

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

SUMMARY SHEET
Christiana Investors, L.L.C. and USG Corporation
The Canal/Congress Tax Increment Financing Redevelopment Project Area

Action

- Requested:**
- 1) Recommend to the City Council the designation of Christiana Investors, L.L.C., and/or a related entity to be formed, as the Developer and USG Corporation as the Co-Developer for the redevelopment of the property located within the boundaries of the Canal/Congress Tax Increment Financing ("TIF") Redevelopment Project Area and commonly known as 550 West Adams 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 and Co-Developer for the Project.

Project: DPD intends to enter into a Tax Increment Financing ("TIF") redevelopment agreement with Christiana and, through a limited joinder, USG. The purpose of the redevelopment agreement is to provide an incentive to USG that will allow USG to relocate its corporate headquarters into a new office building to be constructed by Christiana.

Christiana has proposed the development of an 18-story Class A office building (the "Building") at the Property that will include approximately 471,000 square feet. USG intends to enter into a lease with Christiana for approximately 240,000 square feet on floors ten through eighteen of the Building for use as its global corporate headquarters.

Location: 550 West Adams Street, within the Canal/Congress Tax Increment Financing Redevelopment Project Area.

Developer: Christiana Investors, L.L.C. with USG Corporation as Co-Developer.

Assistance: DPD intends to provide the Developer with TIF assistance in the maximum amount of \$9,750,000. The City's financial assistance is being provided for the benefit of USG. Therefore, the TIF assistance will assigned to USG by Christiana.

Zoning: Business Planned Development #756.

Ward: 2nd Ward, Alderman Madeline Haithcock.

Public

Benefits: Real Estate Taxes
Based upon an analysis provided by the Developer, the Project will generate a substantial increase in the real estate taxes on the Property. The analysis estimates that the real estate taxes will increase from their current level of \$131,350 to approximately \$3.8 million in 2009. The projected total value of all real estate taxes generated by the Property during the remaining life of the Canal/Congress TIF District is estimated to be \$59.6 million.

8000305

Jobs

USG has committed to the retention of a minimum of 500 jobs. The Project will require approximately 250 construction positions. USG's annual payroll, including benefits, for the employees located at the headquarters is approximately \$89 million.

Green Technology and Landscaping

The project will comply with the City's Landscape Ordinance and the building will include a green roof.

MBE/WBE: Christiana and USG have agreed to comply with all City ordinances regarding Prevailing Wage, MBE/WBE and City Residency. Attachment C to the Staff Report includes the certified mail receipts as evidence that the required notifications have been provided to the MBE/WBE contractor associations.

Community Outreach:

A letter of support from Alderman Haithcock is included in your Staff Report as Attachment E.

Issues: N/A

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

STAFF REPORT
Christiana Investors, L.L.C. and USG Corporation
The Canal/Congress Tax Increment Financing Redevelopment Project Area

MS. VICE CHAIRMAN AND MEMBERS OF THE COMMISSION:

The Resolution before you requests that the Community Development Commission recommend to the City Council the designation of Christiana Investors, L.L.C., and/or a related entity to be formed, as the Developer and USG Corporation as the Co-Developer for the redevelopment of the property located within the boundaries of the Canal/Congress Tax Increment Financing Redevelopment Project Area at 550 West Adams Street (the "Property" and the "Project"). The Resolution also asks for your authorization to negotiate, execute and deliver a redevelopment agreement on the City's behalf with the Developer and Co-Developer for the Project.

Background

The Property is located within the Canal/Congress Tax Increment Financing Redevelopment Project Area (the "Area"), which was established by the City Council on November 12, 1998. The Area is irregularly shaped and is generally bounded by Monroe Street on the north, the South Branch of the Chicago River on the east, Harrison Street on the south and the Kennedy Expressway on the west. The Property is commonly known as 550 West Adams Street and is currently improved with a surface parking lot.

This Project is the third and final component of Business Planned Development #756. The Quaker Oats Building and the Park Alexandria Building are the two previous projects. The Quaker Oats Building was the subject of a TIF redevelopment agreement that was presented to the Community Development Commission on March 14, 2000 (CDC Resolution 00-CDC-42).

Development Project

Proposed Developer

Christiana Investors, L.L.C. is an Illinois limited liability company that is affiliated with the Fifield Realty Corporation, which is a privately held Delaware corporation. USG Corporation is a publicly-traded Delaware corporation.

Fifield Companies was founded in 1977 and has developed 50 buildings comprising 10 million square feet worth over \$2.5 billion. Notable projects include the Quaker Oats Building at 555 West Monroe, the 550 West Washington building, the Park Alexandria building at 125 South Jefferson, the renovation of the Civic Opera building, and Admiral's Pointe at 600 North Kingsbury.

USG has been based in the City of Chicago since the company's inception in 1902. It is a Fortune 500 Company that is the world's number one producer of gypsum wallboard and ceiling suspension grid.

Proposed Project

DPD intends to enter into a Tax Increment Financing ("TIF") redevelopment agreement with Christiana and, through a limited joinder, USG. The purpose of the redevelopment agreement is to provide an incentive to USG that will allow USG to relocate its corporate headquarters into a new office building to be constructed by Christiana.

Christiana has proposed the development of an 18-story Class A office building (the "Building") at the Property that will include approximately 471,000 square feet. The Property is located within the 2nd Ward and the Canal/Congress TIF District.

USG intends to enter into a lease with Christiana for approximately 240,000 square feet on floors ten through eighteen of the Building for use as its global corporate headquarters. The project will include the following components:

- Christiana's construction of all base building improvements, including, without limitation: the plumbing, electrical, HVAC, telecommunications and other building systems for the entire Building; the completion of the lobby and all exterior improvements; and, the construction of limited USG tenant improvements;
- USG's construction of certain tenant improvements on floors ten through eighteen including interior construction, fire protection, electrical and mechanical work, furniture and furniture installation, carpeting, telecommunications systems and certain architectural costs;
- The facade of the building will include masonry at floors one and two and glass on the remaining sixteen floors;
- The first floor will include 18-20 private parking spaces and 8,000 square feet of retail space;
- The installation of a green roof on 100% of the net square footage of the roof (approximately 11,000 square feet);
- The street level landscaping will include planter boxes and ornamental fencing;
- The City is encouraging the achievement of an Energy Star Certification and a Leadership in Energy and Environmental Design ("LEED") certification from the U.S. Green Building Council; and,
- The Project will comply with all applicable City of Chicago ordinances, including the Landscape Ordinance and Business Planned Development #756.

USG's lease calls for a net rent per square foot of \$24.45 with an initial term of 15 years. USG will have two five-year options to renew the lease.

Deal Structure

The City intends to negotiate a redevelopment agreement with the Developer and Co-Developer for a maximum of \$9,750,000 in tax increment financing assistance. This amount represents 7.6% of the total project budget, currently estimated at \$128,202,180. The City's financial assistance is being provided for the benefit of USG. Therefore, the TIF assistance will be assigned to USG by Christiana.

The TIF assistance will be provided in two forms. First, a taxable TIF Developer Note will be issued at closing with a maximum principal amount of the greater of \$6,500,000 or the sum of the TIF-eligible costs, excluding interest costs, that are related to the financing of the Project. Second, the City will make annual payments during construction that will be equal to 30% of the annual interest costs that are related to the financing of the Project.

The redevelopment agreement will include a clawback provision that will require repayment of all TIF payments made as a reimbursement of construction period interest if USG either fails to continue as an on-going business or relocates out of the City of Chicago within one-year of exiting the chapter 11 bankruptcy proceeding. The clawback provision will be secured by a letter of credit.

The project budget is included in Attachment D to the staff report.

Conformance with Plan

The proposed redevelopment is in conformance with the land use goals and objectives of the Canal/Congress Tax Increment Financing Redevelopment Project Area Plan. For this site the Plan calls for mixed use: retail, commercial, hotel, institutional, open space and government land uses.

Community Outreach

A letter of support from Alderman Haithcock is included in your Staff Report as Attachment E.

Public Benefits

Real Estate Taxes

Based upon an analysis provided by the Developer, the Project will generate a substantial increase in the real estate taxes on the Property. The analysis estimates that the real estate taxes will increase from their current level of \$131,350 to approximately \$3.8 million in 2009. The projected total value of all real estate taxes generated by the Property during the remaining life of the Canal/Congress TIF District is estimated to be \$59.6 million.

Jobs

USG has committed to the retention of a minimum of 500 jobs. The Project will require approximately 250 construction positions. USG's annual payroll, including benefits, for the employees located at the headquarters is approximately \$89 million.

Green Technology and Landscaping

The project will comply with the City's Landscape Ordinance and the building will include a green roof.

Prevailing Wage, MBE/WBE, City Residency

Christiana and USG have agreed to comply with all City ordinances regarding Prevailing Wage, MBE/WBE and City Residency. Attachment C to the Staff Report includes the certified mail receipts as evidence that the required notifications have been provided to the MBE/WBE contractor associations.

Recommendation

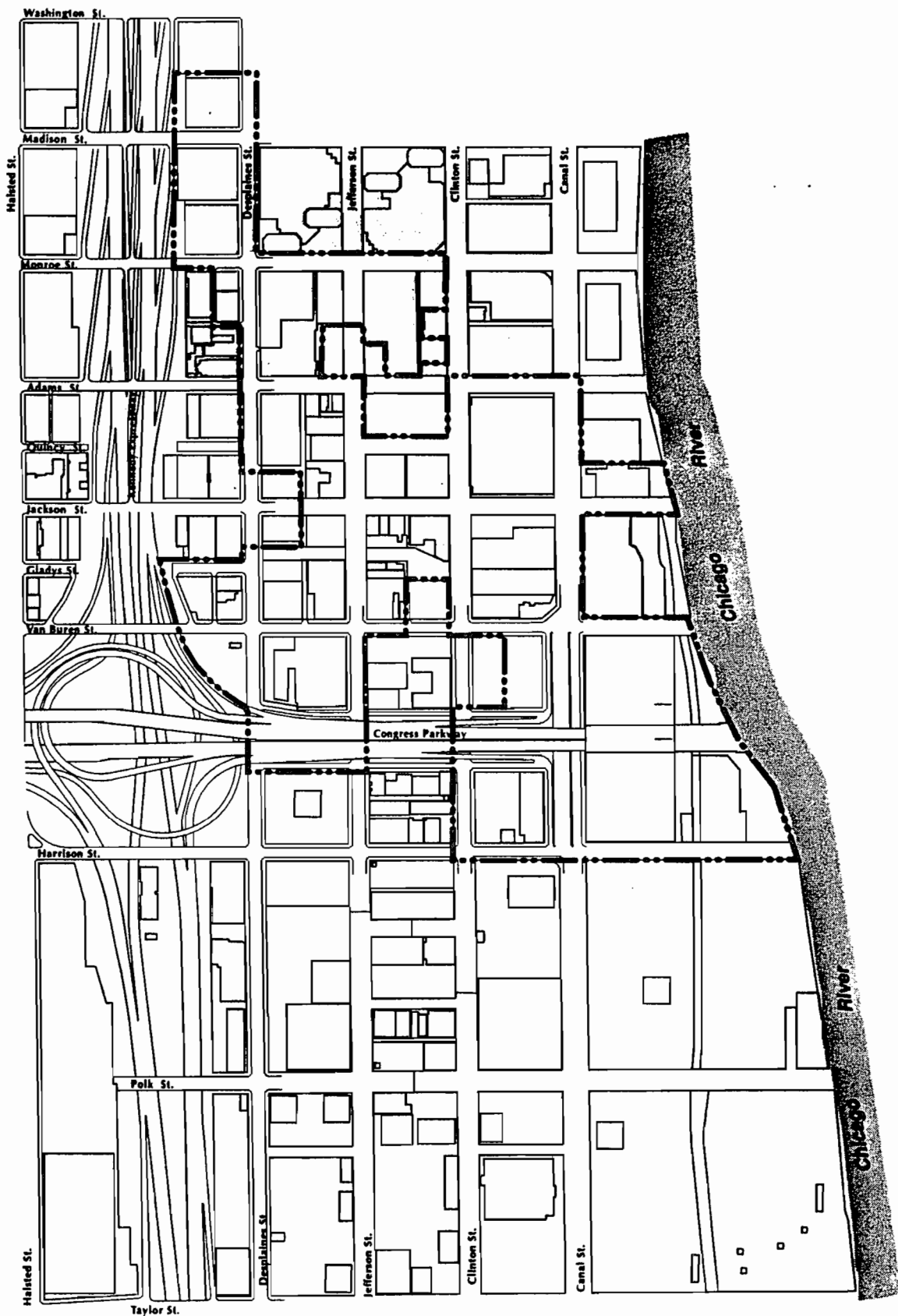
DPD requests that the Community Development Commission recommend to the City Council the designation of Christiana Investors, L.L.C., and/or a related entity to be formed, as the Developer and USG Corporation as the Co-Developer for the redevelopment of the property located within the boundaries of the Canal/Congress Tax Increment Financing Redevelopment Project Area at 550 West Adams Street (the "Property" and the "Project"). 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 and Co-Developer for the Project.

Attachments

- A) TIF Boundary Map
- B) Elevations
- C) MBE/WBE Contractor Notifications and Certified Mail Receipts
- D) TIF Term Sheet
- E) Letter of Support

Attachment A

TIF Boundary Map



--- Project Area Boundary

Revision 8/7/98

Figure 1
Boundary

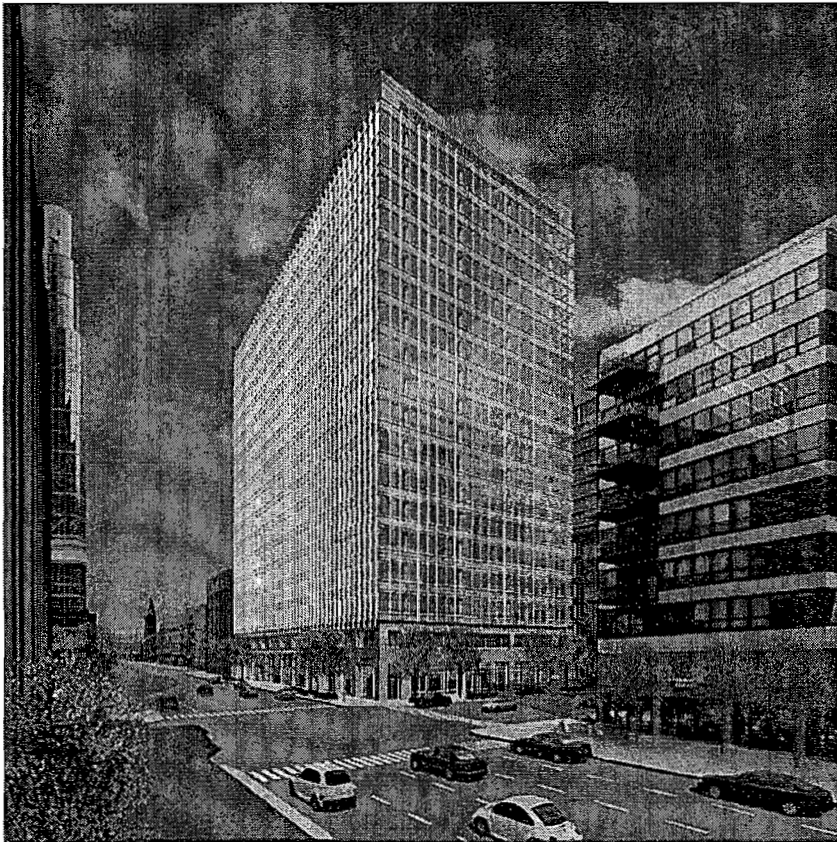
Attachment B

Elevations

USG HEADQUARTERS - 550 WEST ADAMS STREET - CHICAGO



SOUTH VIEW



EAST VIEW

Attachment C

MBE/WBE Contractor Notifications and Certified Mail Receipts

U.S. Postal Service
CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:
Illinois Association of Minority Contract

Postage	\$ 0.37	UNIT ID: 0062 Postmark Here Clerk: BK1JW0 04/07/04
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 4.42	

Name (Please Print Clearly) (to be completed by mailer)
Riffield Companies
 Street, Apt. No., or PO Box No.
20 N. Wacker Drive Suite 3200
 City, State, ZIP+4
Chicago, IL. 60606

PS Form 3800, July 1995 See Reverse for Instructions

Total Cost: 4.42
 Base Rate: 0.37
 SERVICES
 Certified Mail 2.30
 7099340000408229485
 Return Receipt 1.75
 Subtotal 4.42
 Total 4.42
 Cash 10.42
 Change Due
 Cash 6.00

Number of Items Sold: 1

Thank You
Please come again!

7099 3400 0004 0822 9485

7099 3400 0046 6907
4699 2290 4000 0046 6907

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only. No Insurance Coverage Provided)

Article Certified To:
CHICAGO, IL 60606
Woods Business Development Center

Postage	\$ 0.37	UNIT ID: 0062
Certified Fee	2.30	Postmark Here
Return Receipt Fee (Endorsement Required)	1.75	Clerk: BK15W0
Restricted Delivery Fee (Endorsement Required)		04/07/04
Total Postage & Fees	\$ 4.42	

Name (Please Print Clearly) (to be completed by mailer)
Fifield Companies
 Street, Apt. No., or PO Box No.
20 N. Wacker Drive Suite 3200
 City, State, ZIP+4
Chicago, IL 60606

Total Cost:	4.42
Base Rate:	0.37
SERVICES	
Certified Mail	2.30
70993400000408229393	
Return Receipt	1.75
Subtotal	4.42
Total	4.42
Cash	20.02
Change Due	15.60
Cash	
Number of Items Sold:	1
Thank You Please come again!	

7099 3400 0004 0A22 9270

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only, No Insurance Coverage Provided)

Article Sent To:
Federation of Women Contractors

Postage	\$ 0.37	UNIT ID: 0062
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	Postmark None
Restricted Delivery Fee (Endorsement Required)		Clerk: BK13W0
Total Postage & Fees	\$ 4.42	04/07/04

Name (Please Print Clearly) (to be completed by mailer)
Fifield Companies

Street, Apt. No., or PO Box No.
20 N. Wacker Drive Suite 3200

City, State, ZIP+4
Chicago, IL 60606

PS Form 3800, July 1999 See Reverse for Instructions

Total Post: 1.75
 Base Rate: 0.37
 SERVICES 2.30
 Certified Mail 70993400000408229270
 Return Receipt 1.75

Subtotal 4.42
 Total 4.42

Cash 5.42
 Change Due 1.00
 Cash

Number of Items Sold: 1

Thank You
 Please come again!

7099 3400 0004 0822 9249

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:
Black Contractors United

Postage	\$ 0.37	UNIT ID: 0062 Postmark Here Clerk: BK13W0 04/07/04
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 4.42	

Name (Please Print Clearly) (to be completed by mailer)
Fifield Companies
Street, Apt. No., or PO Box No.
20 N. Wacker Drive Suite 3200
City, State, ZIP+4
Chicago, IL. 60606

PS Form 3800, July 1999 See Reverse for Instructions

Base Rate: 0.37
SERVICES
 Certified Mail 2.30
 7099340000408229249
 Return Receipt 1.75

Subtotal 4.42
 Total 4.42

Cash 5.00
 Change Due
 Cash 0.58

Number of Items Sold: 1

Thank You
 Please come again!

7966 2280 4000 004E 6602

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only, No Insurance Coverage Provided)

Article Sent To: **Mexonia Chamber of Commerce**

Postage	\$ 0.37
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 2.62

UNIT ID: 0062
Postmark Here
Clerk: BK13W
04/07/04

Name (Please Print Clearly) (to be completed by mailer)
Fifield Companies
Street, Apt. No., or PO Box No.
20 N. Wacker Drive Suite 3200
City, State, ZIP+4
Chicago, IL 60606

Total Postage	0.37
Base Rate	2.30
SERVICES	
Certified Mail	
70993400000408229362	
Subtotal	2.67
Total	2.67
Cash	20.00
Change Due	17.33
Cash	

Number of Items Sold: 1
Thank You
Please come again!
Please come again!

7099 3400 0004 0822 9300

U.S. Postal Service CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:
Hispanic Amer Construction Industry Ass
 CHICAGO, IL 60606

Postage	\$ 0.37	UNIT ID: 0062 Postmark Here Clerk: BK1JWO 04/07/04
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 4.42	

Name (Please Print Clearly) (to be completed by mailer)
Fifield Companies
 Street, Apt. No., or PO Box No.
20 N. Wacker Drive Suite 3200
 City, State, Zip+4
Chicago, IL 60606

PS Form 3800, July 1999 See Reverse for Instructions

Total Cost:	4.42
Base Rate:	0.37
SERVICES	
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Return Receipt	1.75
Subtotal	4.42
Total	4.42
Cash	
Change Due	5.45
Cash	1.03

Number of Items Sold: 1

Thank You
Please come again!

9126 2290 4000 0046 6602 7099

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only, No Insurance Coverage Provided)

Article Sent To:
CHICAGO, IL 60606
African American Contractors Assoc.

Postage	\$ 0.37
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.42

UNIT ID: 0062
Postmark Here
Clerk: EK13W0
04/07/04

Name (Please Print Clearly) (to be completed by mailed)
Fifield Companies
Street, Apt. No., or PO Box No.
20 N. Wacker Drive Suite 3200
City, State, ZIP+4
Chicago, IL 60606

Total Cost:	4.42
Base Rate:	0.37
SERVICES	
Certified Mail	2.30
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Return Receipt	1.75
Subtotal	4.42
Total	4.42
Cash	5.50
Change Due	
Cash	1.08

Number of Items Sold: 1

Thank You
Please come again!

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only. No Insurance Coverage Provided)

7001 0360 0000 0960 0000 8024 4208 3349

OFFICIAL USE

Postage	\$ 0.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65



Sent To **Mr. Omar Shareef**
African American Contractors Association
 Street, Ap or PO Box **3706 So. Indiana Ave., 1st Floor**
 City, State **Chicago, IL 60653**

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only. No Insurance Coverage Provided)

7001 0360 0000 0960 0000 8024 4208 3356

OFFICIAL USE

Postage	\$ 0.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65



Sent To **Mr. Edward T. McKinnie**
Black Contractors United
 Street, Ap or PO Box **400 W. 76th Street**
 City, State **Chicago, IL 60620**

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only. No Insurance Coverage Provided)

7001 0360 0000 0960 0000 8024 4208 3400

OFFICIAL USE

Postage	\$ 0.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65



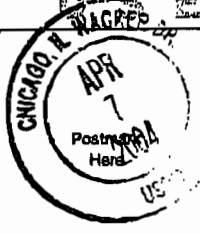
Sent To **Ms. Hedy Ratner**
Women Business Development Center
 Street, Ap or PO Box **8 So. Michigan Ave., Suite 400**
 City, State **Chicago, IL 60603**

7001 0360 0000 0920 8024 3387

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$ 0.60
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Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65



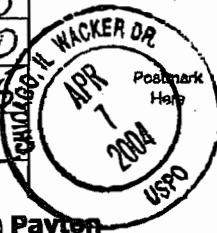
Sent To
Mr. Juan Ochoa
Mexican American Chamber of Commerce
33 No. LaSalle St., Suite 1720
Chicago, IL 60602

7001 0360 0000 0920 8024 3417

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$ 0.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65



Sent To
Ms. Babette Payton
Illinois Association of Minority Contractors
1643 E. 71st Street
Chicago, IL 60649

7001 0360 0000 0920 8024 3370

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$ 0.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65



Sent To
Mr. Rafael Hernandez
Hispanic American Construction Industry Association
901 W. Jackson St., Suite 205
Chicago, IL 60607

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

EP9EE 4208 0000 09ED 7007

OFFICIAL USE

Postage	\$ 0.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65



Sent To Ms. Beth Doria
Federation of Women Contractors
5650 So. Archer Avenue
Chicago, IL 60638

Street, A, or PO Box
 City, State

PS Form actions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

43EE 4208 0000 09ED 7007

OFFICIAL USE

Postage	\$ 0.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65



Sent To Mr. Perry Nackachi
Association of Asian Construction
Enterprises
333 No. Ogden Avenue
Chicago, IL 60607

Street, A, or PO Box
 City, State

PS Form actions

Attachment D

Term Sheet

DPD intends to enter into a Tax Increment Financing ("TIF") redevelopment agreement with Christiana and, through a limited joinder, USG. The purpose of the redevelopment agreement is to provide an incentive to USG that will allow USG to relocate its corporate headquarters into a new office building to be constructed by Christiana.

Christiana has proposed the development of an 18-story Class A office building (the "Building") at the Property that will include approximately 471,000 square feet. The Property is located within the 2nd Ward and the Canal/Congress TIF District.

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The redevelopment agreement will include a clawback provision that will require repayment of all TIF payments made as a reimbursement of construction period interest if USG either fails to continue as an on-going business or relocates out of the City of Chicago within one-year of exiting the chapter 11 bankruptcy proceeding. The clawback provision will be secured by a letter of credit.

<u>Project Budget</u>			
Sources of Funds	Uses of Funds		
Conventional Financing	72,458,674	Site Prep, Building Core & Shell	47,237,118
Mezzanine Financing	35,672,852	USG TI Allowance	18,405,400
USG Equity	16,728,000	USG's Leasehold Expenditure	16,728,000
Developer Equity	3,342,654	Projected Future TI	11,266,050
		Construction Period Interest	10,218,585
		Acquisition	7,500,000
		Leasing Commissions (6.5%*)	7,293,851
		Developer Fee (2.4%*)	2,691,800
		A & E	2,100,000
		Contingency	2,000,000
		Construction Management Fee (1.8%*)	769,085
		Space Planning and Marketing	485,000
		Insurance & Taxes	475,000
		Legal	475,000
		Fee/Permits	375,000
		Miscellaneous Testing & Consultants	325,000
		Closing Costs	320,000
		Working Capital/Pre-Closing Deficits	200,000
		Post Completion Deficit Funding Req.	(662,709)
Total	<u>128,202,180</u>		<u>128,202,180</u>

* Percentages exclude USG's Leasehold Expenditure and are based on Fifield's total project cost of \$111,474,180

Attachment E

Letter of Support

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

RESOLUTION NO. 04 - CDC -

**AUTHORITY TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH
CHRISTIANA INVESTORS, L.L.C.**

AND/OR

A RELATED ENTITY TO BE FORMED

**WITHIN THE
CANAL/CONGRESS TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AREA,**

AND

**TO RECOMMEND TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
THE DESIGNATION OF
CHRISTIANA INVESTORS, L.L.C.**

AND/OR

A RELATED ENTITY TO BE FORMED

AS THE DEVELOPER

AND

USG CORPORATION

AS THE CO-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-136 and pursuant to the Act, enacted three ordinances on November 12, 1998 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Canal/Congress 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, Christiana Investors, L.L.C. (the "Developer") and USG Corporation (the "Co-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 construction of an eighteen-story Class A office building that will include approximately 471,000 square feet (the "Project"); and

WHEREAS, DPD requests that the Commission recommend to City Council that the Developer and Co-Developer be designated as the developer and co-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.

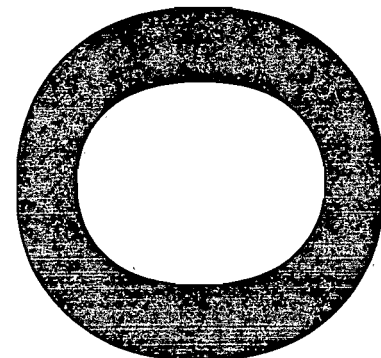
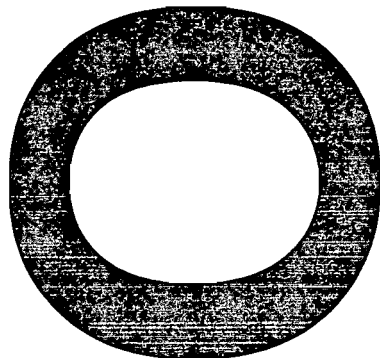
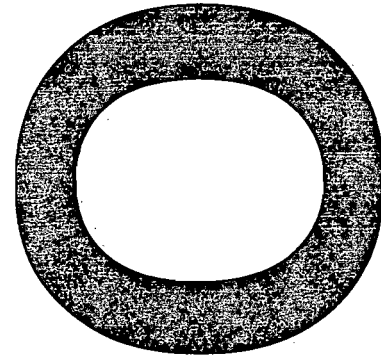
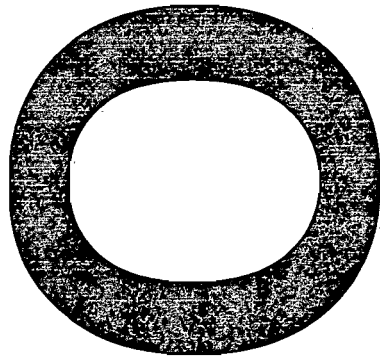
ADOPTED: _____, 2004

Attachment: Exhibit A, Street Boundary Description

EXHIBIT A

**Street Boundary Description of the
Canal/Congress Tax Increment Financing
Redevelopment Project Area**

The Area is irregularly shaped and is generally bounded by Monroe Street on the north, the South Branch of the Chicago River on the east, Harrison Street on the south and the Kennedy Expressway on the west.



STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

CERTIFICATE

I, Jennifer Rampke, the duly authorized, qualified and Executive Secretary of the **Community Development Commission of the City of Chicago**, and the custodian of the records thereof, do hereby certify that I have compared the attached copy of a Resolution adopted by the **Community Development Commission of the City of Chicago** at a Regular Meeting Held on the 13th day of April 2004 with the original resolution adopted at said meeting and recorded in the minutes of the Commission, and do hereby certify that said copy is a true, correct and complete transcript of said Resolution.

Dated this 13th Day of April 2004


EXECUTIVE SECRETARY
Jennifer Rampke

04-CDC-27

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

RESOLUTION NO. 04 - CDC - 27

**AUTHORITY TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH
CHRISTIANA INVESTORS, L.L.C.**

AND/OR

A RELATED ENTITY TO BE FORMED

**WITHIN THE
CANAL/CONGRESS TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AREA,**

AND

**TO RECOMMEND TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
THE DESIGNATION OF
CHRISTIANA INVESTORS, L.L.C.**

AND/OR

A RELATED ENTITY TO BE FORMED

AS THE DEVELOPER

AND

USG CORPORATION

AS THE CO-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-136 and pursuant to the Act, enacted three ordinances on November 12, 1998 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Canal/Congress 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, Christiana Investors, L.L.C. (the "Developer") and USG Corporation (the "Co-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 construction of an eighteen-story Class A office building that will include approximately 471,000 square feet (the "Project"); and

WHEREAS, DPD requests that the Commission recommend to City Council that the Developer and Co-Developer be designated as the developer and co-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
Canal/Congress Tax Increment Financing
Redevelopment Project Area**

The Area is irregularly shaped and is generally bounded by Monroe Street on the north, the South Branch of the Chicago River on the east, Harrison Street on the south and the Kennedy Expressway on the west.