

**City of Chicago
Department of Planning and Development**

**STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
REGARDING THE
DESIGNATION OF DEVELOPER
July 12, 2016**

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name: Paul G. Stewart Apartments Phase III Tower

Applicant Name: PGS Bronzeville III Limited Partnership

Project Address: 401 East Bowen Avenue

Ward and Alderman: 3rd Ward – Alderman Pat Dowell

Community Area: Grand Boulevard

Redevelopment Project Area: 47th and King Drive TIF Redevelopment District

Requested Action: Up to \$4,299,179 in TIF financing and the designation of developer.

Proposed Project: The proposed project is the substantial rehabilitation of the Paul G. Stewart Phase III building, which was originally built in 1976. The building contains 180 units, in a 20-story tower, for independent seniors. All units are for seniors whose incomes are at or below 60% of area median income. All 180 units are covered by an existing project-based, Section-8 contract. The building contains 45 studio apartments and 135 one-bedroom apartments. Parking will be open surface parking at the rear of the building for 70 cars. The facility will have 24-hour on-site management, versatile community rooms, lounges, a warming kitchen, library, TV/media room and laundry room. Support services will include planned monthly activities, wellness and health fairs, coordination of support services, grocery

delivery, and pharmacy delivery. This project was approved as a Planned Unit Development Number 99, on June 22, 1973.

TIF Assistance: Up to \$4,299,179. The TIF funds will be disbursed in the following manner: 33% of the funds will be disbursed at 33% construction completion, 33% of the funds will be disbursed at 66% construction completion, and the balance, 34%, \$1,461,721, will be disbursed at issuance of the Certificate of Completion (COC). This portion of the TIF payout will be covered by a Bridge loan, until the issuance of the COC.

II. PROPERTY DESCRIPTION

Address: 401 East Bowen Avenue

Location: Southeast corner of Bowen Avenue and Martin Luther King Jr. Drive.

Tax Parcel Numbers: 20-03-216-033;
20-03-216-034

Land Area: 2.0852 acres / 90,833 square feet.

Current Use: Residential property.

Current Zoning: Residential Planned Development #99 Approved by City Council on June 22, 1973.

Proposed Zoning: Not Applicable

Environmental Condition: Environmental Clearance was ordered on May 23, 2016. The project will have to receive the City's environmental clearance approval prior to the closing of this transaction.

III. BACKGROUND

The Paul G. Stewart (PGS) campus was constructed in five phases between about 1975 and 1996. PGS I and II, a total of 420 units, have been re-financed and substantially rehabilitated. The rehabilitation was completed in February 2009. PGS III (180 units) was constructed in 1976

and was re-financed in about 2000 under the HUD mark-to-market program for which the City was the Participating Administrative Entity. PGS V (96 units) was constructed around 1996. Phases IV and V are the only phases with family units

PGS IV (187 units, 90 family and 97 senior) was constructed in 1982. The rehabilitation of PGS IV has been broken into three phases—A-1, A-2, and B. Phase IV A-1 included demolishing 60 of the 90 town homes and a 2,000 square foot community center, and rebuilding 66 units into four three story walk-up buildings; and expanding the existing community center from 2,972 square feet to 5,144 square feet. Phase IV A-1 closed in June 2011 and construction has been completed. The developer received DPD 9% LIHTC for Phase IV A-2, the reconstruction of the remaining 24 units in September, 2013. The construction has been completed. Phase IV B was the rehabilitation of an 11-story, 97-unit building for independent seniors. That development received CDC approval for TIF funding in the amount of \$2.6 million dollars in January of 2012.

Paul G. Stewart Apartments Phase III Tower, the subject of the attached resolution, consists of the extensive rehabilitation of 180 senior units. The 20-story building is located at 401 East Bowen Avenue and its redevelopment is essential to the preservation of affordable project based Section 8 senior housing.

The project is located on the Southeast corner of Bowen Avenue and Martin Luther King Jr. Drive, in the Grand Boulevard Neighborhood. It is located on regular bus routes and is near two rapid transit stations and there are two area parks within four blocks. There is a brand new Marino's grocery store within two blocks distance, pharmacy and medical facilities within two miles of the project. There are three public schools within one mile of the project. The project is 1.23 miles from the Lake Michigan lakeshore and 1.6 miles from Cellular Field. There is a map with the areas marked included in the exhibits.

The subject community is a part of the Chicago South Lakefront community, in the 60653 area zip code. The population in this zip code was estimated at 14,236 in 2013 with an average household size of 2.18 persons. It is estimated that by 2018 the population will be approximately 15,055 with an average household size of 2.16 persons. The average household income was estimated in 2013 to be \$24,207, with the 2018 average household income projected to be \$23,999.

The major institutions in this area are Mercy Hospital at the far north end of the market, Illinois Institute of Technology along the western border between 31st and 35th Streets, and University of Chicago Hospitals which are located south of this community in the neighboring Hyde Park community.

Lake Michigan is the dominant recreational use in this market and forms the entire eastern border. A significant number of improvements have been done, including the new boat harbor and beaches at 31st Street and Lake Shore Drive. Cellular Field, home of the Chicago White Sox,

is located just west of the market at 35th Street and the Dan Ryan expressway. Jackson Park and South Shore Golf Courses are located in the southeast portion of the market in the South Shore community.

Downtown Chicago Can be reached in minutes via Lake Shore Drive on its eastern edge and the Dan Ryan Expressway on the western edge. Public transportation is available with the CTA having rapid transit stations throughout the market. CTA buses run along most of the major arterial streets. The Metra Electric line runs along the eastern edge with primary stops at 55th, 59th and 63rd Streets providing access to the downtown Loop and south suburbs.

IV. PROPOSED DEVELOPMENT TEAM

Development Entity: PGS Bronzeville III Limited Partnership, an Illinois limited partnership, will be the ownership entity of the development. Grand Boulevard Housing IV, LLC will be the General Partner with a 99% ownership interest and Fred Bonner, who will be replaced by the equity investor, is the 1% Limited Partner. The Managing Member of the General Partner will be Peoples Co-Op for Affordable Elderly Housing with an 81% ownership interest and the other Member will be Bronzeville Housing and Community Development Corporation, with a 19% ownership interest. Bronzeville Housing and Community Development Corporation is a 501 © 3 entity.

Experience: Peoples Consumer Co-Operative has been responsible for the construction and oversight of all five phases, 898 units, of the PGS Campus. The CEO, Fred Bonner has over 40 years of experience in affordable housing consulting, developing, constructing, rehabilitating and managing. Mr. Bonner has worked with many government and private financing sources including HUD-insured loans, tax-exempt bond financing, secondary financing from the City, HOME and CDBG funds, IHDA, and CHA HOPE VI funds as well as equity sources provided through the sale of Low Income Housing Tax Credits.

Other development team members include:

General Contractor	Linn-Mathes, Inc.
Design and Supervising Architect	Lisec Architects, LLC
Project Attorney	Kutak Rock
TIF Consultant	Johnson Research Group, Inc.
Appraiser/Market Study	Appraisal Research Counselors
Phase I Environmental	EMG, Inc.

V. PROPOSED PROJECT

Project Overview:

The proposed project is the substantial rehabilitation of the Paul G. Stewart Phase III building, which was originally built in 1979. The building contains 180 units, in a 20-story tower, for independent seniors. The scope of the rehab includes new mechanical systems, new windows, and new kitchens and baths. The rehab will incorporate green initiatives such as greater insulation and highly efficient energy systems. The building's exterior will undergo extensive exterior masonry repairs as mandated by the City's critical façade inspection.

Residential Unit Profile: The following table provides a detailed description of the proposed project. All of the units will be available to tenants whose incomes are at or below 60% AMI.

Unit Type	Gross Square Feet	Number of Units	Monthly Rent*	Area Median Income
Studio	530	19	\$760	0-30%
Studio	550	26	\$760	51-60%
1 Bedroom	550	15	\$772	0-30%
1 Bedroom	550	48	\$772	51-60%
1 Bedroom	750	20	\$983	0-30%
1 Bedroom	750	52	\$983	51-60%
TOTAL		180		

*Paul G. Stewart Phase III has an existing project-based Section 8 contract. A 20 year renewal of this contract is currently underway through HUD, and is expected to be approved and signed-off on by 07/30/16. The rent received by the owner under the Section 8 project-based assistance may exceed the rents required under the Low-Income Housing Tax Credit program, as long as the household pays no more than 30% of its adjusted income for rent. Should the Section 8 project-based contract be terminated, the owner would be required to keep all 180 units affordable to seniors at or below 60% of the area median income.

VI. FINANCIAL STRUCTURE

For the project, HED proposes to provide up to \$4,299,179 in Tax Increment Financing (TIF). TIF assistance will represent 12.75% of the total project sources and is anticipated to be used to reimburse the developer for TIF eligible expenses related to the rehabilitation of the affordable

units. TIF assistance will be provided entirely from area-wide increment generated within the 47th and King TIF.

Other funding sources proposed by the developer include \$1,167,189 in 4% Low Income Housing Tax Credits (LIHTC's) issued by the City of Chicago. Approximately \$12,140,086 in equity is expected to be generated from the issuance of the 4% LIHTC's, which represents 36.00% of total project sources; DPD HOME funds in the amount of \$2,492,624, which represents 7.39% of total project sources; assumption of current mortgage debt on the property of \$2,291,234, which represents 6.80% of total project sources; \$180,000 from a reserve fund; a general partner equity contribution of \$100 and a deferred developer fee of \$1,719,191. The developer has engaged P/R Mortgage and Investment to provide a FHA-insured permanent first mortgage loan of \$10,596,000 which represents 31.42% of project sources. The loan is anticipated to carry an interest rate of 5.00% for a term of 40 years plus the construction period of 17 months.

Sources and Uses of Funds

<u>Sources</u>	<u>Amount</u>	<u>% of total</u>
Tax Credit Equity	\$12,140,086	36.00%
P/R Mortgage & Investment	\$10,596,000	31.42%
DPD HOME Funds	2,492,624	7.39%
TIF provided during construction	\$ 4,299,179	12.75%
Assumption of Debt	\$ 2,291,234	6.80%
Deferred Developer Fee	\$ 1,719,191	5.10%
Existing Reserve Funds	\$ 180,000	.54%
General Partner Capital	\$ 100	less than 1%
Total Sources	\$33,718,414	100.00%

<u>Uses</u>	<u>Amount</u>	<u>\$/sf of Building**</u>
Construction Costs	\$18,188,583	\$103.92 psf
Contingency (10% of construction costs)	\$ 1,816,148	\$ 10.38 psf
Total Hard Costs	\$20,004,731	\$114.30 psf
Soft Costs		
Acquisition (payoff 1 st Mtg. & HUD 2 ND & 3 rd Mtgs.) (12% of total costs)	\$4,159,505	
Developer Fee (3% of total costs)	\$1,000,000	
Reserves (5% of total costs)	\$1,649,195	
Legal Fees (9.8% of hard costs)	\$ 252,000	
Bond Fees (Underwriter, rating, Trustee)(.81% of ttl)	\$ 271,940	
Bond Issuer Fee (.72% of total costs)	\$ 244,440	
Bond Legal Fees (.50% of total fees)	\$ 169,250	

Lender Fees (1.51% of total fees)	\$ 510,628	
Construction Interest (3.58% of total costs)	\$1,207,298	
Construction Period Interest (1.8% of total costs)	\$ 230,354	
Architect and Engineer (1.71% of total costs)	\$ 577,207	
Tenant Relocation(1.9% of total costs)	\$ 412,725	
Deferred Developer Fee (5.10% of total costs)	\$ 1,719,191**	
Insurance and Taxes during Construction (.97% of ttl)	\$ 328,640	
Fixture, Furniture & Equipment (.78\$ of total costs)	\$ 262,252	
Other Soft Costs	\$ 719,058	
Total Soft Costs (40.67% of total costs)	<u>\$13,713,683</u>	<u>\$ 78.35 psf</u>
Total Uses	\$33,718,414	\$192.65 psf

*Gross building area is 175,020 sq. ft.

** Deferred Developer Fee: the developer has been allowed to calculate this amount of deferred developer fee in order to generate more 4% Low-Income Housing Tax Credits, thereby increasing the amount of syndicated equity for this development. However, the receipt of this deferred fee must come from the net income of the operations of the development. If the project does not generate enough net income for the developer to receive this fee, the developer will not receive the deferred amount.

VII. PUBLIC BENEFITS

The proposed project will provide the following public benefits.

Affordable Housing: The project will provide for the preservation of 180 affordable rental housing units for independent seniors in studio and one bedroom units, 100% of the units are under a project based Section 8 contract.

Environmental Features: Environmentally friendly features have been incorporated into the rehabilitation of the building itself and the site, including roofing materials with high solar reflectance index, direct vent high efficiency (90% AFUE) boilers, zoned heating and cooling for first floor spaces and second floor activity rooms, high efficiency hot water heater with 0.65 EF rating, insulated cold water piping, storm water detention and release system to meet City requirements, irrigation system with efficient distribution, planting beds with organic mulch.

Permanent Jobs: The project is estimated to generate 6 full-time permanent jobs as follows: 1 Site Manager full time, 2 Social Service Coordinators full time, 2 Maintenance workers full-time, and 1 full time Management Supervisor. The department's workforce development specialists will work with the developer on job training and placement.

Construction Jobs: The project will produce 49 temporary construction jobs.

Affirmative Action: The developer and the general contractor will comply with the requirements of Chicago's affirmative action ordinance, which requires contract participation of 26% by minority-owned business enterprises (MBEs) and 6% by woman-owned business enterprises (WBEs). The developer has provided notification of the proposed project, by certified mail, to eight associations of minority contractors 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 and the general contractor will comply with the requirements of Chicago's city residency ordinance which requires that at least half of construction-worker hours be filled by Chicago residents. The developer will also comply with the requirements that all construction jobs are paid the prevailing wage.

VIII. COMMUNITY SUPPORT

Alderman Dowell endorses the project and has provided a letter of support (see exhibits).

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The proposed project is located in the 47th and King Drive Tax Increment Financing Redevelopment Project Area. The proposed project will satisfy the following goals of the area's redevelopment plan: The project supports the goals and objectives of the 47th and King Drive TIF District and Redevelopment plan by fostering development in a blighted area. The project also provides affordable housing units for very low income, low income, and moderate income households.

The implementation strategy for achieving the plans goals envisions the need to provide TIF financial assistance for the development of affordable residential rental units. The proposed project also conforms to the plans land use map, which calls for development of affordable residential rental units at the subject site.

X. CONDITIONS OF ASSISTANCE

If the proposed resolution is approved by the CDC, DPD 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 DPD policy that no business will be conducted with a development entity who 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 redevelopment agreement will not occur before the City Council has approved the agreement, the developer has obtained all necessary City approvals including zoning and building permits, and the developer has presented proof of financing. The redevelopment agreement will include a development timetable.

XI. RECOMMENDATION

The Department of Planning and Development has thoroughly reviewed the proposed Project, the qualifications of the development team, the financial structure of the project, its public benefits, and the project's conformance with the redevelopment area plan, and DPD recommends that the CDC approve the TIF funding to PGS Bronzeville III Limited Partnership, or a related entity, to be formed for the development of the Paul G. Stewart Apartments Phase III Tower, a twenty-story, 180 unit, affordable rental apartment building for independent seniors.



TIF PROJECT ASSESSMENT FORM

Paul G. Stewart Apartments Phase III Tower

401 East Bowen Avenue. The proposed project is the substantial rehabilitation of the Paul G. Stewart Phase III building, which was originally constructed in 1976. The scope of the rehab includes new mechanicals systems, new windows, and new kitchens and baths. The rehab will incorporate green initiatives such as greater insulation and highly efficient energy systems. The building contains 45 studio and 135 one-bedroom units for independent seniors whose incomes are at or below 60% of area median income. All 180 units are covered by an existing project-based Section-8 contract.

Type of Project: Residential

Total Project Cost: \$33,718,414

TIF Funding Requested: \$4,299,179 from the 47th and King Drive TIF District

TIF District: 47th and King Drive TIF District, 3rd Ward

Developer: PGS Bronzeville III Limited Partnership (Peoples Co-Op for Affordable Elderly Housing)

Timeline for Completion: March 30, 2018

Project Status: July 12, 2016

Return on Investment Benchmarks	
Advances Goal of Economic Development Plan	Yes- Develop and deploy neighborhood assets to align with regional economic growth.
Advances Goal of TIF District	Yes- Fostering development in a blighted area, Providing affordable housing units for low-income families, Provide affordable rental units for independent seniors.
Addresses Community Need	Yes- Project will provide low to moderate-income housing in the Grand Boulevard Community, including 180 affordable units.
Jobs Created/Retained	80 Construction Jobs / 4.5 Permanent Jobs.
Affordable Housing Units Created/Preserved	Preservation of 180 affordable, rental units.
Return on Investment to City	Rehabilitation of 180 affordable units, creation of 80 temporary and retention of 4.5 permanent jobs.

Financial Benchmarks	
Other Funds Leveraged by \$1 of TIF	\$6.84
Types of Other Funding Leveraged	Yes/4% Tax Credits, 1 st Mortgage, Tax-exempt Bonds, LIHTC Equity, Def. Dev. Fee, G. P. Equity, energy grant funds.
Financing Structure	Grant

RDA Terms	
Payment Schedule	During construction
Taxpayer Protection Provisions	Yes
Total Term of Agreement	10 Years

Other Considerations

PAUL G. STEWART PHASE III TOWER

401 EAST BOWEN AVENUE

20 STORY RESIDENTIAL HIGH RISE, 180 DWELLING UNITS

OVERALL ZONING: PD #159 (NO CHANGE TO PD PROPOSED)

SCOPE OF WORK: SUBSTANTIAL REHABILITATION OF 20 STORY TOWER AND SITE WORK



MAP KEY

Full Service Grocery Stores:

1. Jewel / Osco, 443 E. 34th St., (1.1 miles)
2. Save-A-Lot, 4701 S. Cottage Grove Ave., (1.2 miles)
3. Walmart Neighborhood Market, 4720 S. Cottage Grove Ave., (1.2 miles)
4. African King Supermarket, 400 East 41st St., (0.15 miles)

Fixed Route Public Transportation:

5. #3 CTA Bus at 41st St. and King Drive (0.1 miles)
6. #39 CTA Bus at Pershing and King Drive (0.4 miles)
7. #43 CTA Bus at 41st and Vincennes Ave (0.1 miles)
8. Green Line CTA 'EL' at 43rd St. and Calumet Ave. (0.4 miles)

Retail Stores:

9. American Beauty Supply, 757 E. Oakwood Blvd., (0.5 miles)
10. U & I Computer Electronics, 646 E. 43rd St., (0.5 miles)
11. Family Dollar, 4425 S. Cottage Grove Ave., (0.8 miles)

Government Services:

12. Chicago Human Services Department (DFSS), 4314 S. Cottage Grove (0.7 miles)

Recreational Facilities and Parks:

13. Madden Park, 3800 S. Rhodes, (0.4 miles)
14. Mandrake Park, Oakwood and Cottage Grove Ave., (0.4 miles)
15. Wabash YMCA, 3763 s. Wabash Ave., (0.9 miles)

Pharmacy:

16. Jewel / Osco, 443 E. 34th St., (1.1 miles)
17. Barry Pharmacy, 337 E. 35th St., (0.8 miles)

School:

18. Chicago Military Academy, 3533 S. Giles, (1.0 miles)
19. Fuller Elementary, 4214 S. St. Lawrence, (0.4 miles)
20. William J. & Charles H. Mayo Elementary School, 249 E. 37th St., (0.6 miles)

Restaurants:

21. Chicago's Home of Chicken & Waffles, 3947 S. King Dr., (0.3 miles)
22. Pearl's Place, 3901 S. Michigan Ave., (0.7 miles)
23. Ain't She Sweet Cafe, 526 E. 43rd St., (0.4 miles)

Hospital / Health Clinic

24. 400 Medical Specialists, Dr. Marwah Birinder, 400 E. 41st St., (0.1 miles)
25. Provident Hospital of Cook county, 500 E. 51st St., (1.2 miles)
26. university of chicago Medical Center, 5841 S. Maryland Ave., (2.3 miles)

Religious Institution:

27. Morning Star Baptist Church, 3993 S. King Dr., (0.2 miles)
28. Metropolitan Apostolic Community Church of Christ, 4100 s. King Dr., (0.1 miles)

Library

29. Chicago Public Library, 3647 S. State St., (1.2 miles)
30. Martin Luther King Jr. Library, 3436 S. King Dr., (1.3 miles)

Post Office:

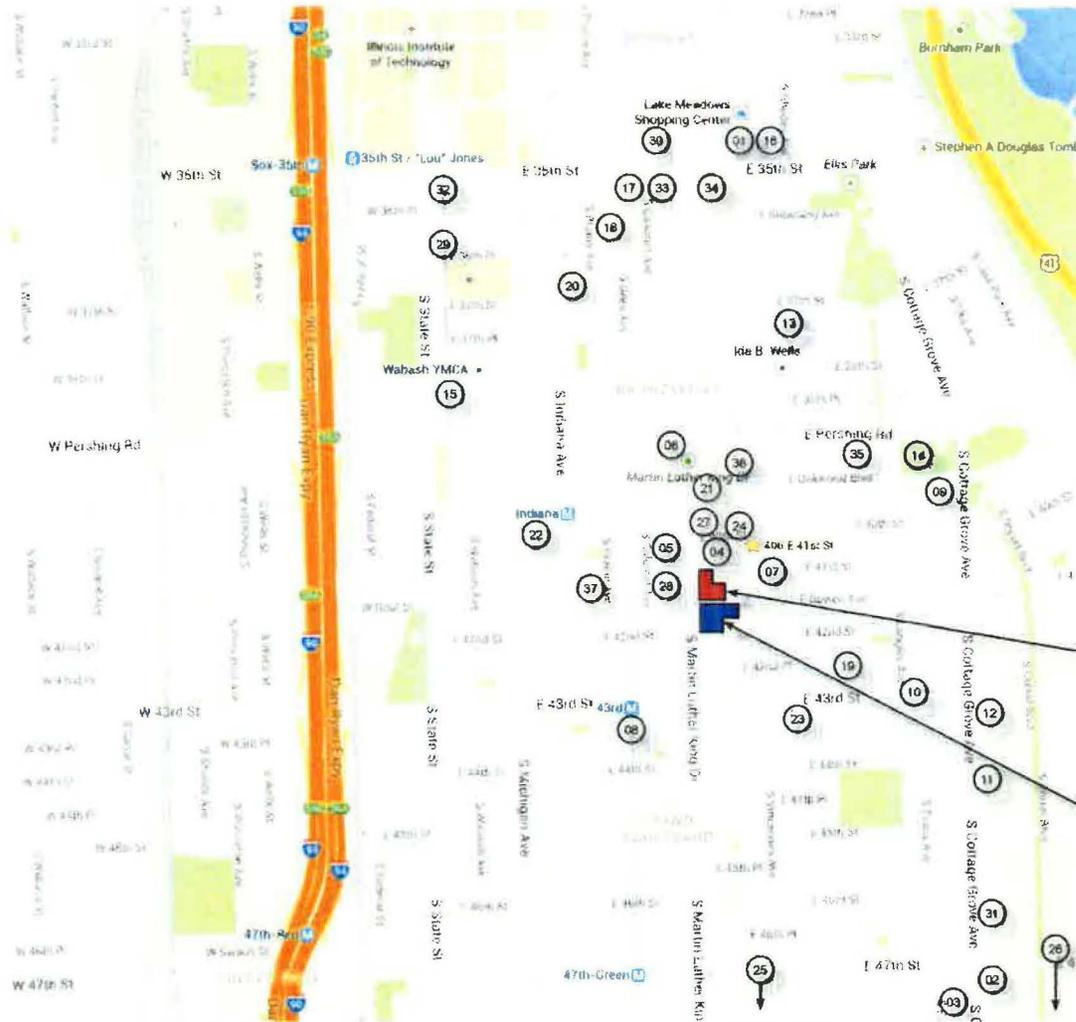
31. USPS, 4601 S. Cottage Grove Ave., (1.0 miles)

Banking institution:

32. PNC Bank, 3508 S. State St., (1.4 miles)
33. Chase, 3500 S. King Drive, (0.9 miles)
34. Seaway Bank and Trust Company, 3501 S. King Dr., (0.9 miles)

Day Care Facility:

35. Play & PPlace Child Care, 615 E. Pershing Rd., (0.3 miles)
36. Daycare Basic Solutions, 405 E. Oakwood Blvd., (0.3 miles)
37. Bronzeville's House-Little Learners, 4040 S. Prairie Ave., (0.3 miles)



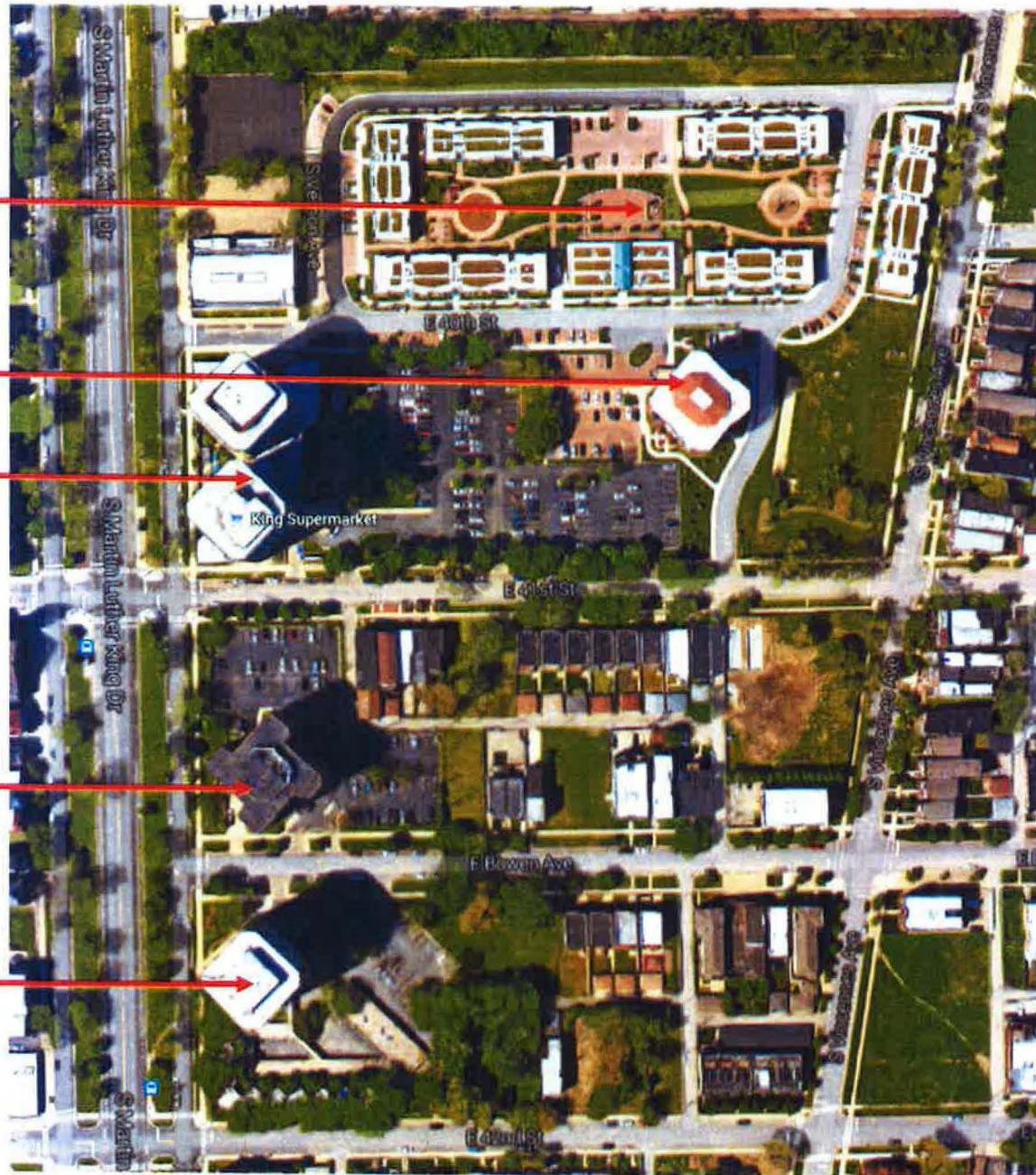
PGS PHASE IV

PGS 460 E. 41ST

PGS PHASE I & II

PGS PHASE V

PGS PHASE III



PAUL G. STEWART APARTMENTS – ENTIRE CAMPUS
AERIAL PHOTOGRAPH

**NOTE: RED BOUNDARY LINE INDICATES
LIMIT OF PROJECT SCOPE**

E. BOWEN AVENUE

BOULEVARD MEDIAN

ONE-WAY TRAFFIC

BOULEVARD SERVICE DRIVE

ONE-WAY TRAFFIC

**401 EAST BOWEN AVENUE
EXISTING PHASE III
20 STORY
RESIDENTIAL A-2
100 DWELLING UNITS**

N.I.C.

N.I.C.

N.I.C.

N.I.C.

N.I.C.

N.I.C.

GENERAL SITE CHARACTERISTICS

ORIGINAL PARKING SPACES PER P.U.D. #159	83
PARKING SPACES PROVIDED	83
ACCESSIBLE PARKING INCLUDED	9
ORIGINAL ACCESSIBLE PARKING PER P.U.D. #159	4
PROPOSED VEHICULAR USE AREA	34,896 SQ. FT.
PROPOSED INTERIOR LANDSCAPE AREA	6,182 SQ. FT. (3,481' REQ'D)
PROPOSED NUMBER OF NEW TREES TO MEET ORDINANCE	26

E. 42nd STREET

**NOTE: EXISTING TOWNHOMES NOT
INCLUDED IN SCOPE OF WORK**

EXISTING 2ND STORY IS GRIE
SLAB ON GRADE TYPE IIB CONSTRUCTION
NO NEW WORK THIS YEAR

S. MARTIN LUTHER KING JR. DRIVE

PGS Bronzeville III Limited Partnership

June 16, 2016

President Omar Shareef
African American Contractors Association
3901 S. State Street
Chicago, IL 60653

BY CERTIFIED MAIL

Paul G. Stewart Apartments, Phase III Limited Partnership
401 E. Bowen
Chicago, IL 60653

Dear President Shareef,

PGS Bronzeville III Limited Partnership ("PGS III Tower") is pleased to announce the redevelopment of Paul G. Stewart Apartments, Phase III Limited Partnership, located at 401 E. Bowen, Chicago, Illinois. The property consists of a 180 unit affordable housing senior building.

PGS III Tower has chosen Linn-Mathes, Inc. to be the general contractor for the project. The project will require participation of trades such as carpentry, electrical, mechanical, plumbing, paving, roofing, and others. Attached to this letter is the project budget, which identifies the items subject to minority business enterprise (MBE) participation of 24 percent and women business enterprise (WBE) participation of 4 percent. The attachment also includes the estimated project schedule and contact information for the general contractor.

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

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

Sincerely,



Fred L. Bonner, CEO