STATE OF ILLINOIS)

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

Jennifer Rampke
EXECUTIVE SECRETARY
Jennifer Rampke

04-CDC-108

8800833
RESOLUTION NO. CDC-108

RESOLUTION 04- CDC-108

AUTHORITY TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH
GRANITE PARTNERS FOR OAKWOOD BOULEVARD LLC
AND
MADDEN WELLS PHASE IB LIMITED PARTNERSHIP
WITHIN THE
MADDEN/WELLS T.I.F. REDEVELOPMENT PROJECT AREA,

AND

TO RECOMMEND TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
THE DESIGNATION OF
GRANITE PARTNERS FOR OAKWOOD BOULEVARD LLC
AND
MADDEN WELLS PHASE IB LIMITED PARTNERSHIP
AS THE DEVELOPERS

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 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-02 and pursuant to the Act, enacted three ordinances on November 6, 2002 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Madden Wells 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, Granite Partners for Oakwood Boulevard, L.L.C. and Madden Wells Phase IB Limited Partnership (the "Developer"), has presented to the City’s Department of
Planning and Development ("DPD") a proposal for redevelopment of the Area or a portion thereof that is in compliance with the Plan, consisting of the construction of a mixed-income community comprised of rental and for-sale units (the "Project"); and

WHEREAS, DPD requests that the Commission recommend to City Council that the Developer be designated as the developer for the Project and that DPD be authorized to negotiate, execute and deliver a redevelopment agreement with the Developer for the Project; now, therefore,

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

Section 1. The above recitals are incorporated herein and made a part hereof.

Section 2. The Commission hereby recommends to City Council that the Developer be designated as the developer for the Project and that DPD be authorized to negotiate, execute and deliver on the City’s behalf a redevelopment agreement with the Developer for the Project.

Section 3. If any provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this resolution.

Section 4. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 5. This resolution shall be effective as of the date of its adoption.

Section 6. A certified copy of this resolution shall be transmitted to the City Council.

ADOPTED: December 14, 2004

Attachment: Exhibit A, Street Boundary Description
CITY OF CHICAGO
COMMUNITY DEVELOPMENT COMMISSION
DEPARTMENT OF PLANNING AND DEVELOPMENT
December 14, 2004

SUMMARY SHEET
MADDEN WELLS PHASE 1B ASSOCIATES LIMITED PARTNERSHIP
AND
GRANITE PARTNERS FOR OAKWOOD BOULEVARD, L.L.C.
MADDEN/WELLS TIF REDEVELOPMENT PROJECT AREA

Action Requested: 1.) Authorize the Department of Planning and Development (DPD) to negotiate Redevelopment Agreements with Madden Wells Phase 1B Associates Limited Partnership and/or an entity to be formed, and Granite Partners for Oakwood Boulevard L.L.C. and/or an entity to be formed, for the use of tax increment financing incremental tax revenues and/or tax increment financing bond proceeds for the redevelopment of properties within the boundaries of the Madden/Wells TIF Redevelopment Project Area (the “Area”) and:

2.) Conditionally recommend to the City Council of the City of Chicago (the “City”) the designation of Madden Wells Phase 1B Limited Partnership and/or an entity to be formed, and Granite Partners for Oakwood Boulevard L.L.C. and/or an entity to be formed as the designated developers for the property within the Area.

Address/Location: The Project Area is generally bounded by Langley Avenue on the west, Ellis Avenue on the east, 38th Street on the north and Pershing Road on the south, located within the boundaries of the Madden/Wells Redevelopment Project Area (the “Area”) and:

Site Area: The Project is situated on approximately 17.5 acres of land.

Developer: In 2001 Madden Wells Phase IA Limited Partnership was selected as the developer for the rental phase of the project. They are known as Madden Wells Phase IB Limited Partnership for this second Phase of the project. In November of 2003 Granite Partners for Oakwood Boulevard, L.L.C. was selected by the CHA and community as the developer for the mixed-income for sale phase of the project.

Project: In accordance with CHA’s transformation plan, an RFP was issued in 2001 for the Madden/Wells site. Madden Wells Phase IA Limited Partnership was selected as the developer by the CHA board, with input from the City and the community. They plan to construct 162 units of rental mixed-income housing. This is the rental portion of the Phase IB development which will include rental and for-sale units, totaling over 450.

A second RFP was issued in 2003 for the mixed income for-sale Phase of
the CHA transformation project. Granite Partners for Oakwood Boulevard, L.L.C. was selected by the CHA and community as the developer for the mixed-income for sale phase of the project. They plan to construct approximately 129 mixed-income for sale residential units in Phase I.

**Level of Assistance:**
The City, through the Department of Planning and Development (DPD), is planning to reimburse the Developers for TIF-eligible costs in an amount equal to that needed to finance a TIF backed mortgage of $1,175,000 and a TIF Note which will generate $3.5M in proceeds that can be used for the for-sale component of the project. These amounts equate to 3% of the total rental project cost of $37,301,230, and 8.2% of the total for-sale budget of $42,242,400.

**Alderman/Ward:** Alderman Preckwinkle; Ward 4

**SUMMARY**
In 2001, the CHA, in conjunction with the City and Habitat, re-released an RFP for mixed-income housing, for a portion of the site now known as the “Madden/Wells TIF”. The Project site was formerly the location of three CHA developments, Madden Park, Ida B. Wells and Clarence Darrow Homes. Madden Wells Phase IA Limited Partnership response was selected by the CHA board as the most responsive. They are currently constructing and are near completion on 163 units of rental mixed-income housing.

A second RFP was issued in 2003 for the mixed income for-sale Phase of the CHA transformation project. Granite Partners for Oakwood Boulevard, L.L.C. was selected by the CHA and community as the developer for the mixed-income for sale phase of the project. They plan to construct approximately 129 mixed-income for sale residential units in Phase I.

This rental component of the site will be developed by Madden Wells Phase IB Limited Partnership, comprised of The Community Builders, Inc., which holds a 70% ownership interest, and Granite Development, Inc., which holds a 30% ownership interest.

The for-sale component of the project will be developed by Granite Partners for Oakwood Boulevard, L.L.C., comprised of Granite Madden/Wells For Sale, L.L.C., which holds, 60% ownership interest, M.B. Real Estate, L.L.C. has 30% ownership interest and Ujima, Inc., which holds a 10% interest.

The response to the RFP was designed to comply with the wishes of the surrounding community and the City, the CHA Plan for Transformation and the HOPE VI application, regarding the percentage of Public Housing replacement units, affordable rental units, and market rate rental units. The breakdown of the units will be as follows:
### Public Housing

<table>
<thead>
<tr>
<th>Public Housing Rental @0-40% AMI</th>
<th>Public Housing @0-50% AMI</th>
<th>Affordable Rental @ 0-50% AMI</th>
<th>Affordable Rental @ 0-60% AMI</th>
<th>Market Rental</th>
</tr>
</thead>
<tbody>
<tr>
<td>43</td>
<td>20</td>
<td>18</td>
<td>34</td>
<td>47</td>
</tr>
</tbody>
</table>

#### Monthly Rates
- **$340**/2Bd. Flats
- **$340**/3 Bd. Flats
- **$340**/4 Bd. TH
- **$560**/1Bd. Flat
- **$670**/2Bd. Flat
- **$771**/3Bd. Flat
- **$701**/1Bd. Flat
- **$840**/2Bd. Flat
- **$967**/3Bd. Flat
- **$702**/1Bd. Flat
- **$875**/2Bd. Flat
- **$1,014**/3Bd. Flat

### For-Sale

<table>
<thead>
<tr>
<th>For-Sale 80% of AMI</th>
<th>For-Sale 100% of AMI</th>
<th>Unrestricted Market Rate For Sale</th>
<th>Price per Sq.Ft.</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>15</td>
<td>102</td>
<td></td>
</tr>
</tbody>
</table>

#### Unit Type/Price
- **6 Flat Condo**
  - **PSF**: 1br/$107,000, 2br/$114,000, 3br/$125,000, 4br/$123,000
- **Row Houses**
  - **PSF**: 2br/$155,700, 3br/$125,500
- **Single Family Detached**
  - **PSF**: 3br - 2.5ba / $419,000-$439,000
  - **PSF**: 3br - 2ba / $419,000-$439,000
  - **PSF**: 2br - 2ba / $350,000
- **Six Flats**
  - **PSF**: 1br/$169,000, 2br/$215,000, 2br/$219,000, 3br/$259,000

* (Ctyd. TH = Courtyard Town Home)

### COMMUNITY OUTREACH

There have been many community meetings to present this project, and the community members are largely supportive. Ald. Toni Preckwinkle, of the 4th Ward, is very supportive of this Project.
COMMUNITY DEVELOPMENT COMMISSION
OF THE
CITY OF CHICAGO
DEPARTMENT OF PLANNING AND DEVELOPMENT
December 14, 2004

STAFF REPORT
MADDEN WELLS PHASE IB LIMITED PARTNERSHIP
AND
GRANITE PARTNERS FOR OAKWOOD BOULEVARD, L.L.C.
MADDEN/WELLS TIF REDEVELOPMENT PROJECT AREA

Ms. CHAIRMAN AND MEMBERS OF THE COMMISSION:

The resolution before the Commission requests the following actions:

1.) Authorize the Department of Planning and Development (DPD) to negotiate Redevelopment Agreements with Madden Wells Phase IB Associates Limited Partnership and/or an entity to be formed, and Granite Partners for Oakwood Boulevard, L.L.C. and/or an entity to be formed, for the use of tax increment financing incremental tax revenues and/or tax increment financing bond proceeds for the redevelopment of properties within the boundaries of the Madden/Wells TIF Redevelopment Project Area (the “Area”) and:

2.) Conditionally recommend to the City Council of the City of Chicago (the “City”) the designation of Madden Wells Phase IB Limited Partnership and/or an entity to be formed, and Granite Partners for Oakwood Boulevard, L.L.C. and/or an entity to be formed as the designated developers for the property within the Area.

BACKGROUND
The Project is located within the boundaries of the Madden/Wells TIF Redevelopment Area, designated by City Council as a TIF district on November 6, 2002. In accordance with the overall effort to redevelop CHA developments into mixed-income communities, an RFP was issued in 2001 by the CHA, the City and Habitat for the Madden/Wells site. Madden Wells Phase IA Limited Partnership was selected as the developer. They are currently constructing 163 units of rental mixed-income housing. This is the rental portion of Phase IA development at this site, which will ultimately total over 300 units of public, affordable and market rate rental and for-sale housing.

A second RFP was re-issued in 2003 for the mixed income for-sale Phase of the CHA transformation project. Granite Partners for Oakwood Boulevard, L.L.C. was selected by the CHA and community as the developer for the mixed-income for sale phase of the project. They plan to construct approximately 129 mixed-income for sale residential units in Phase I.

Madden Wells Phase IA Limited Partnership and Granite Partners for Oakwood Development, L.L.C. were both formed for this project specifically, but the partners, The Community Builders and Granite Development, both have experience in developing housing for low and moderate-income residents.
PROJECT

Developer:
Madden Wells Phase IB Limited Partnership, consisting of The Community Builders and Granite Development, Inc., will develop the rental portion of the project area. The Community Builders, based in Boston and Albany, are the largest non-profit developer of affordable housing in America. There is a staff of 400, who work on projects located throughout New England, Pennsylvania, Illinois and other states. The Community Builders have been in business for almost 40 years, and have developed more than 16,000 units of affordable housing, often in mixed-income communities, and currently manage more than 5,200 housing units. Granite Development Corporation was formed in 1995 by two Chicago African-American businessmen. The principals of Granite have been involved in a number of development projects throughout the city of Chicago, such as Auburn Lake New Homes, a 28 unit single-family and duplex development in the Auburn/Gresham area; the South Water Market produce terminal; and Onterie Center, a 66-story multi-use high-rise building.

Granite Partners for Oakwood Boulevard, L.L.C., consisting of Granite Madden/Wells For Sale, L.L.C., M.B. Real Estate, L.L.C., and Ujima, Inc. will develop the for-sale portion of the project area. The Granite team is also involved in the rental phase of this project. MB Real Estate is a premier real estate services firm with a broad history of development, asset management, and transaction experience in the United States.

Property:
The site is approximately bounded by Langley Avenue on the west, Ellis Avenue on the east, 38th Street on the north and Pershing Road on the south, located within the boundaries of the Madden/Wells Redevelopment Project Area (the “Area”). The Project is comprised of approximately 17.5 acres of land. The parcels that are to have multi-family housing built on them will be leased, at closing, from the CHA to the developers for a period of 99 years under the terms of a ground lease.

Project Scope:
The Project site encompasses a portion of the former Madden Park and Darrow Homes public housing site, which are now demolished, and is adjacent to low-rise public housing in the Ida B. Wells development. Phase 1B will contain 162 rental and approximately 129 for-sale units. The developers plan to build high-quality rental and for-sale products, taking advantage of the location near the lakefront and nearby parks.

Phase 1B will be developed by two separate entities. Madden Wells Phase 1B Limited Partnership will develop the rental component and Granite Partners for Oakwood Boulevard, L.L.C. will develop the for-sale component.

Phase 1B rental consists of fourteen 6-flats, eight 9-flats and six (6) townhomes or 162 rental units totaled. There are two versions of the 6-flat, each with three stories and six parking spaces. One of the 6-flat types has six two-bedroom, one bath units, with a private deck or patio for each unit; the other type of 6-flat contains six three-bedroom, 2 baths units with a private deck or patio. There are two versions of the 9-flat, both of which are three stories tall. One version contains six two-bedroom, one-bath units, and three one-bedroom, one-bath units, each with a
private deck or patio. The other version contains three three-bedroom, 2 baths, and six two-bedroom, one bath units, each with private deck or patio. There are nine parking spots for each of the 9-flats. The townhomes are two stories and contain four bedrooms and two baths. Both versions have a private yard and two off-street parking spaces. The unit mix is as follows:

<table>
<thead>
<tr>
<th>Public Housing @0-40% AMI</th>
<th>Public Housing @0-50% AMI</th>
<th>Affordable Rental @ 0-50% AMI</th>
<th>Affordable Rental @ 0-60% AMI</th>
<th>Market Rental</th>
</tr>
</thead>
<tbody>
<tr>
<td>43</td>
<td>20</td>
<td>18</td>
<td>34</td>
<td>47</td>
</tr>
<tr>
<td>Monthly</td>
<td>Monthly</td>
<td>Monthly</td>
<td>Monthly</td>
<td>Monthly</td>
</tr>
<tr>
<td>$340/2Bd. Flats</td>
<td>$340/2Bd. Flats</td>
<td>$560/1Bd. Flat</td>
<td>$701/1Bd. Flat</td>
<td>$702/1Bd. Flat</td>
</tr>
<tr>
<td>$340/3 Bd. TH</td>
<td>$340/4 Bd. TH</td>
<td>$771/3Bd. Flat</td>
<td>$967/3Bd. Flat</td>
<td>$1,014/3Bd. Flat</td>
</tr>
</tbody>
</table>

Oakwood Shores Madden Park For Sale Phase 1 consist 129 units within 31 buildings. They include twelve (12) single family units, 2 row house buildings, four (4) townhomes buildings, four (4) courtyard townhome buildings, and nine (9) 6-flats buildings. The unit mix is detailed below.

<table>
<thead>
<tr>
<th>For-Sale 80% of AMI</th>
<th>For-Sale 100% of AMI</th>
<th>Unrestricted Market Rate For Sale</th>
<th>Price per Sq.Ft.</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>15</td>
<td>102</td>
<td></td>
</tr>
<tr>
<td>Unit Type/Price</td>
<td>Unit Type/Price</td>
<td>Unit Type/Price</td>
<td></td>
</tr>
<tr>
<td>6 Flat Condo</td>
<td>6 Flat Condo</td>
<td>Single Family Detached</td>
<td></td>
</tr>
<tr>
<td>1br/$107,000 $125</td>
<td>1br/$145,600 $170</td>
<td>3br - 2.5ba / $469,000 - $499,000</td>
<td>$143 - $147</td>
</tr>
<tr>
<td>2br/$114,000 $105</td>
<td>2br/$162,900 $150</td>
<td>(12)</td>
<td></td>
</tr>
<tr>
<td>2br/$115,700 $105</td>
<td>2br/$165,300 $150</td>
<td>Row Houses</td>
<td></td>
</tr>
<tr>
<td>3br/$125,500 $90</td>
<td>3br/$181,300 $150</td>
<td>3br - 2ba / $419,000 - $439,000</td>
<td>$139 - $146</td>
</tr>
<tr>
<td>Cttyd. TH</td>
<td>Cttyd. TH</td>
<td>Townhomes</td>
<td>$174</td>
</tr>
<tr>
<td>3br/$123,300 $125</td>
<td>2br/$178,100 $130</td>
<td>2br - 2ba / $350,000 (15)</td>
<td>$196</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cttyd TH</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2br - 1.5ba / $269,000 (26)</td>
<td>$197</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Six Flats</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1br/$169,000 (9)</td>
<td>$197</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2br/$215,000 (8)</td>
<td>$198</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2br/$219,000 (11)</td>
<td>$199</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3br/$259,000 (5)</td>
<td>$185</td>
</tr>
</tbody>
</table>

* (Cttyd. TH = Courtyard Town Home)

The Developers are planning attractive facades and traditional styles compatible with the surrounding community. The buildings will be constructed with steel framing and masonry exteriors. Brick will be the primary building material with stone and block accents. Please see the attachments for the various elevations.
Substantial infrastructure development has occurred on the site. The Developers believe the area is underserved for both affordable and market-rate units, and plan to construct housing of a high quality. Construction is scheduled to begin as soon as possible. The project has gone through the Planned Development process and zoning approvals are in place.

The Developers are working with the Mayor’s Office for People with Disabilities to ensure that all ADA requirements are met in the design of the buildings.

Development Team:

**Rental Phase 1B**
Madden Wells Phase IA Limited Partnership, Developer
Fitzgerald Associates Architects, Master Architect
Campbell Tiu Campbell, Master Planner

**For Sale Phase 1**
Granite Partners for Oakwood Boulevard, L.L.C. - Developer
Fitzgerald Associates Architects and Campbell Tiu Campbell - Architect

**TIF FINANCIAL ASSISTANCE:**

The City, through the Department of Planning and Development (DPD), is planning to reimburse the Developers for TIF-eligible costs in two separate facilities. Because of the extraordinary development costs, without TIF assistance the developer would not be able to finance the project and it would not be feasible for the area to be developed. Please see term sheet for a detailed budget.

The City, through the Department of Planning, intends to reimburse the Developers for TIF-eligible costs of $1,175,000, or 3% of total project costs, for the rental portion and $3.5M, or 8.2% of total project costs, for the for-sale portion. The City is prepared to commit 100% of the increment generated from the Project PINs toward financing of the Project. The TIF financing will be provided through two TIF facilities. The first facility will be a TIF backed mortgage of $1,175,000 to support the rental portion. The city will pledge to the Developer, for reimbursement of TIF eligible costs, the increment that is generated by the rental component of the Project, which increment is estimated to be approximately $2,300,000 over the life of the TIF. The Developer will use this pledge of increment to obtain a second mortgage with a principal of $1,175,000.

The second facility will be a TIF-backed Note of $3.5M to support the for-sale component. This Note will have a principal value greater than the actual assistance amount since it will evidence certain financing and guarantee costs associated with the issuance of such TIF Notes. The TIF Note will originally have a 100% guarantee of the City’s TIF assistance from the John D. and Catherine T. MacArthur Foundation. Up-front financing will be provided by FANNIE MAE and other lenders. The TIF lenders will secure their loan with increment from the for-sale units which will be developed.

The City is prepared to commit 100% of the increment generated from the Project PINs toward
financing of the Project. The amount of increment generated by the Project is estimated to be sufficient to cover the budgeted amount of TIF assistance listed in the sources of Project funding. If the final budget for the Project increases after the final refinement of the Project scope and/or cost, and there are additional unallocated TIF revenues, the City is prepared to commit these revenues to the Project, as needed.

Building housing of a high quality on this site requires extensive site preparation, environmental remediation and infrastructure development. The City is requiring that a percentage of the units be affordable, or CHA replacement units, so the cost of development far outweighs the income that will be generated from the project. Because of these extraordinary development costs, without TIF assistance the Developers would not be able to finance the project, and it would not be feasible for the area to be developed

OTHER GOVERNMENTAL ASSISTANCE:

The Project will be financed with other forms of governmental assistance, as well as TIF. Please see the “Budget Summary” to review the other sources of funding. They are as follows; Department of Housing HOME funds, Tax Credit Equity, CHA Development funds, a first mortgage, a second mortgage, IHDA Trust Fund funds, Owner capital contribution, and net proceeds from sales. The Department of Housing will be able to further explain the other financing being used for this project

MBE/WBE and Other City Requirements

The Developer has signed all of the compliance affidavits, and has notified key contractors’ associations about the project by mail. Attached to this report are copies of the M/WBE letters sent to the associations, as well as copies of the certified receipts. The Developer is committed to meeting all City requirements, which will be delineated in the Redevelopment Agreement, including the Department’s requirement for MBE/WBE participation of 25% and 5%. The City will not make any payments to the Developer unless and until all those requirements are fulfilled.

Public Benefits:

The project will benefit the public in several ways:
1. Redevelopment and remediation of a site currently blighted;
2. Address a lack of quality affordable housing in the area.
3. Address a lack of quality market-rate housing in the area.
4. Provide CHA replacement units
5. Aesthetically improve an unattractive area;
6. 100 temporary construction jobs;
COMMUNITY OUTREACH

There has been a tremendous amount of community outreach for this deal. The CHA has hosted meetings for the residents, to explain the development and how it would impact their futures. Ald. Preckwinkle and the development team have made presentations for various community organizations, so that any concerns might be addressed. This development is consistent with the 2002 Madden Wells TIF Plan.

Compliance With Plan:

The proposed development is in compliance with the land uses set forth in the Madden Wells TIF Plan.

RECOMMENDATION:

1.) Authorize the Department of Planning and Development (DPD) to negotiate Redevelopment Agreements with Madden Wells Phase 1B Associates Limited Partnership and/or an entity to be formed, and Granite Partners for Oakwood Boulevard, L.L.C. and/or an entity to be formed, for the use of tax increment financing incremental tax revenues and/or tax increment financing bond proceeds for the development of 291 housing units, in the area generally bounded by Langley Avenue on the west, Ellis Avenue on the east, 38th Street on the north and Pershing Road on the south. The project is located within the boundaries of the Madden Wells Redevelopment Project Area (the “Area”) and:

2.) Conditionally recommend to the City Council of the City of Chicago (the “City”) the designation of Madden Wells Phase 1B Associates Limited Partnership and/or an entity to be formed, and Granite Partners for Oakwood Boulevard, L.L.C. and/or an entity to be formed, as the designated developers for the property within the Area.

TERM SHEET

Granite Partners for Oakwood Boulevard, L.L.C. and/or an entity to be formed, and Madden Wells Phase 1B Associates Limited Partnership and/or an entity to be formed

The Project Area is generally bounded by Langley Avenue on the west, Ellis Avenue on the east, 38th Street on the north and Pershing Road on the south, located within the boundaries of the Madden/Wells Redevelopment Project Area (the “Area”). The Project is comprised of approximately 17.5 acres of land.

The Developers, Granite Partners for Oakwood Boulevard, L.L.C. and/or an entity to be formed, and Madden Wells Phase 1B Associates Limited Partnership, and/or an entity to be formed, plan to construct an approximately 291 units of housing. The Project site had been vacant and deteriorating for many years. The Project will be comprised of Public Housing Rental Units, Tax Credit Rental Units, Market Rate Rental Units, Affordable For-Sale Units and Market-Rate For-Sale Units.
The City, through the Department of Planning and Development (DPD), is planning to reimburse the Developers for TIF-eligible costs, of $4,675,000, a portion of the total project cost, currently estimated at $79,543,630. This assistance will take two forms, a $3.5M TIF backed Note, to be used in the financing of the for-sale component, and $1,175,000 to be reimbursed to the developer of the rental component to support a TIF-backed second mortgage.

The City is prepared to commit 100% of the increment generated from the Project PINs toward financing of the Project. The amount of increment generated by the Project is estimated to be sufficient to cover the budgeted amount of TIF assistance listed in the sources of Project funding. If the final budget for the Project increases after the final refinement of the Project scope and/or cost, and there are additional unallocated TIF revenues, the City is prepared to commit these revenues to the Project, as needed.

### Uses of Funds: Rental vs. For Sale

<table>
<thead>
<tr>
<th>Uses of Funds</th>
<th>Rental</th>
<th>For Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Construction Hard Costs</td>
<td>$23,770,109 (63%)</td>
<td>$31,902,170 (75.5%)</td>
</tr>
<tr>
<td>Construction Contingency</td>
<td>$1,526,498 (4%)</td>
<td>$1,525,734 (3.6%)</td>
</tr>
<tr>
<td>General Conditions/Overhead</td>
<td>$3,233,358 (9)</td>
<td>0</td>
</tr>
<tr>
<td>Construction Soft Costs</td>
<td>$5,117,513 (14%)</td>
<td>$4,070,111 (9.6%)</td>
</tr>
<tr>
<td>Architectural &amp; Engineering</td>
<td>$611,000 (1.6%)</td>
<td>$769,300 (1.9%)</td>
</tr>
<tr>
<td>Development Fee</td>
<td>$2,252,440 (6%)</td>
<td>$1,800,000 (4.3%)</td>
</tr>
<tr>
<td>Profit</td>
<td>$0</td>
<td>$977,307 (2.3%)</td>
</tr>
<tr>
<td>Financing</td>
<td>$790,312 (2.4%)</td>
<td>$1,197,778 (2.8%)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$37,301,230</td>
<td>$42,242,400</td>
</tr>
</tbody>
</table>

### Sources of Funds

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>Rental</th>
<th>For Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>DOH HOME</td>
<td>$9,400,000</td>
<td></td>
</tr>
<tr>
<td>Tax Credit Equity</td>
<td>$16,800,000</td>
<td>1,200,000</td>
</tr>
<tr>
<td>First Mortgage</td>
<td>$3,750,000</td>
<td>$0</td>
</tr>
<tr>
<td>Construction Loan</td>
<td>$0</td>
<td>$18,891,563</td>
</tr>
<tr>
<td>Description</td>
<td>Amount</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>-----------------</td>
<td></td>
</tr>
<tr>
<td>TIF: Second Mortgage *</td>
<td>$1,175,000</td>
<td></td>
</tr>
<tr>
<td>TIF Developer Note **</td>
<td>$0</td>
<td>$3,500,000</td>
</tr>
<tr>
<td>HOPE VI</td>
<td>$5,476,130</td>
<td></td>
</tr>
<tr>
<td>Unit Sales Proceeds</td>
<td>$0</td>
<td>$17,100,837</td>
</tr>
<tr>
<td>Owner Equity</td>
<td>100</td>
<td>$150,000</td>
</tr>
<tr>
<td>FHLB/ Other Financing</td>
<td>$700,000</td>
<td>$1,400,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$37,301,230</td>
<td>$42,242,400</td>
</tr>
</tbody>
</table>

* The City will pledge to the Developer the increment generated by the rental portion of the project, estimated to be approximately $2,300,000 over the life of the TIF, which the Developer will use to pledge to obtain a second mortgage equal to the indicated amount.

** Approximate amount of TIF funds the City expects to give the Developer, in the form of a TIF-backed Note.
The following page(s) are being faxed:

To: James Wilson

Phone: ______________________ Fax: (312) 744-5826

From: Susan Sackrider Date: 10/25/04 Time: ______________________

Number of Pages, including cover page: 23

If you did not receive the number of pages indicated
Please notify this sender at once!

Important: This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged and confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message for the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone, and return the original message to us at the address below via the United States Postal Service. Thank you.

Please Note:

Attached are the letters we sent to the assist agencies.
<table>
<thead>
<tr>
<th>Service</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postage</td>
<td>$0.37</td>
</tr>
<tr>
<td>Certified Fee</td>
<td>$2.30</td>
</tr>
<tr>
<td>Return Receipt Fee (Endorsement Required)</td>
<td>$1.75</td>
</tr>
<tr>
<td>Restricted Delivery Fee (Endorsement Required)</td>
<td>$1.75</td>
</tr>
<tr>
<td><strong>Total Postage &amp; Fees</strong></td>
<td><strong>$4.42</strong></td>
</tr>
</tbody>
</table>
MEMO

Date: October 14, 2004

To: Ms. Mary Beth McGuire

CC: Lee Pratter

From: Kate Vukelich

Subject: Madden Wells Phase 1B TIF Application

Enclosed are copies of the Section 3 MBE/WBE notification letters and certified mail receipts as required for the Madden Wells Phase 1B TIF application.

Note: This transmittal is intended only for the use of the individual or entity to whom it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this transmittal is not the intended recipient, or the employee or agent responsible for delivering the transmittal to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone, and return the original message to us at the address above via U.S. Postal Service. Thank you.
Denise Casalino, Commissioner  
Department of Planning & Development  
121 North LaSalle, Rm. 1000  
Chicago, IL  60602

RE: Madden/Wells TIF Area

Dear Commissioner Casalino:

I strongly support the designation of Granite Partners as the for sale developer of Oakwood Shores (Madden/Wells) Phase 1B. These developers have been working very diligently with my office and the community, and their project will benefit the whole area.

Sincerely,

Toni Preckwinkle  
Alderman, 4th Ward
Madden Wells For Sale
Organizational Chart

Ownership
Granite Partners for Oakwood Boulevard, LLC.

Granite Madden/Wells For Sale LLC (60%)
Joseph A. Williams
Larry Huggins
James Geimer, P.E.

MB Real Estate (30%)
Peter E. Ricker
Kevin Purcell
David Graff, P.E.

UJIMA (10%)
Sandra Young
Leroy Square
Eunice Crosby

General Contractor
Linn-Mathes Inc./Riteway JV
Brad Mathes
Larry Huggins

Design and Architecture
FitzGerald Associates Architects
Patrick Fitzgerald
Jay Hubble
Richard Whitney

Campbell Tiu Campbell, Inc.
Kevin S. Campbell
Billy McGhee

Employment and M/WBE
Target Group, Inc.
Phaedra Leslie

Sales/Marketing
Research
Applied Real Estate Analysis
Maxine Mitchell

Brokers
Kennedy Ryan Monigal & Assoc.
Coldwell Banker
REMAX
MADDEN WELLS PHASE 1B
ORGANIZATIONAL CHART

Owner
Madden Wells Phase 1B Associates Limited Partnership

General Partner
Madden Wells Phase 1B Corp. (Chapter C)
.005 % interest

Limited Partner
GBCD Granite Partnership Madden Wells Services Inc. Rental LLC (70% Managing Member)

Special Limited Partner
Madden Wells Phase 1B Associates LLC .005 % interest (Developer entity)

GBCD Partnership Services Inc. (70% Shareholder)

Granite Madden Wells Rental LLC (30% Shareholder)

The Community Builders, Inc. d/b/a TCB Illinois NFP, Inc. (100% Shareholder)

Larry Huggins (50% member)
and
Joseph Williams (50% member)

The Community Builders, Inc. d/b/a TCB Illinois NFP, Inc. (100% Shareholder)

Larry Huggins (50% member)
and
Joseph Williams (50% member)
PROPOSED TH-1 FRONT ELEV. · TYPE 2

PROPOSED TH-2 FRONT ELEV. · TYPE 3
PROPOSED Y & Z SIDE ELEV. · TYPE 2

PROPOSED Y & Z SIDE ELEV. · TYPE 3
PROPOSED W & X FRONT ELEV. · TYPE 2

PROPOSED W & X FRONT ELEV. · TYPE 3
EXHIBIT A

Street Boundary Description of the
Madden/Wells Tax Increment Financing
Redevelopment Project Area

The Area is generally bounded by 38th Street on the north, Ellis Avenue on the east, Pershing Road on the south, and Langley Avenue on the west.