

# TIF PROJECT SCORECARD

## Save-A-Lot

### 4703 W. Madison

Construction of a 16,675 sq. ft. grocery store (Save-A-Lot) on currently vacant land

**Type of Project:** Commercial

**Total Project Cost:** \$3,779,217

**TIF Funding Requested:** \$1.7M plus City land write-down in the amount of \$620,000

**TIF District:** Madison/ Austin, 28th Ward

**Developer:** Salmakil, LLC

**Timeline for Completion:** June 2013

**Project Status:** CDC 04/10/12

## RETURN ON INVESTMENT BENCHMARKS

### Advances Goal of Economic Development Plan

Yes—Develop and deploy neighborhood assets to align with regional economic growth

### Advances Goal of TIF District

Yes—Facilitate assembly, preparation, and marketing of vacant and underutilized sites for retail, commercial, and residential development

### Addresses Community Need

Yes—Food Desert

### Jobs Created/Retained

30 FTE Construction/40 FTE Permanent

### Affordable Housing Units Created/Preserved

N/A

### Return on Investment to City

\$822,007 (increment generated beyond Note obligation; \$55,000-\$65,000 annual sales tax to City)

## FINANCIAL BENCHMARKS

### Other Funds Leveraged by \$1 of TIF

\$1.22

### Types of Other Funding Leveraged

Yes—Construction Loan \$2,544,658; Developer Equity \$556,942

### Financing Structure

Grant

## RDA TERMS

### Payment Schedule

Annual Payments of incremental taxes

### Monitoring Term of Agreement

10 years

### Taxpayer Protection Provisions

Clawback of TIF in case of non-compliance

## OTHER CONSIDERATIONS

N/A



**City of Chicago  
Department of Housing and Economic Development**

**STAFF REPORT  
TO THE  
COMMUNITY DEVELOPMENT COMMISSION  
REGARDING  
A PROPOSED NEGOTIATED SALE OF CITY-OWNED PROPERTY  
AND DESIGNATION OF DEVELOPER  
April 10, 2012**

**I. PROJECT IDENTIFICATION AND OVERVIEW**

Project Name:	Save A Lot
Applicant Name:	Salmakil, LLC
Project Address:	4703-27 West Madison Ave
Ward and Alderman:	28 <sup>th</sup> Ward, The Honorable Jason Ervin
Community Area:	Austin (25)
Redevelopment Project Area:	Madison /Austin TIF redevelopment Area
Requested Action:	Negotiated sale of vacant City land and designation of Developer.
Proposed Project:	Commercial
Appraised Market Value:	\$ 620,000 (\$25.05 per square foot)
Sale Price:	\$1.00
Acquisition Assistance:	\$ 619,000
TIF Assistance:	1.7 Million.

**II. PROPERTY DESCRIPTION**

Address:	4703 West Madison Ave	(Developer-owned)
	4707 West Madison Ave	(Developer-owned)

4709 West Madison Ave (Developer-owned)  
4711 West Madison Ave. (City-owned)  
4725 West Madison Ave. (Developer-owned)  
4727 West Madison Ave. (Developer-owned)

Location: Southeast corner of Madison and Kilpatrick.

Tax Parcel Numbers: 16-15-100-011  
16-15-100-012  
16-15-100-013 (City-owned)  
16-15-100-014  
16-15-100-015  
16-15-100-016

Land Area: 24,750 (City-owned)  
24,750 (Developer-owned)  
**49,500 square feet, 1.14 acres (Total)**

Current Use: Property is currently vacant.

Current Zoning: C2-2, Motor Vehicle-Related Commercial District

Environmental Condition: The City site does require remediation. Based on a Phase 1 report, there are two suspected underground storage tanks and associated contamination that appear to be related to the historic heating plants.

The land will be sold "as-is" with no warranties or representations as to its environmental condition, and it will be the responsibility of the selected respondent to complete any remediation that may be required by the City or the Illinois EPA. The redevelopment agreement with the applicant will include release and indemnification language protecting the City from liability.

Inventory Profile: The City parcel was acquired in July 1998 via a tax deed. The property has been vacant for at least 14 years.

### **III. BACKGROUND**

The subject property is located in the City of Chicago, Austin community, approximately 5 miles west of the Chicago Central Business District. The entire development site consists of 6 PINs, one of which is owned by the City of Chicago. The development site is located in the Madison /Austin TIF redevelopment project area.

The subject property is currently vacant and according to historical Sanborne maps of the area the property contained commercial developments beginning in the early 1900's until the final demolition of the old Madison Athletic Club building in 1998. The property has been unoccupied and vacant since that time.

#### **IV. PROPOSED DEVELOPMENT TEAM**

**Development Entity:** Salmakil, LLC is a single purpose limited liability company formed for the purpose of developing this project. It is wholly owned by Robert Stephen Qualkinbush. Mr. Qualkinbush will manage all aspects of the development of the project including pre-construction and construction. The project will be bid and a general contractor named later.

Robert Stephen Qualkinbush is the principle and founder of New Channels Realty, LLC. Mr. Qualkinbush has over 30 years of specific expertise in the development process. He has initiated and managed projects totaling in excess of \$500,000,000 in construction value.

Since forming New Channels Realty, LLC, Mr. Qualkinbush has advised Save A Lot Grocery, Cineplex Odeon, Nobel Learning Communities, LaSalle Bank N. A., West Suburban Bank, and other client/tenants in securing locations in the Chicago market. Mr. Qualkinbush developed Save A Lot grocery stores at 79<sup>th</sup> and Halsted, and 63<sup>rd</sup> and Calumet. Mr. Qualkinbush has developed fifteen pre-schools for Nobel, seven banks for LaSalle (now Bank of America) including banks at 79<sup>th</sup> and Halsted, 42<sup>nd</sup> and Ashland, 30<sup>th</sup> and Kedzie, and 92<sup>nd</sup> and Commercial.

**Consultants:** Michael Laube has been retained as a TIF consultant and Camburas and Theodore Architects for this project.

#### **V. PROPOSED PROJECT**

**Project Overview:** SALMAKIL, LLC (the "Developer") proposes construction of an approximately 16,675 square foot Save A Lot grocery store located at the southwest corner of Madison and Kilpatrick on a parcel with approximately 300 feet of frontage on Madison and 161 feet of frontage on Kilpatrick. The subject property is approximately 49,500 square feet.

The Developer has negotiated and executed a letter of intent to lease the property upon development to Moran Foods for the operation of a Save A Lot grocery store. There are no other tenants planned for the site. The letter of intent contemplates a lease with Save A Lot whereby the landlord is only responsible for major capital expenses on a going forward basis. The term of the lease is 10 years, with multiple five year options for Save A Lot. The propose site is currently owned by three entities; including a parcel owned by the City of Chicago.

Moran Foods is the subsidiary of Super value that owns the Save a Lot brand. Moran Foods is the parent company of Save a Lot and has over 1200 stores nationwide of which they operate about 350 as corporate stores and the rest are licensed stores. The subject store will be a lease

with Moran Foods directly, and is planned to operate as a corporate store.

The new building will be beige in color with accents in accordance with the Save A Lot color standards, and be constructed as precast. The signage will conform to the Save A Lot requirements and standards. The building will meet the green requirements for grocery stores in "food deserts". The project contemplates two vehicular access points as follows; one full access on Madison and one full access on Kilpatrick. The off-street loading utilizes alley access. The project requests that Kilpatrick be converted to a two way street south of Madison to the alley.

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

**Environmental Features:**

The developer will exceed ASHRAE 90.1-2004 +50% shading after 5 years

**VI. FINANCIAL STRUCTURE**

The Developer has negotiated and executed a letter of intent to lease the property upon construction completion to Moran Foods for the operation of a Save-A-Lot grocery store. The term of the lease is 10 years, with multiple five year options for Save A Lot. The Developer has secured a letter of intent from West Suburban Bank for construction financing. HED proposes to support the project with a maximum of \$1,700,000 in TIF financing from Project PINs as well as area-wide increment. Of the \$1,700,000, \$700,000 will be deposited into escrow to reimburse the Developer for environmental remediation during construction. The \$1,000,000 will be paid out in two separate installments after project completion. In addition, the Developer has requested that the City write-down City-owned land for \$1. The appraised value of the City owned parcel is \$620,000.00. Therefore, the total level of City assistance will represent 61.3% of the \$3,779,217 total project cost.

The Developer currently owns five parcels, three of which he acquired on July 15, 2011 from MKC-I, LLC for \$ 473,633 plus closing costs and two parcels he acquired from Home of Life M.B. Church on May 8, 2011 for \$180,000 plus closing costs. With the \$1.00 for the City owned land, this brings the Developer's total land acquisition price to \$683,281. The City owned parcel has land-fill from a former building on the site and this makes construction of a new building difficult and increases construction costs by almost double. The high level of TIF support is justified because of the environmental conditions on the City-owned land and the need for grocery stores in the area.

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>
Equity	\$944,804	25%
TIF during Construction	\$700,000	18.5%
Debt (West Suburban Bank)	<u>\$2,134,414</u>	<u>56.5%</u>
Total Sources	\$3,779,218	100%
<u>Uses</u>	<u>Amount</u>	<u>\$/sf of Building*</u>
Land Acquisition (privately acq. \$27.60 per sf of land)	\$683,280	\$40.97 psf
Land Acquisition (City land)	<u>\$ 1</u>	
Total Acquisition	\$683,281	
<b>Hard Costs</b>		
Building Shell	\$ 1,377,540	
Environmental Remediation	\$ 100,000	
<u>\$/sf of Building*</u>		
Public Streetscape and ROW Improvements	\$ 40,000	
Public Utility Work (Water and Storm Drains)	\$ 100,000	
Site remediation - engineered deep foundation	\$ 625,565	
Site grading, paving, lighting, landscaping	\$ 182,500	
Contingency	\$ 200,000	
General Conditions	\$ 60,000	
Sub-Total Hard Costs	<u>\$ 2,685,605</u>	<u>161.05</u>
<b>Soft Costs</b>		
Architectural and Structural (1.5% of hard costs)	\$ 60,000	
Project Insurance (.77% of total costs)	\$ 29,307	
Fees, Permits, Testing (.46% of total costs)	\$ 17,500	
General Contractor Fee (1.5% of total costs)	\$ 60,000	
Civil Engineering (.39% of total costs)	\$ 15,000	
Insurance (.26% of total costs)	\$ 10,000	
Legal/Accounting (1.3% of total costs)	\$ 50,000	
Real Estate Taxes During Construction. (.26% of total costs)	\$ 10,000	
Developer Overhead (1.5% of total costs)	\$ 60,000	
Soft Cost Contingency (.39% of total costs)	\$ 15,000	
SAL broker (1.3% of total costs)	\$ 50,025	
Loan Fee (.82% of loan)	\$ 23,500	
Environmental Reports (.26% of total costs)	\$ 10,000	
Sub-Total Soft Costs (10.9% of total costs)	<u>\$ 410,332</u>	<u>\$24.60psf</u>
Total Project Costs	<u>\$ 3,779,218</u>	<u>\$226.63psf</u>

\*Gross building area is 16,675 square feet

## **VII. PUBLIC BENEFITS**

The proposed project will provide the following public benefits.

**Property Taxes:** The project will expand the tax base by returning a tax exempt property to the tax rolls.

**Environmental Features:** The project will exceed ASHRAE standards.

**Permanent Jobs:** The project is estimated to generate 40 permanent retail jobs. The department's workforce development specialists will work with the developer on job training and placement.

**Construction Jobs:** The project will produce 30 temporary construction jobs.

**Affirmative Action:** The developer will comply with 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). The developer has provided notification of the proposed project, by certified mail, to several associations of minority and women contractors. A sample version of the letter and copies of the post office receipts for the certified letters are presented as exhibits to this report.

**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.

The project will provide a much needed food store for neighborhood residents.

## **VIII. COMMUNITY SUPPORT**

Alderman Ervin endorses the project and has provided a letter of support

## **IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN**

The proposed project is located in the Madison/Austin Redevelopment Project Area. The proposed project will satisfy the following goals of the area's redevelopment plan:

Facilitate the assembly, preparation and marketing of vacant underutilized sites for retail development.

Remediate environmental problems to provide additional land for development or redevelopment as deemed appropriate

Encourage retail and commercial development along Madison

The implementation strategy for achieving the plan's goals envisions the sale of City land for a retail development. The proposed project also conforms to the plan's land use map, which calls for mixed -use development at the subject site.

The project is consistent with the TIF Redevelopment Plan, current zoning for the site, meets the need for a quality grocer in a food desert, and is consistent with the needs of the neighborhood residents

#### **X. CONDITIONS OF SALE**

If the proposed resolution is approved by the CDC, HED will release a public notice announcing the proposed sale and seeking alternative development proposals. The public notice will be published in one of Chicago's metropolitan newspapers at least once for each of three consecutive weeks. If no responsive alternative proposals are received within 30 days of the publishing of the first notice, the department will accept a good faith deposit from the proposed developer, and a redevelopment agreement will be negotiated. The redevelopment agreement will incorporate the parameters of the proposed project as described in this staff report.

It is HED 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

Closing of the sale of the property will not occur before the City Council has approved the redevelopment agreement obtained all necessary City approvals including zoning and building permits, and the developer has presented proof of financing. The documents will include a development timetable.

#### **XI. RECOMMENDATION**

The Department of Housing and Economic Development has thoroughly reviewed the proposed project, the qualifications of the development team, the financial structure of the project, its public benefits, and the project's conformance with the redevelopment area plan, and HED recommends that the CDC approve the sale of 4711 West Madison to Salmakil, LLC for development of a Save A Lot grocery store and recommends the designation of Salmakil, LLC as Developer.



**EXHIBITS**

TIF Property Assessment Form

Redevelopment Area Map

Neighborhood Map or Aerial  
Survey or Plat

Site Plan

Typical Floor Plan

Front Elevation or Rendering

Sample M/WBE Letter

Copies of M/WBE Certified Letter Receipts

Developer's Organization Chart or Non-Profit Board of Directors

Lender's Letter of Interest

Community Letters of Support

Alderman's Letter of Support

TIF Assessment Report

**Save-A-Lot**

**4703 W. Madison**

Construction of a 16,675 sq. ft. grocery store (Save-A-Lot) on currently vacant land

Type of Project: **Commercial**

Total Project Cost: **\$3,779,217**

TIF Funding Requested: **\$ \$1.7M plus City land write-down in the amount of \$620,000**

TIF District: **Madison/ Austin, 28<sup>th</sup> Ward**

Developer: **Salmakil, LLC**

Timeline for Completion: **June 2013**

Project Status: **CDC 04/10/12**

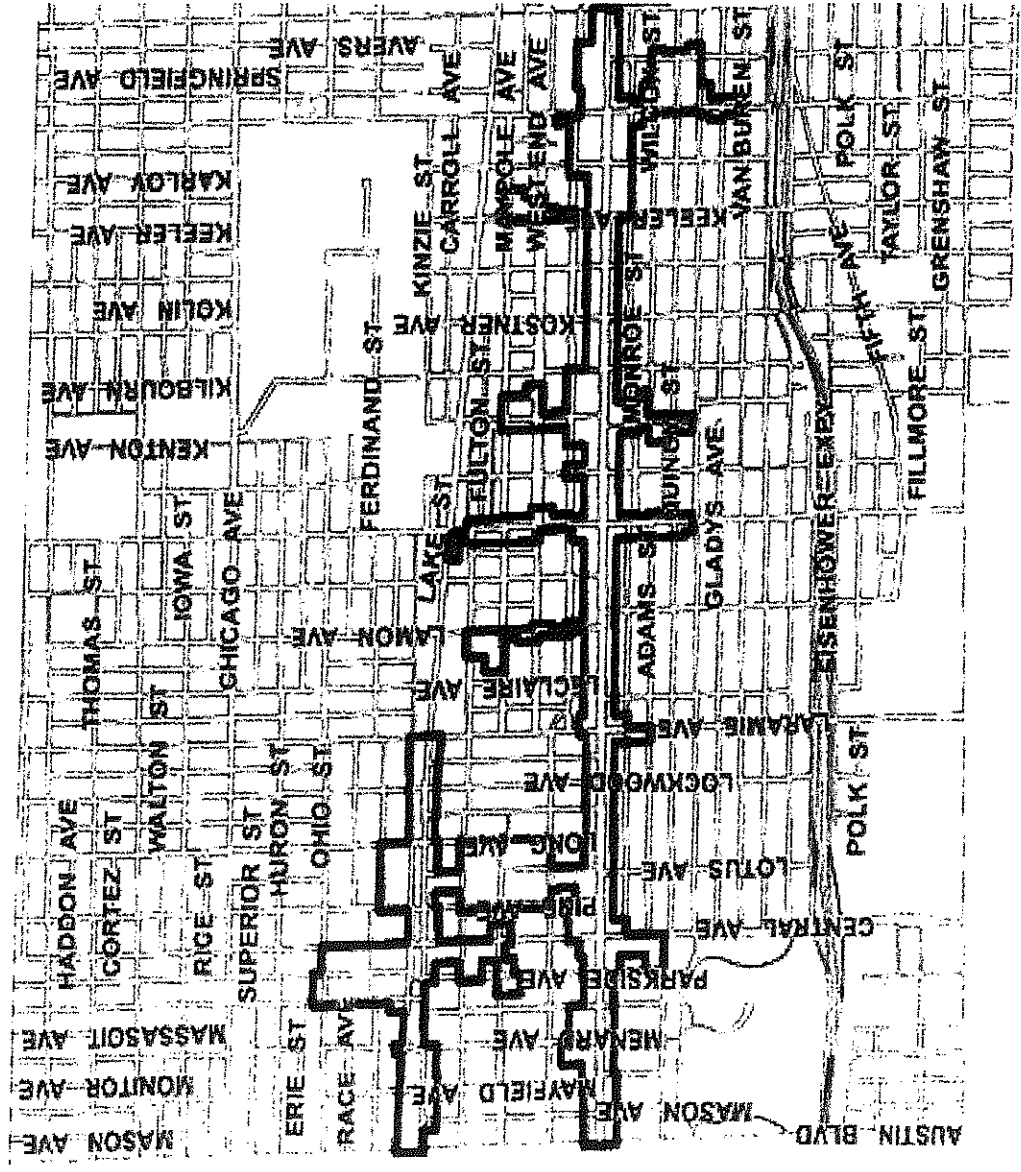
Return on Investment Benchmarks	
<b>Advances Goal of Economic Development Plan</b>	Yes--Develop and deploy neighborhood assets to align with regional economic growth
<b>Advances Goal of TIF District</b>	Yes—Facilitate assembly, preparation, and marketing of vacant and underutilized sites for retail, commercial, and residential development.
<b>Addresses Community Need</b>	Yes—Food Desert
<b>Jobs Created/Retained</b>	30 FTE Construction/40 FTE Permanent
<b>Affordable Housing Units Created/Preserved</b>	N/A
<b>Return on Investment to City</b>	\$822,007 (increment generated beyond Note obligation; \$55,000-\$65,000 annual sales tax to City)

Financial Benchmarks	
<b>Other Funds Leveraged by \$1 of TIF</b>	\$1.22
<b>Types of Other Funding Leveraged</b>	Yes—Construction Loan \$2,544,658; Developer Equity \$556,942
<b>Financing Structure</b>	Grant

RDA Terms	
<b>Payment Schedule</b>	Annual Payments of incremental taxes
<b>Taxpayer Protection Provisions</b>	Clawback of TIF in case of non-compliance
<b>Monitoring Term of Agreement</b>	10 years

Other Considerations
N/A

MADISON / AUSTIN TIF



# Madison/Kilpatrick

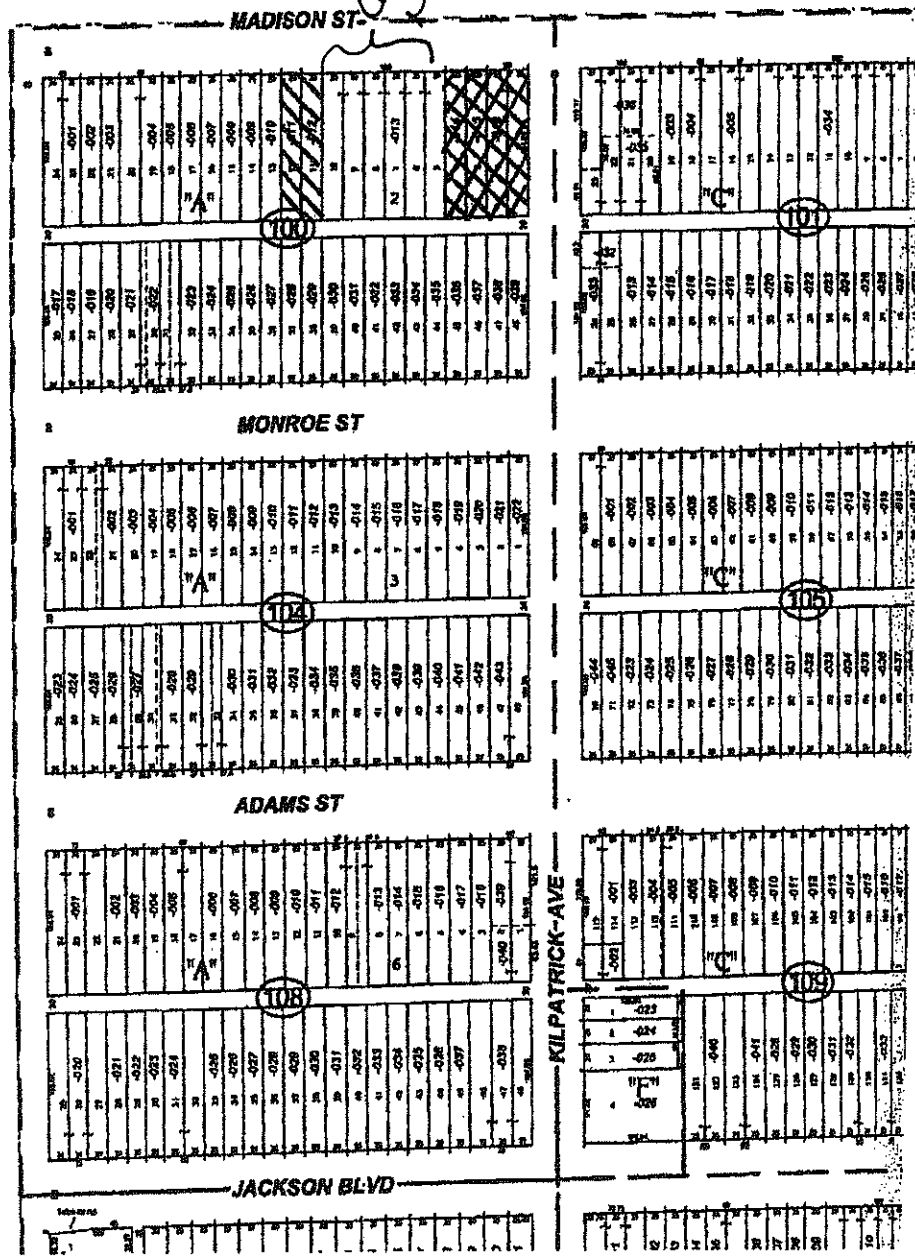


EXHIBIT "B"

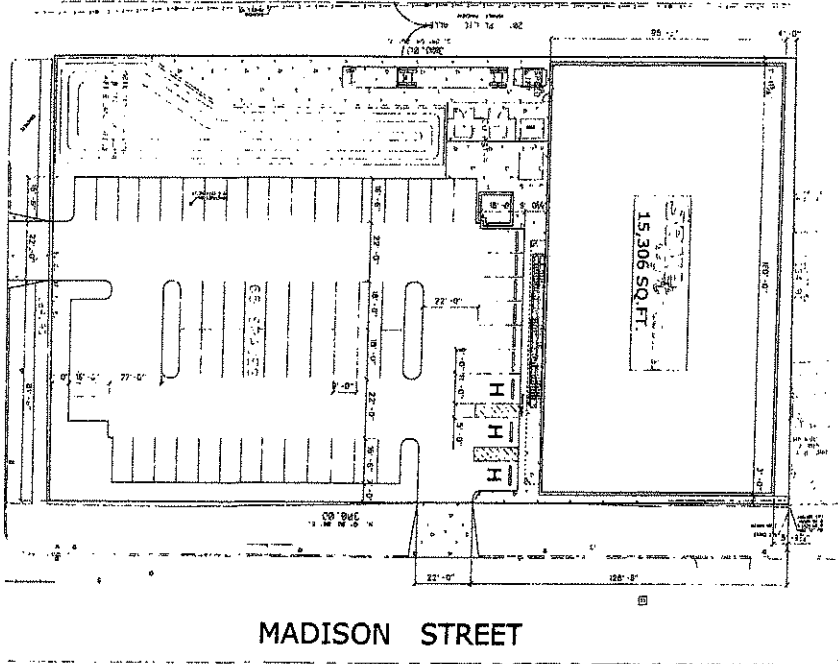
PREMISES ARE CROSS-HATCHED AND ADJACENT

PREMISES ARE DIAGONALLY-STRIPED

*City own  
Party.*



KILPATRICK AVENUE



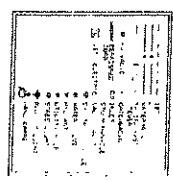
MADISON STREET



PRELIMINARY SITE PLAN  
 TOTAL CARPARKS PROVIDED 48  
 TOTAL SITE AREA 11,000 SQ. FT.



RELEASE BY: [Signature]  
 DATE: [Date]



NOTES:  
 1. ALL DIMENSIONS ARE IN FEET AND INCHES.  
 2. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.  
 3. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.  
 4. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE ROAD UNLESS OTHERWISE NOTED.  
 5. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE PROPERTY UNLESS OTHERWISE NOTED.  
 6. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE LOT UNLESS OTHERWISE NOTED.  
 7. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE BLOCK UNLESS OTHERWISE NOTED.  
 8. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE CITY UNLESS OTHERWISE NOTED.  
 9. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE COUNTY UNLESS OTHERWISE NOTED.  
 10. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE STATE UNLESS OTHERWISE NOTED.  
 11. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE COUNTRY UNLESS OTHERWISE NOTED.  
 12. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE WORLD UNLESS OTHERWISE NOTED.

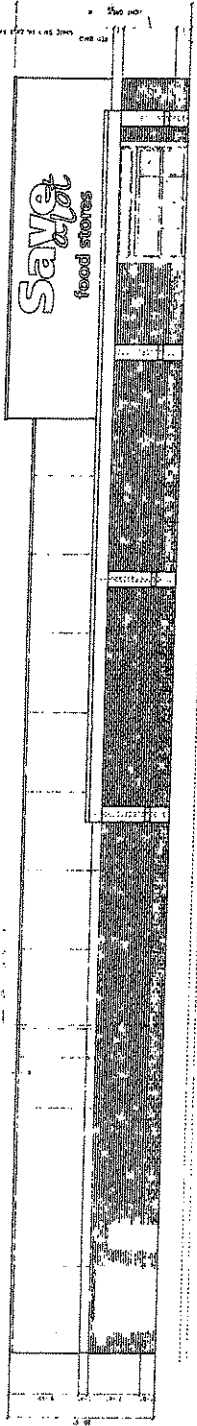
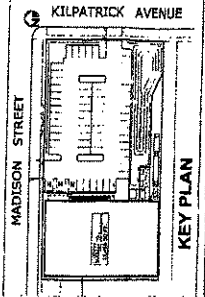
	<b>Camburas &amp; Theodore, Ltd.</b> Architecture   Planning   Interiors   Engineering 2454 E. Dempster St. Des Plaines, IL
	Tel 847.298.1525 www.camburasandtheodore.com Fax 847.390.8130
PROJECT: MADISON ST & KILPATRICK AV. CHICAGO ILLINOIS	DRAWN BY: ENZO A. C.E.P.I.A.
CHECKED BY: [Signature]	DATE: [Date]



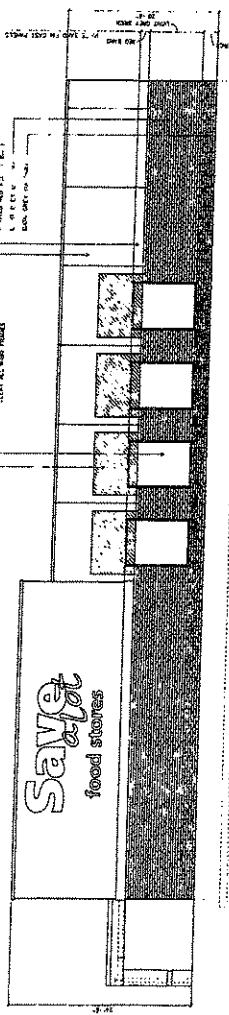
MADISON AND KILPATRICK  
CHICAGO, ILLINOIS

**CTF**  
Cambur & Theodors, Ltd.  
Architects and Engineers  
1111 North Dearborn Street  
Chicago, Illinois 60610  
Tel. 312.329.1100  
Fax 312.329.1101

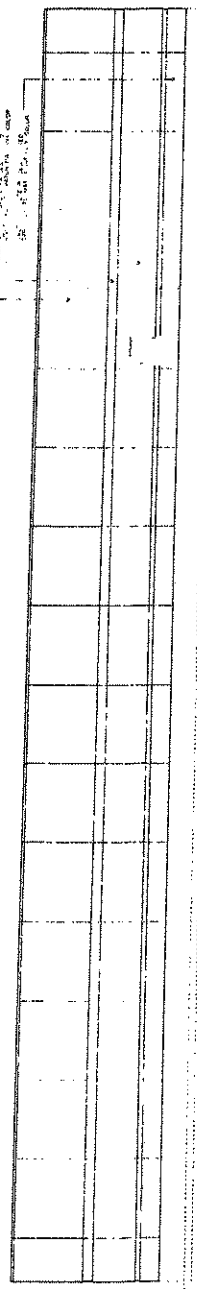
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PROJECT NO.: [unintelligible]



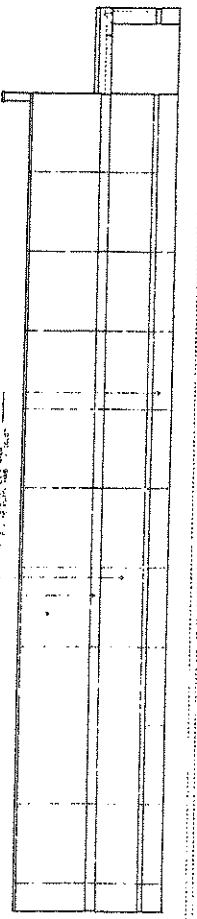
PARKING LOT ELEVATION (EAST)



MADISON STREET ELEVATION (NORTH)

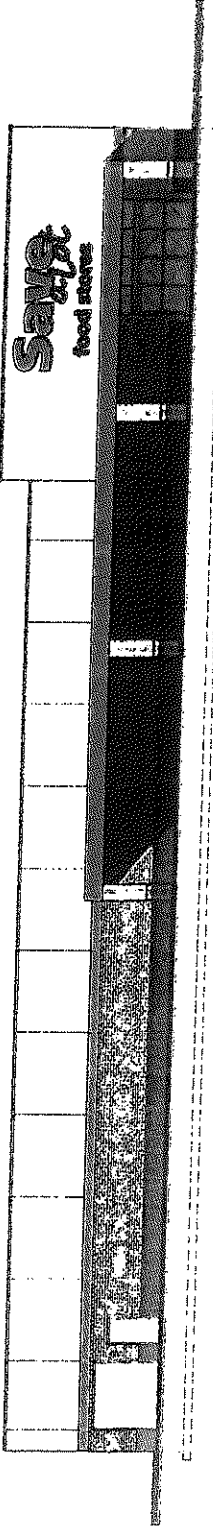


WEST ELEVATION

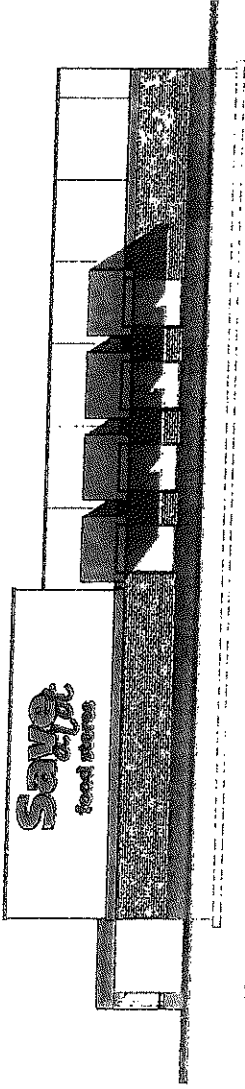


SOUTH ELEVATION

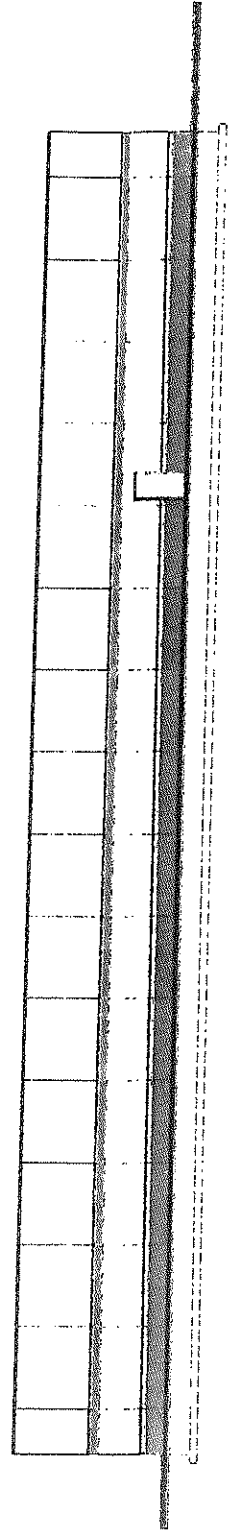




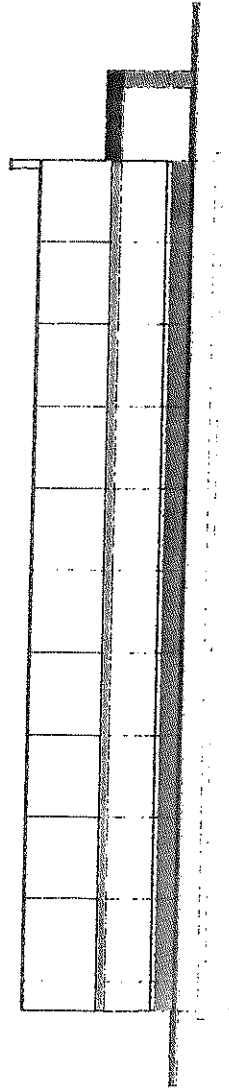
PARKING LOT ELEVATION (EAST)



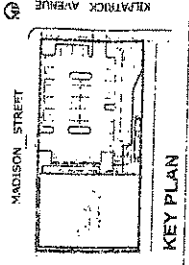
MADISON STREET ELEVATION (NORTH)



WEST ELEVATION



SOUTH ELEVATION



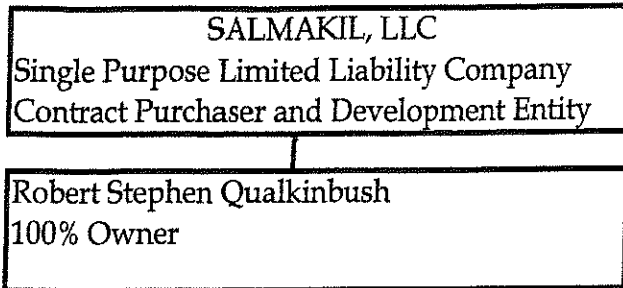
KEY PLAN

Carbure & Theodore, Ltd.  
Architects  
100 N. Dearborn  
Chicago, Illinois

CHICAGO, ILLINOIS

**New Channels Realty  
Madison and Kilpatrick  
Proposed Food Store Deal**

**Ownership Structure**



Narrative: SALMAKIL, LLC is a single purpose limited liability company formed for the purpose of developing this project. It is wholly owned by Rober Stephen Qualkinbush. Mr. Qualkinbush will manage all aspects of the development of the project including pre-construction and construction. The project will be bid and a general contractor named later.



## CITY COUNCIL

CITY OF CHICAGO

COUNCIL CHAMBER  
CITY HALL—ROOM 200  
121 NORTH LA SALLE STREET  
CHICAGO, ILLINOIS 60602  
TELEPHONE: 312-744-3066  
FAX: 312-744-4229

### COMMITTEE MEMBERSHIPS

COMMITTEES, RULES AND ETHICS  
ECONOMIC CAPITAL & TECHNOLOGY DEVELOPMENT  
EDUCATION AND CHILD DEVELOPMENT  
FINANCE  
PEDESTRIAN AND TRAFFIC SAFETY  
TRANSPORTATION

### JASON C. ERVIN

ALDERMAN, 28TH WARD  
259 NORTH PULASKI AVE.  
CHICAGO, ILLINOIS 60624  
TELEPHONE: (773) 533-0900  
FAX: (773) 533-8199

E-MAIL: JASON.ERVIN@CITYOFCHICAGO.ORG

March 29, 2012

Commissioner Andrew Mooney  
Department of Housing and Economic Development  
City of Chicago  
City Hall - Room 1000  
121 N. LaSalle St.  
Chicago, Illinois 60602

Re: Application for Tax Increment Financing Assistance and Sale of City  
Land - Madison and Kilpatrick - SALMAKIL, LLC

Dear Commissioner Mooney:

Please be advised that I am in support of the Tax Increment Financing Application, costs to be reimbursed from TIF for the environmental remediation on the City Land, and the conveyance of the City land as proposed by the SALMAKIL, LLC (the "Developer") for the property generally located at Madison and Kilpatrick in my Ward.

If you have any questions, I can be reached at the number above.

Sincerely,

Jason C. Ervin  
Alderman - 28<sup>th</sup> Ward

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

**RESOLUTION NO. \_\_ - CDC -**

**AUTHORIZATION TO ENTER INTO A NEGOTIATED SALE WITH SALMAKIL,,  
LLC FOR DISPOSITION OF THE PROPERTY LOCATED AT 4711 WEST MADISON  
AVE WITHIN THE MADISON/AUSTIN REDEVELOPMENT PROJECT AREA**

**AND**

**AUTHORIZATION TO NEGOTIATE A REDEVELOPMENT AGREEMENT WITH  
SALMAKIL, LLC**

**AND**

**RECOMMENDATION TO THE CITY COUNCIL OF THE CITY OF CHICAGO  
FOR THE DESIGNATION OF SALMAKIL, LLC 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 99-CDC-120 and pursuant to the Act, enacted three ordinances on September 1, 1999 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Madison/Austin 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 [*or is in the process of acquiring*] the property located at 4711 west Madison having the Property Identification Number(s) (PINs) 16-15-100-013 (the "Property") and desires that it be redeveloped for a grocery store; and

**WHEREAS**, staff of the Department of Housing and Economic Development of the City of Chicago (the "Department") have entered into discussions with Salmakil, LLC (the "Developer") concerning the sale of the Property for the development of a 16,675 square foot grocery store with a parking lot containing 56 parking spaces; and

**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 \$1.00 as consideration for the purchase of the Property, which is \$619,999 less than the appraised fair market value of \$620,000; 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**, HED 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**, HED requests that the Commission recommend to City Council that the Developer be designated as the developer for the Project and that HED be authorized to negotiate, execute and deliver a redevelopment agreement with the Developer for the Project, if no responsive alternative proposals are received by HED within thirty (30) days after publication of the first Notice or, if alternative proposals are received and HED 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 HED 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 HED 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 HED within the time recited above or, if alternative proposals are received and HED in its sole discretion determines that the Developer's Project is the best proposal.
- Section 4. HED 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 Andrew J. Mooney, Commissioner, Department of Housing and Economic Development, Attn: Lisa Washington, 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 HED 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.

Section 8. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 9. This resolution shall be effective as of the date of its adoption.

Section 10. A certified copy of this resolution shall be transmitted to the City Council.

ADOPTED: \_\_\_\_\_, 200\_

Attachments: Exhibit A, PINs and Street Addresses of Disposition Parcels and TIF Area Street Boundary Description

Exhibit B, Form of Notice Requesting Alternative Proposals

**EXHIBIT A**

Street Addresses and P.I.Ns of Disposition Parcels  
and  
Street Boundaries of the  
Madison/Austin Tax Increment Financing  
Redevelopment Project Area

Address	P.I.N.
4711 West Madison	16-15-100-013

Tax Increment Financing Redevelopment Project Area

The Area is generally bounded by Ohio Ave on the north, Hamlin Ave on the east, Van Buren St on the south, and Austin 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 Housing and Economic Development ("HED") intends to negotiate a redevelopment agreement with Salmakil, LLC (the "Developer") pursuant to which the City intends to provide financial assistance to the Developer in the amount of \$2,300,000 or 52% of the total project budget from Madison/Austin tax increment financing bond proceeds and/or incremental tax revenues pursuant to the Act for eligible costs associated with the development of a 16,675 square foot grocery store with a parking lot containing 56 parking spaces development project (the "Project") to be located at 4703-4727 West Madison (the "Property"), located in the Madison /Austin TIF Redevelopment Project Area (the "Area"). The Project will consist of a Save A Lot store. The City also intends to negotiate a redevelopment agreement with the Developer for the sale of one individual tax parcels, described in Schedule 1 attached hereto (the "Disposition Parcels"), for \$1.00. The Property and Disposition Parcels are located within the Area established pursuant to the Act, and the Project is in compliance with the Madison /Austin TIF Redevelopment Plan. The Area is generally bounded as follows:

### **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 April 12, 2012 at the offices of HED, Room 1003, 121 N. LaSalle, Chicago, Illinois between the hours of 9:00 a.m. and 4:00 p.m. Monday through Friday:

- (i) "Madison/Austin 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 Lisa Washington at HED at (312) 744-4476 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 HED's offices, Room 1000, City Hall, 121 N. LaSalle, Chicago, Illinois 60602, until May 12, 2012 at 3:00 p.m., at which time all alternative proposals will be opened and reviewed.

**Marina Carrott, Vice Chairman**  
**COMMUNITY DEVELOPMENT COMMISSION**



**SCHEDULE 1**

The Disposition Parcels

<b>Address</b>	<b>P.I.N.</b>
4711 West Madison	16-15-100-013