

**City of Chicago
Department of Community Development**

**STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
REQUESTING DEVELOPER DESIGNATION
AUGUST 10, 2010**

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name: WaterSaver Faucet Co. – Phase II Project

Applicant Name: WaterSaver Faucet Co.

Project Address: 701 W. Erie

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

Community Area: West Town

Redevelopment Project Area: River West TIF District

Requested Action: TIF Developer Designation

Proposed Project: Industrial retention and expansion project, existing manufacturing plant

TIF Assistance: \$5,200,000

II. PROPERTY DESCRIPTION

Address: 701 W. Erie

Location: Located on south side of Erie Street east of Halsted Street

Tax Parcel Numbers:

17-09-101-006	17-08-229-009	17-09-101-007
17-08-223-012	17-09-101-008	17-08-223-013
17-09-101-013	17-09-101-015	17-09-101-017

Land Area: 1.8+ acres

Current Use: The property is currently occupied by a 79,200 square foot multi-story industrial building occupied in total by

WaterSaver Faucet Co. The building will be substantially rehabilitated and a 45,000 s.f. addition will be constructed.

Current Zoning: PMD 5 – Chicago-Halsted Planned Manufacturing District

Proposed Zoning: Not Applicable

Environmental Condition: No remediation required for the proposed project.

III. BACKGROUND

WaterSaver Faucet Company's renovation and expansion was planned in two phases. Phase I included the relocation of WaterSaver's affiliate, Guardian Equipment, from the 701 W Erie headquarters to 1140 N. North Branch Street on Goose Island. The \$14.8 million project was recently completed. The City negotiated \$750,000 in TIF assistance to encourage the retention of Guardian Equipment's 40 jobs and manufacturing facility in the North Branch Industrial Corridor.

With Guardian Equipment relocated to Goose Island, WaterSaver Faucet Co. will begin the second phase of the project in late 2010, resulting in a renovated, expanded and modernized headquarters and manufacturing facility at 701 West Erie in the River West TIF District. WaterSaver will operate the facility for the production of laboratory grade faucets and valves. To assist in the cost of the planned expansion, the City negotiated \$5.2 million in TIF and WaterSaver Faucet is seeking a Cook County Class 6(b) incentive.

IV. PROPOSED DEVELOPMENT TEAM

WaterSaver Faucet Co. will serve as the sole occupant of the facility and will be responsible for project implementation. The company is a third generation family-owned and operated manufacturing company founded in Chicago in 1946.

Consultants: Pepper Construction Co. will serve as general contractor, and Epstein and Associates serves as project architect.

V. PROPOSED PROJECT

Phase II of the project consists of the complete renovation and rehabilitation of WaterSaver's current 79,200 square foot manufacturing facility, together with the construction of a three-story, approximately 45,000 square foot addition to this facility. Construction work is expected to begin in late 2010 and to be completed by June 2012.

Total Phase II project costs are \$26,227,785. All of the Phase II project financing is to be provided by WaterSaver. The City has negotiated \$5,200,000 in TIF assistance with payments reimbursing incurred project costs (i.e. "pay as you go"). In addition to TIF, WaterSaver Faucet has applied for a Cook County Class 6(b) incentive. A site plan, floor plans and elevation are provided as exhibits to

this report. The Project is anticipated to receive LEED Gold Certification.

The project is comprised of three primary components:

1. Removal of a portion of the existing retaining walls on the west side of the WaterSaver parking lot and replacing them with a new angled retaining wall to support the Union Pacific Railroad right-of-way. This enabling work will provide the Company with the maximum amount of land and a flat site on which to build an addition to the existing building.
2. Construction of a three-story, 45,000 square foot addition on the existing parking lot with loading docks on the first floor and new support space on the second and third floors.
3. Renovation of the 79,200 sq. ft. WaterSaver facility to modernize the building systems, improve workflow and add production space. The renovation will include installing a new roof and exterior cladding, and installing new mechanical, fire protection, plumbing and electrical systems. Once construction is completed, WaterSaver will proceed with plans to update production capabilities by adding additional CNC machines, expanding chrome plating system and installing an automated powder coating system.

VI. FINANCIAL STRUCTURE

The following table identifies the sources and uses of funds for the WaterSaver Faucet Co. Project. TIF assistance will be limited to 90% of increment generated by Project parcels over 15 years up to a maximum of \$5,200,000 (or 19.8% of total project costs). The TIF is required to reduce occupancy costs associated with the expansion and allow the Company to remain competitive at the Chicago location. The TIF payment structure will be “pay as you go” with payments reimbursing incurred project costs.

Sources and Uses of Funds

WaterSaver Faucet Phase II - Sources and Uses of Funds

	Amount	% of total
SOURCES		
Phase II Company Equity	\$26,227,785	100%
Total Sources	<u>\$26,227,785</u>	<u>100%</u>
USES		
Railroad parcel acquisition	\$310,035	1.11%
Construction (3 story addition – 45,000 s.f.)	13,042,645	46.85%
Rehabilitation (79,200 s.f.)	8,237,364	29.59%
Retaining Walls	400,030	1.44%
Preconstruction Costs/Professional Soft Costs	1,774,317	6.37%
Site Improvements/Permits	858,336	3.08%

Other Costs (contractor, general conditions, etc.)	1,432,998	5.15%
Construction Related Costs	172,060	6.40%
Total Uses	\$26,227,785	100.00%

VII. PUBLIC BENEFITS

The proposed project will provide the following public benefits:

Property Taxes: The project will expand the tax base because the investment in the property will result in an increase in its assessed value, generating approximately \$910,000 in new property taxes upon expiration of the TIF district.

Environmental Features: The project will achieve a minimum of LEED Silver certification.

Permanent Jobs: The project is estimated to retain 160 permanent jobs in the Phase II implementation and average wages \$11 to \$25/hr. These jobs are held largely by City residents.

Construction Jobs: The project will produce approximately 200 temporary construction jobs.

Affirmative Action: The developer will comply with the requirements of the City’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.

City Residency: The developer will comply with the requirements of the City’s residency ordinance, which requires that at least half of all construction-worker hours be filled by Chicago residents. The developer will also comply with the requirement that all construction jobs are paid the prevailing wage.

VIII. COMMUNITY SUPPORT

Alderman Burnett Jr. of the 27th Ward endorses the project and has provided a letter of support (see exhibits for copy). LEED Council is supportive of the project.

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The proposed project is located in the River West Tax Increment Financing Redevelopment Project Area. The proposed project will satisfy goals of the area’s redevelopment plan related to the improvement of existing industrial properties and retention of jobs. The implementation strategy for achieving the Plan’s goals envisions the need to provide TIF financial assistance for the retention of industrial uses. The proposed project also conforms to the Plan’s land use map, which calls for industrial development at the subject site.

X. CONDITIONS OF ASSISTANCE

If the proposed resolution is approved by the CDC, DCD will negotiate a redevelopment agreement with the developer. The redevelopment agreement will incorporate the parameters of the proposed project as described in this staff report.

It is DCD policy that no business will be conducted with a development entity whose any principal has outstanding municipal debts (such as unpaid parking tickets, unpaid water bills, unpaid business licenses, and others), is in arrears of child support payments, or who is a debtor in bankruptcy, a defendant in a legal action for deficient performance, a respondent in an administrative action for deficient performance, or a defendant in any criminal action.

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

XI. RECOMMENDATION

The Department of Community Development has thoroughly reviewed the proposed project, the qualifications of the development team, the financial structure of the project, its need for public assistance, its public benefits, and the project's conformance with the redevelopment area plan, and DCD recommends that the CDC recommend to the City Council the designation of WaterSaver Faucet Co. as Developer for the redevelopment of the existing manufacturing facility at 701 W. Erie Street, Chicago, Illinois.

EXHIBITS

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
Alderman's Letter of Support

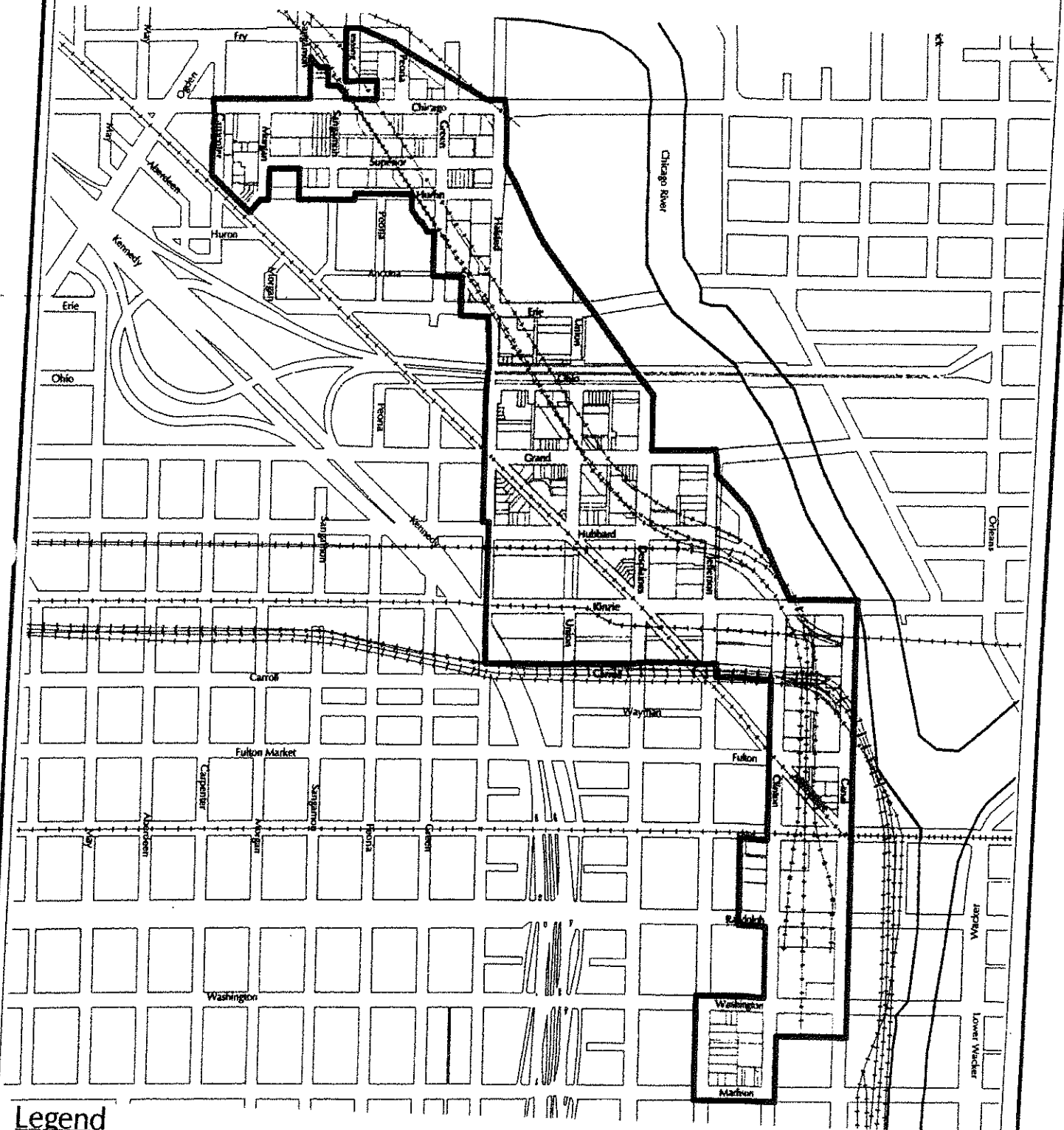
Figure A

Proposed Project Area

River West TIF District - Chicago, Illinois

TESKA
ASSOCIATES
INC.

September 5, 2000



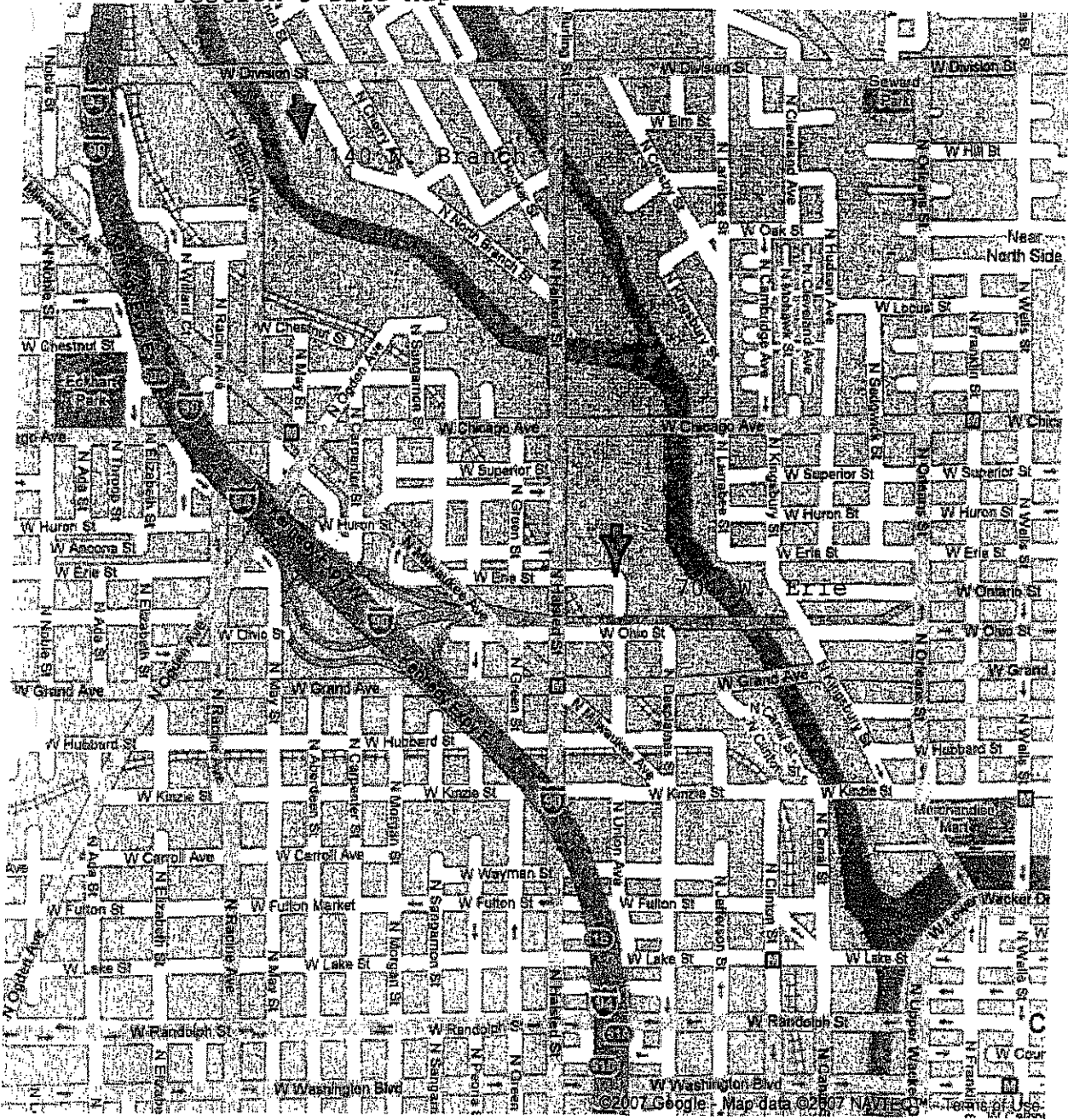
Legend

 Project Area

500 0 500 1000 Feet



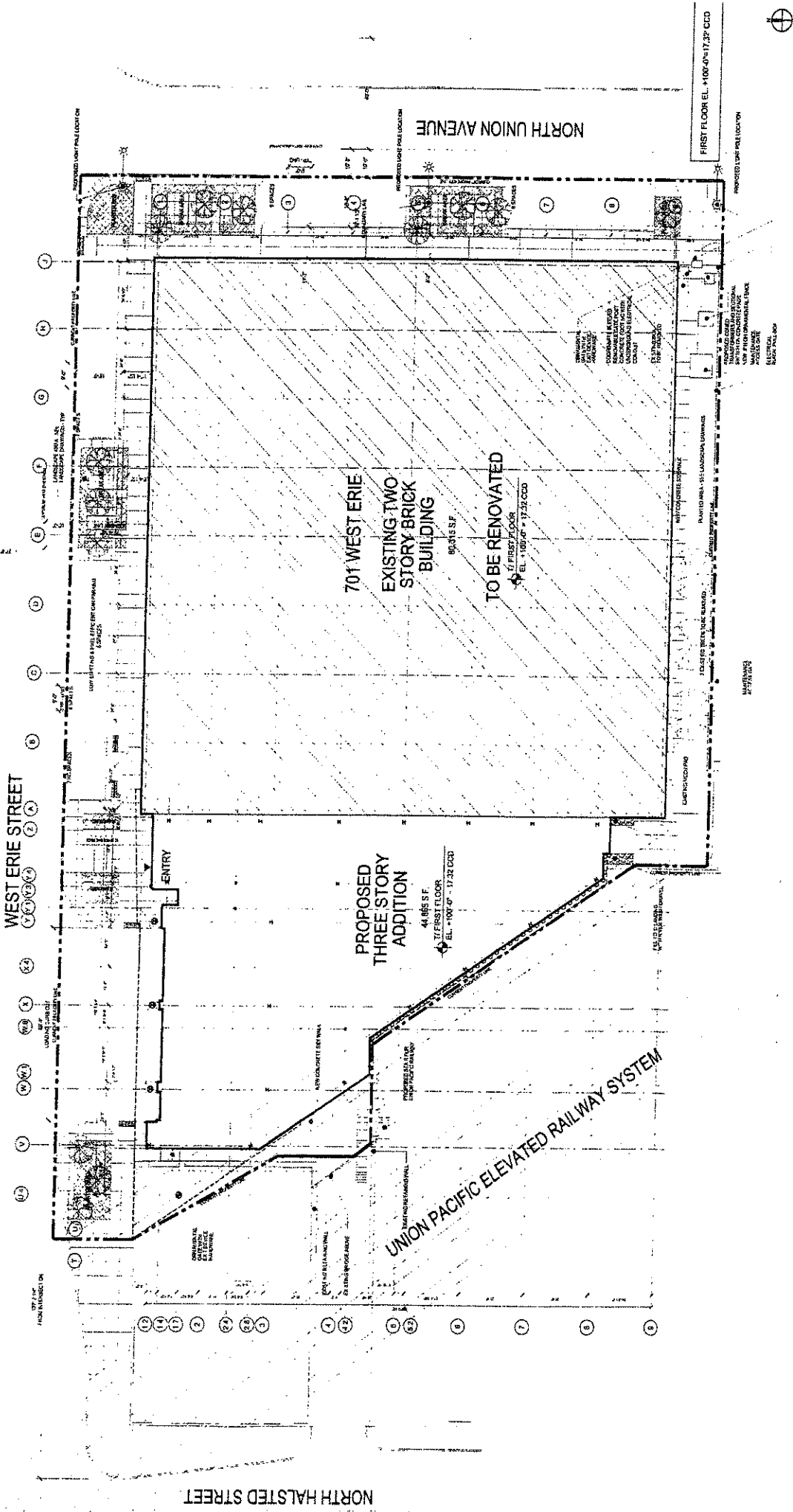
Section 3 Site Map

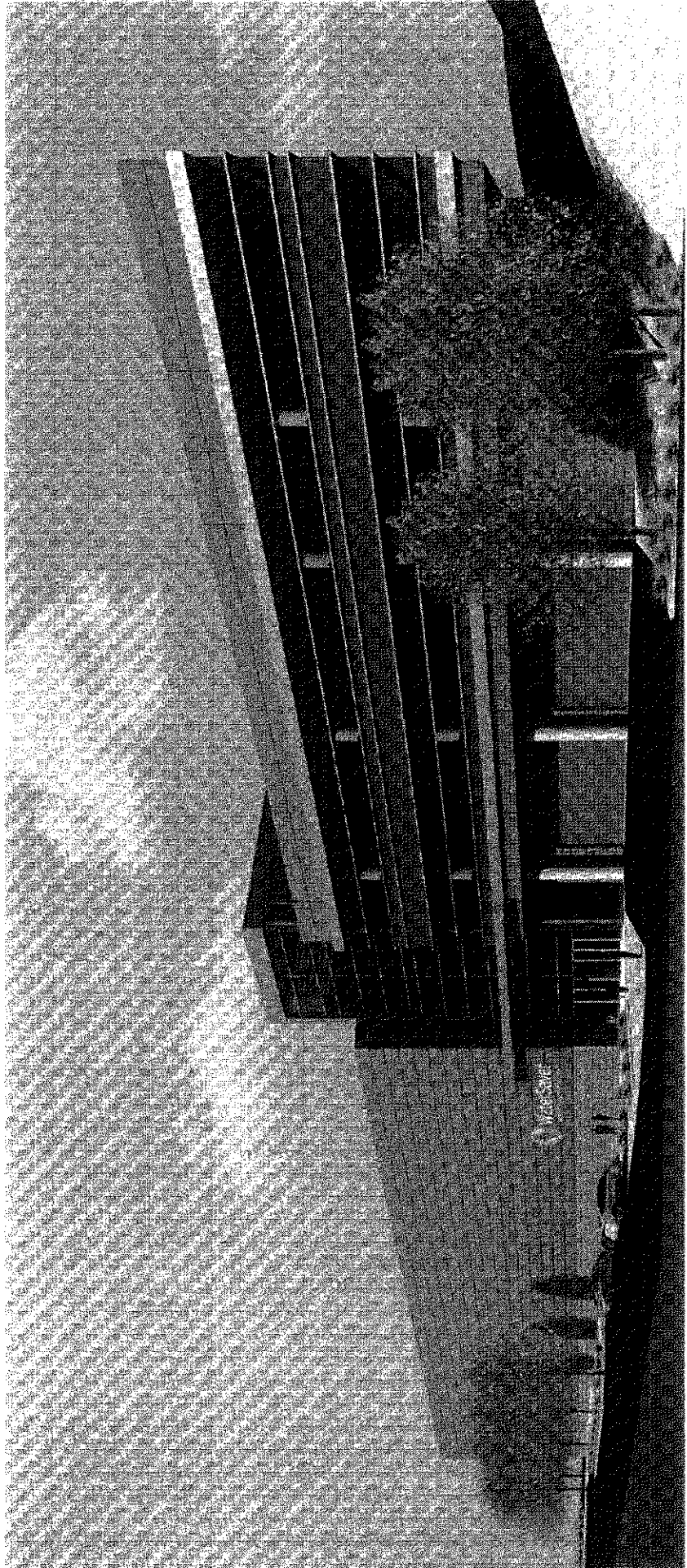




Guardian Equipment
1140 N. North Branch
Phase I

Water Saver Faucet
701 W. Erie
Phase II

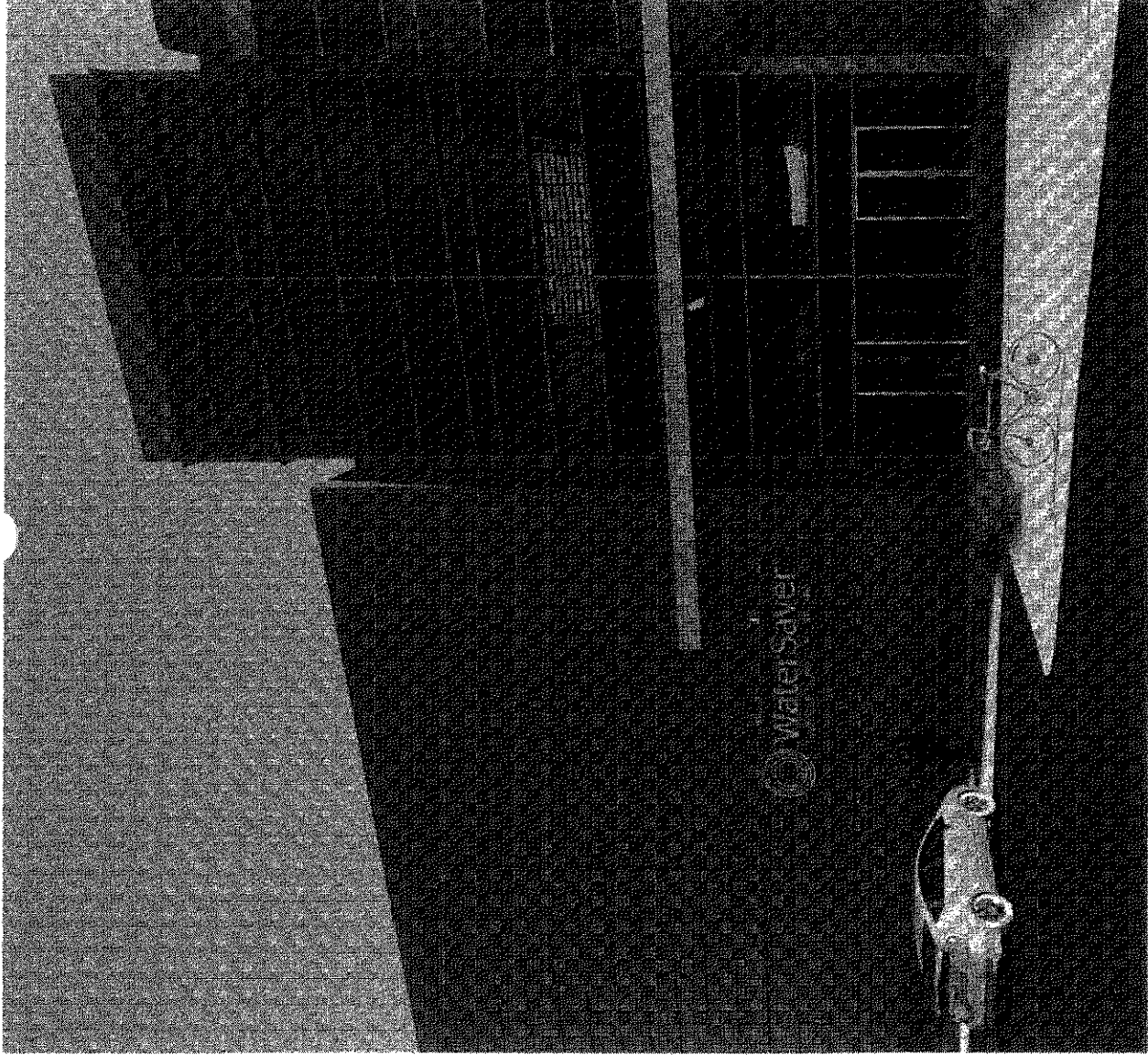


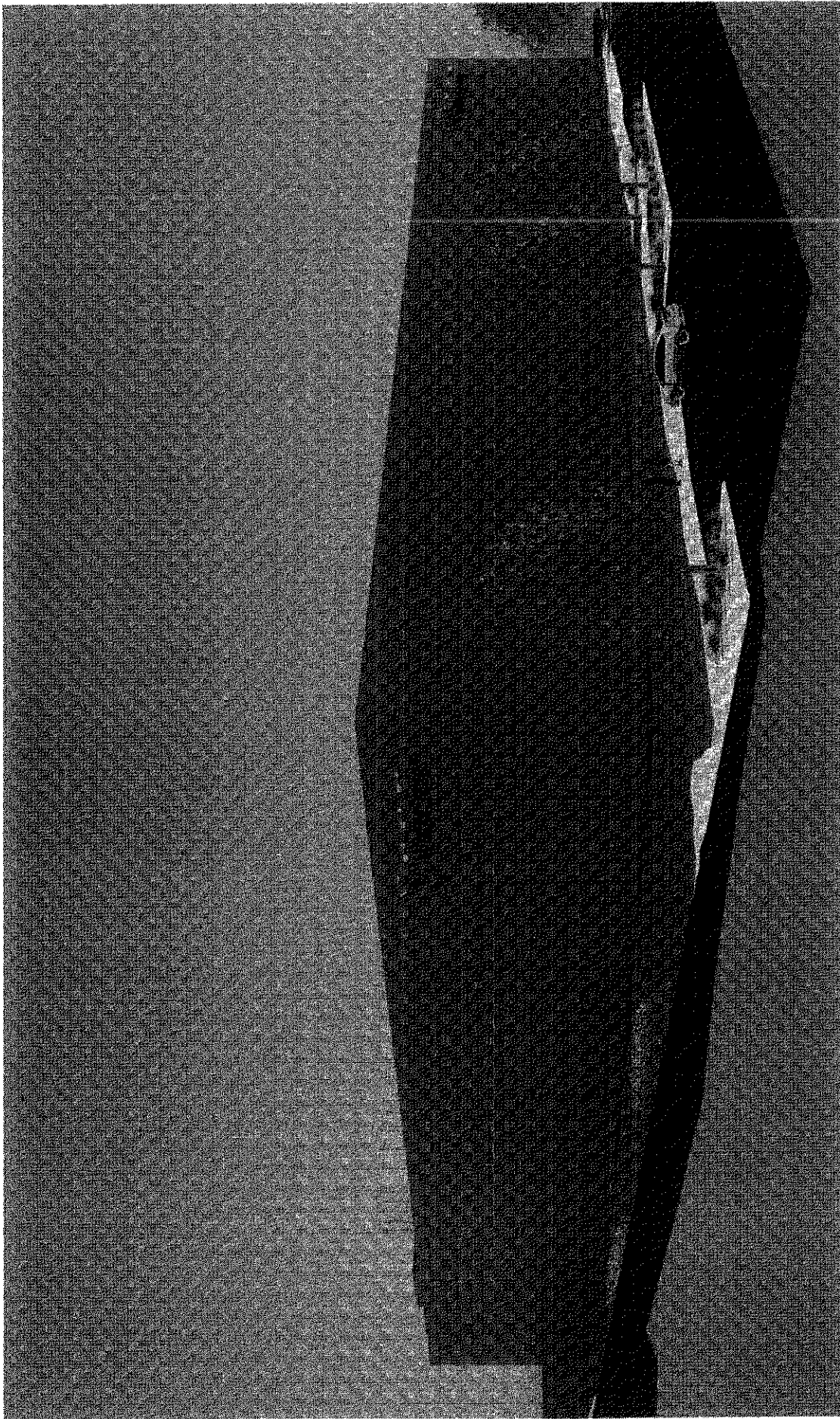


NORTH FACADE

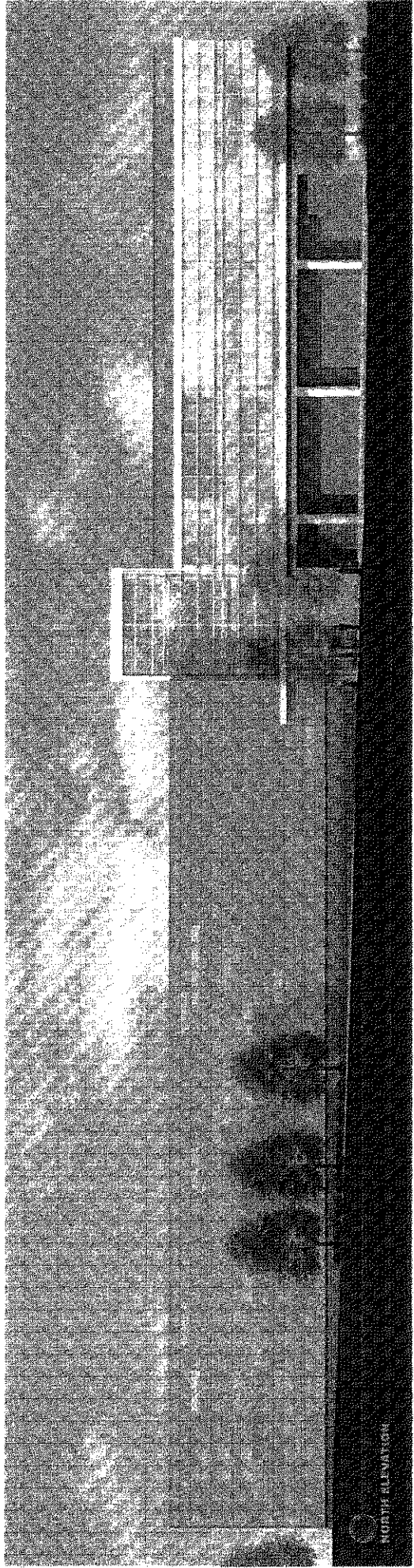


WaterSaver
701 ERIE ST., CHICAGO IL 60610
ADDITION & RENOVATION





SOUTH EAST VIEW



NORTH ELEVATION

NORTH ELEVATION
NOT TO SCALE

 WaterSaver
701 ERIE ST., CHICAGO IL 60610
ADDITION & RENOVATION



**PEPPER
CONSTRUCTION**

May 14, 2010

Alliance of Minority & Female Contractors
c/o Federation of Women Contractors
5650 S. Archer Ave.
Chicago, IL 60638

BY CERTIFIED MAIL 7009 1410 0002 3436 0543

**Re: WaterSaver Faucet Co. (701 W. Erie Street, Chicago)
 Addition and Renovation**

Dear Sir or Madam,

WaterSaver Faucet Co. is pleased to announce the redevelopment of the property located at 701 W. Erie Street, Chicago, Illinois. The project consists of an approximately 79,000 s.f. building renovation and new construction of an approximately 45,000 s.f. building addition.

Pepper Construction Company has been chosen as the general contractor for the project. The project will require participation of trades such as carpentry, electrical, mechanical, plumbing, paving, roofing, and others. Attached to this letter is the estimated project budget, subject to change, which identifies the items subject to minority business enterprise (MBE) participation of 24 percent and women business enterprise (WBE) participation of 4 percent. The general contractor contact person is Kevin Kozlowski and he can be reached by email at kkozlowski@pepperconstruction.com, or by phone at 312.266.4700.

At your request, the general contractor will meet with a representative of your organization to present the project budget and schedule. At your request, the general contractor will also provide your organization with either website access to the project documents, or one copy of the project bid documents (including plans and specifications).

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

Sincerely,

PEPPER CONSTRUCTION COMPANY

Kevin M. Kozlowski
Project Manager

cc: Paul Zalmezak, Project Manager, Department of Planning and Development, City of Chicago
 Steven Kersten, President, WaterSaver Faucet Company
 Sander Kaplan, Owner's Representative, SKJN Architekten

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> <i>Bernie Vicich</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>BERNIE VICICH</i></p> <p>C. Date of Delivery</p>
<p>1. Article Addressed to:</p> <p><i>Alliance of Minority & Female Contractors 40 Federation of Women 5650 S. Archer Ave. Chicago IL 60638</i></p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number <i>7009 1410 0002 3436 0543</i> (Transfer from service label)</p>	

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M

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Return Receipt Fee <small>(Endorsement Required)</small>		
Restricted Delivery Fee <small>(Endorsement Required)</small>		
Total Postage & Fees	\$ 5.71	

Sent to: *Alliance of Minority & Female*
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4

PS Form 3800 August 2005 See Reverse for Instructions

7009 1410 0002 3436 0543

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<p>1. Article Addressed to: <i>Association of Asian Construction Enterprises 333 N. Ogden Ave Chicago IL 60607</i></p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number <i>7009 1410 0002 3436 0550</i> (Transfer from service label)</p>	

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0550 9436 2000 DT 4007

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<table border="1"> <tr> <td>Postage</td> <td>\$</td> </tr> <tr> <td>Certified Fee</td> <td></td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td></td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 5.71</td> </tr> </table>	Postage	\$	Certified Fee		Return Receipt Fee (Endorsement Required)		Restricted Delivery Fee (Endorsement Required)		Total Postage & Fees	\$ 5.71	Postmark Here
Postage	\$										
Certified Fee											
Return Receipt Fee (Endorsement Required)											
Restricted Delivery Fee (Endorsement Required)											
Total Postage & Fees	\$ 5.71										
<p>Sent To <i>Association of Asian</i></p> <p>Street, Apt. No., or PO Box No.</p> <p>City, State, ZIP+4</p>											
PS Form 3800, August 2006 See Reverse for Instructions											

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<p>1. Article Addressed to:</p> <p><i>Ms. Kimberly Cox Black Contractors United 400 W. 76th St Ste 200 Chicago IL 60620</i></p>	<p>D. Is delivery address different from Item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If YES, enter delivery address below:</p>	
<p>2. Article Number <i>7009 1410 0002 3436 0567</i> (Transfer from service label)</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

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Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 5.71	

7009 1410 0002 3436 0567

Sent To	<i>Black Contractors United</i>
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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.71

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Street, Apt. No.,
or PO Box No.

City, State, ZIP+4

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<p>1. Article Addressed to:</p> <p><u>Mr. Larry Bullock</u> <u>Suburban Black Contractors</u> <u>1250 Grove Ave. Ste 200</u> <u>Barrington IL 60010</u></p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number <u>7009 1410 0002 3436 0581</u> (Transfer from service label)</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

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Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 5.54	

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City, State, ZIP+4	

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<p>1. Article Addressed to:</p> <p><i>Women Construction Owners & Executives 308 Circle Ave. Forest Park IL 60130</i></p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below: _____</p> <p>3. Service Type: <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number <i>7009 1410 0002 3436 0599</i> (Transfer from service label)</p>	

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Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 5.71	

Sent To *Women Construction Owners*
Street, Apt. No., or PO Box No. _____
City, State, ZIP+4 _____

PS Form 3800, August 2008 See Reverse for Instructions

9550 9E4E 2000 074T 600L

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<p>2. Article Number 7009 1410 0002 3436 0604 (Transfer from service label)</p>	

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Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 5.71	

Sent To Chicago Women in Trades
 Street, Apt. No.,
 or PO Box No.
 City, State, ZIP+4

PS Form 3806, August 2006 See Reverse for Instructions

7009 1410 0002 3436 0604

Section 30. Ownership Structure

Phase 2 of the Project will be undertaken in the following manner:

Property and Company Owners

701 W. Erie Street. This property is owned in a land trust. The land trustee is Chicago Title Land Trust Company. The trust number is 27694. The beneficiary of the land trust is WaterSaver Faucet Co. WaterSaver Faucet Co. is owned by Steven A. Kersten (97.1%) and Priscilla L. Kersten (2.9%).

Steven A. Kersten, as the principal shareholder of WaterSaver, will be responsible for management and implementation of Phase 2 of the Project.



WALTER BURNETT, JR.

ALDERMAN, 27TH WARD
1483 W. CHICAGO AVENUE
CHICAGO, ILLINOIS 60622
TELEPHONE: 312-432-1995
FAX: 312-432-1049

E-MAIL: wburnett@cityofchicago.org

**CITY COUNCIL
CITY OF CHICAGO
COUNCIL CHAMBER**

CITY HALL, ROOM 300
121 NORTH LA SALLE STREET
CHICAGO, ILLINOIS 60602
TELEPHONE: 312-744-6124
FAX: 312-742-8469

- COMMITTEE MEMBERSHIPS
- SPECIAL EVENTS AND CULTURAL AFFAIRS
(CHAIRMAN)
- BUDGET AND GOVERNMENT OPERATIONS
- BUILDINGS
- COMMITTEES, RULES AND ETHICS
- EDUCATION
- FINANCE
- HEALTH
- POLICE AND FIRE

May 11, 2010

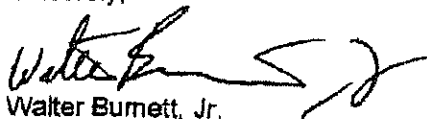
Christine Raguso, Acting Commissioner
Department of Community Development
And Business Affairs and Consumer Protection
121 N. LaSalle, Rm. 1000
Chicago, IL 60602

Dear Commissioner Raguso:

Please be advised that I advised that I am in support of the Water Saver Faucet Company located at 701 W. Erie for the Tax Increment Financing (TIF) application, 6B application, Industrial Street and the Alley Vacation application. The proposed work will include expansion and rehabilitation of its existing facilities.

Your assistance in this matter greatly appreciated; if you have any concerns, please contact my office at 312/744-6124.

Sincerely,


Walter Burnett, Jr.
Alderman of the 27th Ward

WBJ/alm





LEED COUNCIL

Advancing
Economic
Opportunity

August 6, 2010

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

Re: LEED Council Support for Water Saver Faucet Expansion and Request for Tax Increment Financing in the Chicago-Halsted Planned Manufacturing District (PMD)

Dear Acting Commissioner Raguso:

The LEED Council supports the proposed planned development and request for Tax Increment Financing for the Water Saver Faucet expansion and redevelopment project for their headquarters facility located at 701 West Erie Street in the Chicago-Halsted PMD.

As you know, the LEED Council has long advocated a strategy of industrial retention and development for the Chicago-Halsted PMD and surrounding industrial areas known as the North River Industrial Corridor. This strategy has included working closely with your department to develop and refine city policy on industrial retention and development leading to the creation of the Planned Manufacturing Districts, the city's Industrial Corridors program, creation of the Goose Island Industrial Park and the Model Industrial Corridor program which, among other accomplishments, helped facilitate creation of the Tax Increment Financing Districts which overlay most of the industrial corridors city-wide. Because of these strategies and commitment by firms such as Water Saver Faucet, PMD's in our area have become a model of inner-city redevelopment leading to the retention and growth of industrial firms, head of household jobs and economic revitalization for the community.

Water Saver Faucet is a third generation, Chicago-based, family owned business. This expansion which is expected to achieve a Leadership in Energy & Environmental Design (LEED) "Gold" rating by the U.S. Green Building Council represents the culmination of a nearly decade-long search and assessment of options by the firm to create a state-of-the-art manufacturing facility here in the City. The company has already completed development of a "green" remote parking facility that will support this project as well as a \$12.5 million LEED "Silver" revitalization of the former Chas Levy

LOCAL ECONOMIC AND EMPLOYMENT DEVELOPMENT COUNCIL

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magazine distribution building on Goose Island for their subsidiary company—Guardian Equipment in 2008.

Water Saver Faucet exemplifies the kind of manufacturing firm and business leadership the LEED Council and the City seeks to retain and help grow. They will retain 160 high-paying industrial jobs with this investment—the majority of their workforce resides in Chicago (approximately 85% are City residents). This investment will position them to compete globally in their area of expertise, laboratory faucets manufactured to highest standards backed by lasting service to the end customer. The planning and design of this purpose-built renovation and expansion will help Water Saver keep operating costs down and promises to maintain efficiencies in the design, engineering, manufacturing and distribution operations contained at this facility—an important factor in maintaining their competitive edge in the global economy.

In addition to playing a leadership role on the LEED Council board of directors as a key, stakeholder firm in the North River Industrial Corridor, Water Saver Faucet has invested in the long-term education and growth of our future workforce by supporting the development and growth of Austin Polytechnic Academy, a four year technical career prep high school in the City's Austin neighborhood. For that school, they have invested in development support, curriculum development, internships and provided tours for classes to learn more about careers in engineering, design and manufacturing.

In conclusion, the LEED Council supports the TIF request by Water Saver Faucet and encourages the Department of Community Development and the Community Development Commission to support their request and the significant investment they are planning for the Chicago-Halsted PMD.

Sincerely,



Michael Holzer
Director, Industrial Retention and Development
LEED Council, Inc.

Cc: Alderman Walter Burnett (27th Ward)
Ted Wysocki, LEED Council, Inc.
Steve Kersten, Water Saver Faucet
Paul Zalmezak, Department of Community Development

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

RESOLUTION NO. __ - CDC -

**AUTHORIZATION TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH WATERSAVER FAUCET CO.**

**AND
RECOMMENDATION TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
FOR THE DESIGNATION OF WATERSAVER FAUCET CO.
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
Renovation and Expansion of Manufacturing Facility

WHEREAS, the City Council, upon the Commission's recommendation pursuant to Resolution 00-CDC-112 and pursuant to the Act, enacted three ordinances on January 10, 2001 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the River West 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, WaterSaver Faucet Co. (the "Developer"), has presented to the City's Department of Community Development ("DCD") a proposal for redevelopment of the Area or a portion thereof that is in compliance with the Plan, consisting of the renovation and expansion by 44,865 square feet of an existing 79,200 square foot manufacturing facility (the "Project"); and

WHEREAS, DCD requests that the Commission recommend to City Council that the Developer be designated as the developer for the Project and that DCD be authorized to negotiate, execute and deliver a redevelopment agreement with the Developer for the Project; now, therefore,

BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF CHICAGO:

- Section 1. The above recitals are incorporated herein and made a part hereof.
- Section 2. The Commission hereby recommends to City Council that the Developer be designated as the developer for the Project and that DCD be authorized to negotiate, execute and deliver on the City's behalf a redevelopment agreement with the Developer for the Project.
- Section 3. If any provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this resolution.
- Section 4. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.
- Section 5. This resolution shall be effective as of the date of its adoption.
- Section 6. A certified copy of this resolution shall be transmitted to the City Council.

ADOPTED: _____, 2010

Attachment: Exhibit A, Street Boundary Description

EXHIBIT A

Street Boundary Description of the River West Tax Increment Financing Redevelopment Project Area

The River West Redevelopment Project Area generally encompasses the properties lying along the west side of the Chicago River between Fry Street on the north and Madison Street on the south, excluding areas occupied by Chicago Tribune facilities and the Kinzie Park development. The Project Area extends west to Carpenter Street in the vicinity of Chicago Avenue, and west to Halsted Street south of Erie Street. South of Carroll Street, the Redevelopment Project Area is located between Jefferson and Canal Streets.