

**City of Chicago
Department of Community Development**

**STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
REQUESTING DEVELOPER DESIGNATION
November 9, 2010**

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name: Accretive Health

Applicant Name: Accretive Health, Inc

Project Address: 231 S. LaSalle St.

Ward and Alderman: 42nd Ward - Alderman Brendan Reilly

Community Area: Loop, 32

Redevelopment Project Area: LaSalle Central

Requested Action: TIF Developer Designation

Proposed Project: Creation of 650 new entry-level healthcare industry jobs at Accretive Health's new Operational Processing & Training Facility, assistance toward construction of the new space at 231 S. LaSalle, and retention of 175 jobs at Accretive Health's headquarters at 401 N Michigan Ave.

TIF Assistance: \$6 million total –
\$1,361,250 interior office build-out
\$4,638,750 training reimbursement

II. PROPERTY DESCRIPTION

Address: Leased premises within 231 S. LaSalle St

Location: Northeast corner of Jackson and LaSalle

Tax Parcel Numbers: 17-16-222-010-0000 (231 S LaSalle)
17-16-222-006-0000 (220 S Clark)

Leased Area: 44,385 rentable square feet – entire 5th floor

Current Use: Office

Current Zoning: DC-16

III. BACKGROUND

To accommodate projected growth in the healthcare industry, Chicago-based Accretive Health is opening a new Operational Processing and Training Facility. Over the next ten years, Accretive Health anticipates hiring 650 new (primarily entry level) employees to staff the facility. Over time, the facility will house multifunctional divisions within Accretive Health's Shared Service operation but the center will initially function as a Patient Financial Services Facility (PFS).

Accretive Health's PFS facility will utilize the company's technology solutions to resolve billing issues with third party payers, such as Blue Cross/Blue Shield, Medicare and Medicaid. This process provides benefits to both the patient, by reducing billing complexity and errors, as well as the healthcare provider, by reducing leakage in their accounts receivables. The PFS facility will primarily be business-to-business with little direct contact with individual patients.

For its potential Chicago location, Accretive Health identified space within 231 S. LaSalle St, located on the northeast corner of W. Jackson Blvd and S. LaSalle St. The property, known as the Continental Bank of Illinois Building, was designed by architects Graham, Anderson, Probst & White and was constructed in 1924. It is zoned DC-16. Accretive Health will lease 44,385 within the property. The property is located within the LaSalle Central Tax Increment Financing Redevelopment Project Area which was established by the City Council on November 15, 2006. The property is also located within the Loop Community Area which is generally bounded by Dearborn Street on the east, Van Buren Street on the south, the Chicago River and Canal Street on the west, and portions of the Chicago River, Lake, Randolph, and Washington Streets on the north.

In addition to 231 S. LaSalle, Accretive Health had considered Albuquerque, NM, Jacksonville, FL and Nashville, TN as potential locations for the facility. In evaluating locations, the company carefully considered worker productivity, worker salary, office rent, construction costs, proximity to the corporate office, taxes, the cooperation of local government, and the impact to the surrounding community. While Chicago was identified as the preferred location, the company determined that the unassisted cost of opening in Chicago would be higher than the alternative locations, with a \$735,000 total rent premium over an 11-year lease term, and a labor cost premium of \$8 million over the first five years.

IV. PROPOSED DEVELOPMENT TEAM

Development Entity:

Accretive Health is a leading provider of healthcare revenue cycle management services. The company was founded in 2003 and is headquartered in Chicago at 401 N. Michigan with 175 employees. Accretive employs 1,000 people nationally. Its business purpose is to help U.S. healthcare providers more efficiently manage their revenue cycle operations, which include patient registration, insurance and benefit verification, medical treatment documentation and coding, bill preparation and collections. Accretive Health does not charge its client an upfront fee. Instead, Accretive Health shares a percentage of the collections with its client. Accretive Health's clients are typically multi-hospital systems including faith-based or community healthcare systems, academic medical centers, independent ambulatory clinics, and physician practice groups.

Consultants: Accretive Health, Inc. has retained S.B. Friedman as its TIF consultant in connection with this project. The General Contractor is Skender Construction.

V. PROPOSED PROJECT

The project consists of two components: 1) tenant improvement / build-out costs associated with the lease of 44,385 square feet on the fifth floor, and 2) the cost of the comprehensive training program for 650 new employees.

1. Tenant Improvements/Build-out Costs (TIF Assistance = \$1,361,250)

Accretive Health has selected office space within the existing, 936,800 sq. ft. building commonly known as 231 S. LaSalle or the Continental Bank of Illinois Building. The City of Chicago's Historic Resources Survey classifies the building as "Orange" in its color-coded ranking system used to identify historic and architectural significance relative to age, degree of external physical integrity, and level of possible significance. Orange properties possess some architectural feature or historical association that made them potentially significant in the context of the surrounding community.

The building is owned by Gramercy Capital Corporation, a New York City-based commercial real estate company. Approximately 15% of the building is vacant, with another 35% of the building having leases that terminate by the end of 2011. Accretive will lease and occupy approximately 44,385 square feet of space (5% of the building total).

2. Workforce Development, Job Creation & HQ Jobs Retention (TIF = \$4,638,750)

The traditional approach to assisting with TIF eligible build-out expenses, in this case \$1.36 million was not enough to incentivize Accretive Health to open the new facility in the Loop because the cost difference of the alternative locations was \$8.7 million. Recognizing both Accretive Health's need for a training program and that job training is a TIF eligible expense defined by the TIF statute, the City negotiated \$4.63 million in TIF assistance. *This is the City's largest single TIF commitment for human capital development to date.*

Accretive Health estimates it will invest a total of \$19,569 in training costs per employee including non-productive labor wages. The City's reimbursement of \$7,136 per employee (\$4.63 million total) covers the cost of design and start-up, curriculum redesigns and updates, and cost of training delivery and materials.

In addition to creating 650 new jobs, Accretive Health has committed to maintaining its 175 corporate headquarters jobs in the City (currently located at 401 N. Michigan Ave. outside of the TIF boundary) for a period of ten years after the Certificate of Completion for Phase I is issued. Table 1 summarizes the job schedule.

Table 1. Accretive Health Jobs Schedule

Year	HQ Jobs 401 N Michigan Ave	New Jobs 231 S LaSalle	Total Jobs
0	175	0	175
1	175	100	275
2	175	200	375
3	175	275	450
4	175	350	525
5	175	400	575
6	175	450	625
7	175	500	675
8	175	575	750
9	175	625	800
10	175	650	825

VI. FINANCIAL STRUCTURE

To enhance the competitiveness of a Loop location by reducing build-out costs, and recognizing the opportunity to tie a redevelopment agreement directly with local job creation, the Department of Community Development negotiated \$6 million in tax increment financing. The \$6 million in TIF assistance consists of two components: 1) \$1,361,250 for interior build-out and, 2) \$4,638,750 for workforce training reimbursement. The following table summarizes sources and uses and project budget. The detailed budget is attached to this report.

Table 2. Accretive Health Sources & Uses

Sources		
	<u>Amount</u>	<u>% of Total Sources</u>
Internal Capital/Treasury Funds	\$16,200,987	100.00%
Total Sources	\$16,200,987	100.00%
Uses		
	<u>Amount</u>	<u>\$/SF of Tenant Space*</u>
Construction		
Hard Costs	3,717,887	\$83.76
Hard Cost Contingency	<u>105,730</u>	\$2.38
Total Hard Costs	3,823,617	\$86.15
Soft Costs/Fees	510,323	\$11.50
Soft Cost Contingency (<1% of total costs)	<u>110,000</u>	\$2.48
Total Soft Costs (6% of total costs)	510,323	\$11.50
Total Furniture, Fixtures, Equipment	416,060	\$9.37
Total Uses Phase I	4,750,000	\$107.02
Workforce Development	<u>Amount</u>	<u>Per Employee (650)</u>
Training Design and Start Up	515,000	\$792.31
Curriculum Redesigns and Updates	922,354	\$1,419.01
Cost of Training Delivery and Materials	<u>3,293,633</u>	<u>\$5,067.13</u>
Total Job Training	4,730,987	\$7,278.44
Phase II- Build out**	3,360,000	\$74.67
Phase III-Build out***	3,360,000	\$74.67
Total Uses- Phases I, II, and III	16,200,987	

*Phase I Lease is for 44,385 square feet

**Phase II Lease is for 45,000 square feet (estimated)

***Phase III Lease is for 45,000 square feet (estimated)

The City, through the Department of Community Development, intends to reimburse Accretive Health for a portion of its TIF-eligible costs in an amount not to exceed the lesser of \$6,000,000 or 37% of the total project costs, currently estimated to be \$16,200,987. The City's assistance will be provided as a reimbursement for tenant improvement and/or build-out costs (\$1,361,250) associated with Phase I and Job Training expenses (\$4,638,750) incurred in connection with Phase I, Phase II, and Phase III. The TIF-eligible expenses will be reimbursed from existing increment, and/or bond funds, in the LaSalle/Central Redevelopment Project Area Tax Increment Allocation Fund.

The City's total TIF assistance equates to approximately \$9,231 per job new job (650) or \$7,273 per new and retained jobs (825 jobs). The City's \$4,638,750 in TIF assistance for the workforce development component approximates Accretive Health's estimated training cost for the 650 employees (\$7,136 per employee).

In addition, Accretive Health anticipates having the ability to expand into a total of 90,000 additional square feet on other floors within the building for Phase II and Phase III. However, if they are unable to negotiate an acceptable lease for future phases at 231 S. LaSalle, Accretive Health will commit to completing Phases II and III (approximately 45,000 square feet per phase) at an alternate location within the LaSalle/Central TIF District.

In addition to locating the 650 new employees in the Loop, Accretive Health would retain a minimum of 175 total full-time equivalent employees at their 401 N Michigan Avenue Corporate Headquarters- not located in a TIF district.

Furthermore, Accretive health will, through its best efforts, hire 100% City of Chicago residents and has committed to a minimum of 51% local hiring throughout the life of the ten year agreement.

Finally, Accretive Health will host and train 40 unemployed Chicago residents who applied and were selected to participate in Mayor Daley's Chicago Career Tech (CCT) program. These 40 CCT participants will not be employees of Accretive Health during their participation in the CCT program, however, Accretive Health hopes to permanently hire successful participants at the completion of the CCT program. By hosting 40 CCT participants this fall, Accretive Health will be one of the largest business partners in the program. All participants in Accretive Health's Chicago Career Tech training program will receive the training that will enable them to "sit for the test" to obtain certification as a medical biller.

VII. PUBLIC BENEFITS

The proposed project will provide the following public benefits:

Jobs

- **Job Creation:** Over the next ten years, the project will create an additional **650 full time permanent jobs** with a commitment to providing 51% of these jobs to Chicago residents.
- **Corporate HQ Job Retention:** The project will retain **175 FTE headquarters jobs** at 401 N Michigan.
- **Construction Jobs:** The project will produce an estimated 23 temporary construction jobs.

Environmental Features

- The project will be certified LEED Commercial Interior standards.

Affirmative Action

- Accretive Health 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).

City Residency

- The Accretive Health 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. Accretive Health will also comply with the requirement that all construction jobs are paid the prevailing wage.

VIII. COMMUNITY SUPPORT

Alderman Brendan Reilly endorses the project. A letter of support is attached to this report.

The Chicago Loop Alliance and World Business Chicago have provided letters of support for the project.

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The Project is located in the LaSalle Central Tax Increment Financing Redevelopment Project Area. The Project will satisfy the following goals of the redevelopment plan:

- Provide resources for the rehabilitation and modernization of existing structures.
- Promote the Redevelopment Project Area as a center of employment and commercial activity, through the attraction and retention of major employers and corporate headquarters.
- Encourage environmentally-sensitive development, including development that achieves LEED certifications.
- Support job training programs and increase employment opportunities for City residents.

X. CONDITIONS OF ASSISTANCE

If the proposed resolution is approved by the CDC, DCD will negotiate a Redevelopment Agreement (RDA) with Accretive Health. The RDA will incorporate the parameters of the proposed project as described in this staff report.

It is DCD 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. Before today's action is presented to the city council for approval, the department will conduct a thorough background check of all principals having an ownership interest of 7.5 percent or greater, and of the boards of directors and trustees of non-profit organizations. Similar background checks will be conducted on the development entity itself.

Closing of the redevelopment agreement will not occur before the City Council has approved the agreement, Accretive Health has obtained all necessary City approvals including zoning and building permits, and Accretive Health has presented proof of financing. The redevelopment agreement will include a development timetable.

XI. RECOMMENDATION

DCD 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 DCD recommends that the CDC recommend to the City Council the designation of Accretive Health, Inc. as developer for redevelopment up to 44,385 square feet of office space at 231 S LaSalle. DCD also requests that the Commission provide DCD with authority to negotiate, execute and deliver on the City's behalf, a redevelopment agreement and a grant agreement with Accretive Health, Inc. for the Project.

EXHIBITS

1. Detailed Budget
2. Redevelopment Area Map
3. Neighborhood Maps and Aerial
4. Typical Floor Plan
5. Organizational Chart
6. Employer Personnel Needs Assessment Form
7. Community Letters of Support
8. Alderman's Letter of Support
9. M/WBE Letter

Exhibit 1. Detailed Budget

Detailed Accretive Health Sources & Uses

Sources		
	<u>Amount</u>	<u>% of Total Sources</u>
Internal Capital/Treasury Funds	\$16,200,987	100.00%
Total Sources	\$16,200,987	100.00%
Uses		
	<u>Amount</u>	<u>\$/SF of Tenant Space*</u>
Construction		
Hard Costs	3,717,887	\$81.92
Tenant Construction	1,712,121	\$37.72
IT Infrastructure	1,800,000	\$39.66
Demolition	166,924	\$3.68
General Contractor Fee	38,842	\$0.86
General Conditions	0	\$0.00
Hard Cost Contingency	<u>105,730</u>	\$2.33
Total Hard Costs	3,823,617	\$84.25
Soft Costs/Fees	510,323	\$11.24
Architect/Engineering (3% of hard costs)	115,000	\$2.53
Consultant Fees (<1% of total costs)	30,000	\$0.66
Legal/Accounting (<1% of total costs)	30,000	\$0.66
Insurance (<1% of total costs)	17,323	\$0.38
Permits (<1% of total costs)	28,000	\$0.62
Project Management (<1% of total costs)	80,000	\$1.76
Misc. Soft Costs (<1% of total costs)	100,000	\$2.20
Soft Cost Contingency (<1% of total costs)	<u>110,000</u>	\$2.42
Total Soft Costs (6% of total costs)	510,323	\$11.24
Total Furniture, Fixtures, Equipment	416,060	\$9.17
Equipment	16,060	\$0.35
Furniture and Fixtures	400,000	\$8.81
Total Uses Phase I	4,750,000	\$104.66
Workforce Development	<u>Amount</u>	<u>Per Employee (650)</u>
Training Design and Start Up	515,000	\$792.31
Curriculum Redesigns and Updates	922,354	\$1,419.01
Cost of Training Delivery and Materials	<u>3,293,633</u>	<u>\$5,067.13</u>
Total Job Training	4,730,987	\$7,278.44
Phase II- Build-out**	3,360,000	\$74.67
Phase III-Build-out***	3,360,000	\$74.67
Total Uses- Phases I, II, and III	16,200,987	

*Phase I Lease is for 44,385 square feet

**Phase II Lease is for 45,000 square feet (estimated)

***Phase III Lease is for 45,000 square feet (estimated)

****Cost per employee

Exhibit 2. Redevelopment Area Map

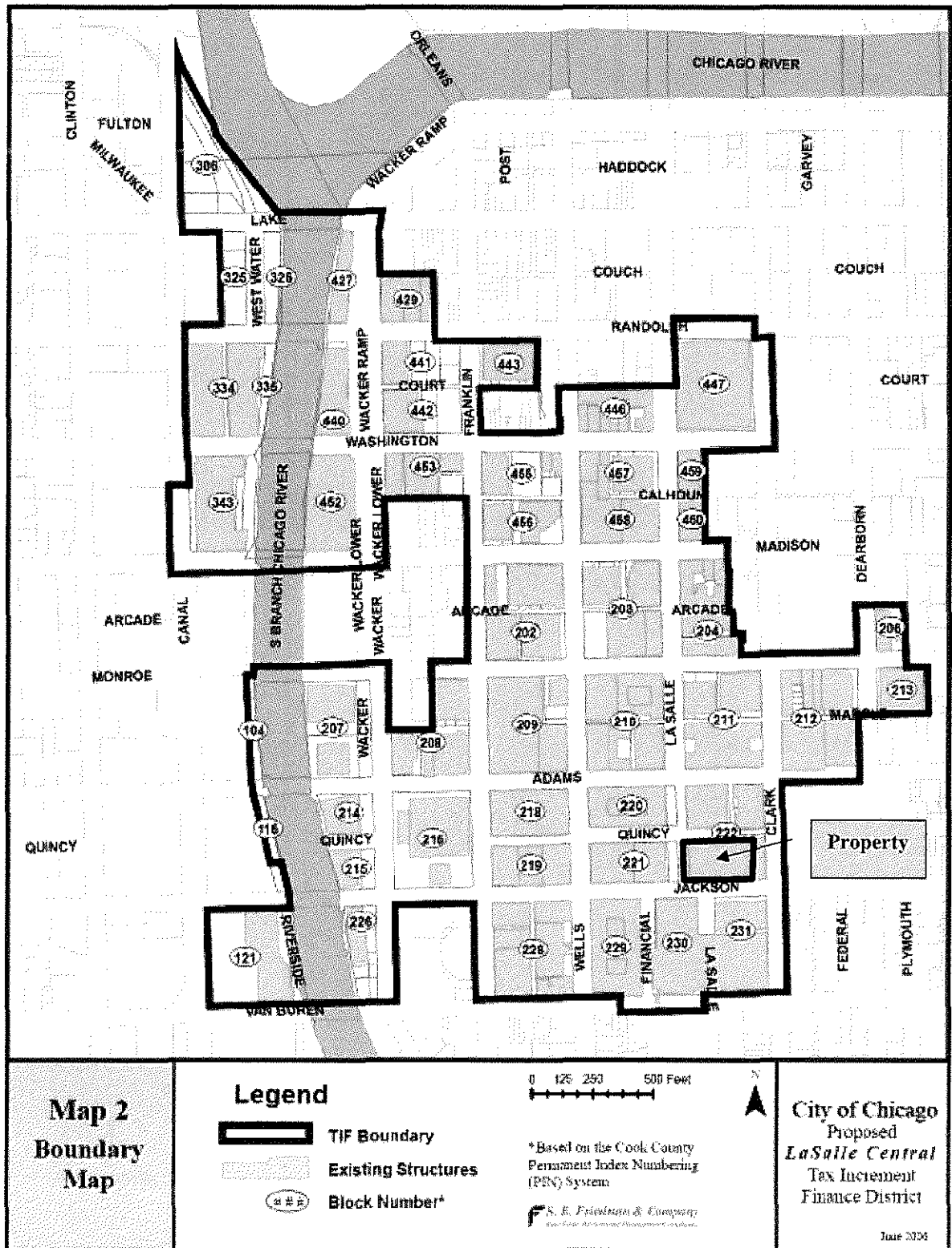


Exhibit 3. Neighborhood Maps and Aerial



Exhibit 4. Floor Plan

Exhibit 5. Organizational Chart

Accretive Health, Inc. Ownership Structure

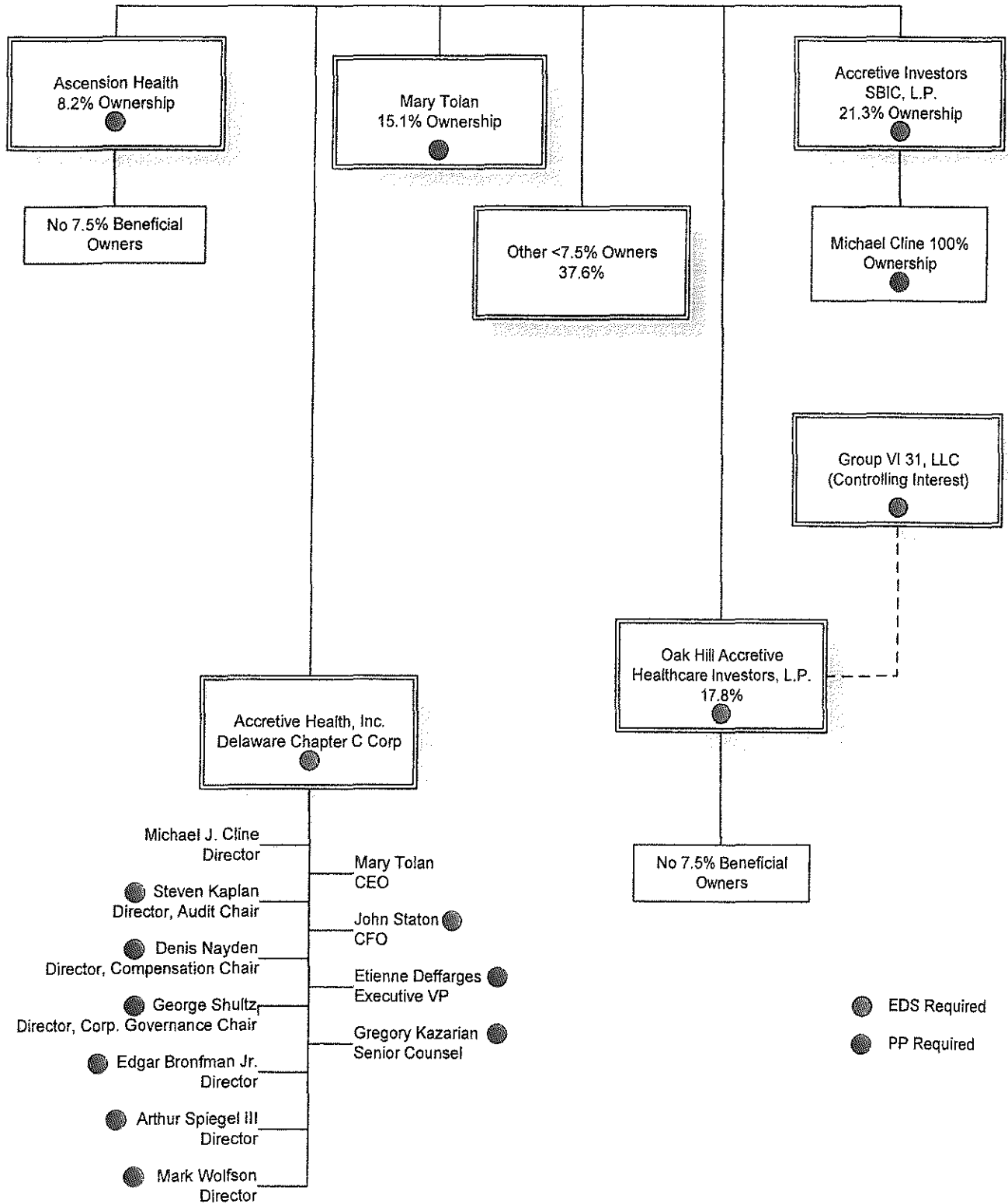


Exhibit 6. Employer Personnel Needs Assessment Form

Employer Personnel Needs Assessment

Company Information

Company Name: Accretive Health, Inc.

Current Address: 401 N. Michigan Ave.
Suite 2700
Chicago, IL 60611

Name of Contact Person: Dan Zaccardo, General Counsel

Phone: 312-255-7710 **Fax:** 312-324-7821 **E-Mail:** GeneralCounsel@AccretiveHealth.com

Name of Hiring Manager: Duane Lisowski, Vice President, Operations

Phone: 312-505-1775 **Fax:** 312-324-7821 **E-Mail:** DuaneLisowski@AccretiveHealth.com

Brief Description of Company: Accretive Health is a leading provider of healthcare revenue cycle management services. Our business purpose is to help U.S. healthcare providers to more efficiently manage their revenue cycle operations, which encompass patient registration, insurance and benefit verification, medical treatment documentation and coding, bill preparation and collections.

Business Status: Expanding in Chicago

Current number of employees: 2,000 Nationwide, 175 in Chicago

Anticipated number of employees at facility: 650

Date expected to occupy facility: October 2010

Date expected to be fully staffed at facility: December 2020

Exhibit 7. Community Letters of Support



WORLD
BUSINESS
CHICAGO

RICHARD M. DALEY, CHAIRMAN
RITA R. ATHAS, EXECUTIVE DIRECTOR

October 22, 2010

Chris Raguso
Acting Commissioner
Department of Community Development
City of Chicago
121 N. LaSalle Street - Room 1000
Chicago, IL 60602

Re: Accretive Health

Dear Commissioner Raguso:

This letter is issued in support of Accretive Health's application pertaining to the LaSalle Central Tax Increment Financing District which will be presented for review to the Community Development Commission and the City Council's Committee on Finance.

Headquartered in Chicago at 401 N. Michigan Avenue, we are delighted that with this proposed project Accretive Health will select Chicago to open their brand new "Operational and Processing and Training Facility" at 231 S. LaSalle, **creating 650 new jobs for Chicagoans**. Although several different States were considered for this new facility, their preference was for a Chicago location if the project cost financial gap could be narrowed with an offer of financial assistance.

We applaud the City's creative response. The City of Chicago's offer of \$6 million in TIF assistance is unprecedented in that *for the first time ever*, nearly 80% of the TIF monies will go toward workforce training (and the remainder toward offsetting a portion of the facility build-out costs). Never before has such a large portion of TIF funds been dedicated to worker training, and we wholeheartedly support this significant direct investment in Chicago's human capital.

Founded just seven years ago in 2003, Accretive Health is a rapidly growing company with more than \$510 million in net service annual revenues last year. They recently went public (NYSE:AH) earlier this year, and have demonstrated explosive growth with nearly 1,000 people employed nationwide (175 of whom are located at their Chicago headquarters). Their business model is unique in the healthcare industry, helping hospitals and clinics more efficiently manage their revenue cycles offering a "win-win" for all parties.

On behalf of World Business Chicago, we are extremely pleased to be working in conjunction with the Department of Community Development to support an incentive **to create and retain Accretive Health's 875 total jobs in Chicago**.

Sincerely,

Rita R. Athas
President

RRA:lab

C: Greg Kazarian, Accretive Health
Eric Kachin, Accretive Health
Mike Jasso
Bob McKenna

Paul Zaimczak
Bill Eager
Chip Hastings
Will Edwards

www.worldbusinesschicago.com

Exhibit 8. Alderman's Letter of Support



BRENDAN REILLY

ALDERMAN—42ND WARD

CITY COUNCIL
CITY OF CHICAGO

42ND WARD OFFICE

325 WEST HURON STREET
SUITE 510
CHICAGO, ILLINOIS 60654
TELEPHONE (312) 642-4242

CITY HALL OFFICE

CITY HALL—ROOM 200
121 NORTH LA SALLE STREET
CHICAGO, ILLINOIS 60602
TELEPHONE (312) 744-3062

WWW.WARD42CHICAGO.COM

COMMITTEE MEMBERSHIPS

BUILDINGS

COMMITTEES, RULES, AND ETHICS

HEALTH

TRAFFIC CONTROL AND SAFETY

TRANSPORTATION AND PUBLIC WAY

October 25, 2010

Christine Raguso
Acting Commissioner
Department of Community Development
121 North LaSalle Street, Suite 1000
Chicago, Illinois 60602

Re: **Accretive Health TIF Request** to open a new *Operational Processing & Training Facility* with 650 new jobs at 231 S. LaSalle

Dear Commissioner Raguso:

Please accept this letter of support for Accretive Health's ("Accretive") request for \$6 million in tax increment financing in connection with their decision to locate a new *Operational Processing & Training Facility* and create 650 new jobs at 231 South LaSalle Street in the "LaSalle Central TIF District" in the 42nd ward.

Founded in 2003, Accretive Health is headquartered in Chicago at 401 N. Michigan with 175 full-time employees. The company helps U.S. healthcare providers more efficiently manage their revenue cycle operations. Earlier this year, Accretive went public and is now listed on the NYSE, and business is growing rapidly. Currently, they employ 1,000 people nationwide (including in Illinois, Michigan, Massachusetts, Minnesota, Arizona, Wisconsin, Indiana, Alabama, Tennessee, Florida and California). As of June 2010, their clients included 61 hospitals and \$13.7 billion in annual net patient revenue.

To accommodate significant recent and projected growth, Accretive seeks to open as soon as possible a new *Operational Processing & Training Facility*. The company plans to hire 650 full-time employees at this new facility over the next ten years. Numerous locations were considered for this project including Albuquerque, Jacksonville, Nashville and Chicago. In the site location analysis they compared labor costs, office rent, and construction costs across the four cities and found - while Chicago was the preferred location - it was the most expensive option. Therefore the company has requested TIF assistance to defray construction costs and training for the 650 people they will hire.

I understand that of this \$6 million request in TIF assistance, approximately 80% will go toward job training with the remainder for the new facility build-out. I support utilizing TIF funds for job training because it is a direct investment in human capital, providing Chicago residents with skills they will keep throughout their careers. Per the TIF Redevelopment Agreement, Accretive has committed to hiring Chicago residents for no less than 51% of its 650 new hires.

This project will not only create 650 new living wage jobs that will pay roughly \$35,506 in annual starting salary, I also understand the company has agreed to retain their 175 HQ positions currently located at 401 North Michigan in Chicago - another commercial property located in the 42nd ward but located outside the LaSalle Central TIF District.

Please accept this letter of support for Accretive Health's application for TIF assistance for the retention and creation of 875 full time jobs in downtown Chicago's 42nd ward. As we navigate through these difficult economic times, the City of Chicago must do all it can to support job creation initiatives like these.

Thank you in advance for your favorable consideration of Accretive's TIF Application.

Sincerely,

Brendan Reilly
Alderman, 42nd Ward

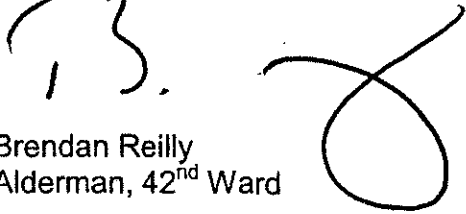
A handwritten signature in black ink, consisting of a stylized 'B' followed by a large, looping flourish.

Exhibit 9. MBE / WBE Letter



Paul Zalmezak
City of Chicago Department of Community Development
Coordinating Planner
121 N. LaSalle – Room 1003
Chicago, Illinois 60602

**Re: Accretive Health
MBE/WBE Outreach to Assist Agencies**

Paul:

Please be advised that prior to the commencement of construction on the referenced project, the TIF application had not been completed, therefore, Skender Construction nor Accretive Health were aware of the requirement to solicit to assist agencies as we have now been notified. However, Skender Construction Company and Accretive Health have full intentions of complying with the 24%MBE and 4%WBE requirements set forth as part of the regulatory requirements imposed for this project, as we were notified at the October 6, 2010 meeting with DCD's Monitoring and Compliance Division.

To date, Skender Construction has committed direct contracts to, and received subcontractor commitments for the purchase of supplies and materials from the following MBE/WBE certified firms: Hyde Park Environmental Services, Luisa De Roo, Unique Drywall Systems, Paniagua, Inc., Fullerton Industrial Supply, Express Electric, Maywood Industries, Fullerton Industrial Supply, Everlights, Inc., and Mercombee. Contract commitments to the listed firms currently account for \$635,048 or 27.61% MBE and \$129,400 or 5.46% WBE, based on the RDA budget of \$2,300,000.00

Should you require additional information, please advise.

Sincerely,

Ta Juana Tang
Compliance Consultant

CC: E. Kachin – Accretive Health
T. Coughlin – Accretive Health
L. Bush – World Business Chicago
C. Edward – Skender Construction
C. Whitfield – Skender Construction

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

RESOLUTION NO. __ - CDC -

**AUTHORIZATION TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH ACCRETIVE HEALTH, INC.**

**AND
RECOMMENDATION TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
FOR THE DESIGNATION OF ACCRETIVE HEALTH, INC.
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 06-CDC-72 and pursuant to the Act, enacted three ordinances on November 15, 2006 and amended and corrected the ordinances on February 7, 2007 and May 9, 2007, pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the LaSalle Central 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, Accretive Health, Inc. (the "Developer"), has presented to the City's Department of Community Development ("DCD") a proposal for redevelopment of the Area or a portion thereof that is in compliance with the Plan, consisting of consisting of the build-out of tenant space at 231 S. LaSalle St for the Accretive Health Inc. Operational Processing and Training Facility (the "Project"); and

WHEREAS, DCD requests that the Commission recommend to City Council that the Developer be designated as the developer for the Project and that DCD 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 DCD 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: November 9, 2010

Attachment: Exhibit A, Street Boundary Description

EXHIBIT A

Street Boundary Description of the
LaSalle Central Tax Increment Financing
Redevelopment Project Area

The Area is generally bounded by Dearborn Street on the east, Van Buren Street on the south, the Chicago River and Canal Street on the west, and portions of the Chicago River, Lake, Randolph and Washington streets on the north.