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 14th Day of December 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 14th Day of December 2004

XECUTIVE SECRETA

Jennifer Rampke

04-CDC-111

COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF CHICAGO

RESOLUTION NO. 04 CDC - 111

AUTHORITY TO PUBLISH NOTICE
OF THE INTENTION OF THE CITY OF CHICAGO (THE "CITY")
TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH
BICKERDIKE REDEVELOPMENT CORPORATION
FOR THE USE OF INCREMENTAL TAXES
AND/OR TAX INCREMENT FINANCING BOND PROCEEDS FOR THE
REDEVELOPMENT OF PROPERTY GENERALLY LOCATED WITHIN THE
DIVISION-HOMAN AND HUMBOLDT PARK T.I.F. REDEVELOPMENT PROJECT
AREA (THE "AREA")

AND

AUTHORITY TO PUBLISH A NOTICE OF THE INTENTION OF THE CITY TO ENTER INTO A NEGOTIATED SALE OF 8 CITY-OWNED PARCELS (THE "DISPOSITION PARCELS"), SUBJECT TO SURVEY, LOCATED WITHIN THE HUMBOLDT PARK AND WEST TOWN COMMUNITY AREAS

AND

TO REQUEST ALTERNATIVE PROPOSALS,

AND

TO RECOMMEND TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
THE DESIGNATION OF
BICKERDIKE REDEVELOPMENT CORPORATION
FOR THE SALE OF THE DISPOSITION PARCELS AND
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 (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 01-CDC-21 and pursuant to the Act, enacted three ordinances on July 13, 1999 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Greater Humboldt Park 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, Bickerdike Redevelopment Corporation (the "Developer"), has presented to the City's Department of Planning and Development ("DPD") a proposal for redevelopment of the site generally located at 3220 to 3232 and 3244 to 3250 W. Division St. within the Area that is in compliance with the Plan, consisting of the construction of a multifamily mixed-use development (the "Project"); and

WHEREAS, DPD has entered into discussions with the Developer concerning the sale and development of certain City-owned parcels (the "Disposition Parcels") located within the Area and as described in **Exhibit A**; and

WHEREAS, the Developer has submitted a project budget and evidence of having financial ability to complete the Project and DPD has reviewed these and found them to be satisfactory; and

WHEREAS, the Developer has proposed to pay one dollar per parcel as consideration for the purchase of the Disposition Parcels; and

WHEREAS, DPD has review this proposal and has found it to be satisfactory and in conformance with the Plan; and

WHEREAS, pursuant to Section 5/11-74.4-4(c) of the Act, the City may not enter into any agreement relating to the development of City-owned property 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 a public notice substantially in the form set forth as **Exhibit B** hereto (the "Notice") be published at least once for three consecutive weeks in at least one Chicago metropolitan newspaper, inviting alternative proposals from other developers who will have a period of not less than thirty (30) days after the first publication of the public notice in which to submit a responsive proposal; 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, if no responsive alternative proposals are received by DPD within thirty (30) days after publication of the first Notice or, if alternative proposals are received and DPD, in its sole discretion determines that the Developer's Project is the best proposal; now, therefore,

BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF CHICAGO:

<u>Section 1.</u> The above recitals are incorporated herein and made a part hereof.

<u>Section 2.</u> The Commission hereby authorizes DPD to publish the Notice.

Section 3. 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, so long as no responsive alternative proposals are received by DPD within the time recited above or, if alternative proposals are received and DPD in its sole discretion determines that the Developer's Project is the best proposal.

Section 4. DPD is hereby authorized to advertise the City's intent to negotiate the sale and redevelopment of the Disposition Parcels and to request responsive alternative proposals.

Said proposals must be submitted in writing to Denise Casalino,
Commissioner, Department of Planning and Development, Attn:Danita
Childers, City Hall- Room 1006, 121 North LaSalle Street, Chicago,
Illinois 60602 within 30 days of the date of the first publication of the
Notice and shall contain names of parties, offer prices for the Disposition
Parcels, evidence of financial qualifications, and a timetable for
redevelopment before said proposal will be considered.

- Section 6. In the event that no responsive proposals are received at the conclusion of the advertising period, or if alternative proposals are received and DPD in its sole discretion determines that the Developer's Project is the best proposal, then the sale of the land described in Exhibit A shall be recommended to the City Council without further Commission action.
- Section 7. 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 8. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.
- Section 9. This resolution shall be effective as of the date of its adoption.
- <u>Section 10.</u> A certified copy of this resolution shall be transmitted to the City Council.

ADOPTED: December 14, 2004

Attachments: Exhibit A, PINs and Street Addresses of Disposition Parcels and TIFs Areas

Street Boundary Description

Exhibit B, Form of Notice Requesting Alternative Proposals

CITY OF CHICAGO DEPARTMENT OF PLANNING AND DEVELOPMENT COMMUNITY DEVELOPMENT COMMISSION DECEMBER 14, 2004

SUMMARY SHEET

ACTION REQUESTED:

- 1. Authority to advertise the City of Chicago's intention to negotiate a redevelopment agreement with Bickerdike Redevelopment Corporation for the use of Tax Increment Finance proceeds for the redevelopment of 10 parcels within the Division/Homan TIF and the Humboldt park TIF Redevelopment Project Areas
- 2. Authority to provide tax increment financing assistance and to negotiate a redevelopment agreement with Bickerdike Redevelopment Corporation for the conveyance of 8 city-owned parcels
- 3. Request Alternative Proposals
- 4. Recommend to the City Council of Chicago the designation of Bickerdike Redevelopment Corporation for the sale of the disposition parcels and as the developer if no other alternative proposals are received

PROJECT AND TYPE OF PROJECT:

The project is seeking TIF funding approval and the sale of city-owned parcels to Bickerdike Redevelopment Corporation for the development of a multi-family affordable mixed-use development.

LOCATION:

The properties are regular shaped and are located within the Division/Homan and Humboldt Park TIFs.

Address	PIN	TIF	
2749 W. Division St.	16-01-400-002	Humboldt	
2753 W. Division St.	16-01-400-001	Park	
3222-32 W. Division	16-02-228-027 to 030		
3220 W. Division St.	16-02-228-031	Division/	
3250 W. Division St.	16-02-228-021	Homan	
3246 W. Division St.	16-02-228-022]	
3244 W. Division St.	16-02-228-023		

DEVELOPER:

Bickerdike Redevelopment Corporation

APPRAISED VALUE:

Pending

SALE PRICE:

One dollar per parcel

ASSISTANCE:

The Department of Planning and Development proposes a significant assistance in the form of a land write down and TIF financing. The City land will be sold for \$1 per parcel representing a land write down of \$2,079,992 from the appraised value of \$2,080,000. The TIF assistance will be \$1,555,485. The Total City assistance is therefore \$3,635,477 or 19% of the Total Project Costs.

WARD & ALDERMAN:

Ward 26th, Alderman Billy Ocasio

PUBLIC BENEFITS:

The creation of 57 quality- affordable rental units and 12,585

sf of affordable commercial space.

The creation of jobs through the creation of retail space in the

area.

The development of 8 city-owned vacant parcels into a

productive use.

M/WBE:

This project will provide participation of M/WBE businesses

in the redevelopment of the properties.

COMMUNITY OUTREACH:

On November 22, 2004 the Alderman Billy Ocasio hosted a

community meeting at the Humboldt Park Field House with

more than 70 area residents.

Alderman Billy Ocasio, Congressman Luis Gutierrez, State Senator Miguel del Valle, State Representative Cynthia Soto and the community strongly support the redevelopment of the

properties.

ISSUES:

N/A

CITY OF CHICAGO DEPARTMENT OF PLANNING AND DEVELOPMENT COMMUNITY DEVELOPMENT COMMISSION DECEMBER 14, 2004

STAFF REPORT

MADAME CHAIRMAN AND MEMBERS OF THE COMMISSION:

The resolution before you requests the following actions:

- 1. The authority for the Department of Planning and Development to advertise the City of Chicago's intention to negotiate a redevelopment agreement with Bickerdike Redevelopment Corporation for the use of Tax Incremental Finance proceeds for the redevelopment of 10 parcels within the Division/Homan TIF and the Humboldt Park TIF Redevelopment Project Area
- 2. The authority to provide tax increment financing assistance and to negotiate a redevelopment agreement with Bickerdike Redevelopment Corporation (for the sale and redevelopment of 8 city-owned parcels).
- 3. The authority to request alternative proposals; and
- 4. The authority to recommend to the City Council of Chicago the designation of Bickerdike Redevelopment Corporation for the sale of the disposition parcels and as the developer if no other alternative proposals are received

PURPOSE OF RESOLUTION:

The purpose of this resolution is to provide TIF assistance to the Developer for the development of 2547 to 2559 W. Division St., 3220 to 3232 W. Division St. 3250 and 3244-3246 W. Division St. and for the conveyance of 8 city-owned parcels.

BACKGROUND:

In 1999 the Greater Humboldt Park Redevelopment Project Area Plan was created by DPD in conjunction with the Humboldt Park Empowerment Partnership (HPEP) and the Near Northwest Neighborhood Network (NNNN) community organizations. The Plan calls for the revitalization of Division Street through the creation of mixed use developments with an affordable housing component between Western and Central Park Avenues.

In response to the plan, the City acquired 8 parcels along Division Street that have been put on hold since July 14, 2004 on behalf of Bickerdike Redevelopment Corporation until the organization could secure funding for the proposed mixed-use development of La Estancia.

PROJECT SUMMARY:

Developer and Development team

Bickerdike Redevelopment Corporation and its subsidiaries will perform all site preparation, financing and marketing of the proposed mixed-use development.

Bickerdike Redevelopment Corporation (BRC) is a 36 year old non-for-profit community development organization that serves the West Town, Humboldt Park, Logan Square and Hermosa communities for the benefit of and control by the lower and moderate-income residents of those areas through the development of affordable housing, economic development assistance and community organizing activities.

Bickerdike Apartments is the property management subsidiary of BRC and will manage the proposed 57 affordable units of La Estancia and will lease the commercial space to Division Street Business Development Association (DSBDA). Bickerdike Apartments oversees a portfolio that includes 774 units of quality housing on 99 sites. The properties range from single room occupancy studios (SROs) to co-op units, to townhouse apartments. The majority of the managed units contain three or more bedrooms to accommodate the community's need for large family units.

Humboldt Construction Company (HCC) was created in 1981 as a wholly owned subsidiary of Bickerdike to link development activity to the creation of skilled job opportunities for community residents. Humboldt Construction Company is a minority certified (MBE) general contractor that employs 20 to 30 carpenters at any given time, and more than 50 workers have made their way through the apprenticeship program and into skilled jobs elsewhere.

HCC works with the Carpenter's Union giving local low income residents access to otherwise difficult to obtain union apprenticeships and employment, preparing workers for success at living wage jobs beyond our organization. HCC is a member of the Chicago and Northeast District Council of Carpenters.

HCC employs local and minority subcontractors, providing free technical assistance to help them develop their businesses so they can provide quality construction services in their trade, build their companies and create more jobs for area residents. Over 75% of the work generated by HCC is performed by these local minority subcontractors. Additionally, HCC prioritizes utilizing local suppliers in all aspects of its construction work. HCC's work with local subcontractors and suppliers helps keep dollars circulating in the local economies of our communities.

HCC is a fully insured company with bonding capacity of \$25 million dollars. Over this past decade, HCC has performed over \$45 million in construction contracts, including the new construction and substantial rehabilitation of 57 residential and 2 commercial buildings. HCC's impeccable track record of job performance and local hiring make it a centerpiece of Bickerdike's economic development work.

Division Street Business Development Association (DSBDA) is a subsidiary of the HPEP/NNNN community organization and will market and manage all the commercial space in the new development. La Estancia will include 12,585 of commercial space in three buildings, Bickerdike will own the residential and commercial space. Bickerdike Apartments will manage the residential

space and will lease the commercial space to Division Street Business Development Association.

DSBDA has received a planning grant from the New Communities Program, and is working to create a plan for the promotion of the economic and cultural development of the Latino community in Humboldt Park through La Estancia, to create affordable opportunities for small business, and to encourage stabilization of the commercial area for the benefit of the local community.

DSBDA is currently surveying the community and meeting with local businesses to determine a targeted mix for the commercial space, which will include local businesses and perhaps national chains. DSBDA will have a complete marketing and organizational management plan for La Estancia in early 2005.

Development Site

The proposed development sites are located along Division Street within an area consisting predominately of mixed-used commercial/residential buildings. Two parcels are currently zoned to allow the construction of the proposed development and one will require zoning change.

The eastern portion of the development has been acquired by Bickerdike on September 26, 2004 and is located at 2749 to 2753 W. Division St within the Humboldt Park TIF Redevelopment Project Area. The other two parcels were acquired by the City and are located at 3220 to 3232 W. Division St. and 3244 to 3250 W. Division St. within the Division/Homan TIF Redevelopment Project Area. See site profile Exhibit A

Project Description

Residential units

The developer is proposing to construct 3 new 4 story buildings that include 57 affordable mixed-use residential units. The rental units will include 1 to 4 bedrooms to accommodate large families earning 50% of the AMI. The Department of Housing has approved the proposed rents that will range from \$455 to \$705. See Exhibit II

Commercial space

La Estancia will include 12,585 square feet of affordable commercial space in three buildings, Bickerdike will own the residential and commercial space. Bickerdike Apartments will manage the residential space and will lease the commercial space to Division Street Business Development Association (DSBDA) who will manage and create affordable opportunities for small business, encouraging stabilization of the commercial area for the benefit of the local community. DSBDA is currently surveying the community and meeting with local businesses to determine a targeted mix for the commercial space, which will include local businesses and possibly national chains. DSBDA will have a complete marketing and organizational management plan for La Estancia in early 2005. Bickerdike anticipates that will keep both the residential and the commercial spaces affordable for perpetuity.

Deal Structure

The Department of Planning and Development proposes \$ 1,555,485 in TIF assistance to help finance the development of 57 affordable rental units and about 12,585 sq. ft. of commercial space. This subsidy will assist in the extraordinary costs of developing these buildings on two different sites, in two different TIFs.

The City will convey the land to the Bickerdike Redevelopment Corporation for \$1 per parcel this represent a land write down of 2,079,992 from a total appraise value of 2,080,000. The eight properties are located at 3220 to 3232 W. Division St. and 3244 to 3250 W. Division St. and have been put on hold for the Department of Housing on behalf of Bickerdike Redevelopment Corporation for the development of La Estancia.

The Total City assistance in the form of Financing and Land Write Down totals \$3,635,477 which represents 19% of the Total Project Cost of \$17,068,137 plus the appraised value of the city-owned parcels which is \$2,080,000.

The development site at 2749-61 W. Division is located in the Humboldt Park Commercial Redevelopment Project Area. The two buildings to be constructed at 3220-32 and 3248-52 W. Division are located in the Division/Homan Redevelopment Project Area.

The Developer is using multiple sources to assist in financing this deal including, DOH Tax Credits, Federal Home Loan, DOH Loan, and IHDA Tax Credits. DOH is committing \$7,004,437 in HOME funds for the above-mentioned development. The tax credit equity generated will be \$7,438,215. See Sources and Uses.

DPD proposes to distribute TIF assistance as follows:

\$ 750,000	2006	Distributed at Certificate of Completion
\$ 201,371	2007	
\$ 201,371	2008	
\$ 201,371	2009	
\$ 201,372	2010	
\$1,555,485		

Upon Certificate of Completion DPD proposes to pay the Developer \$750,000 from increment available in the Humboldt Park Redevelopment Project Area. The remaining TIF amount will be distributed in the following four years for approximately \$200,000 each year which will total \$1,555,485. These funds will be paid from increment available in the both the Humboldt Park Commercial and Division/Homan TIFs. The two sites will generate approximately \$555,485 in tax increment over the life of these two TIFs. The developer has also applied for Cook County Class 9 tax assessment incentive. Without TIF assistance, completion of this project would not be feasible. For a relatively low amount of assistance the TIF will assist in the Development of 57 units of affordable housing.

Sources	7 004 437	41.007
DOH - Home	7,004,437	41.0%
IHDA Trust Fund	750,000	4.4%
Syndication	7,438,215	43.6%
State Donations Tax Credits	320,000	1.9%
Bridge Loan (Northern Trust)	1,555,485	9.1%
Total	\$17,068,137	100.0%
Uses		
Acquistion /Predevelopment		
Land Acquisiton (eight city-owned parcels)	8**	
Land Acquisiton (two privately- owned parcels)	1,200,000	\$80.91/Sq.Ft
Pre-Development Fees	128,500	, <u>1</u>
Sub-Total	1,328,508	
Site Prep	5,200	
Construction	12,882,458	\$117.96 / Sq. Ft.
Construction Contingency	638,393	
Bond Fee	127,679	
Construction Period Taxes	25,000	
Cosntruction Period Insurance	80,000	
Title and Recording	30,500	
Security	7,500	
ALTA Survey & As Built	7,200	
Tax Escrow	50,000	
Insurance Escrow	80,000	
Sub-Total	\$13,933,930	\$127.59 / Sq. Ft.
Soft Costs		
Marketing 0.4%	75,000	
Architect Fee 2.0%	338,500	
Construction Review 0.0%	6,000	
Permit and Zoning 0.1%	15,500	
Legal 0.4%	75,000	
Accounting / Audit 0.1%	20,000	
Syndication Legal 0.1%	22,000	
Application Fees 0.0%	1,500	
Devloper Fee 5.9%	1,000,000	
TIF Deficit Reserve 0.7%	120,000	
Initial Operating Reserve 0.8%	132,199	
Sub-Total	\$1,805,699	
Total	\$17,068,137	

^{* 109,208} Sq. Ft. Constructed

ENVIRONMENTAL FEATURES

Since this proposal will require TIF funding and includes more than 20% affordable residential units, the development must comply with DOH criteria.

CONFORMANCE WITH THE PLAN

The project conforms to the goals, objectives and strategies of the Division/Homan and the Humboldt Park TIF Redevelopment Project Area Plans. The project complies with the overall goal of the plan which is to create a cohesive vibrant mixed-use, mixed-income community. The development of La Estancia will put the vacant city-owned and privately owned property into a more productive use.

^{* 14,830} Sq. Ft. Land Acquisition

^{**} Appraised Value of City Parcels = \$2,080,000

COMMUNITY OUTREACH

The Alderman Billy Ocasio and the community strongly support the proposed development. Letters of support are attached. On November 22, 2004 the Alderman Ocasio hosted a community meeting at the Humboldt Park Field House.

PUBLIC BENEFITS

Project Benefits

The development of La Estancia will create 57 quality-affordable rental units and 12,585 sf of affordable commercial space.

The redevelopment of vacant parcels into a productive use.

The creation of affordable retail space in the area will create new jobs;

- -Humboldt Construction Company will employ 25 union construction workers during the construction phase.
- -Bickerdike Apartments will create 1.5 ongoing full time administrative property management positions and 1.5 ongoing full time janitorial and maintenance positions.
- -In addition, the commercial space of La Estancia is projected to create at least 9 full time positions, depending on the type of businesses that occupy the commercial spaces.

MBE/WBE Benefits

The developer has sent letters of notification of the upcoming project via <u>Certified mail</u> to eight Contractor's Association suggested by the City of Chicago. The Developer will also take the following steps to ensure that MBE/WBE participation requirements are met for the aforementioned project:

- -Take all competitive bids under consideration and select the minimum of 24% MBE and 4% WBE subcontractors to complete this project; and
- -Meet with any association requesting additional information concerning the project

The Department of Planning and Development respectfully requests your approval of the resolution before you seeking authority to enter into a redevelopment agreement with Bickerdike Redevelopment Corporation for the parcels located at 2547 to 2559 W. Division St., 3220 to 3232 W. Division St. 3250 and 3244-3246 W. Division St.; to provide tax increment financing assistance and to negotiate a redevelopment agreement; to request alternative proposals; and to recommend to the City Council the designation of Bickerdike Redevelopment Corporation as the developer of the eight city-owned parcels if no responsive proposals are received.

Exhibit I. Site Profile

Affordable Rental Housing

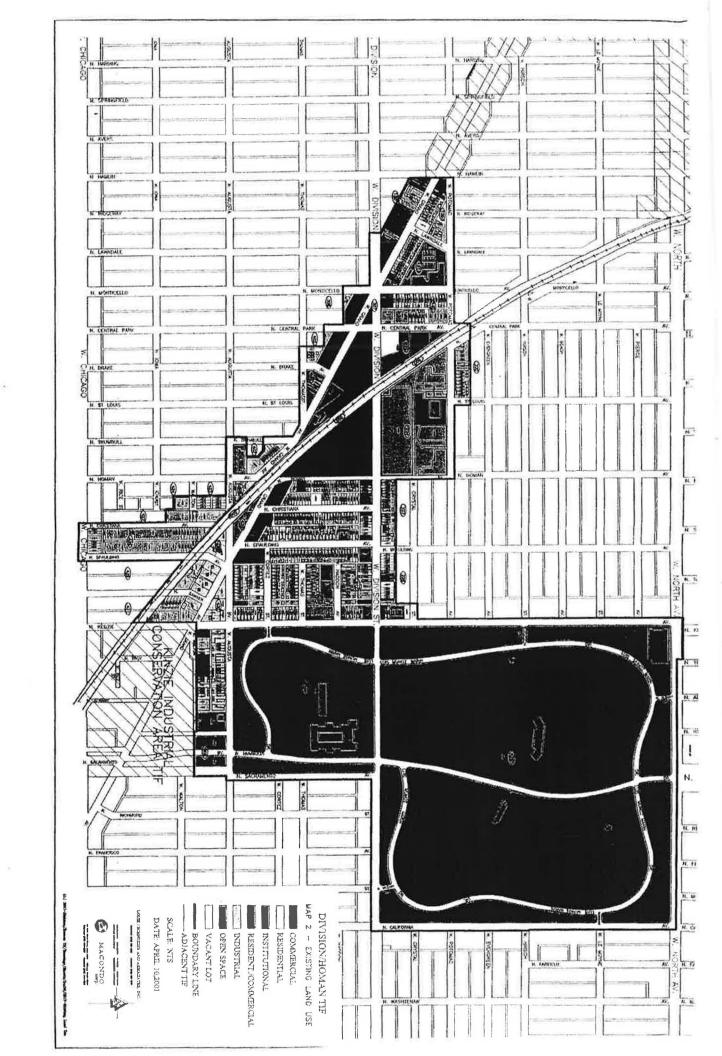
Unit type	Number of units	Proposed Rents	Square foot per unit
one-bedroom units	9	\$460	618 to 620 sf
two bedroom units	21	\$535	840 to 915 sf
three-bedroom units	21	\$555	1095 to 1265 sf
four bedroom units	6	\$650	1365 to 1400 sf
Total	57		

Exhibit II City owned parcels

	Address	PIN	Acquisition date	Amount	SF	TIF
Building 1	3222-32 W. Division	16-02-228-027 to 030	September 26, 2002	\$550,000	15,500	
(18 units)	3220 W. Division St.	16-02-228-031	June 26, 2002	\$200,000	3,100	
Building 2	3250 W. Division St.	16-02-228-021	April 7, 1982	\$3,933.36	3,100	Division/
(9units)	3246 W. Division St.	16-02-228-022	August 6, 1973	\$1,413.00	3,100	Homan
	3244 W. Division St.	16-02-228-023	July 19, 2001	\$3,500.00	3,100	
			Total	\$758,846	27,900	

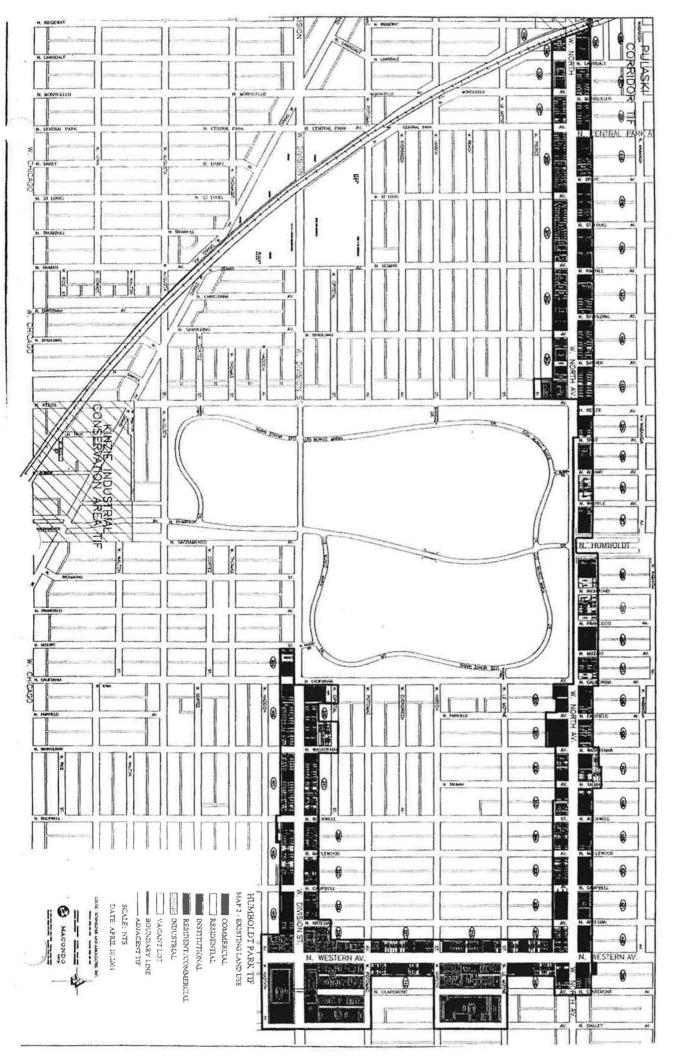
Properties acquired by Bickerdike Redevelopment Corporation

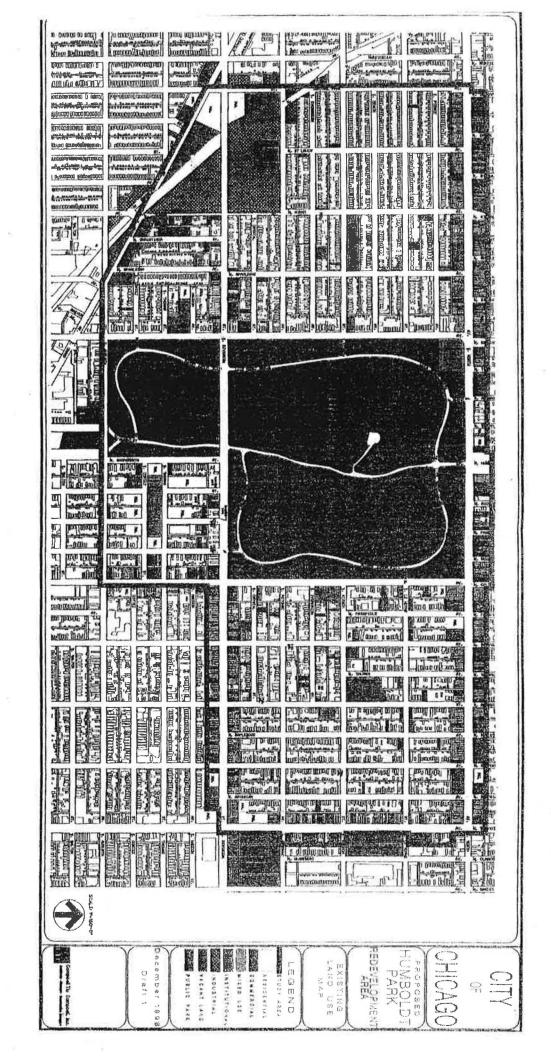
	Address	PIN	Acquisition date	Amount	SF	TIF
Building 3 2753 W. Division St. 2749 W. Division St.	16-01-400-001	September 29, 2004		11,815		
	2749 W. Division St.	16-01-400-002	September 29, 2004	\$1,200,000	3,015	Humboldt Park
			Total	\$1,200,000	14,830	1



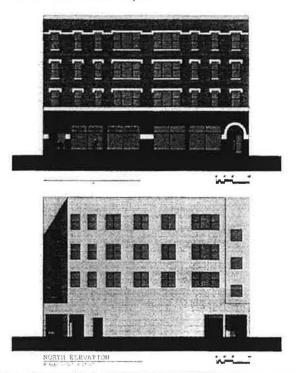
)

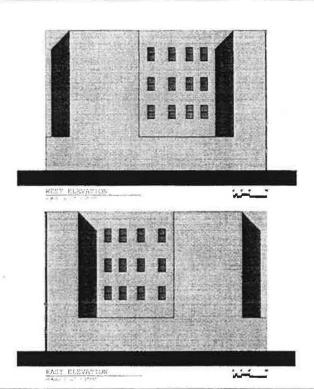
,

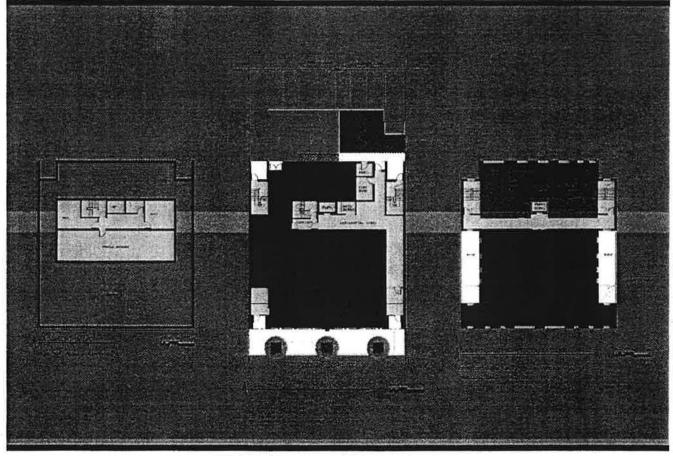




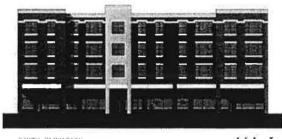
Bickerdike Redevelopment







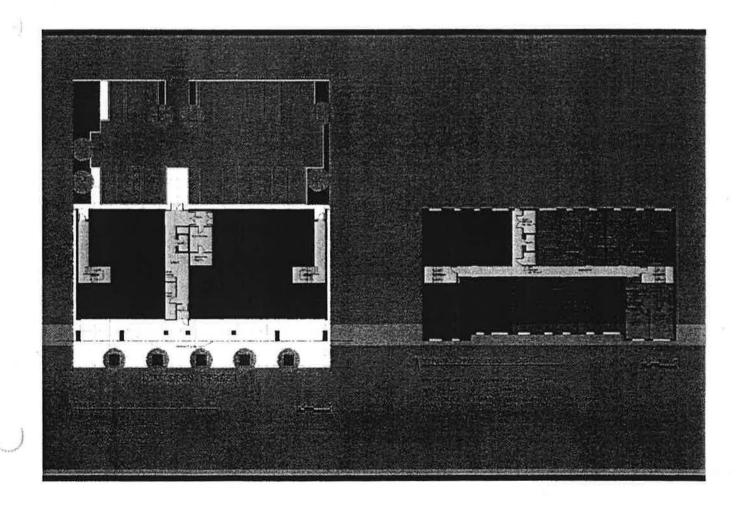
Bickerdike Redevelopment





SOUTH ELEVATION





Bickerdike Redevelopment

