

City of Chicago
Department of Planning and Development

STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
REQUESTING DEVELOPER DESIGNATION
August 8, 2017

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name: The Hatchery

Applicant Name: The Hatchery LLC

Project Address: 3100 block of West Lake Street

Ward and Alderman: 27th / Alderman Walter Burnett, Jr.

Community Area: East Garfield Park

Redevelopment Project Area: Kinzie Industrial Corridor

Requested Action: TIF Developer Designation

Proposed Project: Incubator to grow entrepreneurial companies by providing restaurant grade flexible space (private work/production quarters, food storage) and business support services.

Acquisition Assistance: \$149,999 (land write-down to \$1.00)

TIF Assistance: \$7,172,228 in area-wide TIF assistance is being requested from the Kinzie Industrial Corridor TIF.

II. PROPERTY DESCRIPTION

Address: 3100 block of West Lake Street

Location: South side of W. Lake Street between N. Albany Ave and N. Kedzie Ave.

Tax Parcel Numbers: City Land: 16-12-317-002, 003, 004, 005, 006, 007, 008, 010, 012, 013, 014, 015
Developer Land: 16-12-317-001, 009, 011, 016, 017, 018, 019, 16-12-318-001, 002

Market Value: City Land: \$150,000
Developer Land: \$1,385,000

Sale Price for City Land: \$1

Former Zoning: C1-3, M1-3, RM-5

Current Zoning: C3-1

Inventory Profile: The City parcels were acquired in tax sales, the latest in 2001. Parcel -318-003 was acquired by the city for ROW roughly 100 years ago.

III. BACKGROUND

In conjunction with the City of Chicago, The Hatchery team identified 3.6 acres of land that has been mostly vacant since 2001 along Lake Street in the East Garfield Park neighborhood-one of Chicago's most economically distressed areas for development of this project. According to Statisticalatlas.com, in 2010 East Garfield Park had a population of 20,567 comprising of 93% African-American, 2% Hispanic and 3.5% White. In 1950, East Garfield Park's population peaked at 71,000. According to the application provided by the Developer, in the 2010 U.S. Census, the median household income of the neighborhood is \$26,770, compared to the Chicago median household income of \$49,066. Unemployment is high in this neighborhood (16.4% vs. 11.1% for the City of Chicago) and households below the poverty level are approaching 40% while much lower levels - only 19% - are the average for Chicago as a whole. We believe that The Hatchery Chicago will be a transformational development for the neighborhood, and for the City of Chicago.

IV. PROPOSED DEVELOPMENT TEAM

Development Entity:

A Joint Venture Agreement between Accion/Chicago, Inc. (Accion), Kinzie Industrial Development Corporation (KIDC), an Illinois not-for-profit corporation and IFF Hatchery, LLC, (IFF) has been set up for the acquisition, financing, and predevelopment of The Hatchery Chicago. IFF is a mission driven consultant and developer that helps communities thrive, specifically, for low-income communities and people with disabilities. Accion is a not for profit that provides capital solutions and one-on-one coaching to underserved entrepreneurs in IL and Northwest Indiana. ICNC is one of the City's delegate agencies that advocates on behalf of businesses on the Nearwest side of Chicago. Additionally, ICNC owns and operates a business incubator providing low rent to start-up businesses and provides free services to tenants and local businesses. KIDC and the Industrial Council of Nearwest Chicago (ICNC) are affiliated entities with the same board and management structure. IFF has assembled and acquired the private parcels and has submitted a negotiated sale application with the City of Chicago for the City-owned parcels. IFF plans to transfer the assembled properties to the limited liability company jointly owned by KIDC and Accion as part of the financial closing. IFF shall then continue to serve as the fee developer for the project through occupancy.

A separate joint venture agreement is in place between Accion and KIDC to create the LLC that will then own and operate the Project. Accion will also be an anchor tenant of the Development occupying approximately 10,000 rentable square feet of the Project.

Consultants:

Attorneys: Applegate & Thorn-Thomsen

Architect: Wight & Company

Environmental Consultants: Pioneer Environmental

Survey/Environmental: EDI

V. PROPOSED PROJECT

Project Overview:

Accion Chicago, ICNC/KIDC, and IFF, three premier Chicago non-profit organizations, have partnered to develop a unique, new business incubator in East Garfield Park called The Hatchery. The approximately 67,000 sq. ft. facility will cost approximately \$32.3 million to build, and will contain private work/production quarters; controlled, common dry/cold storage; and access to common kitchens and shipping docks. Additionally, Accion will relocate its headquarters to the site, and occupy 10,000 sq. ft. housing 40 employees.

This innovative project will be designed to facilitate young businesses' needs for food-grade, flexible space that minimizes capital expenditure and speeds time to market. It will remove a structural ceiling – the need for capital-intensive, food-specific smaller spaces – to enable company growth and create jobs. It will bring both innovative space and business support services such as strategic and logistical planning, marketing support, and help with accounting, team-building, and legal matters.

The Hatchery will provide opportunities for current food and beverage entrepreneurs, and job opportunities for low to moderate income residents on the west side of Chicago through apprenticeships and on-the-job training. One of the project goals is that the future entrepreneurs that become the tenants of The Hatchery will come directly from the community.

Stemming from the more than 75 small businesses that will be operating out of The Hatchery each year, including those utilizing the shared kitchen, it is anticipated that about 900 jobs will be created over 5 years generating in excess of \$24 million in total wages over this time. Additionally, it is estimated that the companies within The Hatchery will take in more than \$46 million in sales over this time frame. Furthermore, commercial activity generated by The Hatchery will flow into the neighborhood benefitting local business and the community-at-large.

VI. FINANCIAL STRUCTURE

DPD, intends to negotiate an RDA with the Developer in connection with the Project. The city will convey 12 parcels of land for \$1. The land donation from the City will generate donation tax credit equity for the benefit of the project. The city parcels have been appraised at \$150,000. The parcels make up approximately 54,985 square feet. The Department of Planning and Development will work with the Department of Transportation in conveying portions of W. Maypole, west of Albany, and an alley that extends north of Maypole just east of Kedzie, to The Hatchery in completing the assemblage for the redevelopment of this site.

The City intends to reimburse the Developer for a portion of its TIF-eligible costs in an amount not to exceed the lesser of \$7,172,228 or approximately 22.2% of the Total Project Cost, currently estimated to be \$32,375,500.

The Developer will be required to comply with ongoing an Occupancy and Operations Covenant ensuring the Developer shall continuously occupy and operate the entity of the Project in the manner agreed upon with the City of Chicago. The Developer will also be required to comply with an ongoing Jobs Covenant, ensuring 6 new full time positions are created and maintained for the duration of the Monitoring and Compliance Period. This period will commence upon the date of the issuance of the Certificate of Completion and will cease on the 10th anniversary of the date of the issuance of the Certificate of Completion.

City Funds will be provided as outlined in the table below contingent on the availability of incremental taxes in the Kinzie Industrial Corridor TIF Fund. A Letter of Credit will be issued by the Developer prior to the issuance of the first payment, and will reflect the full amount of City Funds to be requisitioned in Payment 1. The requirement for the Letter of Credit will be released at the one year anniversary of the Certificate of Completion. The City will maintain a subordinated leasehold on the project.

City Funds Payment	Paid Upon	City Funds Amount*
Payment 1	Completion of 50% of the project	\$3,586,114
Payment 2	Issuance of Certificate of Completion	\$3, 586,114
Total		\$7,172,228

*The actual amount may vary depending on the final certified Total Project Cost and the amount of TIF-Eligible expenses incurred for the Project.

Half (50%) of City Funds will be paid upon completion of 50% of the project (based on the amount of expenditures incurred in relation to the Total Project Cost), and the remainder (50%) upon issuance of the Certificate of Completion.

Sources:	Total Cost	% of Total
Senior Debt	\$5,264,138	16.3%
Walton Family Foundation Debt	\$3,000,000	9.3%
TIF Bridge	\$7,172,228	22.2%
Grant Funds	\$3,150,000	9.7%
Additional City of Chicago Grant	\$1,000,000	3.1%
New Market Tax Credits	\$8,515,050	26.3%
CDFI Sub Debt	\$3,000,000	9.3%
Deferred Dev. Fee	\$365,000	1.1%
Sponsor Equity	\$909,085	2.8%
Total	\$32,375,501	100.0%

Uses:	Total Cost	% of Total	\$/sf of Building*
Land Acquisition	\$1,385,001	4.3%	\$20.67
City Land (\$1)			
Developer Land (\$1,385,000)			

Hard Cost:

Construction	\$21,290,000	65.8%	\$317.76
Construction Contingency	\$1,275,000	3.9%	\$19.03
Sub-Total: Hard Costs	\$24,800,000	76.6%	\$370.15

Soft Costs:

Furnishing & Equipment	\$850,000	2.6%	\$12.69
Professional Fees	\$2,092,500	6.5%	\$31.23
Architecture & Engineering			
Environmental Consultants			
LEED Consultant			
Commissioning Agent			
Accounting Services			
Legal (Project)			
Financing Fees (Appraisal, etc.)	\$112,500	0.3%	\$1.68
NMTC Legal and Modeling	\$620,000	1.9%	\$9.25
NMTC Reserve	\$1,084,000	3.3%	\$16.18
Capitalized Construction & TIF Interest	\$645,000	2.0%	\$9.63
Bank Fee	\$80,000	0.2%	\$1.19
Developer Fee	\$1,385,000	4.3%	\$20.67
Soft Cost Contingency	\$260,000	0.8%	\$3.88
Lease Up Reserve	\$415,000	1.3%	\$6.19
Debt Service Reserve	\$841,500	2.6%	\$12.56
Other	\$40,000	0.1%	\$0.60
Sub-Total: Soft Costs	\$7,575,500	23.4%	\$113.07
Total	\$32,375,501	100.0%	\$483.22

*Gross building area is approximately 67,000 sq. ft.

VII. PUBLIC BENEFITS

The Hatchery project will generate multiple public benefits including the reactivation of a long-term vacant site, the creation of new jobs, the generation of new tax revenues, and entrepreneurial training opportunities.

The goal of The Hatchery project is to promote economic and community development through entrepreneurship in the food and beverage industry. The Hatchery will provide opportunities for food and beverage entrepreneurs as well as job opportunities for low-to-moderate-income residents of East Garfield Park.

The project itself will provide significant direct benefits to the community:

- Space for 60-75 food industry entrepreneurs at any given time.
- 56 individual food-grade kitchens at reduced capital costs to the entrepreneurs.
- Training, coaching, and industry-specific support for the entrepreneurs.

-Headquarters for Accion Chicago, which will provide access to capital for tenants, members and to the broader community.

-A space for the Garfield Park Neighborhood Market to operate.

The Hatchery will be a catalyst for boosting job and wealth creation for Chicago residents.

VIII. COMMUNITY SUPPORT

Alderman Burnett endorses the project. Letters of support are attached to this report.

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The Project is located in Garfield Park neighborhood and the Kinzie Industrial Corridor 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.
- Support job training programs and increase employment opportunities for City residents.

X. CONDITIONS OF ASSISTANCE

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

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

DPD 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 Hatchery LLC as developer for redevelopment of the 3100 block of West Lake Street. DPD also requests that the Commission provide DPD with authority to negotiate, execute and deliver on the City's behalf a redevelopment agreement and a grant agreement with Hatchery LLC for the Project.

EXHIBITS

Redevelopment Area Map
Neighborhood Maps and Aerial
Typical Floor Plan
TIF Project Assessment Form
Employer Personnel Needs Assessment Form
Aldermen's Letters of Support
M/WBE Letter and Copies of M/WBE Certified Letter Receipts

Kinzie Industrial Corridor TIF



THE HATCHERY

SITE PLAN | AERIAL VIEW



TIF PROJECT SCORECARD

The Hatchery

3100 W. Lake

Accion Chicago, ICNC/KIDC, and IFF, all Chicago non-profit organizations, have partnered to develop a unique new business incubator in East Garfield Park called The Hatchery, which will focus on businesses in the food industry. The facility will cost approximately \$19.5 million to build and finance. Sources of funding will include its partners/ equity, NMTCs, TIF, supportable debt and donations.

Type of Project: Industrial

Developer: The Hatchery LLC

Total Project Cost: \$32,375,500

Timeline for Completion: November, 2018

TIF Funding Request: \$7,172,228

Project Status: Pending CDC approval (8/8/17)

TIF District: Kinzie Industrial

RETURN ON INVESTMENT BENCHMARKS

- | | |
|--|---|
| <p>■ Advances Goal of Economic Development Plan YES or NO
<input checked="" type="checkbox"/> <input type="checkbox"/>
Foster innovation in mature and emerging sectors and support entrepreneur</p> | <p>■ Jobs Created/Retained
Approximately XX temporary construction jobs and XX permanent jobs after completion.</p> |
| <p>■ Advances Goal of TIF District YES or NO
<input checked="" type="checkbox"/> <input type="checkbox"/>
Stimulate private investment that will result in jobs for area residents</p> | <p>■ Affordable Housing Units Created/Preserved
Not applicable</p> |
| <p>■ Addresses Community Need YES or NO
<input checked="" type="checkbox"/> <input type="checkbox"/>
Job creation and small business incubation</p> | <p>■ Return on Investment to City
Not applicable</p> |

FINANCIAL BENCHMARKS

- | | |
|---|---|
| <p>■ Other Funds Leveraged by \$1 of TIF
\$3.38</p> | <p>■ Financing Structure 50% of TIF funds at 50% completion; 50% of TIF funds at final completion, all from Kinzie area-wide funds.</p> |
| <p>■ Types of Other Funding Leveraged YES or NO
<input checked="" type="checkbox"/> <input type="checkbox"/>
New Market Tax Credits, Various Grants, Debt Financing</p> | |

RDA TERMS

- | | |
|--|---|
| <p>■ Payment Schedule:
50% completion and 100% completion</p> | <p>■ Monitoring Term of Agreement:
10 years</p> |
| <p>■ Taxpayer Protection Provisions YES or NO
<input checked="" type="checkbox"/> <input type="checkbox"/>
Letter of Credit in case of default</p> | |

OTHER CONSIDERATIONS



**Exhibit D
City of Chicago
Workforce Solutions Unit**

Employer Personnel Needs Assessment

This Employer Personnel Needs Assessment (EPNA) document provides projections on job creation for TIF-funded projects. Please complete the following information related to this project. If there is more than one employer, please provide one EPNA per company. If you have questions or need assistance, please contact the staff listed below.

Company Information

Company Name:

Address 1:

Contact Person/Title:

Address 2:

Telephone:

City/State/Zip:

Email:

Industry Description:

HR Contact/Title:

Telephone:

Email:

of Existing Jobs:

of New Jobs:

Job Creation Information

Please list the new job titles below and include the number of estimated positions for each title, technical skills required and start date. Please indicate if they are full or part-time positions.

Position/Title	# of Positions (F/Pt time)	Technical Skills	Estimated Wage/Salary	Estimated Start Date
Loan Officer	3	B.A. required	\$ 45,000.00	1/31/2019, 1/31/2020, 1/31, 2021
Business Coach	1	B.A. required	\$ 50,000.00	1/31/2018
Marketing Assistant	1	B.A. required	\$ 50,000.00	6/30/2019
Administrative Assistant	1	GED Required	\$ 40,000.00	6/30/2019

A detailed job description for each position will be required for the Employment Plan.

Please return this form to staff in the Workforce Solutions Unit listed below.

**Emily Bradley
City Hall - Room 1003
121 N. LaSalle Street
Chicago, IL 60602
Phone: 312-744-8565**

email: emily.bradley@cityofchicago.org

If applicable, you will be contacted by the Workforce Solutions' staff to complete an Employment Plan prior to your TIF application submission to City Council.



WALTER BURNETT, JR.

ALDERMAN, 27TH WARD
4 N. WESTERN AVENUE, 1C
CHICAGO, ILLINOIS 60612
TELEPHONE: 312-432-1995
FAX: 312-432-1049
E-MAIL: wburnett@cityofchicago.org

July 26, 2017

David Reifman, Commissioner
Department of Planning and Development
City of Chicago
City Hall, Room 1000
121 N. La Salle Street
Chicago, Illinois 60602

**Re: Letter of Support for The Hatchery – TIF Funding
Location - N. Kedzie Avenue and W. Lake Street Corridor**

Dear Commissioner Reifman:

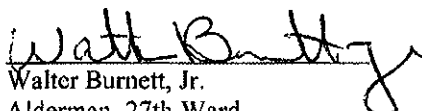
I am writing to express my support for The Hatchery and their application for the use of TIF Funding to bring this project to fruition. The project will be a new-construction development in Chicago's East Garfield Park neighborhood of the 27th Ward, along the N. Kedzie Avenue and W. Lake Street corridor.

The Hatchery, a non-profit organization, will be Chicago's premier food business incubator helping local food and beverage entrepreneurs scale successful businesses. From startup to growth phase, The Hatchery commits to delivering a wide range of services, resources and networking opportunities to help food businesses at every stage. While teaching and encouraging rigorous business principles to help guide food businesses towards success, they will provide coaching, counseling and support. Curriculum includes: hiring/training of employees, marketing assistance, access to buyers, access to capital, legal support, food safety training, and more. Their target audience is young and growth stage food and beverage entrepreneurs, food enthusiasts, and service providers to these companies.

The Hatchery will be managed by a partnership between Accion and ICNC, bringing more than 50 years of entrepreneurial support to the effort. The Hatchery will support and continue existing neighborhood based efforts including the Garfield Park Neighborhood Market and the Community Garden Network.

Again, I am in support of this project and believe it will be an essential community asset. Your time and attention to this matter is greatly appreciated. Should you require any further information, please feel free to contact me at 312.432.1995.

Sincerely,

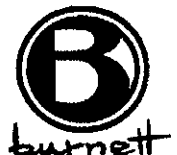

Walter Burnett, Jr.
Alderman, 27th Ward
WBJ/asi

**CITY COUNCIL
CITY OF CHICAGO**
COUNCIL CHAMBER

CITY HALL, ROOM 300
121 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60602
TELEPHONE: 312-744-6124
FAX: 312-742-8489

COMMITTEE MEMBERSHIPS

- PEDESTRAIN AND TRAFFIC SAFETY
(CHAIRMAN)
- CHOOSE CHICAGO
- BUDGET AND GOVERNMENT OPERATIONS
- COMMITTEES, RULES AND ETHICS
- EDUCATION AND CHILD DEVELOPMENT
- FINANCE
- HEALTH AND GOVERNMENT PROTECTION
- HOUSING AND REAL ESTATE
- PUBLIC SAFETY
- SPECIAL EVENTS, CULTURAL AFFAIRS
AND RECREATION
- ZONING, LANDMARKS AND BUILDING STANDARD



July 27, 2017

Mr. Omar Shareef

African American Contractors Association

7445 S. South Chicago Avenue

Chicago, Illinois 60619

P.O. Box 19670

Chicago, Illinois 60619

BY CERTIFIED MAIL

Re. The Hatchery Chicago

Dear Mr. Shareef:

IFF Hatchery, LLC is pleased to announce the redevelopment of the Hatchery Chicago development located in the 3100 block of E. Lake Street in Garfield Park. The project is a \$32,000,000 project, it consists of a 67,000 square foot development of which approximately 57,000 square feet will be new construction. The development will comprise a food incubator with 56 individual kitchens, 1 shared kitchen, office space, dry/cold storage and loading area.

IFF Hatchery, LLC has not yet chosen a general contractor for the project but we are in the process of doing that. The project will require participation of trades such as carpentry, electrical, mechanical, plumbing, paving, roofing, and others. The project will be subject to minority business enterprise (MBE) participation of 26 percent and women business enterprise (WBE) participation of six percent.

When chosen, and at your request, the general contractor will meet with a representative of your organization to present the project budget and schedule. Construction is expected to begin in fall of 2017. If you are interested in receiving information on the project please provide your information to Rich Wallach at rwallach@iff.org. The chosen general contractor will then provide your organization with one copy of the project bid documents (including plans and specifications).

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

Sincerely,

IFF Hatchery, LLC

Robin Schabes

Vice President

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

RESOLUTION NO. __ - CDC -

**AUTHORIZATION TO ENTER INTO A NEGOTIATED SALE WITH THE
HATCHERY, LLC AND/OR ITS RELATED ENTITY FOR DISPOSITION OF THE
PROPERTY LOCATED AT 127, 131, and 135 N. Kedzie, 3117, 3119, 3123, 3127, 3131,
3139, 3141 W. Lake Street, 3140 W. Maypole Ave. WITHIN THE KINZIE INDUSTRIAL
TIF REDEVELOPMENT PROJECT AREA**

AND

**AUTHORIZATION TO NEGOTIATE A REDEVELOPMENT AGREEMENT WITH
THE HATCHERY, LLC AND/OR ITS RELATED ENTITY**

AND

**RECOMMENDATION TO THE CITY COUNCIL OF THE CITY OF CHICAGO
FOR THE DESIGNATION OF THE HATCHERY, LLC AND/OR ITS RELATED
ENTITY 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 14-CDC-32 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 TIF 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 City owns the property located at 127, 131, and 135 N. Kedzie, 3117, 3119, 3123, 3127, 3131, 3139, 3141 W. Lake Street, 3140 W. Maypole Avenue, having the Property Identification Number(s) (PINs) 16-12-317-002, 003, 004, 16-12-317-005 through 008, 16-12-317-010 and 16-12-317-012 through 015.
(the "City Property") and desires that it be redeveloped for economic development; and

WHEREAS, the developer owns the property located at 3101 through 3109 W. Lake Street, 3129, 3137 and 3159 W. Lake Street, 3118 through 3132 W. Randolph Street, and is acquiring property located at 3101 through 3109 W. Lake Street) having the Property Identification Number(s) (PINs) 16-12-317-016 through 019, 16-12-317-011, 16-12-317-009, 16-12-317-001 and 16-12-318-01 and 02 (the “Developer Property”) and desires that it be redeveloped for economic development; and

WHEREAS, staff of the Department of Planning and Development of the City of Chicago (the Department”) have entered into discussions with The Hatchery, LLC and/or its related entity (the “Developer”) concerning use of the city land and the developer land (the project site), for the development of a new business incubator.

WHEREAS, the Developer has submitted a project budget and evidence of having the financial capacity to complete the project, and the staff of the Department have reviewed these and found them to be satisfactory; and

WHEREAS, the Developer has proposed to pay \$1 per parcel as consideration for the purchase of the City Property, which is \$164,999 less than the appraised fair market value of \$165,000; and

WHEREAS, DPD is considering vacating the adjacent right of ways to be assembled for conveyance along with the subject property to the developer; and

WHEREAS, staff of the Department have determined that the Developer’s proposal conforms to the Plan; and

WHEREAS, pursuant to Section 5/11-74.4-4(c) of the Act, the City may not enter into any agreement relating to the development of City-owned property within the Area without first making public disclosure of the terms of such agreement and all bids and proposals related thereto and providing reasonable opportunity for any person to submit an alternative proposal or bid; and

WHEREAS, DPD requests the authority of the Commission to make the required disclosure by publishing a public notice substantially in the form set forth as **Exhibit B** hereto (the Notice) be published at least once for three consecutive weeks in at least one Chicago metropolitan newspaper, inviting alternative proposals from other developers who will have a period of not less than thirty (30) days after the first publication of the public notice in which to submit a responsive proposal; and

WHEREAS, DPD may consider vacating the adjacent right of ways, which may be assembled for future conveyance along with the subject property to the developer; 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, if no responsive alternative proposals are received by DPD within thirty (30) days after publication of the first Notice or, if alternative proposals are received and DPD in its sole discretion determines that the Developer's Project is the best proposal; 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 authorizes DPD to publish the Notice.

Section 3. 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, so long as no responsive alternative proposals are received by DPD within the time recited above or, if alternative proposals are received and DPD in its sole discretion determines that the Developer's Project is the best proposal.

Section 4. DPD is hereby authorized to advertise the City's intent to negotiate the sale and redevelopment of the Disposition Parcels and to request responsive alternative proposals.

Section 5. Said proposals must be submitted in writing to David L Reifman, Commissioner, Department of Planning and Development, Attn: Andrew Ranck, City Hall- Room 1006, 121 North LaSalle Street, Chicago, Illinois 60602 within 30 days of the date of the first publication of the Notice and shall contain names of parties, offer prices for the Disposition Parcels, evidence of financial qualifications, and a timetable for redevelopment before said proposal will be considered.

Section 6. In the event that no responsive proposals are received at the conclusion of the advertising period, or if alternative proposals are received and DPD in its sole discretion determines that the Developer's Project is the best proposal, then the sale of the land described in Exhibit A shall be recommended to the City Council without further Commission action.

Section 7. 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.

EXHIBIT A

Street Addresses and P.I.N.s of Disposition Parcels
and
Street Boundaries of the
Kinzie Industrial Corridor Tax Increment Financing
Redevelopment Project Area

Address	P.I.N.
127 N. Kedzie Ave.	16-12-317-004
131 N. Kedzie Ave.	16-12-317-003
135 N. Kedzie Ave.	16-12-317-002
3117 W. Lake St.	16-12-317-015
3119 W. Lake St.	16-12-317-014
3123 W. Lake St.	16-12-317-013
3127 W. Lake St.	16-12-317-012
3131 W. Lake St.	16-12-317-010
3139 W. Lake St.	16-12-317-008
3141 W. Lake St.	16-12-317-006
3140 W. Maypole Ave.	16-12-317-007

Tax Increment Financing Redevelopment Project Area

The Area is generally bounded by Grand Avenue on the north, Kennedy Expressway on the east, Randolph Street on the south, and Kedzie Avenue on the west.

EXHIBIT B

PUBLIC NOTICE is hereby given by the Community Development Commission of the City of Chicago (the "City") pursuant to section 5/11-74.4-4 (c) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"), that the City's Department of Planning and Development ("DPD") intends to negotiate a redevelopment agreement with The Hatchery, LLC and/or its related entity (the "Developer") pursuant to which the City intends to provide financial assistance to the Developer in the amount of \$7,172,228 or 22.2% of the total project budget from tax increment financing bond proceeds and/or incremental tax revenues pursuant to the Act for eligible costs associated with the Hatchery development project (the "Project") to be located at the 3100 block of West Lake "project site", located in the Kinzie Industrial Corridor TIF Redevelopment Project Area (the "Area"). The Project will consist of a business incubator including food-grade flexible space, private work/production quarters; controlled, common dry/cold storage; access to common kitchens; and shipping docks. The City also intends to negotiate a redevelopment agreement with the Developer for the sale of twelve individual tax parcels, described in Schedule 1 attached hereto (the "Disposition Parcels"), for \$1.

The Property and Disposition Parcels are located within the Area established pursuant to the Act, and the Project is in compliance with the Kinzie Industrial Corridor TIF Redevelopment Plan. The Area is generally bounded as follows: Grand Ave on the North, Kennedy Expressway on the East, Randolph Street on the South, and Kedzie Avenue on the West.

THE CITY HEREBY INVITES ALTERNATIVE PROPOSALS FOR THE REDEVELOPMENT OF THE DISPOSITION PARCELS FOR CONSIDERATION BY THE CITY.

The documents listed below related to the Area, the Project and the Disposition Parcels are available for public inspection on or before July 15, 2017 at the offices of DPD, Room 1006, 121 N. LaSalle, Chicago, Illinois between the hours of 9:00 a.m. and 4:00 p.m. Monday through Friday:

- (i) Kinzie Industrial Corridor Tax Increment Financing Redevelopment Project and Plan, which constitutes the City's redevelopment plan for the Area;
- (ii) a terms sheet showing all proposed material terms of the redevelopment agreements as of the date hereof, including but not limited to an estimated Project budget setting forth the amount of financial assistance the City intends to provide to the Developer for the Project; and
- (iii) the terms of all bids and proposals received, if any, by the City related to the Project and the redevelopment agreements.

Please contact Andrew Ranck at DPD at (312) 744-9768 to review these materials and for information regarding the form required, if any, for proposals submitted to the City. Proposals shall include the general plan for the redevelopment of the Disposition Parcels, the names of the party or parties making the proposal, the price offered, evidence of financial qualifications and capacity to complete said redevelopment, and the timetable for implementation. The City reserves the right to reject any and all proposals. Proposals will be received by the City at DPD's offices, Room 1000, City Hall, 121 N. LaSalle, Chicago, Illinois 60602, until July 15, 2017 at 2:00 p.m., at which time all alternative proposals will be opened and reviewed.

Jorge Perez, Chairman

COMMUNITY DEVELOPMENT COMMISSION

Attach Schedule 1 - Disposition Parcels
SCHEDULE 1

The Disposition Parcels

Address	P.I.N.
127 N. Kedzie Ave.	16-12-317-004
131 N. Kedzie Ave.	16-12-317-003
135 N. Kedzie Ave.	16-12-317-002
3117 W. Lake St.	16-12-317-015
3119 W. Lake St.	16-12-317-014
3123 W. Lake St.	16-12-317-013
3127 W. Lake St.	16-12-317-012
3131 W. Lake St.	16-12-317-010
3139 W. Lake St.	16-12-317-008
3141 W. Lake St.	16-12-317-006
3140 W. Maypole Ave.	16-12-317-007