



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

**RESOLUTION NO. 04 - CDC - 26**

**AUTHORITY TO NEGOTIATE A  
REDEVELOPMENT AGREEMENT WITH  
COYNE AMERICAN INSTITUTE, INC.**

**AND/OR**

**A RELATED ENTITY TO BE FORMED**

**WITHIN THE  
KINZIE INDUSTRIAL CORRIDOR TAX INCREMENT FINANCING  
REDEVELOPMENT PROJECT AREA,**

**AND**

**TO RECOMMEND TO  
THE CITY COUNCIL OF THE CITY OF CHICAGO  
THE DESIGNATION OF  
COYNE AMERICAN INSTITUTE, INC.  
AS THE 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 98-CDC-26 and pursuant to the Act, enacted three ordinances on June 10, 1998 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Kinzie Industrial Corridor 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, Coyne American Institute, Inc. (the "Developer"), have 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 clearance and site preparation of four tax parcels located between bounded by the C. M. St. P & P. Rail Road tracks on the north, N. Halsted Street on the east, W. Wayman Street on the south, and N. Peoria Street on the West and the construction of a two-story (76,430 square foot) job-training school located at 330 North Green Street and associated parking lot (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 13, 2004

Attachment: Exhibit A, Street Boundary Description

**EXHIBIT A**

**Street Boundary Description of the  
Kinzie Industrial Corridor Tax Increment Financing  
Redevelopment Project Area**

The irregularly shaped Redevelopment Project Area is generally bounded by Walton Street, Chicago Avenue, Grand Avenue, Ohio Street and Hubbard Street on the north; Halsted Street, Union Avenue and Peoria Street on the east; Lake Street, Washington Boulevard, Randolph Street and Maypole Avenue on the south; and Kedzie Avenue on the west.

**CITY OF CHICAGO**  
**Community Development Commission**  
Department of Planning & Development  
April 13, 2004

**SUMMARY SHEET**  
**Coyne American Institute, Inc.**

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**Actions**

- Requested:**
- 1) Recommend to the City Council the designation of Coyne American Institute, Inc., and/or a related entity to be formed, as the Developer for the redevelopment of the property located within the boundaries of the Kinzie Industrial Corridor Tax Increment Financing (TIF Redevelopment Project Area and commonly known as 330 North Green Street; and
  - 2) Authorize the Department of Planning and Development to negotiate, execute and deliver on the City's behalf a redevelopment agreement with the Developer for the Project.

**Project:** The Developer has proposed the construction of a two-story (76,430) building with on-site parking. The new facility will be used to train students in 1) air conditioning, refrigeration, and heating; 2) electrical maintenance; 3) electronics; and 4) office administration. The development of this Project enables Coyne American Institute to upgrade their training programs and facilities and increase enrollment from their current site.

**Location:** 330 North Green Street, within the Kinzie Industrial Corridor TIF Redevelopment Project Area. The Property is generally bounded by the C. M. St. P & P. (aka Conrail) tracks on the north, N. Halsted Street on the east, W. Wayman Street on the south and N. Peoria Street on the west.

**Developer:** Coyne American Institute, Inc. with Smithfield Properties serving as an agent

**Assistance:** \$3,300,000 in tax increment financing assistance or an amount not to exceed 95% of the annual tax increment. This is 20.7% of the total project budget.

The assistance will be provided to the Developer in the form of a taxable TIF Developer's Note that will be issued at completion of the Project.

**Zoning:** The present zoning of the Property is PMD4. The Kinzie Corridor Planned Manufacturing District allows trade schools and related parking as permitted uses (Chicago Zoning Code, Part F, Chapter 16-8, Article II). No changes to the existing zoning are anticipated.

**Ward:** 27<sup>th</sup> Ward, Alderman Walter Burnett, Jr.

**Public  
Benefits:**

Real Estate Taxes

The Project is expected to generate a substantial increase in the real estate taxes on the Property.

Jobs

The Project will result in the retention of 43 existing staff positions (full-time) and will create 6 new full-time jobs. The Project will generate approximately 50 construction jobs.

Job Training

Relocation will allow the facility to gradually increase its student enrollment from that of its aging existing facility.

Green Technology and Landscaping

The Project will include the following environmentally friendly components:

- A green roof will be provided at the front of the building; and
- The main entrance and southern edge of the property and the parking lot will be heavily landscaped with trees and shrubbery.

**MBE/WBE:** The Developer intends to comply with the City's MBE/WBE requirements. The certified mail receipts are attached as evidence that the Developer has provided the MBE/WBE contractor associations with the required notifications.

**Community  
Outreach:**

Several community meetings have been held regarding this Project. Letters of support have been received by three Chicago companies which currently hire Coyne graduates and the property owner located one block south of the site. Alderman Burnett also supports the Project as evidenced by the attached letter.

**Issues:** N/A

**CITY OF CHICAGO**  
**Community Development Commission**  
Department of Planning & Development  
April 13, 2004

**STAFF REPORT**  
**Coyne American Institute, Inc.**

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**CHAIRMAN RICHARDSON-LOWRY AND MEMBERS OF THE COMMISSION:**

This Resolution requests that the Community Development Commission take the following actions:

- 1) Recommend to the City Council the designation of Coyne American Institute, Inc., and/or a related entity to be formed, as the Developer for the redevelopment of the property located within the boundaries of the Kinzie Industrial Corridor Tax Increment Financing ("TIF") Redevelopment Project Area and commonly known as 330 North Green Street (the "Project" and the "Property"); and,
- 2) Authorize the Department of Planning and Development to negotiate, execute and deliver on the City's behalf a redevelopment agreement with the Developer for the Project.

**Purpose of Resolution**

To provide Tax Increment Financing assistance for the relocation and expansion of a vocational training facility. The new facility is proposed to be constructed on vacant and underused parcels of land in a Planned Manufacturing District in the 27<sup>th</sup> Ward.

**Background**

The Property is located within the Kinzie Industrial Corridor TIF Redevelopment Project Area (the "Area"), which was established by the City Council on June 10, 1998. The Area is located west of the Loop and is generally bounded by W. Chicago Avenue on the north, N. Halsted Street on the east, W. Madison Street on the south, and N. Kedzie Avenue on the west.

The Property is generally bounded by W. Wayman Street on the south, N. Peoria Street on the west, the C. M. St. P & P. (Conrail) tracks on the north and N. Halsted Street on the east. The land area of the site is approximately 109,278 square feet (2.5 acres). The Property was formerly occupied by industrial uses and some of the parcels were already vacant when the Area was designated in 1998. The Property is currently undergoing remediation and site preparation. The former owner (CMC Heartland Partners) began the remediation efforts. The property was acquired by Smithfield Properties XXXIII, LLC in February 2004. Upon completion of the Project, the title and the building will be transferred to Coyne American Institute, Inc. in exchange for its existing facility on Fullerton Avenue.

## **Development Project**

### Proposed Developer

Coyne American Institute, Inc.. (the "Developer")

The Developer is a Delaware corporation that is privately held by Mr. Russell T. Freeman. The Developer currently operates a vocational training facility at 1235 W. Fullerton Avenue in the City of Chicago. The Coyne American Institute, Inc. has educated workers in Chicago since 1899. It is one of the oldest technical and vocational schools in the country.

Smithfield Properties XXXIII, LLC is acting as a primary agent in the Project. Smithfield and Coyne have entered into an agreement whereby Smithfield will serve as a build-to-suit developer. They will coordinate the development of the Project (including site acquisition and construction) and will transfer the completed Project to Coyne in exchange for its properties on W. Fullerton Avenue upon completion of the Project. Coyne selected Smithfield after soliciting bids from the local development community. Smithfield was the high bidder, offering \$12 million (plus closing costs) for the Fullerton Avenue site. Any construction or development costs that exceed this amount will be the responsibility of Coyne. After the completion of the Project, Smithfield will no longer be associated with the 330 N. Green Street site.

Smithfield Properties has extensive development experience in the City of Chicago. They have a solid reputation in retail, residential, mixed use, and industrial development in the City. Some of their more prominent development projects include: retail centers anchored by the Crate and Barrel Outlet store and Old Navy in the Halsted/North/Clybourn area; the acclaimed residential developments Erie on the Park and Kingsbury on the Park, and more than one dozen industrial sites on Goose Island. They have been a noted developer on State Street; responsible for the redevelopment of 5 N. Wabash and Block 36 at State and Randolph. Block 36 includes dormitory space, a film center, a Border's bookstore, and a new facility for the Noble Fool Theater Company.

### Proposed Project

The Developer has proposed the construction of a two-story building with on-site parking. The new facility will be used to train students in 1) air conditioning, refrigeration, and heating; 2) electrical maintenance; 3) electronics; and 4) office administration. There are currently 620 students enrolled at the existing Coyne facility. The development of this Project enables Coyne American Institute to upgrade their training programs and facilities and will also allow them to gradually increase enrollment to alleviate a waiting list of students that are unable to be accommodated in their existing facilities.

The 76,430 square foot building will be constructed on the western portion of the site with a landscaped surface parking lot on the east portion. Designed by Booth Hansen Associates, the building will be constructed of load-bearing precast panels with interior steel framework. A two and one-half story atrium will be enclosed with a glass curtain wall system and clerestory windows. A green roof will be featured above the atrium and on top of the large overhang that shelters the main entrance.

The main entrance and 15 parking spaces are located on the west side of N. Green Street. A drop off area is provided at the main entrance. One hundred thirty two (132) additional parking spaces are provided on the east side of N. Green St., immediately across from the new facility.

This site was selected for the numerous benefits that could be realized by Coyne. The benefits include: 1) updated and expanded facilities; 2) proximity to the Loop; and 3) improved access to convenient CTA routes such as the #8 Halsted bus, and the Blue and Green lines.



## Deal Structure

### Project Cost and Financing

The City, through the Department of Planning and Development (DPD), is planning to reimburse the Developer for the TIF eligible costs through \$3,300,000 in tax increment financing assistance or an amount not to exceed 95% of the annual tax increment. This is 20.7% of the total project budget.

The actual amount may be reduced depending on the actual tax increment generated. The possible reduction is due to the lack of a clear precedence by the Cook County Assessor's Office regarding the assessment classification of vocational training facilities. Some local facilities are taxed at the industrial rate (36%) while others are taxed at the commercial rate (38%). The assessed value of existing facilities in the City and elsewhere in Cook County also varies significantly. The projected \$3,300,000 is the net present value (NPV) of 16 years of tax increment based on assessment at the commercial rate for a newly constructed facility. In the event that the redeveloped property is assessed less aggressively than projected and at the industrial rate (36%), the NPV may be reduced to \$2,547,000. These figures have been calculated by the Developer.

The assistance will be provided to the Developer in the form of a taxable TIF Developer's Note that will be issued at completion of the Project and which will bear interest at a market rate.

This TIF assistance is necessary to fill the funding gap between the owners equity and the development costs. As a vocational training facility such as this does not create a sizable internal rate of return, it is unlikely that this Project would move forward without the requested assistance.

### Sources and Uses

The Sources and Uses of funds are summarized below. Additional detail can be found on the attached Term Sheet.

<u>Sources</u>		<u>Uses</u>	
		Land Acquisition	1,747,241 (11%)
		Hard Costs	
Developer Equity - (from trade	12,000,000	<i>General Building Construction</i>	6,926,950 (43%)
of Fullerton Ave. property to		<i>Green Roof</i>	250,000 (1.6%)
Smithfield) <sup>NOTE S 1 &amp; 2</sup>		<i>Other Hard Costs</i>	2,012,283 (13%)
Permanent Mortgage Loan (First	3,926,113	Total Hard Costs	9,189,233 (58%)
American Bank)		Soft Costs	
		<i>Arch, Engr, &amp; Legal Fees</i>	572,500 (3.6%)
		<i>Developer fee (Smithfield)</i>	378,158 (2.4%)
		<i>Other Soft Costs</i>	1,199,176 (7.5%)
Total Sources	<u>\$15,926,113</u>	Total Soft Costs	2,149,834 (13%)
		Construction Loan Interest	389,705 (2%)
		Tenant Improvements	1,200,000 (7%)
		Relocation, Furnishings, Fixtures,	
		Equipment, Misc.	<u>1,250,100 (8%)</u>
		Total Uses	<u>\$15,926,113</u>

(See Notes 1 and 2 on next page)

Note 1: Coyne will reimburse Smithfield for all expenditures in excess of \$12 million (Coyne's equity from the Fullerton Avenue Facility) for the actual building construction and will also be responsible for all expenditures relating to tenant improvements, furniture, fixtures, equipment and relocation.

Note 2: Coyne will transfer approximately \$2 million of additional equity into the project in the form of equipment and other assets, for a total equity commitment of approximately \$14 million.

### **Conformance with Plan**

The proposed redevelopment is in conformance with the land use goals and objectives of the Kinzie Industrial Corridor TIF Redevelopment Project Area Plan. Successful development of this Project would achieve the following objectives that are identified in the original *Kinzie Industrial Conservation Area Tax Incremental Redevelopment Plan and Project* dated February, 1998:

- 1) Stimulate private investment in order to facilitate industrial development that produces jobs for Chicago residents.
- 2) Strengthen linkages between companies and job training/placement agencies and continue to target local residents for workforce development initiatives.
- 3) Establish job readiness and job training programs to provide residents within and surrounding the Redevelopment Project Area with the skills necessary to secure jobs in the Redevelopment Project Area and in adjacent redevelopment project areas.
- 4) Foster employee training and the attraction of employees from adjacent neighborhoods.
- 5) Accommodate a range of industrial and business uses.
- 6) Eliminate blighting conditions such as abandoned buildings, deleterious land uses and poorly maintained property within the Redevelopment Project Area.
- 7) Enhance the tax base of the City and other taxing districts which extend into the Redevelopment Project Area by encouraging private investment in new construction and rehabilitation.

### **Community Outreach**

Several community meetings have been held regarding this Project. Letters of support have been received by three Chicago companies which currently hire Coyne graduates and the property owner located one block south of the site. Alderman Burnett also supports the Project as evidenced by the attached letter.

### **Public Benefits**

#### Real Estate Taxes

Based upon an analysis provided by the Developer, the Project is expected to generate a substantial increase in the real estate taxes on the Property. The analysis estimates that the Equalized Assessed Valuation (EAV) will increase more than twenty-fold from its current value. This results in a significant increase in the annual real estate taxes collected from \$12,300 (in 2004) to between \$293,100 to \$402,300 in 2006. The actual increase realized will depend on the assessed value of the building and the classification rate.

#### Jobs

The Project will result in the retention of 43 existing staff positions (full-time) and will create 6 new full-time jobs. The Project will generate approximately 50 construction jobs.

### Job Training

This Project will allow Coyne to upgrade and expand its vocational training programs and to provide its students with the most technologically advanced facilities. Relocation to the site at 330 N. Green Street will also enable the facility to gradually increase its enrollment from that of its aging existing facility. This Project provides an opportunity to better address the current and future job training needs of Chicago employers and potential employees.

### Green Technology and Landscaping

The Project will include the following environmentally friendly components:

- A green roof will be provided at the front of the building; and
- The main entrance and southern edge of the property and the parking lot will be heavily landscaped with trees and shrubbery.

### Prevailing Wage, MBE/WBE, City Residency

The Developer has agreed to comply with all City ordinances regarding Prevailing Wage, MBE/WBE and City Residency.

### **MBE / WBE**

The Developer will comply with all requirements regarding the use of minority and women-owned business contractors for the construction and build-out of the Project. In March of 2004, the Developer notified eight minority and women-owned business associations, by certified mail of their intent to develop this Project. The Developer will also meet with the Monitoring and Compliance staff in April of 2004 to discuss the monitoring and reporting requirements related to MBE / WBE compliance.

### **MOWD**

The City will notify the Mayor's Office of Workforce Development (MOWD) of the proposed project and the employment opportunities available. The City will also encourage the Developer to work with MOWD in the recruitment, hiring and training of City residents for available positions.

### **Recommendations**

- 1) DPD requests that the Community Development Commission recommend to the City Council the designation of Coyne American Institute, Inc., and/or a related entity to be formed, as the Developer for the redevelopment the property located within the boundaries of the Kinzie Industrial Corridor TIF Redevelopment Project Area at 330 North Green Street.
- 2) DPD also requests that the Commission provide DPD with authority to negotiate, execute and deliver on the City's behalf a redevelopment agreement with the Developer for the Project.

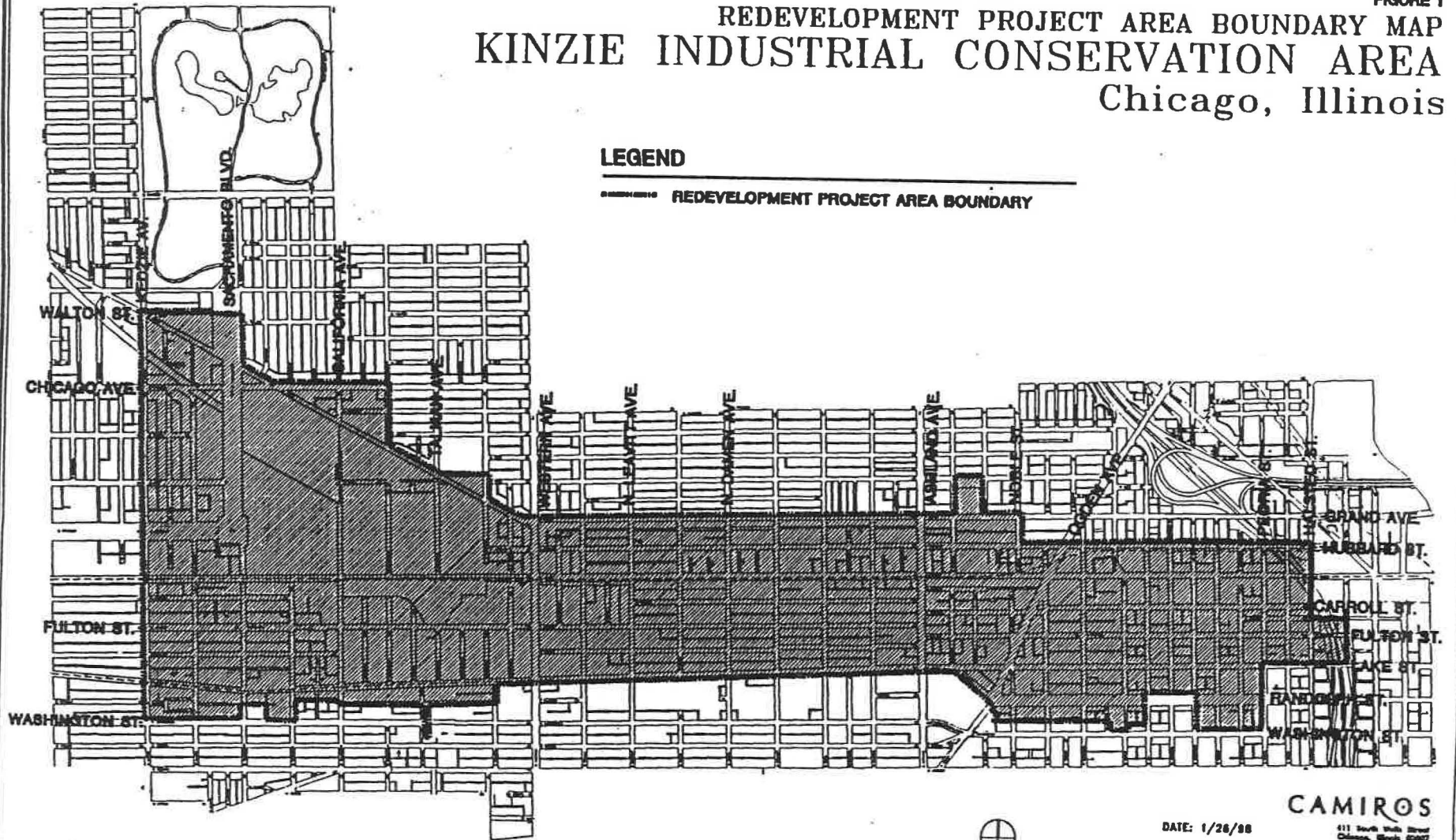
### **Attachments**

1. TIF Boundary Map (two pages)
2. Site Plan Map
3. Elevations
4. MBE/WBE Contractor Notifications and Certified Mail Receipts (8 pages)
5. TIF Term Sheet
6. Letter of Support from Alderman Burnett

FIGURE 1  
 REDEVELOPMENT PROJECT AREA BOUNDARY MAP  
 KINZIE INDUSTRIAL CONSERVATION AREA  
 Chicago, Illinois

LEGEND

REDEVELOPMENT PROJECT AREA BOUNDARY



NORTH

DATE: 1/26/88

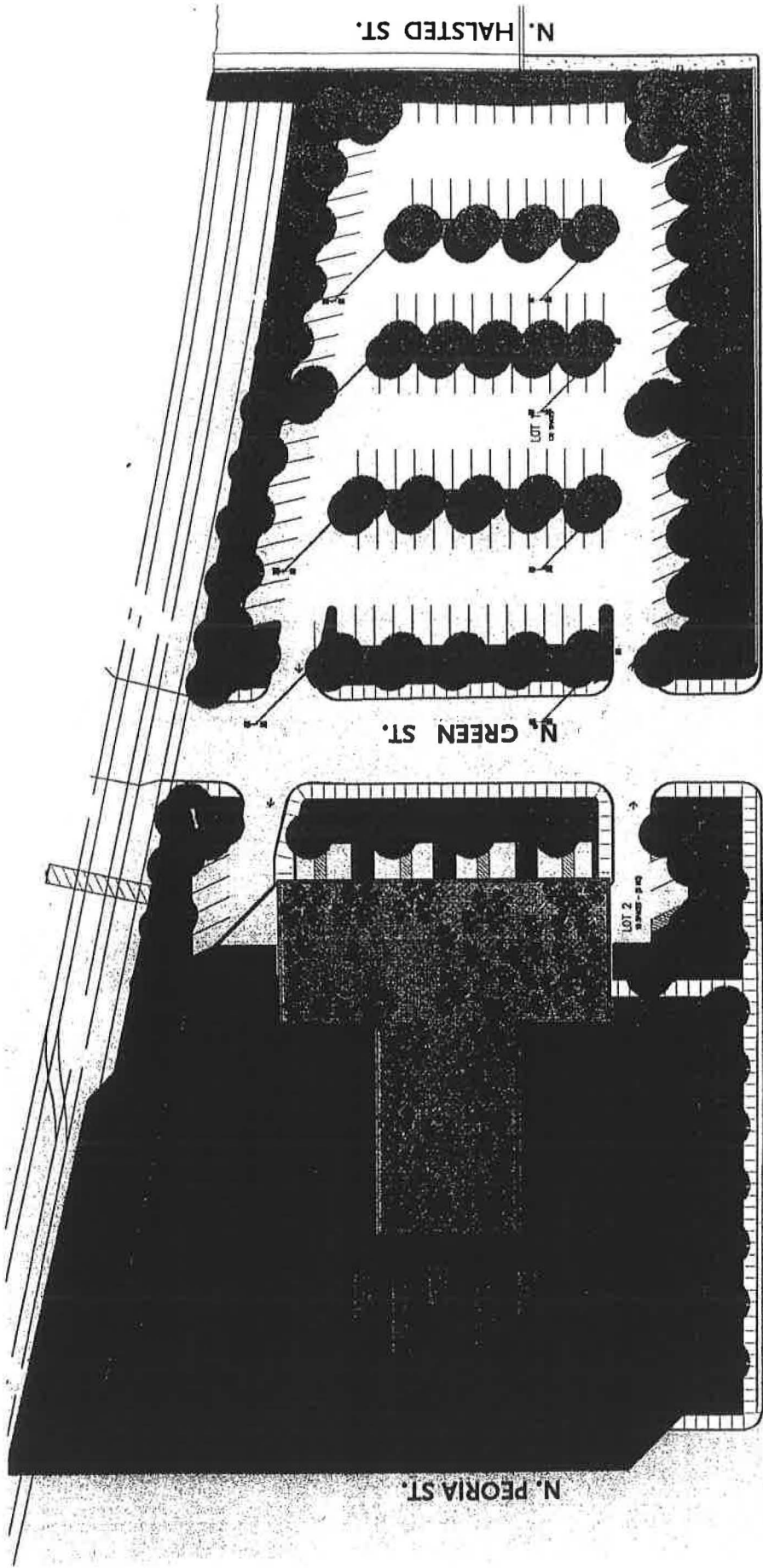


CAMIROS

411 South Third Street  
 Chicago, Illinois 60607  
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 Planning, Zoning,  
 Economic Development  
 and Landscape Architecture






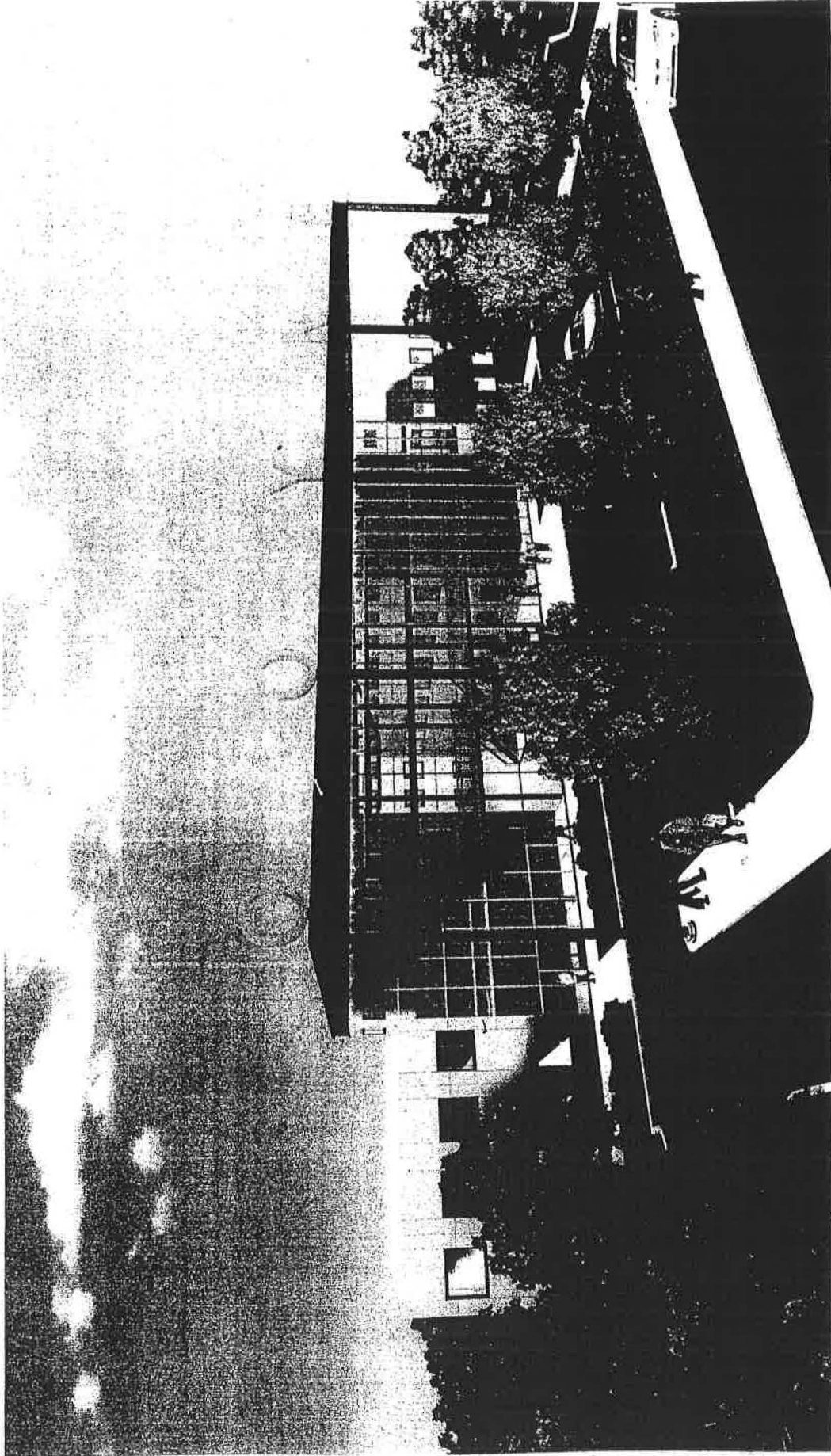


W. WAYMAN ST.

# COYNE AMERICAN INSTITUTE


 November 2023 10/1/23  
 PEOIRIA ILLINOIS





NOVEMBER 14, 2023

REDACTED

# COYNE AMERICAN INSTITUTE