

ROOSEVELT/CICERO REDEVELOPMENT PROJECT AREA (WARD 24)

Request authority for the Department of Planning and Development to negotiate a redevelopment agreement with Steans Family Foundation for redevelopment of the property located at 4100 West Fillmore Street in the Roosevelt/Cicero Tax Increment Financing Redevelopment Project Area, and to recommend to the City Council of the City of Chicago the designation of Steans Family Foundation as Developer.

Antionette W. Maxwell

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

RESOLUTION __ -CDC- __

**AUTHORIZATION TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH STEANS FAMILY FOUNDATION**

**AND
RECOMMENDATION TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
FOR THE DESIGNATION OF STEANS FAMILY FOUNDATION
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 #-CDC-# and pursuant to the Act, enacted three ordinances on February 5, 1998 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Roosevelt/Cicero 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, Fillmore Center, together with its affiliates, (the "Developer"), has presented to the City's Department of Planning and Development (the "Department") a proposal for redevelopment of the Area or a portion thereof that is in compliance with the Plan, consisting of the construction of a The Fillmore Center is a 168,000 sf, 5-story brick industrial building located in North Lawndale. The Steans Family Foundation ("SFF"), dba, Renew Lawndale Acquisitions, is renovating and repurposing this property. The Fillmore Center is expected to house the Fillmore Linen Service LLC, a 45,000 sf commercial laundry facility for the medical district (175 jobs), and small MBE neighborhood businesses including a coffee roasting and packaging facility, a wholesale flower distribution center, a packaging facility and a construction company. Development is expected to generate a total of 300 jobs. (the "Project"); and

WHEREAS, HED requests that the Commission recommend to City Council that the Developer be designated as the developer for the Project and that the Department 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 the Department 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: _____, 20 24

Attachment: Exhibit A, Street Boundary Description

EXHIBIT A

Street Boundary Description of the
Roosevelt/Cicero Tax Increment Financing
Redevelopment Project Area

The Area is generally bounded by **WEST TAYLOR STREET** on the north, **SOUTH KARLOV AVE** on the east, **WEST FILLMORE STREET** on the south, and **SOUTH KEELER AVE** on the west.

**City of Chicago
Department of Planning and Development**

**STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
REQUESTING DEVELOPER DESIGNATION
FEBRUARY 13, 2024**

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name:	FILLMORE CENTER
Applicant Name:	Steans Family Foundation
Project Address:	4100 West Fillmore Street
Ward and Alderman:	24TH – MONIQUE SCOTT
Community Area:	NORTH LAWNSDALE
Redevelopment Project Area:	ROOSEVELT/CICERO
Requested Action:	TIF Developer Designation
Proposed Project:	The Fillmore Center is a 168,000 sf, 5-story brick industrial building located in North Lawndale. The Steans Family Foundation (“SFF”), dba, Renew Lawndale Acquisitions, is renovating and repurposing this property. The Fillmore Center is expected to house the Fillmore Linen Service LLC, a 45,000 sf commercial laundry facility for the medical district (175 jobs), and small MBE neighborhood businesses including a coffee roasting and packaging facility, a wholesale flower distribution center, a packaging facility and a construction company. Development is expected to generate a total of 300 jobs.
Goal of Project:	Opportunity cost spurring investment and job creation in the North Lawndale community; Community benefit enhancing minority owned businesses, stimulating the local economy, and fostering community wealth; promotes equity by creating a community asset with the opportunity for shared ownership and economic stabilization. The total project is

expected to create 300 jobs.

TIF Assistance: **\$10 MILLION; HOWEVER, COULD BE AS LOW AS \$7 MILLION DEPENDENT UPON STATE AND FEDERAL GRANTS**

II. PROPERTY DESCRIPTION

Address: 4100 West Fillmore Street

Location: The project area is generally bounded by **WEST TAYLOR STREET** on the north, **SOUTH KARLOV AVE** on the east, **WEST FILLMORE STREET** on the south, and **SOUTH KEELER AVE** on the west.

Tax Parcel Numbers: 16-15-420-014-0000, 16-15-420-015-0000, 16-15-420-016-0000, 16-15-423-049-0000

Land Area: Approximately **3.53** acres

Current Use: Predominantly vacant for over 10 years, the 168,000 sf industrial 5-story brick building, which was constructed in 1913, is located on a 3.53-acre site. The building is ripe with deferred maintenance, all to be addressed through the rehabilitation. Significant exterior issues include roof decomposition, brick façade deterioration, broken/unworkable windows, crumbling walkways and parking lot, non-working doors and lack of landscaping. Interior issues abound, including old electrical wiring, lack of working heating/cooling systems, aging plumbing and deteriorating walls and ceilings. The building is not a landmark.

Current Zoning: **M1-2**

Proposed Zoning: **M1-2**

Environmental Condition: A Phase I and Phase II Environmental Site Assessment was completed, along with an asbestos-containing materials (ACM) survey. The city's 2FM department has reviewed these documents and has provided a memo on January 23, 2024. The memo indicates that the developer must satisfy certain environmental requirements for DPD to provide financial assistance.

III. BACKGROUND

The Steans Family Foundation (SFF) is deeply committed to the economic revitalization of North Lawndale, Chicago. Since 1996, SFF has harnessed existing community networks to bolster education, employment, and safety, all crucial factors in sustainable economic development. With initiatives like the Career Readiness and Job Placement program, and the North Lawndale Business Expansion Initiative, The Fillmore Center is a place-based strategy to rehab a 110-year-old building that is located along a former commercial corridor that was buzzing with economic opportunity. The building itself was the home of the Calumet Baking Powder Company and North Lawndale was the home to some of the leading 20th century companies, including the Sears Roebuck & Co. facility and administrative headquarters, Zenith, and Sunbeam. By rehabbing 4100 W Fillmore, the Steans Foundation is creating an economic hub in a once thriving neighborhood that is now experiencing high unemployment and a lack of business development. The overall objectives of the Fillmore Center are to create a community asset with the opportunity for shared ownership and economic stabilization, create a significant number of living wage jobs for North Lawndale residents and build local and Black wealth. The developer acquired the building in November of 2022 for \$3.35 million. The property is not subject to a previous CDC action.

IV. PROPOSED DEVELOPMENT TEAM

Development Entity: The Steans Family Foundation (SFF) is deeply committed to the economic revitalization of North Lawndale, Chicago. Since 1996, SFF has harnessed existing community networks to bolster education, employment, and safety, all crucial factors in sustainable economic development. With initiatives like the Career Readiness and Job Placement program, and the North Lawndale Business Expansion Initiative, the SFF aims to enhance job prospects for North Lawndale residents and support the expansion of Black-owned businesses, stimulating the local economy and fostering community wealth. Through such targeted economic strategies, like this development, SFF is aiding North Lawndale in its path towards prosperity. SFF Total community investment in 2021 was approximately \$14 million.

SFF d/b/a Renew Lawndale Acquisitions, LLC, purchased 4100 W Fillmore in November 2022. Approximately 27,000 sf was occupied, leaving most of the building vacant for approximately 10 years.

Fillmore Linen Services LLC members consists of SFF (49%) and Forgea Management LLC (51%). Forgea will operate the laundry facility.

Consultants: David Doig, President of Chicago Neighborhood Initiative.

V. PROPOSED PROJECT

Project Overview: The Fillmore Center is a 168,000 sf, 5-story brick industrial building located in North Lawndale. The Steans Family Foundation (“SFF”), dba, Renew Lawndale Acquisitions,

is renovating and repurposing this property. The Fillmore Center is expected to house the Fillmore Linen Service LLC, a 45,000 sf commercial laundry facility for the medical district (175 jobs), and small MBE neighborhood businesses including a coffee roasting and packaging facility, a wholesale flower distribution center, a packaging facility and a construction company. Development is expected to generate a total of 300 jobs.

A site plan and floor plans are provided in the PowerPoint presentation.

Environmental Features: N/A

VI. FINANCIAL STRUCTURE

While BED staff does recommend that the City should provide the Fillmore Center with TIF funding, we believe that an award of \$10 million could be an over-subsidy of the project and believe that \$7 million is a more appropriate figure. This is largely because we believe the property will generate cashflow from projected rent, as well as business returns from the laundry operations that are not fully factored into their request. When this was raised with the Developer, they cited the uncertainty regarding the combined \$10 million in State and Federal funds as a necessity for City funds. However, should the State or Federal funds eventually be awarded, the City would not be able to adjust the TIF award.

BED recommends providing the project with a commitment of up to \$10 million with \$7 million of those funds definitively granted to the Developer. The remaining \$3 million would be a variable amount subject to the amount of funding provided by the State and Federal grants, such that the more funding they secure, the less City funds will be provided. More detail on this structure is in the table below:

State & Federal Grants	Total TIF Grant
\$0	\$10,000,000
\$1,000,000	\$9,700,000
\$2,000,000	\$9,400,000
\$3,000,000	\$9,100,000
\$4,000,000	\$8,800,000
\$5,000,000	\$8,500,000
\$6,000,000	\$8,200,000
\$7,000,000	\$7,900,000
\$8,000,000	\$7,600,000
\$9,000,000	\$7,300,000
\$10,000,000	\$7,000,000

BED believes this will allow the project to definitively move forward, while still offering some

degree of protection to taxpayer funds should the project receive an influx of capital from other government agencies.

Proposed tenants: Fillmore Linen Service, Weisfeld Construction, Kribi Coffee, Rich Paul Packaging. There will also be an additional 52,000 sf of leasable space on the 3rd and 4th floors. Steans has engaged Cushman & Wakefield to secure tenants for this leasable space.

The following table identifies the sources and uses of funds.

Sources and Uses of Funds

SOURCES OF FUNDS	AMOUNT	% TOTAL
Equity	\$10,000,000	24.8%
Debt (bank)	\$0	0.0
TIF	\$10,000,000	24.7
New Market Tax Credits	\$7,500,000	18.5
DCEO Grant	\$0	0.0
Federal Grant	\$0	0.0
Private Philanthropy (CCT We Rise and SFF)	\$13,000,000	32.0
Total Sources	\$40,500,000	100%

USES OF FUNDS	AMOUNT	%TOTAL
Land Acquisition	\$3,350,000	8.3%
Site Clearance & Preparation	\$2,550,000	5.2%
Env. Remediation	\$2,100,000	6.3%
Hard Costs	\$29,845,000	73.8%
Soft Costs	\$2,580,500	6.4%
Total Uses	\$40,425,500	100%

**Gross Building Area 168,000 SF*

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.

Permanent Jobs: The project is estimated to generate **175** permanent jobs in **THE FILLMORE CENTER**. The department’s workforce development specialists will work with the developer on job training and placement.

Construction Jobs: The project will produce **25** temporary construction jobs.

Affirmative Action: The developer will comply with the requirements of Chicago's affirmative action ordinance, which requires contract participation of 26% by minority-owned business enterprises (MBEs) and 6% 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.

VIII. COMMUNITY SUPPORT

Alderspersion **MONIQUE SCOTT** endorses the project and has provided a letter of support (see exhibits for copy). The project was presented to neighboring medical centers and letters of support are attached.

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The proposed project is in the **ROOSEVELT/CICERO** Tax Increment Financing Redevelopment Project Area. The proposed project will satisfy the following goals of the area's redevelopment plan: Opportunity cost spurring investment and job creation in the North Lawndale community; Community benefit enhancing minority owned businesses, stimulating the local economy, and fostering community wealth; promotes equity by creating a community asset with the opportunity for shared ownership and economic stabilization. The total project is expected to create 300 jobs. The implementation strategy for achieving the plan's goals envisions the need to provide TIF financial assistance for the development of **4100 WEST FILLMORE STREET**. The proposed project also conforms to the plan's land use map, which calls for **4100 WEST FILLMORE STREET** development at the subject site.

X. CONDITIONS OF ASSISTANCE

If the proposed resolution is approved by the CDC, DPD 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 DPD 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 will not occur before the City Council has approved the financing transaction, the developer has completed necessary due diligence and 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 Planning and 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 DPD recommends that the CDC recommend to the City Council the designation of Steans Family Foundation as Developer for the development of the Fillmore Center at 4100 West Fillmore Street.

EXHIBITS

Community Letters of Support
Alderman's Letter of Support

COMMUNITY DEVELOPMENT COMMISSION

FILMORE CENTER

DEVELOPER DESIGNATION

DEPARTMENT OF PLANNING AND DEVELOPMENT
COMMISSIONER CIERE BOATRIGT

FEBRUARY 13, 2024



Project Location

4100 West Fillmore Street

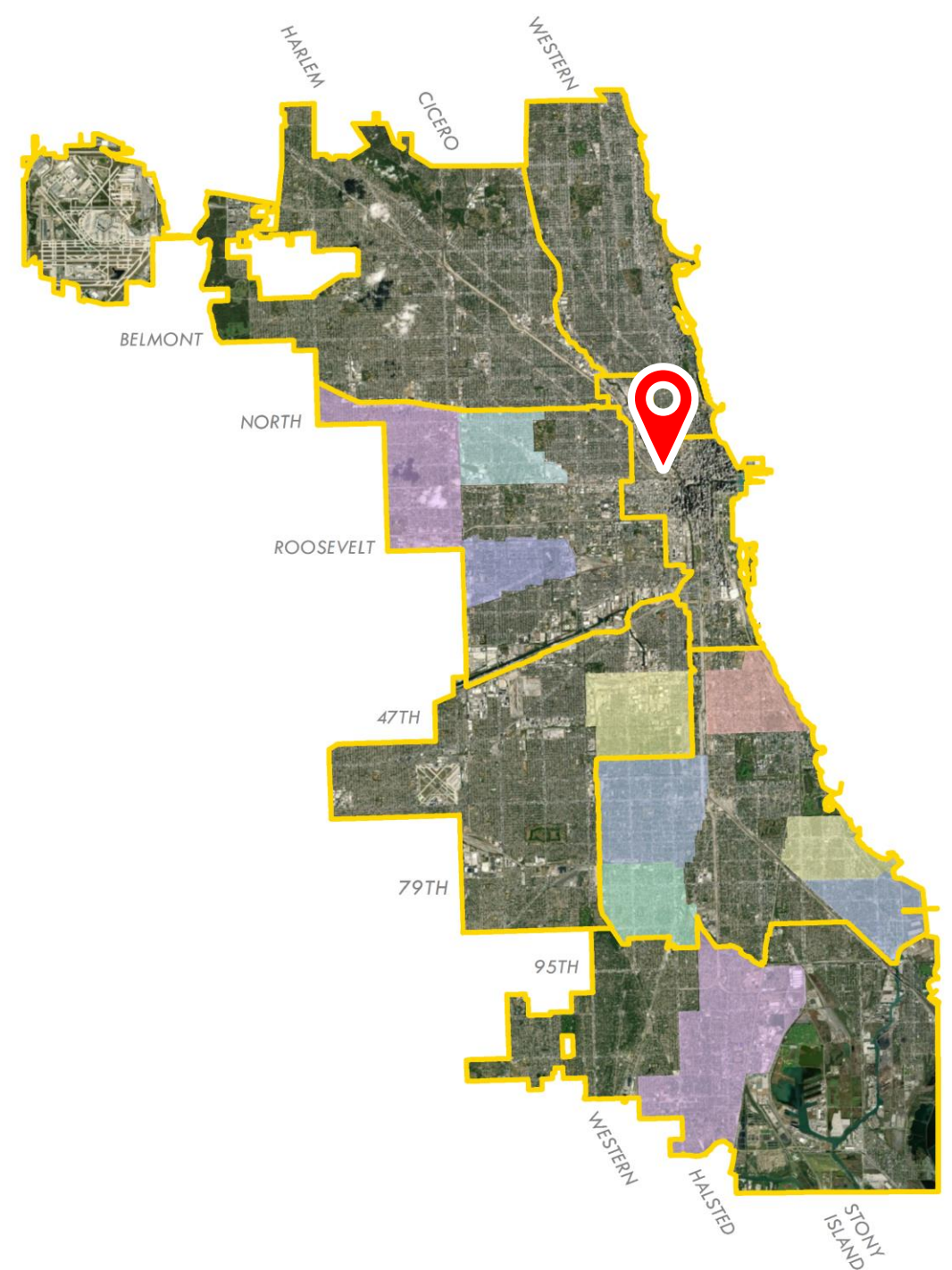
24th Ward – Ald. Scott, Rec'd

letter of support

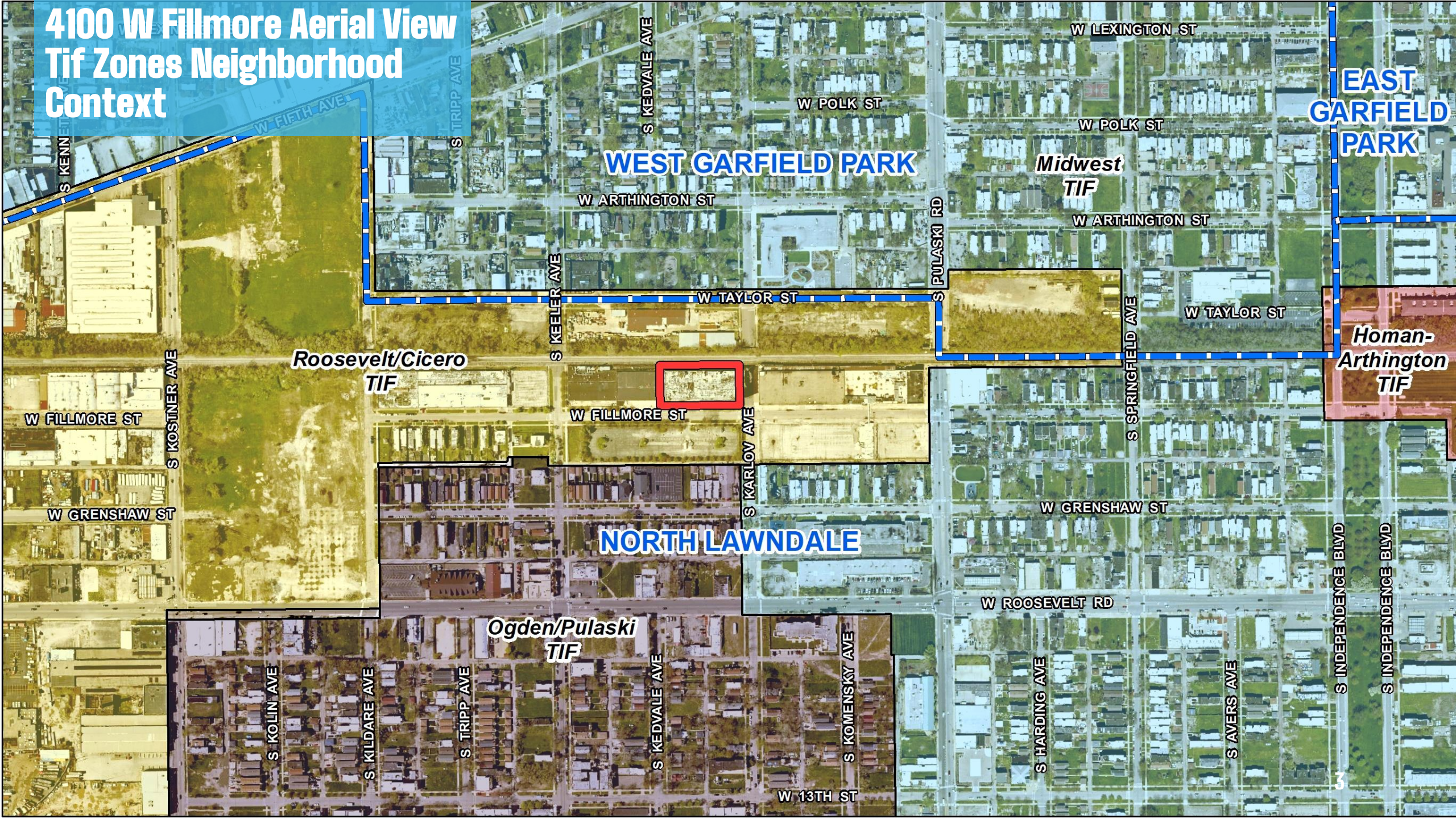
North Lawndale Community

Roosevelt/Cicero TIF District

West Planning Area



4100 W Fillmore Aerial View Tif Zones Neighborhood Context



WEST GARFIELD PARK

EAST GARFIELD PARK

Midwest TIF

Roosevelt/Cicero TIF

Homan-Arthington TIF

NORTH LAWNDALE

Ogden/Pulaski TIF

Project Overview

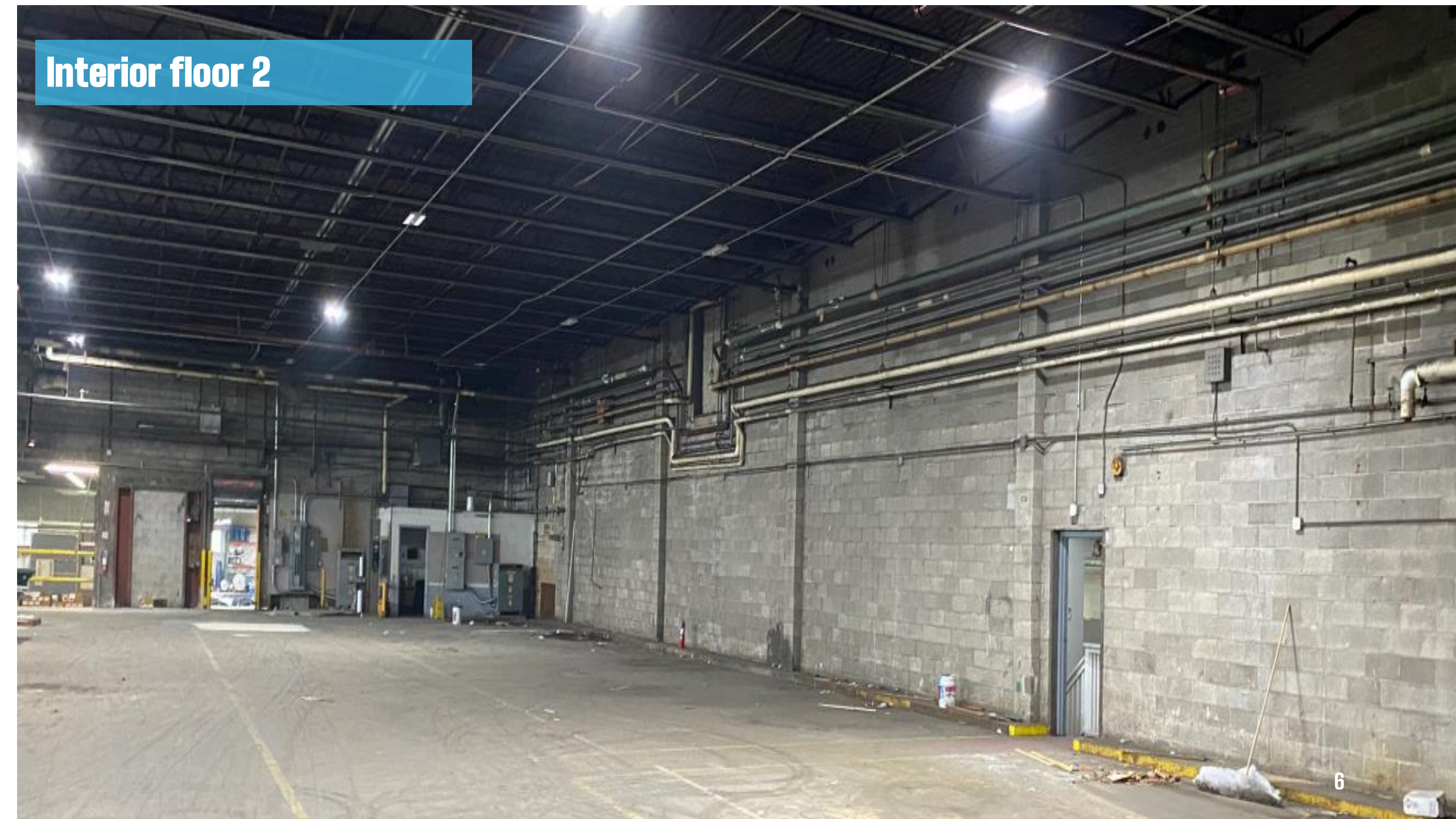
APPLICANT	Fillmore Center
PROJECT SUMMARY	<p>The Fillmore Center is a 168,000 sf, 5-story brick industrial building located in North Lawndale. The Steans Family Foundation (“SFF”), dba, Renew Lawndale Acquisitions, is renovating and repurposing this property. The Fillmore Center is expected to house the Fillmore Linen Service LLC, a 45,000 sf commercial laundry facility for the medical district (175 jobs), and small MBE neighborhood businesses including a coffee roasting and packaging facility, a wholesale flower distribution center, a packaging facility and a construction company. Development is expected to generate a total of 300 jobs.</p>
FUNDING REQUEST	\$10 million from the Roosevelt/Cicero TIF
TOTAL PROJECT COST	\$40.5 million
PROJECT TIMELINE	Construction Start: Q1 2024 Project Completion: Q4 2024



4100 W Fillmore – Exterior Current Conditions



Interior floor 2



Interior Floor 3



Weisfeld 950

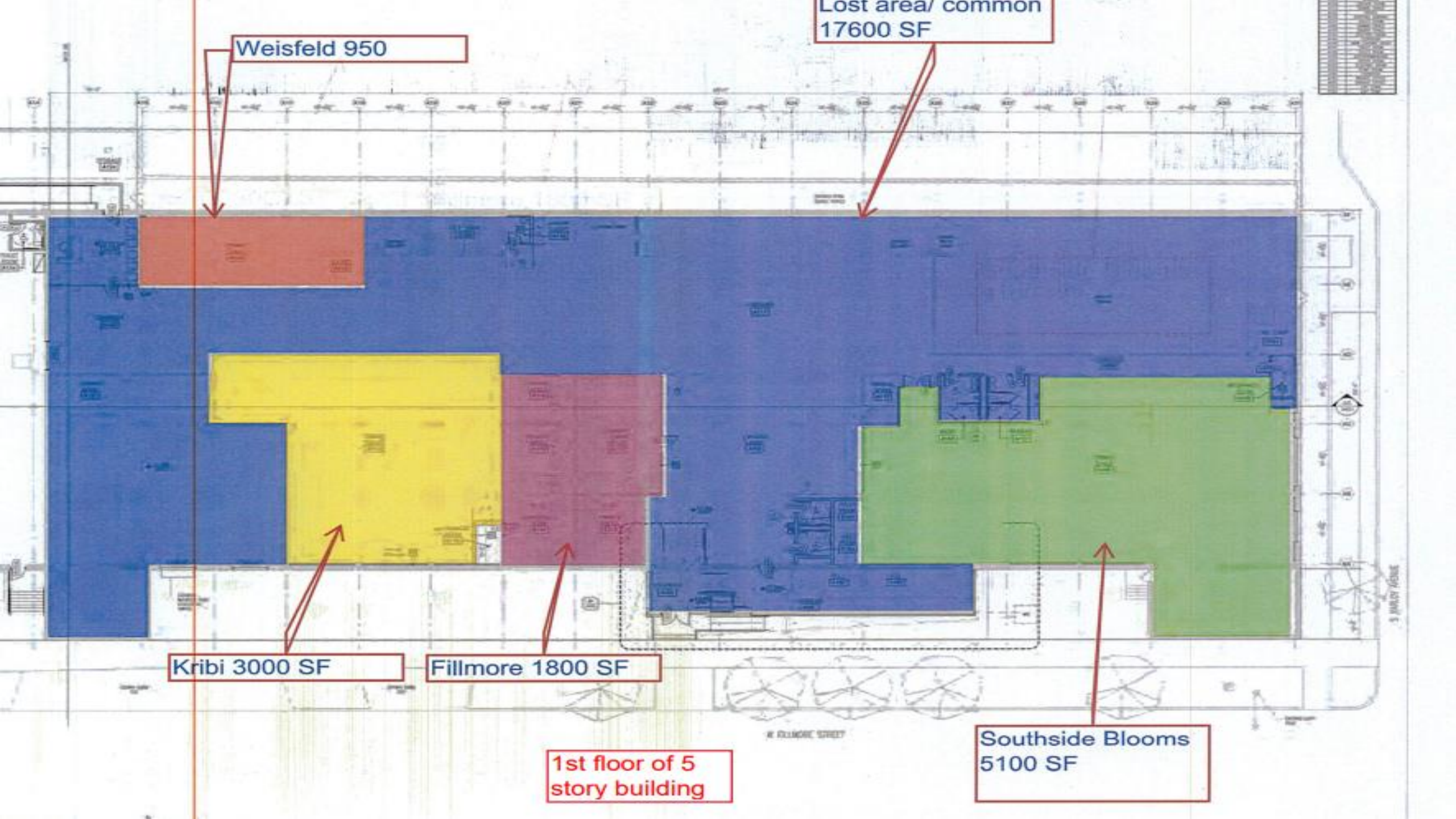
Lost area/ common
17600 SF

Kribi 3000 SF

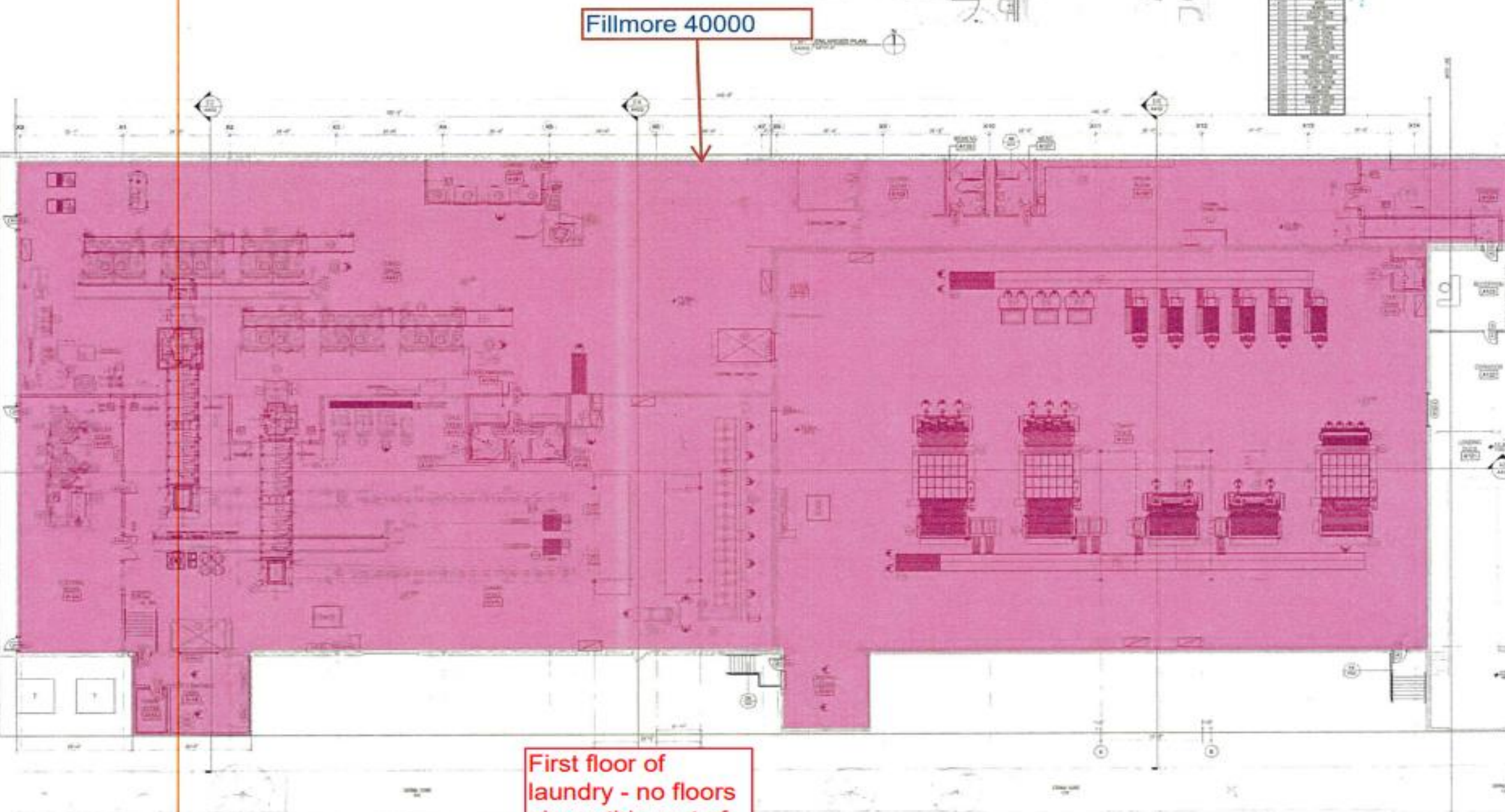
Fillmore 1800 SF

1st floor of 5
story building

Southside Blooms
5100 SF



Fillmore 40000



First floor of laundry - no floors above this part of the building

Development Team

- SFF d/b/a Renew Lawndale Acquisitions, LLC, purchased 4100 W Fillmore in November 2022. Approximately 27,000 sf was occupied, leaving most of the building vacant for approximately 10 years.
- Fillmore Linen Services LLC members consists of SFF (49%) and Forgea Management LLC (51%). Forgea will operate the laundry facility.
- Objective is to create a revenue generating asset, of which ownership, will be transferred to the employees (a community investment vehicle) in perpetuity, after certain financial obligations are meet for the NMTC, which is in seven years.
- Established in 1987, SFF dedicates time, resources, and skills within the North Lawndale west side community. Total community investment in 2021 was approximately \$14 million.

Project Budget

SOURCES	AMOUNT	PERCENT
Equity	\$10,000,000	24.8.0%
Loans	\$0	0.0%
TIF	\$7,000,000	24.7.0%
New Market Tax Credits	\$7,500,000	18.5.0%
DCEO Grant	\$3,000,000	0%
Federal Grants	\$0	0%
Private Philanthropy	\$13,000,000	32.0%
TOTAL SOURCES	\$40,500,000	100%

USES	AMOUNT	PERCENT
Acquisition	\$3,350,000	8.3%
Env. Remediation	\$2,100,000	5.2%
Site Prep	\$2,550,000	6.3%
Hard Costs	\$29,845,000	73.8.0%
Soft Costs	\$2,580,500	6.4%
TOTAL USES	\$40,425,500	100%

Structure and Requirements of City Funds

- TIF Payment: TIF-eligible expenses will be reimbursed from incremental property taxes (“IPT”) generated from existing area-wide IPT in the Roosevelt/Cicero TIF District in the following manner:
 - \$7.0 million to be provided upon later of the issuance of the Certificate of Completion or the first half property tax collection date for the 2025 calendar year.
 - If awarded, \$3.0 million to be provided upon the later of the first anniversary of the issuance of the Certificate of Completion or the first half property tax collection date for the 2026 calendar year.
- Job Creation Covenant: The Developer is required to ensure that Fillmore Linens hires no less than 100 FTE jobs associated with the Laundry Facility.
- Occupancy Covenant: The Developer will be required to maintain an occupancy rate of no less than 25% percent of the Tenant Space throughout the Compliance Period. The Laundry Facility will not have a minimum occupancy requirement but will be required to remain operational the duration of the RDA compliance period.
- Typical construction compliance requirements for prevailing wage, M/WBE and City residency.

Recommendation Rationale

OPPORTUNITY COST

The project aims to be a catalytic development, spurring investment and job creation in the North Lawndale community. Renewing an existing large building reducing blight in the area.

COMMUNITY BENEFIT

Project expects to enhance minority owned businesses, stimulating the local economy and fostering community wealth.

PROMOTES EQUITY

Overall objective is to create a community asset with the opportunity for shared ownership and economic stabilization.

COMMUNITY DEVELOPMENT COMMISSION

FILLMORE CENTER

DEPARTMENT OF PLANNING AND DEVELOPMENT
COMMISSIONER CIERE BOATRIGT

FEBRUARY 13, 2024

