

**City of Chicago
Department of Community Development**

**STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
August 10, 2010**

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name:	Educare Family and Training Center
Applicant Name:	Ounce of Prevention Fund
Project Address:	5044 South Wabash
Ward and Alderman:	3 rd , Alderman Pat Dowell
Community Area:	Grand Boulevard
Redevelopment Project Area:	47 th /King Drive TIF
Requested Action:	Request authority for the Department of Community Development to negotiate a redevelopment agreement
Proposed Project:	Development of a Family and Training Center
TIF Assistance:	\$400,000

II. PROPERTY DESCRIPTION

Address:	5044 S. Wabash Avenue
Location:	50 th Street between Wabash and State; in between DuSable High School and Crispus Attucks Elementary.
Tax Parcel Numbers:	20-10-118-003, -001, -004
Land Area:	126,559 sq ft
Current Use:	The existing building is the Educare Center, an early childhood center, serving 149 children from 121 families,

118 of which are classified as low income. The Family and Training Center will be a 7800 sq ft addition to the existing center. The existing parking lot will be expanded and there will be a renovation in Educare.

Current Zoning: RT-4

III. BACKGROUND

Founded in 1982 as a public-private partnership between philanthropists and the State of Illinois, Ounce of Prevention Fund (the Ounce) strives to give children who are born into poverty the best chance for success in school and in life. Decades of research in neuroscience, child development, crime prevention, and economics confirm that learning begins well before kindergarten, and that investing in children during their earliest weeks, months, and years produces the greatest returns to families and society.

Built in 2000 in the Grand Boulevard neighborhood, the Ounce's **Educare Center** is a model program, grounded in the research and best practices proven to prepare low-income children for school success and improve their life outcomes. Educare is deliberately small in scale, providing high-quality, full-day, full-year early childhood care and education to 149 at-risk children and their families. The primary goal is comprehensive birth-to-five program is to promote the healthy development and school readiness of the vulnerable children they serve. Furthermore, they partner with parents to promote the self-sufficiency and well-being of their families, recognizing that lasting gains for at-risk children require strong, ongoing parental involvement. With this continued, heightened focus on supporting parents as their child's first teacher, they have realized the need for program space for parent and family activities, teacher training facilities, and administration. Educare Center also plans to add a 7,800 square foot addition to Educare – **The Family and Training Center** – which will house activities to fuel the Ounce's efforts toward effective program and policy change in the early childhood field.

IV. PROPOSED DEVELOPMENT TEAM

General Contractor: Ounce of Prevention Fund has directly engaged Bovis Lend Lease, Inc as the selected contractor for this project. Bovis Lend Lease Chicago has been named 'Contractor of the Year' by Midwest Construction and recognized for its dedication to the development of minority-owned businesses and minority employment opportunities. Bovis has also been named "Contractor of the Year" by the Coalition for United Community Action.

Architect: Von Weise Associates

V. PROPOSED PROJECT

Project Overview: Educare sits on Chicago Public School (CPS) property at 5044 S. Wabash between DuSable High School and Farren Elementary School. The Ounce benefits from a close, working relationship with CPS, as demonstrated in our attached letter of support from CPS CEO Ron Huberman. Due to this unique partnership, there is no purchase required for the land acquisition to complete the expansion. CPS owns the land on which Educare and the new addition will be located. In 1998 the two parties entered into a 99-year ground lease at the rate of \$100. CPS pays the utilities and maintenance costs at Educare and will pay them at the new Center as well. Therefore Ounce's expenses at the existing building are limited to the staffing and other related programs costs of running Educare. This division of responsibility and ownership fully reflects the unique collaboration of the Ounce with CPS and maximizes the long-term financial, program and operational viability of the center.

The Center will be an expansion onto Educare, which is a one-story, 24,000 square foot building that houses a total of 13 classrooms, a training room, offices, an industrial kitchen, and a secure, guarded entrance. The addition will connect to Educare via a breezeway in the northwest corridor. As seen on the attached floor plans, the addition will house the Family Activity and Resource Center, private family consultation and meeting space, a teacher resource center, a state of the art training facility, and administrative space.

A site plan, floor plans and elevation are provided as exhibits to this report.

Environmental Features: Due to budget constraints the Ounce has elected to build sustainably without pursuing LEED certification at present time. The sustainable approach to the site includes transplanting existing mature trees and integrating them into the proposed landscape design. Through creative landscaping, new trees, shrubs and plantings will be added to provide a green barrier between the building and the parking lot while helping to decrease and control the amount of storm water runoff. Storm water management is additionally handled by a new detention basin.

This custom designed detention basin and corresponding storm sewer system is an environmentally responsible alternative to traditional sewer infrastructure systems. The proposed system will temporarily store storm water from the development and release it gradually into the City's sewer system. This gradual release prevents negative impacts such as sewer surcharging, basement backups, street flooding, or combined sewer overflows as a result of the new development. In addition, the proposed basin will include an infiltration system to permanently retain the water on site so that some of it can percolate into the ground or evaporate into the air.

The building itself also integrates sustainable strategies. Natural light is brought into all programmed spaces through windows, storefront glazing and skylights. Natural ventilation is provided through operable windows which will help contribute to lower cooling loads. The shell

of the new building is a highly energy efficient wall system composed of two precast concrete panels with insulation in between them allowing for lower heating and cooling loads, and therefore lower utility bills. The wall system is fabricated at a local plant which significantly cuts down on transportation costs to the site and related carbon emissions. These concrete panels and the decorative façade applied panels made out of fibrous cement both also have a high recycled material content.

The interior of the building has been designed for low flow fixtures and energy efficient lighting which will both greatly reduce water and electricity use. The finishes and paints specified are low VOC. Specified floor finishes such as vinyl floor tile and carpets will have high recycled content levels. Furnishings and built-in cabinetry will be fabricated locally and will use recycled and green materials to create a healthy and environmentally conscious learning space for the families who will use it.

VI. FINANCIAL STRUCTURE

The project will primarily be funded by private contributions to Ounce of Prevention Fund and a one-time lease payment from CPS for the use of half the parking lot.

DCD proposes to reimburse the Developer a maximum of \$400,000 in TIF funds from area-wide increment over a period of five years. The first payment would be made at the issuance of the Certificate Completion estimated. TIF assistance is needed to offset the high costs of site preparation due to the nature of soils onsite. Also, these difficult economic times have decreased Ounce’s ability to raise funds and the organization is looking to TIF funds to help fill this gap. With TIF assistance, Ounce will be able to use its existing assets and reserves for existing programming rather than rehabilitation and expansion of the Educare facility. The requested TIF amount represents 15% of project costs.

The following table identifies the sources and uses of funds:

Sources and Uses of Funds

<u>Sources</u>	<u>Amount</u>	<u>% of Total</u>
CPS Lease Payment*	\$ 375,000	14
Buffett Early Childhood Fund	\$ 500,000	19
Crown Family Foundation	\$ 250,000	9
Oscar G. & Elsa S. Mayer Family Foundation	\$ 100,000	4
Rauner Family Foundation	\$ 100,000	4
Marilyn and Larry Fields	\$ 50,000	2
Rothkopf Family Foundation	\$ 25,000	1
Developer Equity	\$1,256,975	47
Total	\$2,656,975	100.00

<u>Uses</u>	<u>Amount</u>	<u>\$/sf of Building**</u>
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Hard Construction Costs	\$1,839,810	\$57.86 psf
Construction Contingency (9% of hard costs)	\$ 165,000	
General Conditions (7% of total costs)	\$ 175,000	
Soft Costs		
Contractor Fee (6 % of total costs)	\$ 157,290	
Insurance (1 % of total costs)	\$ 23,741	
Architectural Fee (4% of hard costs)	\$ 114,000	
Design Fee (.3% of total costs)	\$ 8,360	
Survey and Engineering (1 % of total costs)	\$ 39,107	
MEP (Mechanical, Electrical, Plumbing) (.3% of total costs)	\$ 7,150	
Legal Fees (1% of total costs)	\$ 16,594	
Landscape Plan(.4 % of total costs)	\$ 10,615	
Environmental (.2% of total costs)	\$ 4,758	
Project Management (4% of total costs)	\$ 95,550	
Total Soft Costs (18% of total costs)	\$ 476,164	\$ 14.97 psf
Total Uses	\$ 2,656,975	\$ 83.52 psf

*A one-time lease payment for use of the Ounce parking lot for the remainder of 99 year ground lease. Ounce will allocate this lease payment towards project costs.

**Gross building area is 31,800 sq. feet

VII. PUBLIC BENEFITS

The proposed project will provide the following public benefits.

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Permanent Jobs: The project will retain the 63 full-time employees and 3-part time employees at Educare and create 3 new full time positions.

Construction Jobs: The project will produce approximately 70 temporary construction jobs.

Affirmative Action: The developer will comply with, and plans to exceed, 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). Ounce of Prevention Fund and Bovis Lend Lease have jointly presented the project at the 3/16/10 BCU (Black Contractors United) monthly meeting, the 2/10/10 special HACIA (Hispanic American Construction Industry Association) banquet, and at a 3/3/10 gathering of neighborhood contractors, all City of Chicago MBE certified, coordinated by the office of 3rd Ward Alderman Pat Dowell.

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 Dowell endorses the project and has provided a letter of support. Along with consent for the project, CPS CEO Ron Huberman has provided a strong letter of support. Other public officials actively supporting the Ounce and Educare are State Representative Barbara Flynn

Currie, 25th District, Illinois House Majority leader; State Senator Mattie Hunter, 3rd District (representing Educare); State Senator Heather Steans, 7th District; and Congressman Danny Davis, D-IL (representing Educare).

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The proposed project is located in the 47th/King Drive Tax Increment Financing Redevelopment Project Area. The proposed project will satisfy the following goals of the area's redevelopment plan.

- Reduce or eliminate those conditions that qualify the Redevelopment Project areas as a Conservation Areas.
- Create an environment within the Redevelopment Project Area that will contribute to the health, safety and general welfare of the City.
- Create construction job opportunities in the Redevelopment Project Area.

X. CONDITIONS OF ASSISTANCE

If the proposed resolution is approved by the CDC, DCD 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 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, 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 Community 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 DCD recommends that Ounce of Prevention Fund be granted TIF funds for the development of the Educare Family and Training Center.

EXHIBITS

Redevelopment Area Map
Key Plan- City Block
Legal Plat of Survey
Site Plan
Front Elevation
Alderman's Letter of Support
Ron Huberman Letter of Support/Consent Letter

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

RESOLUTION NO. __ - CDC -

**AUTHORIZATION TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH OUNCE OF PREVENTION FUND**

**AND
RECOMMENDATION TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
FOR THE DESIGNATION OF OUNCE OF PREVENTION
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 - 02-CDC-03 and pursuant to the Act, enacted three ordinances on March 27, 2002 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the 47TH/King Drive 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, Ounce of Prevention Fund (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 the construction of a 7,800 square foot Family and Training Center (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:**

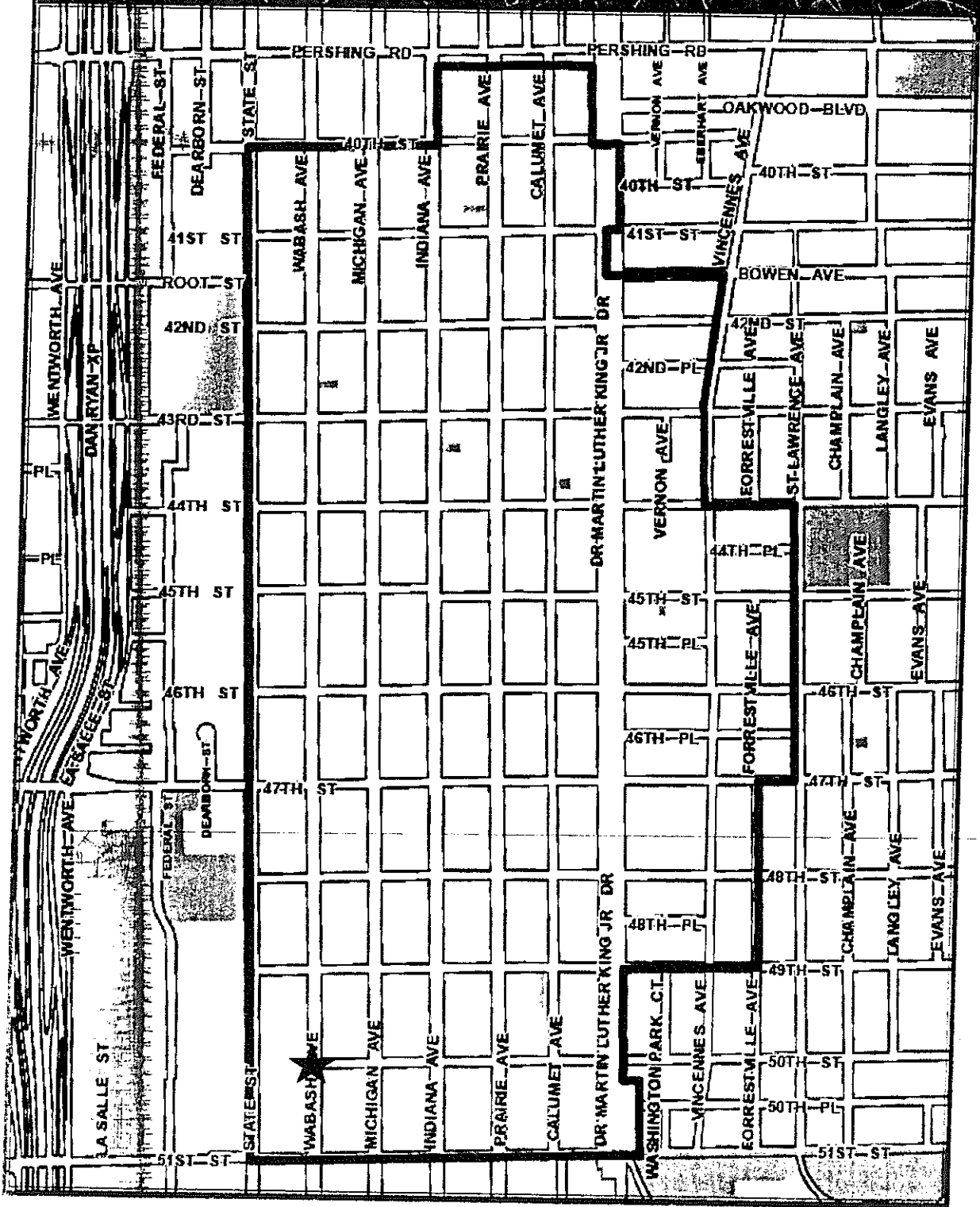
- Section 1. The above recitals are incorporated herein and made a part hereof.
- Section 2. The Commission hereby recommends to City Council that the Developer be designated as the developer for the Project and that DCD be authorized to negotiate, execute and deliver on the City's behalf a redevelopment 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: _____, 201__

Attachment: Exhibit A, Street Boundary Description (see attached 47th/King TIF Map)

The 47th/King Drive TIF District

Benefitting Washington Park and Bronzeville



★ Educare Center and future Family and Training Center

50th STREET

SOUTH WABASH AVENUE

EXISTING DU SABLE HIGH
PARKING LOT

CRISPUS ATTUCKS
AREA

EDUCARE CENTER
NEW 1-STORY BUILDING

EDUCARE CENTER
PARKING LOT

CRISPUS ATTUCKS
AREA

DU SABLE HIGH SCHOOL
EXISTING 2-STORY BUILDING

CRISPUS ATTUCKS
AREA

SOUTH STATE STREET

CRISPUS ATTUCKS
AREA

51st STREET

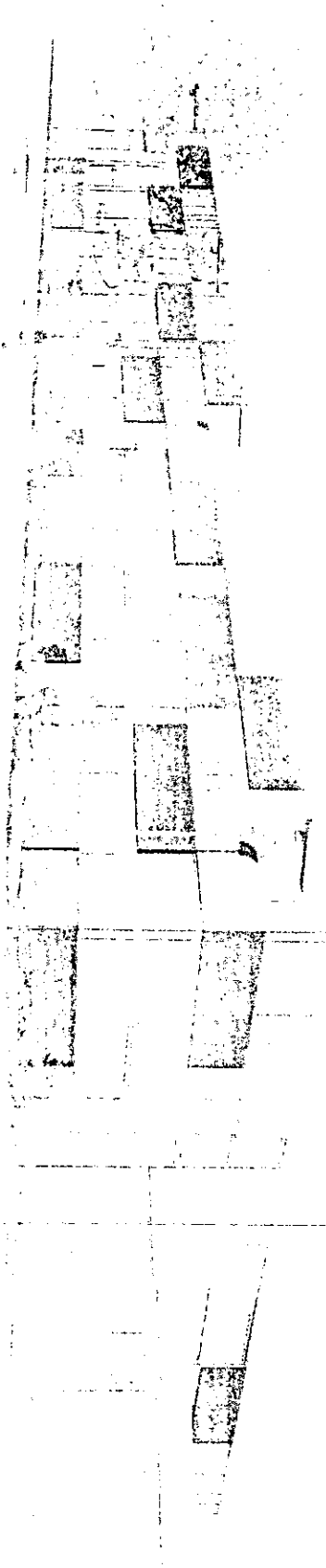


CRISPUS ATTUCKS
AREA

CRISPUS ATTUCKS SCHOOL
EXISTING 2-STORY BUILDING

EDUCARE CENTER
EXISTING 1-STORY BUILDING





schematic renderings

EDUCARE
564 S. Wabash Ave Chicago, Illinois
Project Number 0974
21 December 2009



WWA Associates
1117 N. Dearborn Street, Suite 200, Chicago, IL 60610
312.321.3213
www.wwa.com/wwa



PAT DOWELL
ALDERMAN — 3RD WARD

3RD WARD SERVICE CENTER
8046 SOUTH STATE STREET
CHICAGO, ILLINOIS 60609
TELEPHONE 773-373-9273
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E-MAIL: ward03@cityofchicago.org

COMMITTEE MEMBERSHIP
HEALTH
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CITY COUNCIL
CITY HALL, ROOM 200
21 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60602
TELEPHONE 312-744-8734

August 3, 2010

Ms. Christine Raguso
Acting Commissioner
Department of Community Development
City Hall, 121 N. LaSalle Street, Room 1000
Chicago, IL 60602

Dear Ms. Raguso:

I am writing to express my support of the Ounce of Prevention Fund's request for \$400,000 in Tax Increment Financing funds to develop the Educare Family and Training Center in the 3rd Ward.

After recently touring the construction site, I am pleased to see the physical progress of the new addition. Also having the opportunity to speak with staff and families, I look forward to the positive impact the new Center will have on the community. The expansion will continue the high quality services for at-risk children and families, provide employment opportunities, state of the art training facilities, and enhance the neighborhood.

Since its inception in 1982, the Ounce of Prevention Fund has made an indelible mark in the lives of Chicago's most vulnerable children and families through its comprehensive efforts to narrow the academic achievement gap for low-income infants, toddlers and preschoolers, and to ensure their healthy development and school readiness. As the Alderman of the 3rd Ward, I am pleased to support the Ounce's request for TIF funds, and I welcome this development to the community. Please do not hesitate to contact my office at 773-373-9273 with any questions or concerns.

Sincerely,

Pat Dowell
Alderman 3rd Ward



Ron Huberman
Chief Executive Officer

February 18, 2010

Ms. Christine Raguso
Acting Commissioner
Department of Community Development
City Hall, 121 N. LaSalle Street, Room 1000
Chicago, IL 60602

Dear Chris:

I am writing to offer the Chicago Public Schools' (CPS) support of the Ounce of Prevention Fund's request for Tax Increment Financing funds to develop the Educare Family and Training Center in the 3rd Ward.

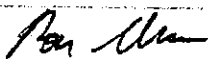
Since its inception in 1982, the Ounce of Prevention Fund has made an indelible mark in the lives of Chicago's most vulnerable children and families through its comprehensive efforts to narrow the academic achievement gap for low-income infants, toddlers and preschoolers, and to ensure their healthy development and school readiness.

CPS has a long-standing, successful partnership with the Ounce. In 1998, CPS leased to the Ounce a parcel of property at 5044 South Wabash in the Grand Boulevard neighborhood. The 99-year lease, for a total of \$100 enabled the construction of the Ounce's Educare Center. While CPS owns the building, we have granted the Ounce the exclusive right to occupy the building for the remainder of the 99-year lease. This division of responsibility and ownership fully reflects the unique collaboration between CPS and the Ounce, and maximizes the long-term financial, program and operational viability of Educare.

CPS and the Chicago Board of Education have recently consented to expand the lease boundary at Educare to allow the addition of the Educare Family and Training Center, a much-needed resource in the community to support at-risk children and their families. In a community that suffers from a dearth of high-quality child and family services, Grand Boulevard residents would greatly benefit from this important local resource and focal point for the neighborhood.

CPS strongly supports the Ounce in its request for Tax Increment Financing funds to develop the Educare Family and Training Center. We encourage the Department of Community Development to support this important project, which will enhance the Ounce's valuable services for Chicago's most at-risk children and families.

Sincerely,



Ron Huberman
Chief Executive Officer