

CITY OF CHICAGO
Community Development Commission
Department of Planning & Development
March 12, 2002

SUMMARY SHEET

CHICAGO CHRISTIAN INDUSTRIAL LEAGUE ("CCIL")

**Near West Redevelopment Project Area
and the
Western/Ogden Redevelopment Project Area**

Actions

- Requested:**
- 1) Authorize the City of Chicago, through the Department of Planning & Development ("DPD"), to publish a notice of its intention to negotiate a redevelopment agreement with the Chicago Christian Industrial League ("CCIL") an Illinois not-for-profit corporation, and/or a related entity to be formed, for the use of tax increment financing bond proceeds and/or incremental tax revenues for: site preparation and relocation activities for property at 123 S. Green St., located within the boundaries of the Near West Redevelopment Project Area and the construction of a new facility at 2736 West Roosevelt Road, located within the boundaries of the Western/Ogden Redevelopment Project Area, collectively referred to as the "Properties" and the "Areas;" and
 - 2) Authority to Advertise the City of Chicago's intention to enter into a negotiated sale with CCIL for approximately forty City-owned tax parcels, subject to survey, located within the Western/Ogden Industrial Corridor Redevelopment Project Area; and
 - 3) Authorize DPD to request alternative proposals for the sale of City-owned land and the redevelopment of the Properties located within the boundaries of the Areas; and
 - 4) Conditionally recommend to the City Council of the City of Chicago (the "City") the designation of the CCIL as the Designated Developer of the Properties within the Areas if no other responsive alternative proposals are received.

Project: CCIL currently located at 123 South Green Street, proposes to construct a new facility at 2736 West Roosevelt Road, where it will relocate its operations. This newly constructed 106,000 sq. ft. facility will be used as a job training center for low income individuals and also as a temporary housing facility for some of the trainees.

Location: CCIL's campus facility will be located at 2736 West Roosevelt Road, located within the Western/Ogden Industrial Corridor Redevelopment Project Area. The property is generally bounded by: Roosevelt Road on the south, California Avenue on the west, Fairfield Avenue on the east and Taylor Street on the north.

Site Area: 3.6 Acres

Developer: CCIL

City

Assistance: \$6.025 million in tax increment financing assistance. This amount represents 23.7% of the total project budget, currently estimated at \$25,422,900. The City is in the process of acquiring approximately forty tax parcels which constitutes the 2736 W. Roosevelt Rd. property and the City intends to convey these parcels to CCIL for one dollar (\$1.00). DPD has reviewed CCIL's pro forma information regarding the proposed financing for their project and have concluded that without the conveyance of these parcels to CCIL at no cost, their project is not financially feasible.

Sales Price: \$1.00

Zoning: A Planned Development for the 2736 W. Roosevelt Rd. property will be applied for upon completion of schematic design. Currently the property is zoned M1-2.

Ward: 28th Ward, Alderman Ed Smith

Issues: None

Public

Benefits: The Development will retain approximately 150 full-time jobs. 131 of the 150 retained jobs are filled by residents of the City of Chicago.

The CCIL has been a shelter for the homeless since 1909, offering job training, along with meeting the basic needs of food and housing. Its mission has long been and remains addressing the causes of homelessness and restoring desperate men and women to self-reliant, productive and meaningful lives. CCIL, with the participation and technical support of major corporations, offers homeless or near-homeless individuals the opportunity to achieve employment through an array of supportive services and job training. Programs are designed to educate participants in basic literacy and math, instill workplace values, and provide specialized training in several technical skills. The new facility will provide housing, and a training facility.

M\WBE: The Developer will to comply with the City's M\WBE requirements. A summary of the Developer's M\WBE Plan of Action is attached to this report.

Community

Outreach: Alderman Smith and various community groups, institutions and business support the Project, including AidsCare, Inc., Aramark Corporation, The CARA program, Lakefront SRO Employment and Training Services, North Lawndale Employment Network, St. Agatha Church, ServiceMaster, Sinai Community Institute and Sinai Health System.

CITY OF CHICAGO
Community Development Commission
Department of Planning & Development
March 12, 2002

STAFF SHEET

CHICAGO CHRISTIAN INDUSTRIAL LEAGUE (“CCIL”)

**Near West Redevelopment Project Area
and the
Western/Ogden Redevelopment Project Area**

MR. CHAIRMAN AND MEMBERS OF THE COMMISSION:

The Resolution before you requests that the Community Development Commission to authorize the following actions:

- 1) Authorize the City of Chicago, through the Department of Planning & Development (“DPD”), to publish a notice of its intention to negotiate a redevelopment agreement with the Chicago Christian Industrial League (“CCIL”) an Illinois not-for-profit corporation, and/or a related entity to be formed, for the use of tax increment financing bond proceeds and/or incremental tax revenues for: site preparation and relocation activities for property at 123 S. Green St., located within the boundaries of the Near West Redevelopment Project Area and the construction of a new facility at 2736 West Roosevelt Road, located within the boundaries of the Western/Ogden Redevelopment Project Area, collectively referred to as the “Properties” and the “Areas;” and
- 2) Authority to Advertise the City of Chicago’s intention to enter into a negotiated sale with CCIL for approximately forty City-owned tax parcels, subject to survey, located within the Western/Ogden Industrial Corridor Redevelopment Project Area; and
- 3) Authorize DPD to request alternative proposals for the sale of City-owned land and the redevelopment of the Properties located within the boundaries of the Areas; and
- 4) Conditionally recommend to the City Council of the City of Chicago (the “City”) the designation of the CCIL as the Designated Developer of the Properties within the Areas if no other responsive alternative proposals are received.

Developer Background:

CCIL has been a shelter for the homeless since 1909, offering job training, along with meeting the basic needs of food and housing. Its mission has long been and remains addressing the causes of homelessness and restoring desperate men and women to self-reliant, productive and meaningful lives. CCIL, with the participation and technical support of major corporations, offers homeless or near-homeless individuals the opportunity to achieve employment through an array of supportive services and job training. Programs are designed to educate participants in basic literacy and math, instill workplace values, and provide specialized training in several technical skills.

CCIL has been significantly hampered in its efforts to expand programming by the limitations of its current home on Halsted and Monroe. At the current site, nine assorted buildings house a variety of programs and residences. Outdated physically and technologically, the Board of Directors determined five years ago that a new facility was necessary to maintain current programs and expand, particularly in the areas of job-readiness and job training. After years of searching and working with the City to identify a site, the location at Roosevelt and California was selected. It is ideally situated to take advantage of an emerging industrial area with businesses eager for workers, yet it is also in close proximity to many people in need of services and a good transportation network to provide access for individuals throughout the City.

It is anticipated that the facility will begin construction in summer of 2002, and be completed the following year. Some new training programs may begin prior to the completion of the new facility, with the construction being completed in phases over a 24-month period. Because new businesses and industries are expected to locate in the nearby industrial park during the next three years, there is potential for new business partners with whom CCIL can partner for job training and placement.

The new location will draw more people from the contiguous neighborhoods, assisting local residents in their quest for decent, meaningful employment and a higher quality of life. Business partners, new local collaborations, and state of the art training facilities will enable CCIL to provide job-training and supportive services to almost 600 people. Current programs are for single men, single women and women with children. The new site also will permit expanded services for pre-school children. At the current facilities, programs are based on a residential model, but the new campus will allow CCIL to expand its program to serve non-residential clients. Job retention is currently at approximately 90% for most job programs and that number is expected to remain constant for residential clients, though be slightly lower for non-residential clients who are less likely to access the intensive supportive services offered by CCIL.

Over the past five years, CCIL has developed innovative partnerships with private corporations that have resulted in the establishment of three industry-certified job training programs. These programs have successfully moved people from welfare to work and have contributed valuable employees to the private-sector work force. The corporate partners in these ventures are recognized as national leaders in their industries. Training is conducted by employees of the corporation who work at CCIL designing and implementing programs that reflect industry trends, standards and practices—programs that significantly improve the employability of the trainee. Those who complete the training program receive certification by the industry, clearly an advantage in a competitive job market. There are three current training programs: Food Service, Housekeeping and Landscaping. CCIL residents and non-residents each participate if not placed in a job or vocational program. For example, the Landscaping Program is done in cooperation with the Chicago Public Schools, and about one-third of the trainees are parents referred by the schools. The success of the Landscaping Program has led its corporate partner, ServiceMaster, to expand the program into several cities across the country.

Training- Established in 1996 with ARAMARK, Inc., the Food Service program is an intensive, hands-on training experience. The 12-week classroom instruction and on-the-job training program offer a curriculum which includes menu planning and nutrition; purchasing and cost control; marketing and merchandising; customer service; and the opportunity to obtain city and state sanitation certification. The Education Program for Housekeeping is a program in partnership with ServiceMaster, Inc.. Since 1995, the training program involves all aspects of housekeeping and custodial care—including OSHA guidelines, materials and chemical handling, identification and care of floor surfaces, and equipment operation. The 12-week course is designed to provide hands-on

experience and on-the-job training. The Maintenance Program, which was initiated by a collaboration of CCIL, ServiceMaster and the City of Chicago, is an on-the-job training program that began in 1993. Participants are placed in a paid work environment and are trained to do landscaping and grounds maintenance. Trainees are provided with technical skills and experience in grounds care, equipment use and safety standards. The length of the program is eight months for two consecutive seasons. In addition to the three certified training programs, 55 companies collaborate with CCIL to provide jobs. Several employers have committed to providing on-the-job training, adapting the job readiness and training skills taught through CCIL's programs to the specific work environment. This alone accounts for over 300 jobs annually. These career-oriented positions are available to job ready individuals who are prepared to receive on the job training. Incentives offered by the employers include free uniforms, mentorship assistance, employee assistance programs, and career counseling.

Proposed Developer

The Chicago Christian Industrial League, an Illinois not-for-profit corporation.

Proposed Development Team

- 1) Building Solutions Chicago, L.L.C. - Development Consultant
- 2) Sidley & Austin Ltd. - Attorney
- 3) Krueck & Sexton - Architect

Proposed Project

CCIL, currently located at 123 South Green Street, proposes to construct a new facility at 2736 West Roosevelt Road, where it will relocate its operations. This newly constructed 106,000 sq. ft. facility will be used as a job training center for low income individuals and also as a temporary housing facility for some of the trainees. The project will also involve the demolition of existing buildings and the environmental remediation of the 123 S. Green St. property. The property contains approximately 68,650 square feet (1.5 acres). CCIL will sell the 123 S. Green St. property to a private concern and use the sale proceeds to finance the construction of its proposed facility at 2736 W. Roosevelt Rd.

Deal Structure

The City intends to negotiate a redevelopment agreement with CCIL for an amount not to exceed the lesser of \$6.025 million in tax increment financing assistance or 23.7% of the total project budget, currently estimated at \$25,422,900 and will be provided to the Developer in the form of two taxable TIF Developer Notes totaling \$4.525 million and \$1.5 million in incremental tax revenues.

Developer Note 1 in the principle amount of \$2.0 million to be issued at closing of the redevelopment agreement (the "RA") to fund certain TIF eligible expenses incurred at the 2736 W. Roosevelt Rd. site.

Developer Note 2 in the principle amount of \$2.525 million (under the assumption that CCIL will incur additional TIF-eligible cost at the 2736 W. Roosevelt Rd. site, equal to the value of this note) will be issued at closing of the RA to provide bridge financing to secure additional lender financing to fund construction. The principle value of Developer Note 2 and will reduced accordingly as CCIL secures other governmental funding sources. If CCIL receives other governmental funding in excess of the \$2.525 million note, CCIL will retained these funds for other eligible project uses.

The City also proposes to provide up to \$1.0 million to CCIL to demolish the above buildings and environmental remediate the 123 S. Green St. property and up to an additional \$500,000 in relocation costs. These activities will be funded from available incremental tax revenues from the Near West TIF district.

In addition, the City is in the process of acquiring and remediating approximately forty tax parcels generally located at 2736 W. Roosevelt Rd., which constitutes CCIL's 3.6 acre development site where it will construct its new 105,860 square foot facility to their operations. It is the City's intention to donate these tax parcels to CCIL. DPD has reviewed CCIL's pro forma information regarding the proposed financing for their project and have concluded that without the conveyance of these parcels to CCIL at no cost, their project is not financially feasible.

Sources of Funds

City Land and Cleanup-HUD108 Brownsfield Funds	\$ 4,000,000
Sale of Current Property-	\$ 6,000,000
Environmental Remediation- Near West TIF)	\$ 1,000,000
Relocation - Near West TIF	\$ 500,000
Empowerment Zone	\$ 3,000,000
Western Ogden TIF Note*	\$ 4,525,000
McKinney - DHS	\$ 400,000
City of Chicago	\$ 997,900
<u>CCIL Fundraising</u>	<u>\$ 5,000,000</u>
TOTAL	\$25,422,900

*Developer will use TIF Note to secure lender financing for construction.

Uses of Funds

Land (2736 W. Roosevelt Rd)	\$ 4,000,000
Environmental Remediation (123 S. Green St.)	\$ 1,000,000
Relocation	\$ 500,000
Hard Costs	\$15,258,000
<u>Soft Costs</u>	<u>\$ 4,664,900</u>
TOTAL	\$25,422,900

Three to six million dollars of funding has been applied for from the following outside agencies: HSECP, RERP, EAHP (all administered by DCCA), the Illinois First program, the IL Clean Energy Fund, the IL Donation Tax Credit program, the IHDA Trust Fund and FHLB.

Conformance with Plan

The proposed redevelopment is in conformance with the land use goals and objectives of the Western/Ogden Redevelopment Project Area plan (the "Plan"). The Plan proposes industrial, institutional and open space uses. A Planned Development for the 2736 W. Roosevelt Rd. Property will be applied for upon completion of schematic design. Currently the property is zoned M1-2.

Community Outreach

Alderman Smith and various community groups, institutions and business support the Project, including AidsCare, Inc., Aramark Corporation, The CARA program, Lakefront SRO Employment and Training Services, North Lawndale Employment Network, St. Agatha Church, ServiceMaster, Sinai Community Institute and Sinai Health System.

Public Benefits

The Development will retain approximately 150 full-time jobs. 131 of the 150 retained jobs are filled by residents of the City of Chicago. The Chicago Christian Industrial League (“CCIL”) has been a shelter for the homeless since 1909, offering job training, along with meeting the basic needs of food and housing. Its mission has long been and remains addressing the causes of homelessness and restoring desperate men and women to self-reliant, productive and meaningful lives. CCIL, with the participation and technical support of major corporations, offers homeless or near-homeless individuals the opportunity to achieve employment through an array of supportive services and job training. Programs are designed to educate participants in basic literacy and math, instill workplace values, and provide specialized training in several technical skills. The new facility will provide housing, and a training facility.

Prevailing Wage, M\WBE, City Residency

The Developer has agreed to comply with all City ordinances regarding Prevailing Wage, M\WBE and City Residency. A summary of the Developer’s M\WBE Plan of Action is attached to this report.

Recommendations

The Resolution before you requests that the Community Development Commission to authorize the following actions:

- 1) Authorize the City of Chicago, through the Department of Planning & Development (“DPD”), to publish a notice of its intention to negotiate a redevelopment agreement with the Chicago Christian Industrial League (“CCIL”) an Illinois not-for-profit corporation, and/or an entity to be formed, for the use of tax increment financing bond proceeds and/or incremental tax revenues for: site preparation and relocation activities for property at 123 S. Green St., located within the boundaries of the Near West Redevelopment Project Area and the construction of a new facility at 2736 West Roosevelt Road, located within the boundaries of the Western/Ogden Redevelopment Project Area, collectively referred to as the “Properties” and the “Areas;” and
- 2) Authority to Advertise the City of Chicago’s intention to enter into a negotiated sale with CCIL for approximately forty City-owned tax parcels, subject to survey, located within the Western/Ogden Redevelopment Project Area; and
- 3) Authorize DPD to request alternative proposals for the sale of City-owned land and the redevelopment of the Properties located within the boundaries of the Areas; and
- 4) Conditionally recommend to the City Council of the City of Chicago (the “City”) the designation of the CCIL as the Designated Developer of the Properties within the Areas if no other responsive alternative proposals are received.

Chicago Christian Industrial league

Term Sheet

Project Description:

Chicago Christian Industrial League ("CCIL"), currently located at 123 South Green Street, proposes to construct a new facility at 2736 West Roosevelt Road, where it will relocate its operations. The proposed construction of a 106,000 sq. ft. facility will be used as a job training center for low income individuals and also as a temporary housing facility for some of the trainees. The Project includes the demolition of existing buildings and the environmental remediation of the 123 S. Green St. property. The property contains approximately 68,650 square feet (1.5 acres). CCIL intends to then sell the 123 S. Green St. property to a private concern and use the sale proceeds to finance the construction of its proposed facility.

The City intends to negotiate a redevelopment agreement with CCIL for an amount not to exceed the lesser of \$6.025 million in tax increment financing assistance or 23.7% of the total project budget, currently estimated at \$25,422,900, and will be provided to the Developer in the form of two taxable TIF Developer Notes totaling \$4.525 million and \$1.5 million in incremental tax revenues.

Developer Note 1 in the principle amount of \$2.0 million to be issued at closing of the redevelopment agreement (the "RA") to fund certain TIF eligible expenses incurred at the 2736 W. Roosevelt Rd. site.

Developer Note 2 in the principle amount of \$2.525 million (under the assumption that CCIL will incur additional TIF-eligible cost at the 2736 W. Roosevelt Rd. site, equal to the value of this note) will be issued at closing of the RA to provide bridge financing to secure additional lender financing to fund construction. The principle value of Developer Note 2 and will be reduced accordingly as CCIL secures other governmental funding sources. If CCIL receives other governmental funding in excess of the \$2.525 million note, CCIL will retain these funds for other eligible project uses.

The City also proposes to provide up to \$1.0 million to CCIL to demolish the above buildings and environmental remediate the 123 S. Green St. property and up to an additional \$500,000 in relocation costs. These activities will be funded from available incremental tax revenues from the Near West TIF district.

In addition, the City is in the process of acquiring and remediating approximately forty tax parcels generally located at 2736 W. Roosevelt Rd., which constitutes CCIL's 3.6 acre development site where it will construct its new 105,860 square foot facility to their operations. It is the City's intention to donate these tax parcels to CCIL.

Sources and Uses of Funds:

PROJECT COSTS

Site Assembly and Preparation

Land	\$ 4,000,000 (2736 W. Roosevelt Rd.)
Environmental Remediation	\$ 1,000,000 (123 S. Green St)
Relocation	\$ 500,000
	\$ 5,500,000

Hard Costs

Building Core	\$ 12,360,000
Furnishings	\$ 1,245,000
Landscaping & Design	\$ 798,000
Sustainable Design Elements	\$ 855,000
	\$ 15,258,000

Soft Costs

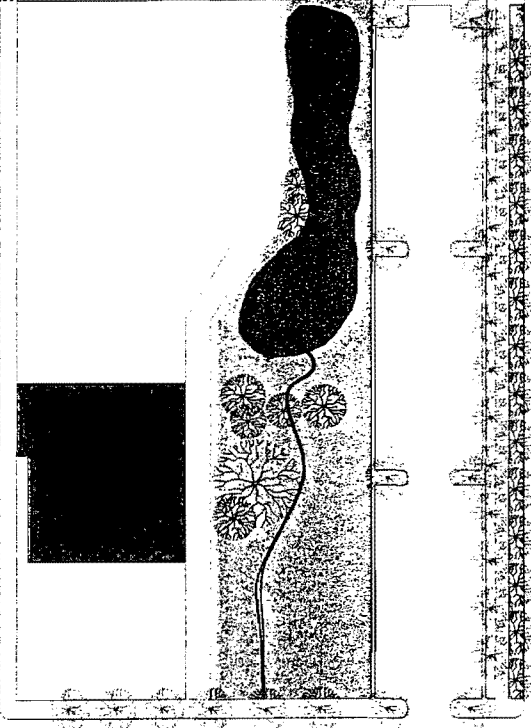
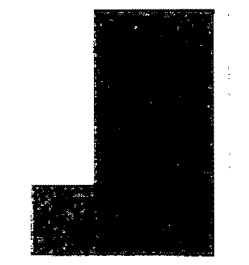
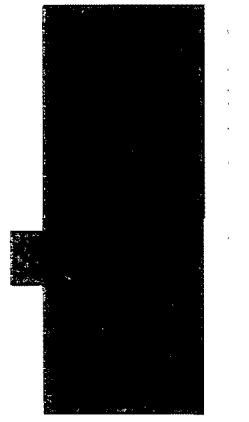
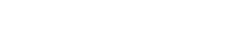
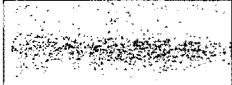
Architecture & Engineering	\$ 1,225,000
Construction Finance Fees	\$ 255,000
Construction Contingency (5%)	\$ 762,900
Consulting	\$ 1,240,000
Finance Charges/Interest	\$ 350,000
Bank Fees - Payouts	\$ 12,000
Legal	\$ 145,000
Miscellaneous	\$ 675,000
	\$ 4,664,900
TOTAL	\$25,422,900

SOURCES

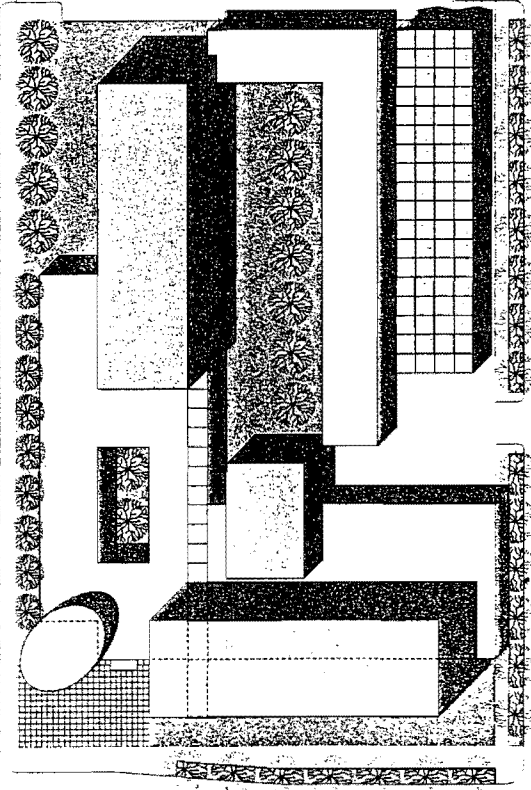
City Land and Cleanup	
HUD108 Brownsfield Funds	\$ 4,000,000
Sale of Current Property-	\$ 6,000,000
Environmental Remediation-	
Near West TIF)	\$ 1,000,000
Relocation - Near West TIF	\$ 500,000
Empowerment Zone	\$ 3,000,000
Western Ogden TIF Note*	\$ 4,525,000
McKinney - DHS	\$ 400,000
City of Chicago	\$ 997,900
<u>CCIL Fundraising</u>	<u>\$ 5,000,000</u>

TOTAL **\$25,422,900**

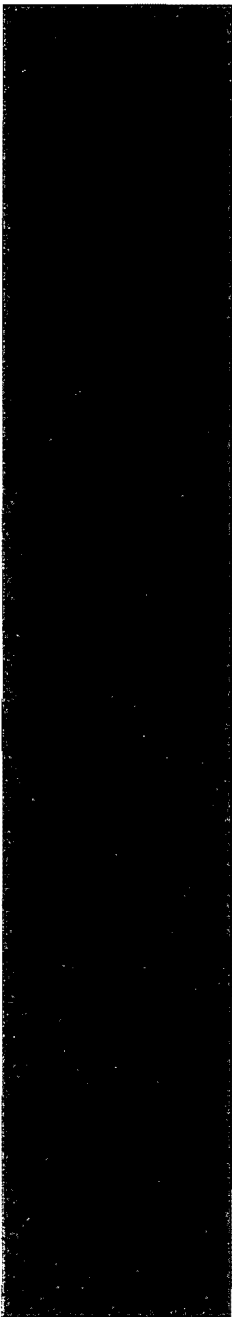
*Developer will use TIF Note to secure lender financing for construction.



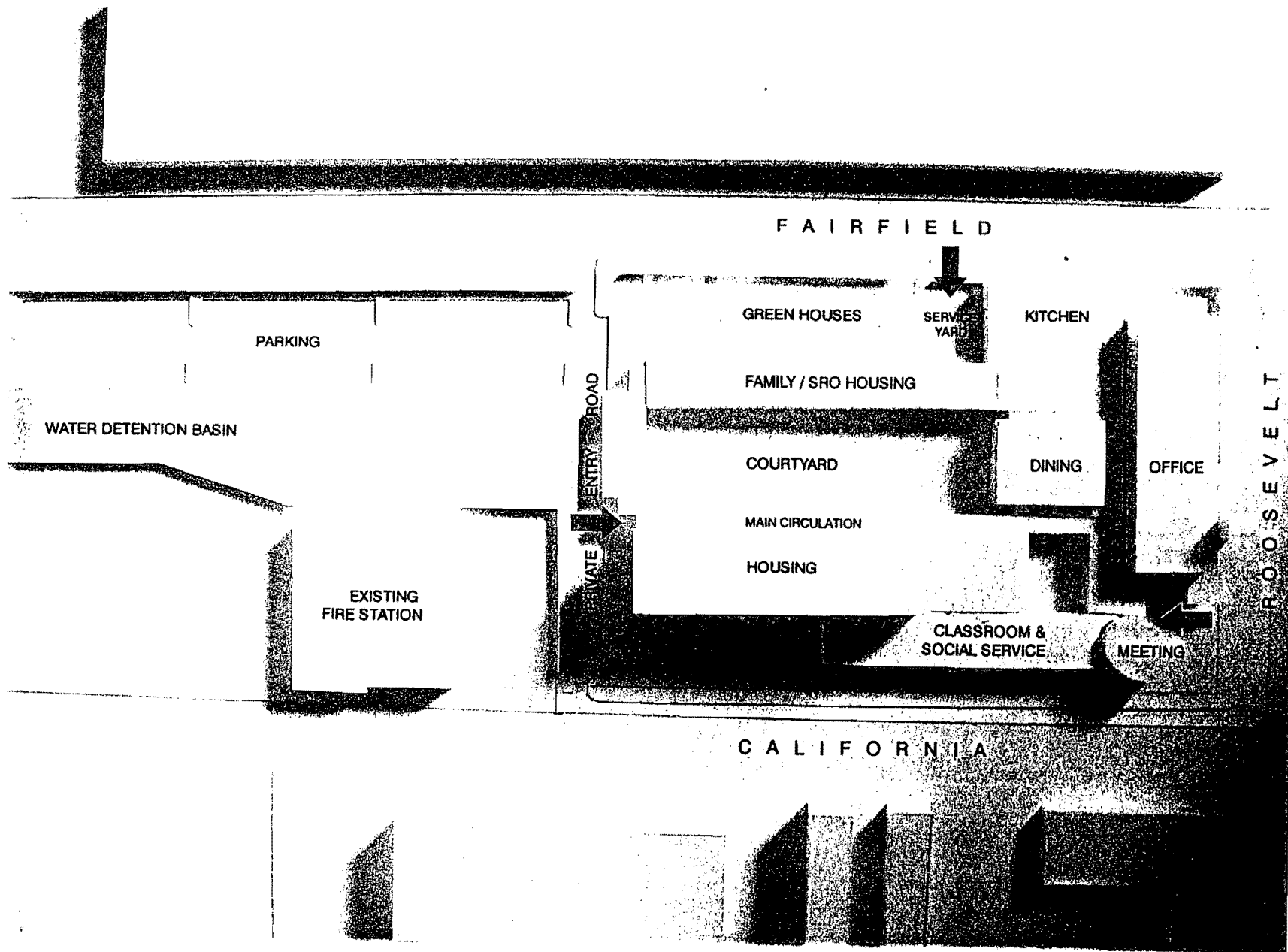
PRIVATE ENTRY DRIVE



HOUSE



1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100



C C I L R o o s e v e l t R o a d C a m o u s
 MODEL PHOTO - SITE

KRUECK & SEXTON ARCHITECTS
 12 MARCH 2002