECTS
sustainability performance design

Ground Plan

Harper Court



52nd Place



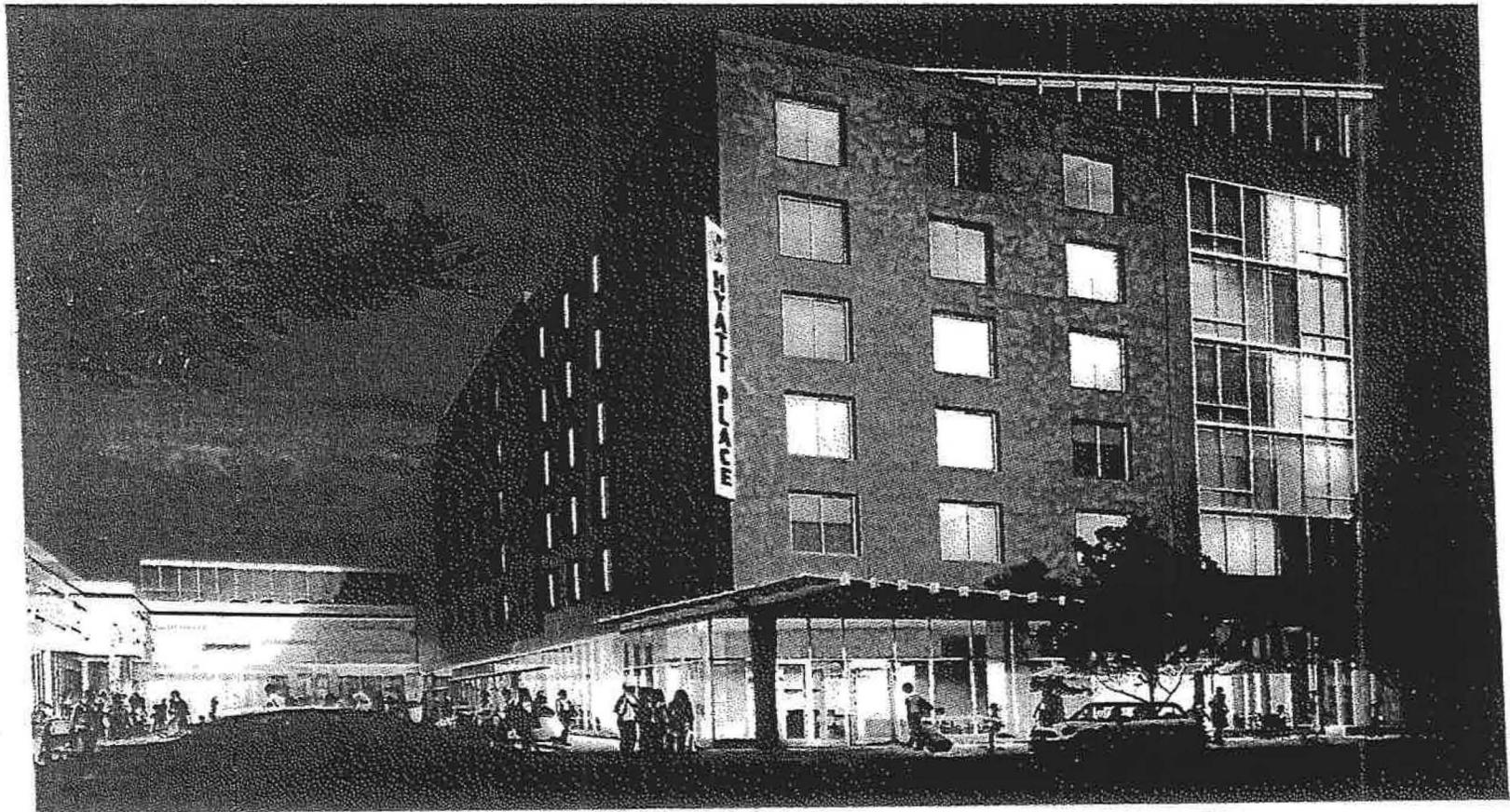
OLYMPIA

Hotel at Harper Court

LEGATARCHITECTS
sustainability performance design

Hyatt Place Hotel Chicago at Harper Court

Smart Hotels / Olympia Chicago LLC



SMART



OLYMPIA



THE OLYMPIA
COMPANIES

December 1, 2011

VIA CERTIFIED MAIL

Mr. Omar Shareef
African American Contractors Association
3901 S. State Street, Suite 103
Chicago, Illinois 60609

Re: 5300 South Harper Avenue

Dear Mr. Shareef:

The purpose of this letter is to inform your organization of potential contracting opportunities associated with the redevelopment of property located at approximately 5300 South Harper Avenue (the "Property"). The developer, Smart Hotels/Olympia Chicago, LLC (the "Developer") intends to develop an approximately 84,000 square foot limited service hotel on the Property.

In the near future, the Developer will select a general contractor. The project is anticipated to require the participation of trades such as carpentry, electrical, mechanical, plumbing, and others.

The Developer has yet to finalize the project budget, which identifies the items subject to minority business enterprise participation of 24% percent and women business enterprise participation of 4%, or a firm project schedule. The Developer will follow up with you to provide you with that information and, if available, its general contractor contact information.

Thereafter, at your request, our general contractor (upon selection), will meet with a representative of your organization to present the project budget and schedule. At your request, our general contractor will also provide your organization with one copy of the project bid documents (including plans and specifications).

We are requesting that you make your member companies aware of this project so that they may submit bids for appropriate subcontracting opportunities. Should you have any questions, please do not hesitate to call.

Sincerely,

Mike Zimmerman

Vice President, Development | LEED AP

Letters from The Olympia Companies re: 5300 South Harper Avenue

Dated: December 1, 2011

Delivery: Via Certified Mail

Mr. Omar Shareef
African American Contractors Association
3901 S. State Street, Suite 103
Chicago, Illinois 60609

Certified Article Number

7160 3901 9849 1972 0598

SENDERS RECORD

Mr. Juan Ochoa
Mexican American Chamber of Commerce
111 W. Washington Street
Chicago, Illinois 60602

Certified Article Number

7160 3901 9849 1972 8755

SENDERS RECORD

Mr. Edward T. McKinnie
Black Contractors United
400 W. 76th Street
Chicago, Illinois 60620

Certified Article Number

7160 3901 9849 1972 0604

SENDERS RECORD

Mr. Perry Nackachi
Association of Asian Construction Enterprises
333 N. Ogden Avenue
Chicago, Illinois 60607

Certified Article Number

7160 3901 9849 1972 0611

SENDERS RECORD

Ms. Beth Doria
Federation of Women Contractors
5650 S. Archer Avenue
Chicago, Illinois 60638

Certified Article Number

7160 3901 9849 1972 0628

SENDERS RECORD

Ms. Hedy Ratner
Women Business Development Center
8 S. Michigan Avenue, Suite 400
Chicago, Illinois 60603

Certified Article Number

7160 3901 9849 1972 0635

SENDERS RECORD

Mr. Paul Cerpa
Hispanic American Construction Industry Association
901 W. Jackson Boulevard, Suite 205
Chicago, Illinois 60607

Certified Article Number

7160 3901 9849 1972 0642

SENDERS RECORD

7160 3901 9849 1972 0598

TO: Mr. Omar Shareef
African American Contractors Association
3901 S. State Street, Suite 103
Chicago, Illinois 60609

SENDER: Andrew P. Scott

REFERENCE: 108112-0001



PS Form 3800, January 2005

RETURN RECEIPT SERVICE	Postage	44
	Certified Fee	2.85
	Return Receipt Fee	2.30
	Restricted Delivery	
	Total Postage & Fees	6.24 5.59 ✓

US Postal Service	POSTMARK OR DATE
Receipt for Certified Mail	
No Insurance Coverage Provided Do Not Use for International Mail	

7160 3901 9849 1971 8755

TO: Mr. Juan Ochoa
Mexican American Chamber of Commerce
111 W. Washington Street
Chicago, Illinois 60602

SENDER: Andrew P. Scott

REFERENCE: 108112-0001



PS Form 3800, January 2005

RETURN RECEIPT SERVICE	Postage	44
	Certified Fee	2.85
	Return Receipt Fee	2.30
	Restricted Delivery	
	Total Postage & Fees	5.59 6.24 5.59 ✓

US Postal Service	POSTMARK OR DATE
Receipt for Certified Mail	
No Insurance Coverage Provided Do Not Use for International Mail	

7160 3901 9849 1972 0604

TO: Mr. Edward T. McKinnie
Black Contractors United
400 W. 76th Street
Chicago, Illinois 60620

SENDER: Andrew P. Scott

REFERENCE: 108112-0001



PS Form 3800, January 2005

RETURN RECEIPT SERVICE	Postage	44
	Certified Fee	2.85
	Return Receipt Fee	2.30
	Restricted Delivery	
	Total Postage & Fees	5.59 6.24 5.59 ✓

US Postal Service	POSTMARK OR DATE
Receipt for Certified Mail	
No Insurance Coverage Provided Do Not Use for International Mail	

7160 3901 9849 1972 0611

TO: Mr. Perry Nackachi
Association of Asian Construction Enterprises
333 N. Ogden Avenue
Chicago, Illinois 60607

SENDER: Andrew P. Scott

REFERENCE: 108112-0001



PS Form 3800, January 2005

RETURN RECEIPT SERVICE	Postage	44
	Certified Fee	2.85
	Return Receipt Fee	2.30
	Restricted Delivery	
	Total Postage & Fees	5.59 6.24 5.59 ✓

US Postal Service	POSTMARK OR DATE
Receipt for Certified Mail	
No Insurance Coverage Provided Do Not Use for International Mail	

7160 3901 9849 1972 0628

TO: Ms. Beth Doria
Federation of Women Contractors
5650 S. Archer Avenue
Chicago, Illinois 60638

SENDER: Andrew P. Scott

REFERENCE: 108112-0001



PS Form 3800, January 2005

RETURN RECEIPT SERVICE	Postage	A4
	Certified Fee	2.85
	Return Receipt Fee	2.30
	Restricted Delivery	
	Total Postage & Fees	559 5.39 5.89 ✓

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided
Do Not Use for International Mail

POSTMARK OR DATE

7160 3901 9849 1972 0635

TO: Ms. Hedy Ratner
Women Business Development Center
8 S. Michigan Avenue, Suite 400
Chicago, Illinois 60603

SENDER: Andrew P. Scott

REFERENCE: 108112-0001



PS Form 3800, January 2005

RETURN RECEIPT SERVICE	Postage	44
	Certified Fee	2.85
	Return Receipt Fee	2.30
	Restricted Delivery	
	Total Postage & Fees	559 5.59 ✓

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided
Do Not Use for International Mail

POSTMARK OR DATE

7160 3901 9849 1972 0642

TO: Mr. Paul Cerpa
Hispanic American Construction Industry
Association
901 W. Jackson Boulevard, Suite 205
Chicago, Illinois 60607

SENDER: Andrew P. Scott

REFERENCE: 108112-0001



PS Form 3800, January 2005

RETURN RECEIPT SERVICE	Postage	A4
	Certified Fee	2.85
	Return Receipt Fee	2.30
	Restricted Delivery	
	Total Postage & Fees	559 5.89 ✓

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided
Do Not Use for International Mail

POSTMARK OR DATE

Smart Hotels
 Harper Court
 Gap Analysis
 Revenue Assumptions
 Stabilized Year Operating Pro-Forma

Number of Rooms 131

REVENUE	Year 3 - First Stabilized Year	
Rooms	\$	5,562,743
Food	\$	443,376
Beverage	\$	165,789
Telecommunications	\$	7,709
Other	\$	61,673
Parking (50 Sp@70% of Net)	\$	139,402
Total Revenue	\$	6,380,693
Retail Rent	\$	70,000
Total Sales	\$	6,450,693

DEPTMARTMENT PROFITS

Rooms	\$	4,283,312
Food	\$	98,873
Beverage	\$	56,037
Telecommunications	\$	(10,423)
Other	\$	26,951
Parking	\$	97,582
Retail Rent	\$	70,000
Total Dept. Profit	\$	4,622,332

Undistributed Expenses

Administrative & General	\$	465,791
Marketing	\$	191,421
Franchise Fees	\$	528,461
Property Operations & Maint.	\$	234,648
Energy	\$	210,563
Total Undistributed Expenses	\$	1,630,882
Income Before Fixed Charges	\$	2,991,449

Less Other Charges:

Property Taxes	\$	402,416
Insurance	\$	37,823
Management Fee	\$	191,421
Asset Management Fee	\$	63,807
Total of Other Charges	\$	695,467

Earnings Before Interest Taxes and Amortizatic	\$	2,295,983
Less: Replacement Reserve	\$	255,228
Net Operating Income	\$	2,040,755



Board of Directors - 2012

President

Susan Walker

Hyde Park Herald

1st Vice President

Joyce Feuer

Joyce's Event &

Party Planning

2nd Vice President

Greg Guttman

MAC Property Management

Recording Secretary

Greg Teague

Teague, Knight & Assoc.

Country Financial

Treasurer

Ken Sticken

BankFinancial

Directors:

Mike Davis

The Entrepreneur's Source

Kirsten Esterly

Medici on 57th

James Hennessy

University of Chicago

Director, Commercial Real

Estate Operations

Denise Johnson

Museum of Science and

Industry

Brad Jonas

Powell's Bookstore

Pattie Kidwell

Chant

Noodles Etc.

Harry L. Parson III

Parson Enterprise

Jim Poueymirou

Wells Fargo Home Mortgage

Marc Pribaz

Istria Cafe

Snjezana Sego

Hyde Park Bank

Jeanne Spurlock

Century 21 Kennedy, Ryan &

Montgal

Past President

Greg Teague

Teague, Knight & Assoc.

Country Financial

Executive Director

Wallace E. Goode, Jr.

Edward Small, President

Smart Hotels LLC

3201 Enterprise Parkway, Suite 140

Beachwood, OH 44122

February 29, 2012

Dear Mr. Small:

On behalf of the Hyde Park Chamber of Commerce I would like to welcome Smart Hotels LLC to Hyde Park, founded in 1889 in Chicago, the Jewel on the Lake.

Smart Hotels LLC has made a wise investment by deciding to build in Hyde Park. We are a community of businesses, educators, organizations and residents committed to outstanding quality, exceptional excellence and world class leadership. Hyde Park is the home to the 44th president of the United States, Barack Obama and was the home of the 51st Mayor of Chicago, the Honorable Harold Washington, as well as to Louis Sullivan, Mahalia Jackson, Clarence Darrow and Mohammed Ali.

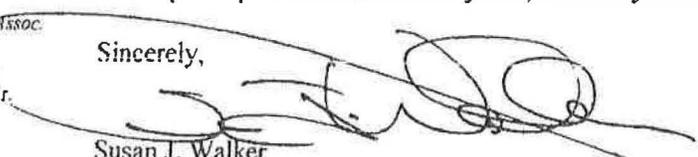
Since 1939, the Hyde Park Chamber of Commerce has played a major role in the development of the Hyde Park business community. With over two hundred members, the Chamber is committed to creating business opportunities, supporting responsible commercial development and to building strong, lasting business relationships.

As a new member of the Chamber, Smart Hotels LLC joins an organization that includes the internationally known Museum of Science and Industry, the DuSable Museum of African American History, the University of Chicago and Chicago's oldest newspaper, the Hyde Park Herald.

The Hyde Park Chamber of Commerce gives a voice to our small and home-based business members as well as networking opportunities for our start-up, new and expanding members.

The Chamber is committed to assisting our members in culturally enriching and successfully adding economic value to our community. We believe that Smart Hotels LLC will do just that. We welcome your arrival in Hyde Park, your membership in the Chamber and anticipate your active participation in our culturally rich, ethnically diverse Jewel on the Lake.

Sincerely,



Susan J. Walker

President

Board of Directors

Hyde Park Chamber of Commerce

Wallace E. Goode, Jr.

Executive Director

5501 S. Everett Ave., Chicago, Illinois 60637 773-288-0111 Fax: 773-288-0464

E-mail: contact@hydeparkchamberchicago.org Website: hydeparkchamberchicago.org



WILLIAM D. BURNS

ALDERMAN, 4TH WARD
435 EAST 35TH STREET
CHICAGO, ILLINOIS 60616
TELEPHONE: 773-536-8103
FAX: 773-536-7296



December 12, 2011

Andrew Mooney, Commissioner
Department of Housing and Economic Development (DHED)
121 North LaSalle Street
Room 1000
Chicago, Illinois 60602

Re: **Smart Hotels/Olympia Chicago, LLC Hotel Project; 5300 South Harper Avenue**

Dear Commissioner Mooney:

I am writing to express my support for the developer, Smart Hotels/Olympia Chicago, LLC's proposed hotel project at 5300 South Harper Avenue. The project development team has submitted an application for Tax Increment Financing (TIF) assistance from project PINs only located in the 53rd Street TIF to cover site acquisition and related TIF eligible costs. The TIF Advisory Council and Hyde Park community has approved a previous request from the project team and is in support of this project. I have no objection to the request for support from the 53rd street TIF for TIF eligible expenses.

I would appreciate your consideration and will work with your staff as the project moves forward through the legislative process. I believe that the project will improve the 4th Ward and the community by creating new job opportunities, increasing the City's tax base and furthering the goals of the 53th Street Redevelopment Project and Plan.

Thank you for your consideration. If you have questions, please contact me or my Chief of Staff, Lynda Korsah at (773) 536-8103.

Sincerely,

William D. Burns
Alderman 4th Ward

Cc: Mary Bonome - HED

**CITY COUNCIL
CITY OF CHICAGO
COUNCIL CHAMBER**

CITY HALL - ROOM 200
121 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60602
TELEPHONE 312-744-2890

COMMITTEE MEMBERSHIPS

COMMITTEES, RULES AND ETHICS
FINANCE
HOUSING AND REAL ESTATE
PEDESTRIAN AND TRAFFIC SAFETY
TRANSPORTATION AND PUBLIC WAY
WORKFORCE DEVELOPMENT AND AUDIT

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

RESOLUTION NO. __ - CDC -

**AUTHORIZATION TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH SMART HOTELS/OLYMPIA
CHICAGO, LLC**

**AND
RECOMMENDATION TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
FOR THE DESIGNATION OF SMART HOTELS/OLYMPIA
CHICAGO, LLC AS 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 __-CDC-__ and pursuant to the Act, enacted three ordinances on March 13, 2012 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the 53rd Street 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, Smart Hotels/Olympia Chicago, LLC (the "Developer"), has presented to the City's Department of Housing and Economic Development ("HED") a proposal for redevelopment of the Area or a portion thereof that is in compliance with the Plan, consisting of the construction of a Construction of approximately 84,000 square foot hotel, with approximately 131 rooms and 50 below-grade parking spaces (the "Project"); and

WHEREAS, HED requests that the Commission recommend to City Council that the Developer be designated as the developer for the Project and that HED 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 HED 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: _____, 200_

Attachment: Exhibit A, Street Boundary Description

EXHIBIT A

Street Boundary Description of the
53rd Street TIF Tax Increment Financing
Redevelopment Project Area

The Area is generally bounded by 50th Street on the north, Lake Park Avenue on the east, 55th Street on the south, and Woodlawn Avenue on the west.

