STATE OF ILLINOIS)
   )SS
   COUNTY OF COOK )

CERTIFICATE

I, Jennifer Rampke, the duly authorized, qualified and Executive Secretary of the Community Development Commission of the City of Chicago, and the custodian of the records thereof, do hereby certify that I have compared the attached copy of a Resolution adopted by the Community Development Commission of the City of Chicago at a Regular Meeting held on the 10th Day of April 2007 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 10th Day of April 2007

[Signature]

JENNIFER RAMPKE
EXECUTIVE SECRETARY
Jennifer Rampke

07-CDC-26
COMMUNITY DEVELOPMENT COMMISSION
OF THE
CITY OF CHICAGO

RESOLUTION NO. 07-CDC-26

AUTHORIZATION TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH THE ZIEGLER COMPANIES, INC.

AND
RECOMMENDATION TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
FOR THE DESIGNATION OF THE ZIEGLER COMPANIES, 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 ___-CDC-___ and pursuant to the Act, enacted three ordinances on ____________ 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, The Ziegler Companies, Inc. (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 an approximately 44,513 office tenant buildout (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: April 10, 2007

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 Lake Street on the north, Clark Street on the east, Van Buren on the south, and Canal Street on the west.
CITY OF CHICAGO
Department of Planning & Development

STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
REQUESTING DEVELOPER DESIGNATION
April 10, 2007

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name: The Ziegler Companies, Inc. ("Ziegler")
Applicant Name: The Ziegler Companies, Inc.
Project Address: 200 South Wacker Drive
Ward and Alderman: 2nd Ward, Alderman Madeline Haithcock
Community Area: 32, Loop
Redevelopment Project Area: LaSalle Central Tax Increment Financing District
Requested Action: TIF Developer Designation
Proposed Project: The Ziegler Companies, Inc. ("Ziegler") intends to relocate its national corporate headquarters from Milwaukee, Wisconsin to the building located at 200 South Wacker Drive. One hundred fifty-one (151) full time equivalent (FTE) employees of Ziegler (or a Ziegler affiliate, defined as a 100% owned direct or indirect subsidiary of Ziegler) will be located at the headquarters. Of these, approximately 40 employees will be relocated from other Ziegler offices nationwide, including from Ziegler's current headquarters in Wisconsin. The remaining 111 employees will consist of new employees (70) and employees relocated from an existing Chicago office (41). Ziegler intends to enter into an office lease with the owner of 200 S. Wacker, commencing on or about August 1, 2007, pursuant to which Ziegler will lease approximately 44,513 square feet of space on floors 20 and 21 for an initial period of eleven (11) years with one 5-year renewal option. The purpose of the proposed TIF RDA is to provide an incentive to Ziegler to relocate its headquarters to the City of Chicago.

TIF Assistance: Provided annual job goals are consistently met, Ziegler would receive a maximum of $241,600 annually for a period of ten years. This stream of payments has an approximate net present value ("NPV") of $1,658,000 or 20% of TPC. Annual payments of TIF assistance would begin upon issuance of a Certificate of Completion.
II. PROPERTY DESCRIPTION

Address: 200 South Wacker Drive
Location: Southwest corner of Wacker and Adams
Tax Parcel Numbers: 17-16-214-002-0000
Land Area: Ziegler will occupy floors 20 & 21 of the 200 S. Wacker building, totaling approximately 44,513 s.f.
Current Use: The 200 S. Wacker building is an existing office building.
Current Zoning: DC-16
Proposed Zoning: Existing building; all signage and building materials shall be in conformance with underlying zoning and building codes.
Environmental Condition: N/A; redevelopment of office space

III. BACKGROUND

The Property is located within the LaSalle Central Tax Increment Financing Redevelopment Project Area (“Area”), which was established by the City Council on November 15, 2006. The Area is very generally bounded by Lake Street on the north, Clark Street on the east, Van Buren on the south and Canal Street on the west.

The Property, 200 S. Wacker, is located on the southwest corner of Adams and Wacker. The building was constructed in 1981 and is currently owned by The John Buck Company.

The Ziegler facilities leases in its current Chicago and Milwaukee locations will expire in the near term. As a consequence, Ziegler is planning to centralize its corporate activities into one location. Ziegler’s investment banking activities are currently centered at One South Wacker Drive in Chicago, while its corporate leadership, brokerage and asset management staff are located in downtown Milwaukee.

Ziegler considered maintaining and consolidating its corporate center in Milwaukee, as opposed to relocating its operations in Chicago. After weighing several factors, Ziegler determined that relocating its corporate headquarters to Chicago made the best business sense. The Department of Planning’s offer to assist Ziegler with their relocation, via the TIF financing package as proposed herein was a key part of that decision.

The proposed new headquarters in Chicago will bring all of Ziegler’s major operating divisions into one centralized corporate center. These divisions include:

- Capital Markets – Investment Banking, Sales & Trading
- Investment Services – Wealth Management, Brokerage Services
- Capital Management – Asset Management, Proprietary Funds Group
- Corporate Executive Management – CEO, President, CFO, Legal, Human Resources, Compliance
IV. PROPOSED DEVELOPMENT TEAM

Development Entity: The Ziegler Companies, Inc. is a publicly registered business corporation. Ziegler is a financial services/broker-dealer firm currently headquartered in Milwaukee, Wisconsin. As a boutique investment bank, Ziegler is a national leader in providing capital for senior living communities, hospitals, schools and religious institutions. Originally founded in West Bend, Wisconsin in 1902, Ziegler now has 23 offices in 10 states. Over the last several years, Ziegler has enjoyed increased profits, and currently has major expansion plans.

V. PROPOSED PROJECT

Project Overview:
Ziegler intends to relocate and consolidate its headquarters to the building located at 200 S. Wacker Drive. In connection with the relocation and consolidation, Ziegler intends to enter into an office lease with the owner of the building (The John Buck Company), commencing on or about August 1, 2007, pursuant to which Ziegler will lease approximately 44,513 square feet of space on floors 20 & 21 of the Building for an initial period of eleven (11) years with one 5-year renewal option. Ziegler will invest at least $8,263,860 in relocating, building out, setting up and moving into the Headquarters.

Upon such relocation and during the term of the TIF RDA (as defined below) the portion of the Building occupied by Ziegler will be the primary base for Ziegler’s national business, including that of its subsidiaries B.C. Ziegler and Company and Ziegler Capital Management, LLC, both Wisconsin corporations, and the site which Ziegler’s principal executive officers have designated as their principal offices (the “Headquarters”). One hundred fifty-one (151) full time equivalent (FTE) employees of Ziegler or a Ziegler Affiliate (defined as a 100% owned direct or indirect subsidiary of Ziegler) will be located at the Headquarters. Of these, approximately 40 employees will be relocated from other Ziegler offices nationwide, including from Ziegler’s current headquarters in Wisconsin. The remaining 111 employees will consist of new employees (70) and employees relocated from an existing Chicago office (41).

In connection with its occupancy of the Building, Ziegler shall construct substantial tenant improvements necessary to permit Ziegler to take possession of the Ziegler Space in accordance with the terms of the Lease. The “Project” includes the build out of the Ziegler Space the use of the Ziegler Space as their national corporate headquarters.

The City of Chicago (the “City”), through its Department of Planning and Development (“DPD”), intends to enter into a Tax Increment Financing (“TIF”) Redevelopment Agreement (the “TIF RDA”) with Ziegler. The purpose of the TIF RDA is to provide an incentive to Ziegler to relocate its headquarters to the City in the Building.

Redevelopment of floors 20 & 21 will commence in Spring 2007 (via a Right-of-Entry Agreement) with anticipated completion by August 2007.

Environmental Features:
Ziegler has committed to construct their office space on floors 20 & 21 to be LEED certified.
VI. FINANCIAL STRUCTURE

The City, through the Department of Planning and Development, is planning to reimburse the Developer for TIF-eligible expenses whereby, provided annual job goals are consistently met, Ziegler would receive a maximum of $241,600 annually for a period of ten years. This stream of payments has an approximate net present value (NPV) of $1,658,000 or 20% of TPC. Annual payments of TIF assistance would begin upon issuance of a Certificate of Completion.

The City intends to negotiate a redevelopment agreement (the “TIF RDA”) with the Developer in connection with the Project. The City, through the Department of Planning and Development, intends to provide the Developer with annual payments of TIF assistance for a period of ten years amounting to a maximum over time of not to exceed $2,416,000 (NPV = $1,658,000). The Developer will invest at least $8,263,860 in locating, building out, setting up, and moving into the Headquarters and will occupy approximately 44,513 square feet. TIF-eligible expenses will be reimbursed from existing increment, and/or bond funds, in the LaSalle Central Redevelopment Project Area Tax Increment Allocation Fund in the following manner:

- Payments would be divided equally over a ten-year period of time (i.e. $241,600 per year). TIF payment eligibility would begin upon issuance of the Certificate of Completion. Ziegler will be required to submit an annual Employment Affidavit, whereby the company will receive their annual TIF subsidy only if they have fulfilled and maintained their agreed upon permanent job target goals on an annual basis (*a detailed annual job target schedule is outlined below). A one-year cure period will be provided in the event the annual job target goals have not been realized.

If for any reason the Total Project Cost of $8,263,860 as defined in the preceding section is reduced, then the amount of TIF funds being provided will be reduced accordingly. The formula for such a reduction will be as follows:

- Each $1.00 reduction in the Total Project Cost below $8,263,860 will result in a 50-cent reduction in TIF funds.
Sources and Uses of Funds:

**PROJECT BUDGET**

<table>
<thead>
<tr>
<th>Sources of Funds:</th>
<th>% of total sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Loan</td>
<td>$5,000,000</td>
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<tr>
<td>Company Cash</td>
<td>$3,263,860</td>
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<tr>
<td><strong>Total Sources</strong></td>
<td><strong>$8,263,860</strong></td>
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</table>

**Uses of Funds:**

<table>
<thead>
<tr>
<th>Uses of Funds:</th>
<th>$ per square foot</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>$3,307,025</td>
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<tr>
<td>Furniture &amp; Fixtures</td>
<td>$1,345,915</td>
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<tr>
<td>Office Equipment</td>
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<tr>
<td>Project Financing Expenses</td>
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<tr>
<td>Other</td>
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<td>Professional Design Fees</td>
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<td><strong>Subtotal</strong></td>
<td><strong>$6,437,610</strong></td>
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<tr>
<td>Relocation Costs</td>
<td>$1,826,250</td>
</tr>
<tr>
<td><strong>Total Costs</strong></td>
<td><strong>$8,263,860</strong></td>
</tr>
</tbody>
</table>
VII. PUBLIC BENEFITS
The proposed project will provide the following public benefits:

Environmental Features: Ziegler has committed to construct their office space on floors 20 & 21 to be LEED certified, and shall provide evidence acceptable to the City that they have received LEED Certification within two years of the date of the Certificate.

Donation to Non-Profit Organization(s)
TBD, pending Aldermanic input. Ziegler will donate $25,000 to one or more non-profit organizations in the City. The donation shall be made prior to the issuance of the Certificate of Completion.

Permanent Jobs: the Developer shall be required to create or relocate to the site a total of 151 FTE positions with a minimum of 40 FTE positions relocated from outside Chicago; 41 FTE existing positions retained in Chicago; and 70 new FTE positions created at the site, by January 1, 2012 in accordance with the following:

a) Relocate a minimum of 5 non-Chicago FTE positions and 41 existing Chicago FTE positions to the headquarters, create a minimum of 10 new FTE positions (on or after June 1, 2006) at the headquarters, or a combination of new or relocated non-Chicago FTE positions equaling 15, for a total of 56 jobs at the headquarters location by December 31, 2007;

b) Relocate a minimum of 20 non-Chicago FTE positions to the headquarters, create a minimum of 15 new FTE positions at the headquarters, or a combination of new or relocated non-Chicago FTE positions equaling 35, at the headquarters location by December 31, 2008;

c) Relocate 15 non-Chicago FTE positions to the headquarters, create 15 new FTE positions at the headquarters, or a combination of new or relocated non-Chicago FTE positions equaling 30, at the headquarters location by December 31, 2009;

d) Create 10 new FTE positions annually between January 1, 2010 and December 31, 2012 for a total of 30 new FTE positions at the headquarters by December 31, 2012;

e) Retain 90 percent (136 FTE positions of the 151 total) FTE positions created, moved, and relocated to the headquarters for which Developer has received payment for a period of 3 years beginning in seventh year following project completion.

Mayor’s Office of Workforce Development (MOWD): As part of the Redevelopment Agreement, the Developer will work with MOWD to create a job recruiting/referral program. An initial meeting with MOWD has already occurred.

Affirmative Action: Ziegler will comply with the requirements of Chicago’s affirmative action ordinance, which requires contract participation of 24% by minority-owned business enterprises (MBEs) and 4% by woman-owned business enterprises (WBEs). The developer will provide notification of the proposed project, by certified mail, to eight associations of minority and women contractors. Prior to the execution of the Redevelopment Agreement, the Developer must submit evidence acceptable to DPD that the general contractor has met at least once with, and provided bid documents to, applicable MBE/WBE contractor associations.
City Residency: The developer will comply with the requirements of Chicago's city residency ordinance, which requires that at least half of all construction-worker hours be filled by Chicago residents. The developer will also comply with the requirement that all construction jobs are paid the prevailing wage.

VIII. COMMUNITY SUPPORT
Alderman Haithcock endorses this project. Additionally, World Business Chicago and the Chicago Loop Alliance submitted a letters of support. (See attached).

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN
The proposed project is located in the LaSalle Central Tax Increment Financing Redevelopment Project Area. The proposed project will satisfy the following goals of the redevelopment plan:
- Strengthen the economic well-being of the Project Area and the City by increasing taxable values.
- Create an environment which stimulates private investment in appropriate new construction and rehabilitation.
- Provide opportunities for women and minority businesses to share in the redevelopment of the Project Area.

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 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, 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 need for public assistance, its public benefits, and the project's conformance with the redevelopment area plan, and DPD recommends that the CDC recommend to the City Council the designation of The Ziegler Companies, Inc. as Developer for the redevelopment of the property located at 200 S. Wacker Drive. DPD also requests that the Commissioner provide DPD with authority to negotiate, execute and deliver on the City's behalf, a redevelopment agreement with the Developer for the Project.
EXHIBITS

LaSalle Central TIF Boundary Map

Letters of Support:
Alderman Haitchcock,
World Business Chicago, &
Chicago Loop Alliance

Floor Plans & Elevations
February 8, 2007

Lori T. Healey
Commissioner
Department of Planning and Development
121 N. LaSalle Street
Room 1000
Chicago, IL 60602

RE: TIF assistance for Ziegler Companies (LaSalle Central TIF)

Dear Commissioner Healey:

I am writing this letter in support of providing up to $2,416,000 in tax increment financing (TIF) to The Ziegler Companies, Inc. for its proposed corporate relocation to 200 South Wacker Drive. This action will create 70 new jobs in Chicago, expand the real estate and sales tax base and in turn, will create new revenues for infrastructure and public works improvements in the area.

I fully support the efforts of the Department of Planning and Development and I would appreciate any assistance you could provide them in obtaining these funds for the purposes specified in this letter.

Sincerely,

[Signature]
Madeline L. Haithcock
Alderman, 2nd Ward

cc: Lori Bush, Department of Planning and Development
March 5, 2007

Lori T. Healey
Commissioner
Department of Planning and Development
121 North LaSalle – Room 1000
Chicago, IL 60602

Re: The Ziegler Companies, Inc. - Tax Increment Financing Application

Dear Commissioner:

This letter supports The Ziegler Companies Inc.'s TIF application, to be presented for your consideration at the March 13, 2007 meeting of the Community Development Commission. This application pertains to the 200 South Wacker Drive building within the LaSalle Central Tax Increment Financing District.

Ziegler Companies is a 105-year-old, Wisconsin-based financial services company principally engaged in investment banking, senior housing development, and wealth management. The majority of its employees (75%) are currently located in Milwaukee with the preponderance of its wealth management client base there as well. This fact makes a strong case for staying in Milwaukee. The economics of that option are such that but for the incentives provided for in the referenced application, Ziegler cannot fiscally justify a decision to move to Chicago.

The attraction of Ziegler Companies' headquarters to Chicago would be an enormous and significant enhancement of the City's already strong position in financial services, especially improving its standing as a leader in nonprofit capital lending.

On behalf of the business-executive Board of World Business Chicago, who have actively supported attracting this company, I encourage your approval of the application and your positive recommendation to the Chicago City Council.

Sincerely,

[Signature]

Paul O'Connor
Executive Director

Co: Kathleen Nelson
Lori Bush
March 12, 2007

Ms. Lori Healey
Commissioner
Department of Planning & Development
10th Floor, City Hall
121 N. LaSalle
Chicago, IL 60602

RE: Ziegler Companies

Dear Commissioner Healey:

The Chicago Loop Alliance is pleased to support the provision of TIF funding to the Ziegler Companies to move into 200 South Wacker in Chicago’s Loop. With approximately 25% of 200 South Wacker vacant, we look forward to Ziegler occupying approximately 40,000 square feet in this building.

We feel this is an exemplary use of TIF funding in the new LaSalle Central TIF District due to the 150 total jobs involved (40 of which are new positions to the Chicago economy). We applaud the city’s leadership in bringing this exciting anchor tenant to the Loop.

Sincerely,

Ty Laging
Executive Director
Chicago Loop Alliance