

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 9th Day of July 2002 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 9th Day of July 2002


EXECUTIVE SECRETARY
Jennifer Rampke

02-CDC-60

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

RESOLUTION NO. 02 -CDC - 60

**AUTHORITY TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH
JAZZ ON THE BOULEVARD, L.L.C.
WITHIN THE
DREXEL BOULEVARD T.I.F. REDEVELOPMENT PROJECT AREA AND THE
NORTH KENWOOD-OAKLAND CONSERVATION AREA**

AND

**TO RECOMMEND TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
THE DESIGNATION OF
JAZZ ON THE BOULEVARD, L.L.C.
AS THE DEVELOPER**

AND

**RECOMMEND THE SALE OF
TWO DEVELOPMENT SITES, SUBJECT TO SURVEY,
TO JAZZ ON THE BOULEVARD, L.L.C.**

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, it is contemplated that the City Council, upon the Commission's recommendation pursuant to Resolution 02-CDC-__ and pursuant to the Act, will enact three ordinances on July 10, 2002 pursuant to which the City will approve and adopt a certain redevelopment plan and project (the "Plan") for the Drexel Boulevard Tax Increment Financing Redevelopment Project Area (the "TIF Area"), designated the TIF Area as a redevelopment

project area and adopt tax increment allocation financing for the Area (such ordinances, collectively, the "TIF Ordinances"). The street boundaries of the Area are described on Exhibit A hereto; and

WHEREAS, the TIF Area is located within the North Kenwood/Oakland Conservation Area (the "Conservation Area"), which was approved by the City Council on October 14, 1992, and which was amended in January 30, 1997, and which was amended for the second time on February 5, 2002; and

WHEREAS, a Request for Proposals from Developers for the Redevelopment of the "Drexel" site within the Conservation Area (the "RFP") for mixed-income housing development was approved by the Commission on October 10, 2000 and resulted in the issuance and advertisement of the RFP for the designation of a developer and the conveyance and redevelopment of two City-owned parcels, identified in the RFP as Parcels B and C, which constitutes a portion of the development site covered by the RFP, the remainder of the development site being owned by the Chicago Housing Authority; and

WHEREAS, the Commission, by its Resolution No.01-CDC-103 approved a joint venture comprised of the Thrush Companies, Granite Development and Century Place Development Corporation, as the successful respondent to the RFP for the development site covered by the RFP; and

WHEREAS, the RFP issuance and approval process adhered to Section 5/11-74.4-4(c) of the Act, which provides that the City may not enter into any agreement regarding redevelopment within the TIF Area, or the disposition of City land in the TIF 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, such joint venture parties have formed or will form Jazz on the Boulevard, L.L.C., an Illinois Limited Liability company (the "Company"), which has presented to the City's Department of Planning and Development ("DPD"), in response to such RFP, a proposal for redevelopment of the TIF Area that is in compliance with the Plan and the Conservation Area Plan, consisting of the construction of a 137 unit mixed-income, residential development (the "Project"); and

WHEREAS, the City desires to provide tax increment financing assistance and negotiate a redevelopment agreement with the Company, as developer, in connection with the redevelopment of the development site; and

WHEREAS, the City desires to convey, through a negotiated sale, the development site, parcels B and C, to the Company, subject to survey, for \$1.00 per parcel; and

WHEREAS, DPD requests that the Commission recommend to City Council that the Company be designated as the developer for the Project and that DPD be authorized to negotiate, execute and deliver a redevelopment agreement with the Company for the redevelopment of the

Development Site, and to provide tax increment financing assistance for the project, and to provide for the negotiated sale of parcels B and C; and

WHEREAS, the City has found that the sale of Parcels B and C and the completion of the project will further the goals of the Plan and the Conservation Area Plan; 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 Company be designated as the developer for the Project and that the City be authorized to negotiate, execute and deliver a redevelopment agreement with the Company for the Project providing for tax increment financing assistance.
- Section 3. The Commission hereby recommends to the City Council that the City Council approve the sale of Parcels B and C, subject to survey, to the Company without further action by this Commission. Such sale is subject to the City entering into the redevelopment agreement described in Section 2 above, with the Company, on terms acceptable to the City and the Corporation Counsel and shall not be executed until a final project budget is approved and all sources of funds are identified and duly authorized.
- Section 4. 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 5. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.
- Section 6. This resolution shall be effective as of the date of its adoption.
- Section 7. A certified copy of this resolution shall be transmitted to the City Council.

ADOPTED: July 9, 2002

Attachment: Exhibit A, Street Boundary Description

CITY OF CHICAGO
Community Development Commission
Department of Planning & Development
July 9, 2002

SUMMARY SHEET
Jazz on the Boulevard, L.L.C
Drexel Boulevard Tax Increment Financing Redevelopment Project Area

Action

- Requested:** (1) Authorize the Department of Planning & Development (“DPD”) to negotiate a redevelopment agreement with Jazz on the Boulevard, L.L.C. (the “Developer”) for the use of tax increment financing incremental tax revenues for the redevelopment of property located along the west side of Drexel Boulevard between 41st Street and 42nd Place (the “Property”), located within the boundaries of the Drexel Boulevard Tax Increment Financing Redevelopment Project Area (the “Area”) and;
- 2) Conditionally recommend to the City Council of the City of Chicago (the “City”) the designation of Jazz on the Boulevard, L.L.C. as the Developer for the property within the Area.
- 3) Conditionally recommend to the City Council of the City of Chicago the sale of two development sites to the Developer for \$1.00 per site.

Project: The redevelopment of 288,511 square feet, 6.6 acres, of currently vacant land into a new residential community that will consist of a mix of for-sale and rental housing. These new residences will be marketed to a variety of income levels. The development will include a total of 137 units of which 30 are intended for use as replacement public housing.

Location: The site is located along the west side Drexel Boulevard between 41st Street and 42nd Place and is generally bounded by 41st Street on the north, 42nd Place on the south, Drexel Boulevard on the east, and Cottage Grove Avenue on the west.

Site Area: 6.6 Acres

Developer: The proposed developer of the project is Jazz on the Boulevard, L.L.C., which is made up of three members, Thrush Realty, Granite Development, and Century Place Development Corporation (CPDC). The developer was the successful respondent to the RFP for the redevelopment of the “Drexel” site within the North Kenwood-Oakland Conservation Area for mixed-income housing, approved by the Commission on October 10, 2000.

Assistance: \$2.3 million will be provided to the developer in tax increment financing assistance.

Sales Price: Two city-owned parcels, appraised at \$990,000 in total will be transferred to the developer for \$1 per parcel.

Zoning: The Developer applied for a Planned Development, the application was approved by the Plan Commission on June 13, 2002.

Ward & Alderman: 4th Ward/Alderman Toni Preckwinkle.

Issues: N/A

Public Benefits:

Affordable Housing

There will be a total of 137 units constructed on this site, of these there will be 66 affordable units including 30 CHA replacement units, spread among a broad range of income groups and unit types.

Community Development

This area of the city has been fairly stagnant for many years despite having the advantage of access to public transportation, the lakefront, and downtown. It is hoped that this project will help spur additional affordable residential and commercial development in the surrounding areas to serve a wide range of households, continuing a renewed vibrancy in the community.

Prevailing Wage, M\WBE, City Residency

The Developer has agreed to comply with all City ordinances regarding Prevailing Wage, MBE\WBE and City Residency.

MBE\WBE: The Developer intends to comply or surpass the City's MBE\WBE requirements.

Community Outreach:

The community, including Alderman Toni Preckwinkle and the North Kenwood-Oakland Conservation Community Council, is in overwhelming support of this project. The development was part of a competitive RFP process sponsored by the City, CHA, and Community and CHA tenant organizations. In addition, there have been several meetings held throughout the community during the past twelve months regarding the redevelopment of this site.

CITY OF CHICAGO
Community Development Commission
Department of Planning & Development
July 9, 2002

STAFF REPORT
Jazz on the Boulevard, L.L.C.
Drexel Boulevard Redevelopment Project Area

MR. CHAIRMAN AND MEMBERS OF THE COMMISSION:

The Resolution before you requests that the Community Development Commission authorize the Department of Planning & Development (“DPD”) to publish a notice of its intention to negotiate a redevelopment agreement with Jazz on the Boulevard, L.L.C. (the “Developer”) for the use of tax increment financing incremental tax revenues for the redevelopment of the property located along the west side of Drexel Boulevard between 41st Street and 42nd Place (the “Property”). The Resolution also asks you to conditionally recommend to the City Council of the City of Chicago the designation of Jazz on the Boulevard, L.L.C. as the Developer of this site. Finally, the Resolution asks you to conditionally recommend to the City Council the sale and conveyance of two development sites to the Developer for \$1.00 per site.

Purpose of Resolution

To provide Tax Increment Financing assistance for the redevelopment of vacant land in the 4th Ward and to approve the sale and conveyance of two city-owned sites for \$1.00 each.

Background

The property to be developed is located within the Drexel Boulevard Tax Increment Financing Redevelopment Project Area (the “Area”), which is anticipated to be established by the City Council on July 10, 2002. It is also located within the North Kenwood-Oakland Conservation Area, established by City Council in October, 1992. The area for both the site and the project area are generally bounded by 41st Street on the north, 42nd Place on the south, Drexel Boulevard on the east, and Cottage Grove on the west. The developer was the successful respondent to the RFP for the redevelopment of the “Drexel” site within the North Kenwood-Oakland Conservation Area for mixed-income housing, approved by the Commission on October 10, 2000. Currently the site is entirely vacant.

Development Project

Proposed Developer

The proposed developer of the project is Jazz on the Boulevard, L.L.C., an Illinois Limited Liability Company. The L.L.C. is principally comprised of Thrush Realty, Granite Development, and Century Place Development Corporation.

Proposed Development Team

Thrush Realty, Inc., Granite Development, and Century Place Development Corporation. These companies have been in business between 7 and 22 years and each has extensive experience in residential construction. Cumulatively they have developed units that are marketed to individuals of virtually every income bracket.

Proposed Project

The project involves the development of a residential community on 6.6 acres of vacant land in the Oakland Community. In October 2000, the City of Chicago released an RFP to plan, construct and manage new mixed-income housing on the site. The developers response was selected and they have been developing a large-scale plan for the site pending designation of the area as a Tax Increment Financing District.

The Developer plans to construct a total of 137 units of rental and for-sale mixed-income housing. There will be 30 CHA rental replacement units and 36 additional affordable units distributed across a range of income brackets and unit type. The CHA units will be virtually indistinguishable from the other units. Both the CHA and affordable rental units will have access to parking within the development. In addition, the development will include a park available to residents of the community, the town-homes will have private yards, and the row-homes and two-flats will have large rear yards. The unit mix includes row-homes (7), town-homes (26), two-flats (8), six-flats (36), and condo modules (60). All of the buildings will have brick exteriors and there will be a total of 146 parking spaces within the development, not including street parking, which is readily available.

| | CHA Rental ←60% AMI | Affordable Rental ←60% AMI | Affordable For-Sale 61%→120% | Market Rate For-Sale | Total Units |
|---------------------------|---------------------------|----------------------------------|------------------------------------|-------------------------|-------------|
| Rowhomes | 0 | 0 | 0 | 7 | 7 |
| Townhomes | 4 | 0 | 3 | 19 | 26 |
| Two-Flat | 4 | 0 | 2 | 2 | 8 |
| Six-Flat | 8 | 9 | 6 | 13 | 36 |
| Condo Mods. | 14 | 0 | 16 | 30 | 60 |
| Total Units | 30 | 9 | 27 | 71 | 137 |
| Rent/Sales Price Range | \$340. | \$750 | \$130,000→ \$212,500 | \$130,000→ \$400,000 | |

Deal Structure/Financial Assistance

The City intends to negotiate a redevelopment agreement with Jazz on the Boulevard, L.L.C. for \$2.3 million or 6.7% of the total project budget from incremental tax revenues, generated by this projects PIN's only. Building housing of a high quality on this site requires extensive site preparation, environmental remediation and infrastructure development. In addition to the 30 CHA replacement units, the City is requiring that an additional 36 units be developed as affordable for-sale and rental residences. Because of these extraordinary development costs, without TIF assistance the developer would not be able to finance the project, and it would not be feasible for the area to be developed. In addition to TIF funds, CHA, State, and other City loan and/or grant funds are needed to make the project viable. Public grants and/or loans account for 28% of the total project costs.

The amount of TIF assistance, \$2.3 million, is the approximate amount we expect to give the developer in the form of a Developer Note with a market-based interest rate. The City is prepared to commit 100% of increment generated by the project PINs toward the financing of the project. The amount of increment generated by the project is estimated to be sufficient to cover the budgeted amount of TIF assistance listed in the "Sources of Funds." If the budget for the project increases prior to completion, and there is additional unallocated TIF revenue, the City is prepared to commit this revenue to the project as needed.

Land Transfer

The CHA land (parcel "A") will be deeded at closing to the for-sale developer for those parcels that are to contain single family rowhouses and/or townhouses. Those lots located on "parcel A" that are to have multi-family housing built on them will be leased, at closing, to the developer for a period of 99 years under the terms of a ground lease. The City land, parcels B and C, will be sold to the developer at closing for \$1 per pin and in turn deeded to individual units owners. The two city parcels have recently been appraised for a total of approximately \$940,000.

Sources of Funds

| | |
|----------------------------|----------------------|
| TIF | \$ 2,300,000* |
| Sale of Units | \$ 21,096,800 |
| Sale of Upgrades | \$ 745,000 |
| CHA Funds | \$ 3,708,981 |
| Federal Home Loan | \$ 500,000 |
| DOH Home Funds | \$ 451,421 |
| IHDA Loan | \$ 750,000 |
| CDOT | \$ 925,699 |
| CHA-Remediation | \$ 1,000,000 |
| <u>Sale of Tax Credits</u> | <u>\$ 2,887,462</u> |
| Total Sources | \$ 34,365,363 |

Uses of Funds

| | |
|-------------------------|---------------|
| Construction Costs | \$ 17,253,787 |
| Indirect Const. Costs | \$ 4,496,192 |
| Options & Upgrades | \$ 491,700 |
| Site Work & Landscaping | \$ 973,417 |
| Road & Infrastructure | \$ 750,000 |
| City Landscape | \$ 175,699 |
| Remediation | \$ 1,000,000 |
| Foundation Removal | \$ 400,000 |
| Finished Lot Costs | \$ 342,250 |
| Admin Costs | \$ 2,299,693 |
| Sales & Marketing | \$ 1,521,536 |
| Selling & Closing Costs | \$ 928,003 |
| Financing Costs | \$ 2,147,692 |

| | |
|------------------------|----------------------|
| Contingency | \$ 1,299,066 |
| <u>Project Profits</u> | <u>\$ 286,328</u> |
| Total Uses | \$ 34,365,363 |

*Approximate amount of TIF funds the City expects to give the Developer, in the form of a Note, with a market interest rate. The Developer will use the Note to obtain additional financing.

Conformance with Plan

The proposed redevelopment is in conformance with the land use goals and objectives of the Drexel Boulevard Tax Increment Financing Redevelopment Project and Plan (the “Plan”) and the North Kenwood-Oakland Conservation Area Plan . The Plan proposes general residential use on this site.

Community Outreach

The community, including Alderman Toni Preckwinkle and the North Kenwood-Oakland Conservation Community Council, is in overwhelming support of this project. The Chicago Housing Authority has also expressed its support for the proposed project.

Public Benefits

Affordable Housing

There will be a total of 137 units constructed on this former CHA site, of these there will be 66 affordable units spread among a broad range of income groups and unit types.

Community Development

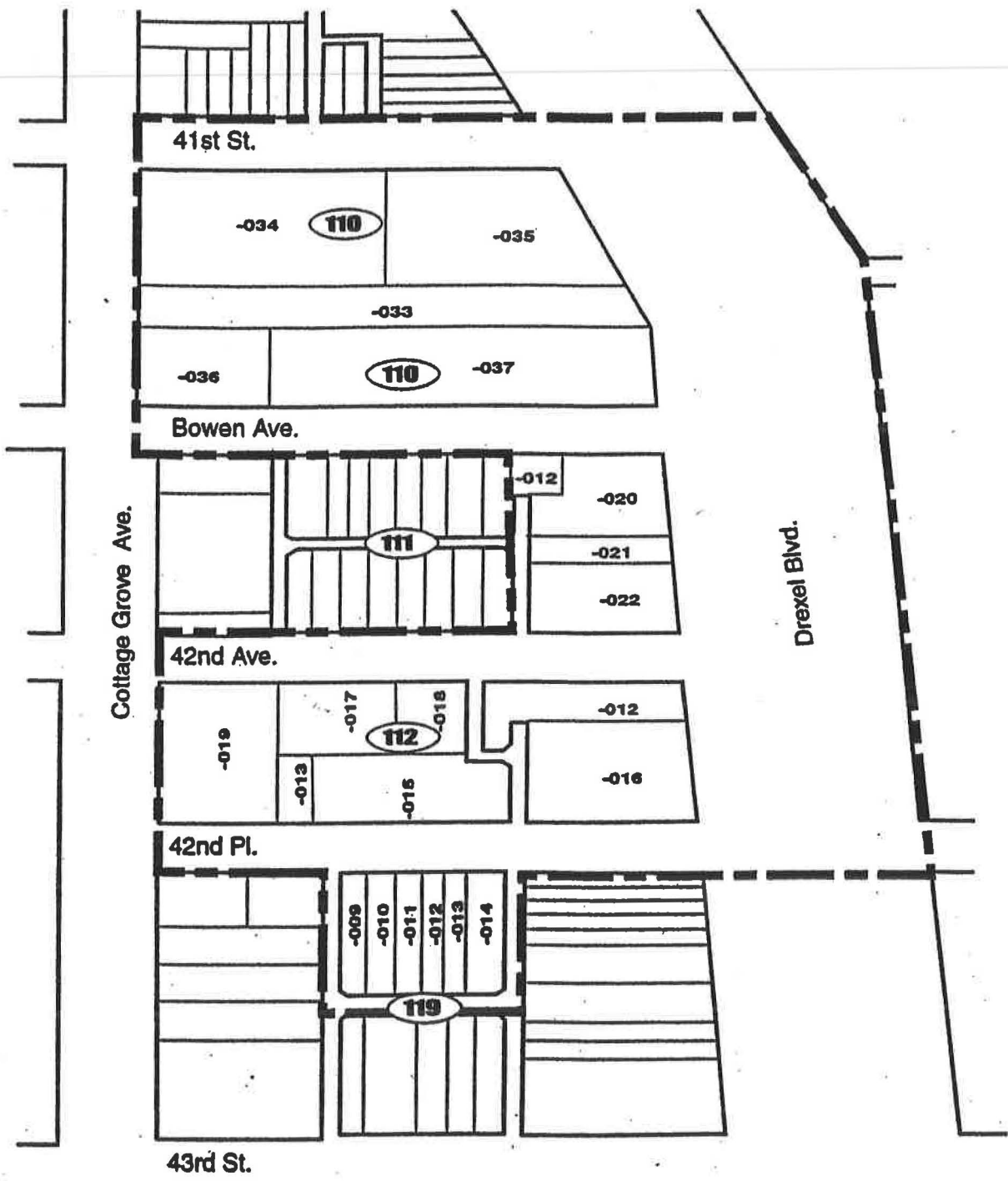
This area of the city has been fairly stagnant for many years despite having the advantage of access to public transportation, the lakefront, and downtown. It is hoped that this project will help spur additional affordable residential and commercial development in the surrounding areas to serve a wide range of households, continuing a renewed vibrancy in the community.

Prevailing Wage, MBE\WBE, City Residency

The Developer has agreed to comply with all City ordinances regarding Prevailing Wage, MBE\WBE and City Residency. They have sent letters to several local MBE/WBE associations to make them aware of the opportunity to participate in this development.

Recommendations

The Department of Planning & Development recommends that the Community Development Commission authorize DPD to publish a notice of its intention to negotiate a redevelopment agreement with Jazz on the Boulevard, L.L.C. (the “Developer”) for the use of tax increment financing incremental tax revenues for the redevelopment of the property located along the west side Drexel Boulevard between 41st Street and 42nd Place (the “Property”). DPD also requests that you conditionally recommend to the City Council of the City of Chicago the designation of Jazz on the Boulevard, L.L.C. as the Developer for the site. Finally, DPD asks that you conditionally recommend to the City Council of the City of Chicago the sale and conveyance of two development sites to the Developer for \$1.00 per site.



Cottage Grove Ave.

Drexel Blvd.

Project Area Boundary



Project Area Boundary

Drexel Boulevard

Chicago, IL

Tax Increment Financing Redevelopment Project