

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

RESOLUTION NO. 05 - CDC - 15

**AUTHORITY TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH
TARGET CORPORATION**

AND/OR

A RELATED ENTITY TO BE FORMED

**WITHIN THE
WEST RIDGE-PETERSON TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AREA,**

AND

**TO RECOMMEND TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
THE DESIGNATION OF
TARGET CORPORATION
AS THE DEVELOPER**

WHEREAS, the Community Development Commission (the "Commission") of the City of Chicago (the "City") has heretofore been appointed by the Mayor of the City with the approval of its City Council (the City Council referred to herein collectively with the Mayor as the "Corporate Authorities") as codified in Section 2-124 of the City's Municipal Code; and

WHEREAS, the Commission is empowered by the Corporate Authorities to exercise certain powers enumerated in Section 5/11-74.4-4(k) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.), (as amended from time to time, the "Act"); and

WHEREAS, the City Council, upon the Commission's recommendation pursuant to Resolution 98-CDC-46 and pursuant to the Act, enacted three ordinances on June 10, 1998 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the West Ridge-Peterson 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, Target Corporation (the "Developer"), has presented to the City's Department of Planning and Development ("DPD") a proposal for redevelopment of the Area or a portion thereof that is in compliance with the Plan, consisting of the construction of an approximately 160,000 square foot Target store at 2036-2136 West Peterson Avenue (the "Project"); and

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

BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY

OF CHICAGO:

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

ADOPTED: February 8, 2005

Attachment: Exhibit A, Street Boundary Description

CITY OF CHICAGO
Community Development Commission
Department of Planning & Development
February 8, 2005

SUMMARY SHEET
Target Corporation

Actions

- Requested:**
- 1) Request authority to negotiate a Redevelopment Agreement with Target Corporation and/or a related entity to be formed (the "Developer") for the redevelopment property located at 2036-2136 West Peterson Avenue (the "Property"), located within the West Ridge/Peterson Redevelopment Project Area (the "Area") and;
 - 2) Recommend to the City Council of the City of Chicago the designation of Target Corporation and/or a related entity to be formed as the developer of the Project located within the boundaries of the Area.

Project: The Developer has proposed the construction of an approximately 160,000 square foot Target store with parking for 503 vehicles.

Location: The Property is located at 2036-2136 West Peterson Avenue.

Developer: Target Corporation

Assistance: \$4,600,000 in tax increment financing assistance or an amount not to exceed 10.8% of the total project budget estimated at \$42,486,468.

The assistance will be provided to the Developer in following ways: 1) upon the issuance of the Certificate of Completion, the City will pay \$2,400,000 of the available increment in the West Ridge-Peterson TIF Special Allocation Fund, 2) the City will issue a taxable TIF Developer's Note at closing in the amount of \$2,200,000 to be repaid from the incremental tax.

Zoning: The Property is within a Business Planned Development #396 enacted in 1986 and amended on October 21, 2004. A commercial use is a permitted use within the PD.

Ward: 40th Ward, Alderman Patrick O'Connor

Public Benefits:

- Jobs
- Job Training
- Green Technology and Landscaping
- Revitalization of an Underutilized Site
- Community Needs and Retention of Sales Tax Revenue

MBE/WBE:

The Developer intends to comply with the City's MBE/WBE requirements. The certified mail receipts are attached as evidence that the Developer has provided the MBE/WBE contractor associations with the required notifications.

Community Outreach:

Alderman O'Connor is supportive of the Project and a letter is attached.

Issues:

N/A

CITY OF CHICAGO
Community Development Commission
Department of Planning & Development
February 8, 2005

STAFF REPORT
Target Corporation

CHAIRMAN RICHARDSON-LOWRY AND MEMBERS OF THE COMMISSION:

The Resolution before you requests that the Community Development Commission take the following actions:

- 1) Request authority to negotiate a Redevelopment Agreement with Target Corporation and/or a related entity to be formed (the "Developer") for the redevelopment property located at 2036-2136 West Peterson Avenue (the "Property"), located within the West Ridge/Peterson Redevelopment Project Area (the "Area") and;
- 2) Recommend to the City Council of the City of Chicago the designation of Target Corporation and/or a related entity to be formed as the developer of the Project located within the boundaries of the Area.

Purpose of Resolution

To provide Tax Increment Financing assistance for the construction of a Target store on the Property on an underutilized site within the West Ridge/Peterson Tax Increment Financing District.

Background

The Property is located within the West Ridge/Peterson Tax Increment Financing Redevelopment Project Area (the "Area"), which was established by the City Council on October 27, 1986. The site is bounded by West Peterson Avenue on the south (approximately 690 feet of frontage), a portion of Rosehill Cemetery on the west, West Norwood Street on the north, and a single-family home and a one-story commercial building on the east.

The site has been occupied by a Venture Department Store, a K-Mart store along with several smaller retail users in the past and has been vacant since 2002.

Target Corporation acquired the site on August 26, 2004 from Kimco Corporation. In December of 2004 the Chicago City Council approved an amendment of the Planned Development for the site initiated by the Developer. As amended, this Planned Development allows for a commercial use on the Property.

In analyzing the development potential of this site, market studies showed that this was a good location for a Target store, although because of various site constraints, Target found that building a store on this site would cost approximately \$10 million more than a typical prototype Target store.

The proposed Target store of approximately 160,000 square feet will be elevated above ground level parking spaces and entrance. The proposed store would be Target's first LEED-certified store in the nation with green roof over 50% of the net roof area. The total overall costs for the Project (\$42M) are estimated to be approximately 20% to 25% higher for the two story store including individual costs such as the \$1.2M for the green roof, \$700,000 for the conveying systems and the total foundation cost of \$2.2M. The unique two story structure adds substantial overall costs to the Project and generally affects each component cost accordingly. These extraordinary costs have made it difficult to move

forward with any development plans without City assistance.

Development Project

Proposed Developer

Target Corporation (the "Developer")

Target Corporation is a publicly traded company focused exclusively on general merchandise retailing. Their principal strategy is to provide exceptional value to American consumers through multiple retail formats ranging from upscale discount and moderate-priced, to full-scale department stores. Their retail divisions include Target and Mervyn's and each has its own distinct brand. Their other core businesses are Target Direct, Target Financial Services, Associated Merchandising Corporation, and Dayton's Commercial Interiors.

Target Corporation has opened five stores in City locations including their 44th and Pulaski, 2656 North Elston Avenue, 2939 W. Addison Street, 1154 S. Clark Street, and 85th and Cottage Grove stores. Target also is constructing stores at 33rd and Damen and at Wilson Yards near Montrose and Broadway.

Proposed Development Team

Target Corporation

General Contractor - To be determined.

Architect - Target and Hayden Bulin Larson Design Group Ltd.

Attorney - Polsky & Associates and Piper Rudnick

Proposed Project

The Developer proposes to demolish the existing building on the site and construct a new retail facility with 503 parking spaces on the ground level and a 160,000 square-foot Target store on the second level.

The building's main frontage would be on West Peterson Avenue. The entrance would consist of a glass curtain wall. The rest of the Peterson Avenue frontage would be set back from the sidewalk with a landscaped buffer consisting of shade trees, shrubs, trellises for climbing plants, and a decorative metal fence. The facade, itself, would be composed of face brick and metal panels.

The Developer will incorporate the following "green" attributes: 1) the Developer will abide by the Landscape Ordinance by planting approximately 130 parkway trees, perimeter screen trees and internal parking lot shade trees; 2) the Developer will design and construct the building in a manner that will allow it to receive a standard Leadership in Energy and Environmental Design ("LEED") certification from the U.S. Green Building Council and construct a green roof that covers 50% of the net roof area.

Main vehicular access would be from West Peterson Avenue at the west end of the property where a traffic signal already exists. There would be a secondary, right in-right out entry from West Peterson Avenue at the east end of the site.

All aspects of the Project shall be in compliance with the Planned Development that was approved by the Chicago City Council on December 15, 2004 (the "Planned Development").

The proposed facility is intended to capture and more actively serve the vastly expanding West Ridge area as well as the surrounding Northside communities who are currently forced to shop outside the City for the nearest Target store.

Deal Structure/Financial Assistance

The City intends to negotiate a redevelopment agreement (the "TIF RA") with the Developer in connection with the Project. The City, through the Department of Planning and Development ("DPD"), intends to provide the Developer with TIF assistance in an amount not to exceed the lesser of \$4,600,000 or 10.8% of the final total project cost, currently estimated to be \$42,486,468, subject to the terms and conditions of the Redevelopment Agreement to be negotiated by the Developer and the City. If for any reason the total amount of TIF assistance being provided (\$4,600,000) is reduced, the amount of the initial payment (see item 2 below) being made at the issuance of a Certificate of Completion (the "Certificate") will be reduced accordingly. The funds will be provided in the following manner:

1) The City will issue a taxable TIF Developer's Note (the "Note") at closing in the amount of \$2,200,000 to be repaid exclusively from 92.5% of the incremental tax revenues generated by the Project PINs. The interest rate on the Note will be fixed at 6.5% and interest will not begin to accrue until the City has issued the Certificate for the project.

2) Upon the issuance of the Certificate for the Project, the City will provide the Developer with the lesser of \$2,400,000 or an amount equal to the balance of the Fund less \$250,000, either of which will be paid out of available increment in the Fund at the time the Certificate is issued.

<u>Sources of Funds</u>	<u>Amount</u>	<u>Percent of Total</u>
Developer's Equity	\$42,486,468	100%

<u>Uses of Funds</u>	<u>Amount</u>	<u>\$/sf of building</u>
Acquisition	10,510,000	\$65.69
Demolition and Site Prep		
Demolition	\$600,000	\$3.75
Underground Detention	\$450,000	\$2.81
Earthwork	\$468,250	\$2.93
Environmental	\$80,000	\$0.50
Sanitary & Water	<u>\$550,000</u>	<u>\$3.44</u>
Demolition and Site Prep Total	\$2,148,250	\$13.43

Public & Site Improvements		
Streets	\$310,000	\$1.94
Landscaping	\$800,000	\$5.00
Paving	\$450,000	\$2.81
Curb	\$150,000	\$0.94
Storm Sewer	\$150,000	\$0.94
Site Lighting	\$250,000	\$1.56
Signs	\$45,000	\$0.28
Sidewalks/Fence	\$150,000	\$0.94
General Conditions	\$300,000	\$1.88

Green Roof	\$1,200,000	\$7.50
LEED Compliance	<u>\$150,000</u>	<u>\$0.94</u>
Public and Site Impr. Total	\$3,955,000	\$24.72
Soft Costs/Fees		
Fees	\$130,000	\$0.81
Inspections	\$70,000	\$0.44
ALTA/Topography	\$75,000	\$0.47
A/E, Legal, Consulting	<u>\$550,000</u>	<u>\$3.44</u>
SoftCosts/Fees Total	\$825,000	\$5.16
Construction Hard Costs	\$24,093,000	\$150.58
Contingency	\$955,218	\$5.97
Total	\$42,486,468	\$265.54

Conformance with Plan

The Project conforms to the plan and goals of the West Ridge-Peterson Tax Increment Financing District. It contributes to the goals of the plan by providing sound economic development in the project area, eliminating conditions which qualify as blighted in the Redevelopment Project Area and strengthening the economic well being of the project area as well as the City by increasing business activity and taxable values.

Community Outreach

Alderman O'Connor is supportive of the Project and a letter is attached.

Public Benefits

Jobs

The Project is expected to create 100 new full-time and 175 new part-time positions.

Job Training

The Developer will work with the City of Chicago's Mayor's Office of Workforce Development (MOWD) in the recruitment, hiring and training of City residents for available positions. The City agrees to finance such job training out of the West Ridge-Peterson TIF.

Green Technology and Landscaping

The Developer also commits to (1) construct a green roof that covers 50% of the available roof area of the rooftop and design and construct the building in a manner that will allow it to receive a standard Leadership in Energy and Environmental Design ("LEED") certification from the U.S. Green Building Council.

The Developer will also abide with the landscaping requirements, planting approximately 130 parkway trees as well as perimeter screen trees and internal parking lot shade trees

Revitalization of an Underutilized Site

The proposed redevelopment will transform a vacant site formerly occupied by K-mart and other retailers into a community shopping hub and act as a retail catalyst to a poorly served residential community.

Community Needs and Retention of Sales Tax Revenue

The proposed facility is intended to capture and more actively serve the expanding West Ridge community area as well as the surrounding Northside communities who are currently forced to shop outside the City for the nearest Target store which is located in Evanston. It is expected that a 15% of the annual sales (Approximately \$6.75 million during the first year) will be captured from the Target store in Evanston, thereby retaining sales tax revenues within the City of Chicago.

Prevailing Wage, MBE/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 will comply with all requirements regarding the use of minority and women-owned business contractors for the construction and build-out of the Project. In January of 2005, the Developer notified eight minority and women-owned business associations, by certified mail of their intent to develop this Project. The Developer will also meet with the Monitoring and Compliance staff in February of 2005 to discuss the monitoring and reporting requirements related to MBE / WBE compliance.

MOWD

The Developer will work with the City of Chicago's Mayor's Office of Workforce Development (MOWD) in the recruitment, hiring and training of City residents for these positions. The City will provide the funding for this program. The Developer will be expected to interview qualified candidates referred to them by MOWD for job openings, but will not be required to hire any specified number of candidates.

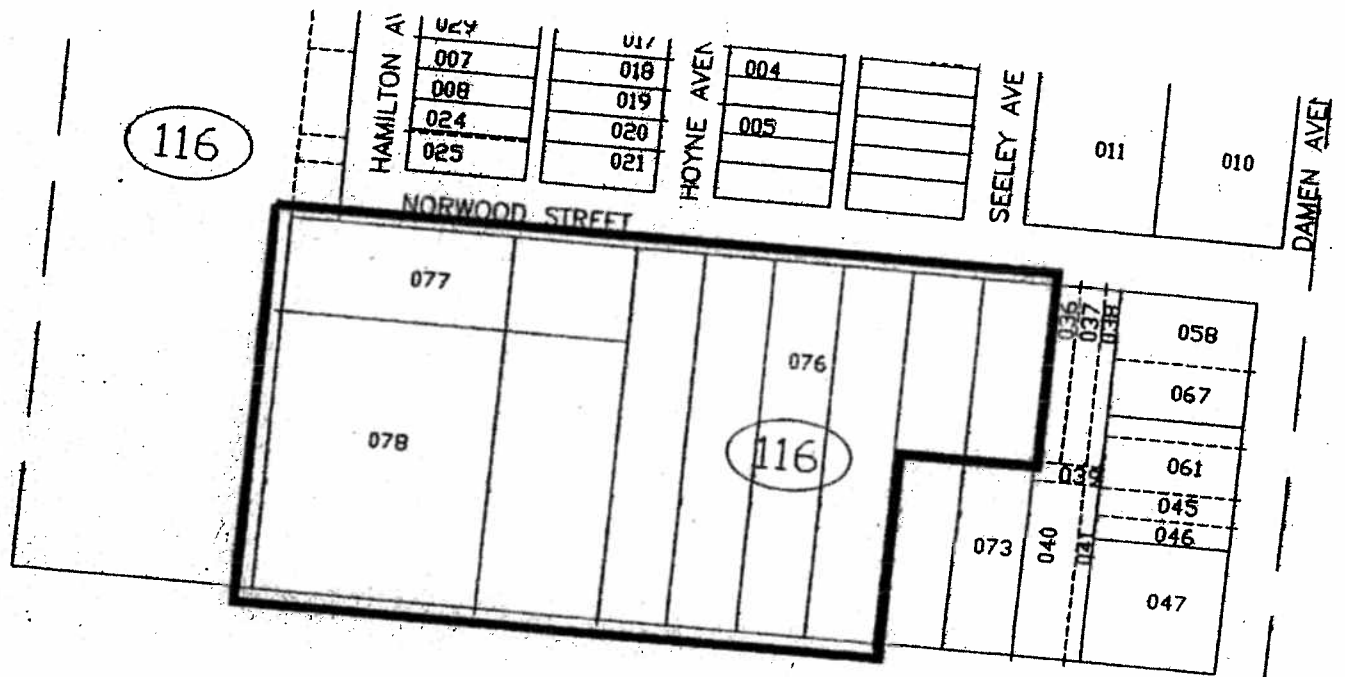
Recommendations

- 1) Request authority to negotiate a Redevelopment Agreement with Target Corporation and/or a related entity to be formed (the "Developer") for the redevelopment property located at 2036-2136 West Peterson Avenue (the "Property"), located within the West Ridge-Peterson Tax Increment Financing Redevelopment Project Area (the "Area") and;
- 2) Recommend to the City Council of the City of Chicago the designation of Target Corporation and/or a related entity to be formed as the developer of the Project located within the boundaries of the Area.

Attachments

- TIF Boundary Map
- Site Plan Map
- Landscape Plan Map
- MBE/WBE Contractor Notifications and Certified Mail Receipts
- TIF Term Sheet
- Letter of Support from Alderman O'Connor

WEST RIDGE-PETERSON AVENUE
 AMENDMENT NO. 1
MAP 1-BOUNDARY MAP



SITE PLAN

SCALE: 1"=200'-0"

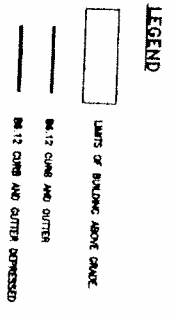


Guajardo REC Architects LLC
 RANDALL | BRVIN | COPPER

DATE: 18 NOVEMBER

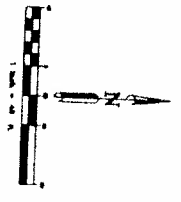
CEREMONY ENTRANCE

- NOTES:
1. ALL DIMENSIONS SHOWN TO CURB LINES ARE TO BACK OF CURB LINES
 2. ALL DIMENSIONS SHOWN TO CURB LINES ARE TO BACK OF CURB LINES
 3. ALL DIMENSIONS SHOWN TO CURB LINES ARE TO BACK OF CURB LINES



PARKING SUMMARY

DESCRIPTION	INDOOR	OUTDOOR	TOTAL
REGULAR STALLS	110	377	487
HANDICAPPED STALLS	5	8	13
TOTAL	115	385	500



PETERSON AVENUE

NORWOOD STREET

HAMILTON AVENUE

HOYNE AVENUE

SEELEY AVENUE

ALLEY

105.3'

46.23'

PROJECT NAME
CHICAGO PETERSON AVE.
TARGET STORE

SHEET NAME
SITE

APPLIED ENGINEERING SERVICES, LTD.
715 RIDGVIEW RD. #100

DATE	DESCRIPTION	DATE	DESCRIPTION
12/17/85	UPDATES DUE TO FINAL REVIEW		

TARGET CORPORATION

Direct Dial: 612.761.3721
Fax: 612.761.3728
e-mail: joan.ahrens@target.com

January 21, 2005

African American Contractors Association
Attn: Omar Shareef and Crystal Overton
3706 South Indiana Avenue, 1st Floor
Chicago, Illinois 60653

VIA CERTIFIED MAIL

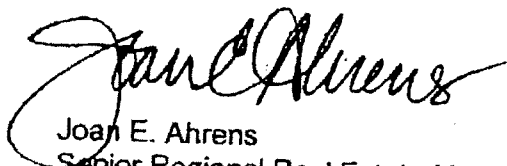
**RE: Target Corporation
Peterson Avenue and Damen, Chicago, Illinois**

Dear Mr. Shareef and Ms. Overton:

Target Corporation is pleased to present your organization with some preliminary information on the possible redevelopment of property located at the corner of Peterson Avenue and Damen Avenue in Chicago, Illinois. Target is proposing to demolish the existing building and construct an approximately 160,000 square foot SuperTarget store. We are currently finalizing concept plans for this project and have not yet prepared a final construction budget or chosen a general contractor.

Target Corporation is requesting that you make your member companies aware of this exciting project so that they may submit bids for appropriate subcontracting opportunities once plans have been finalized.

Sincerely,



Joan E. Ahrens
Senior Regional Real Estate Manager

cc: Chris Jang, DPD
Deborah A. Faktor

7000 0600 0024 3773 1147

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

CHICAGO, IL 60649

Postage	\$ 0.49	UNIT ID: 0013 Postmark Here Clerk: KKVJYK 01/24/05
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 4.54	

Recipient's Name (Please Print Clearly) (to be completed by mailer)
 Il. Ass'n. of Minority Contractors
 Street, Apt. No., or PO Box No.
 B. Payton/ 1643 E. 71st Street
 City, State, ZIP+4
 Chicago, IL 60649

7000 0600 0024 3773 1147

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

CHICAGO, IL 60603

Postage	\$ 0.49	UNIT ID: 0013 Postmark Here Clerk: KKVJYK 01/24/05
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 4.54	

Recipient's Name (Please Print Clearly) (to be completed by mailer)
 Women Business Devel. Ctr./H. Ratner
 Street, Apt. No., or PO Box No.
 8 S. Michigan Ave. Suite 400
 City, State, ZIP+4
 Chicago, IL 60603

7000 0600 0024 3773 1130

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

CHICAGO, IL 60602

Postage	\$ 0.49	UNIT ID: 0013 Postmark Here Clerk: KKVJYK 01/24/05
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 4.54	

Recipient's Name (Please Print Clearly) (to be completed by mailer)
 Mexican Amer. Chamber of Commerce
 Street, Apt. No., or PO Box No.
 Juan Ochoa/33 N. LaSalle, Ste. 1720
 City, State, ZIP+4
 Chicago, IL 60602

7000 0600 0024 3773 1130

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

CHICAGO, IL 60607

Postage	\$ 0.49	UNIT ID: 0013 Postmark Here Clerk: KKVJYK 01/24/05
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 4.54	

Recipient's Name (Please Print Clearly) (to be completed by mailer)
 Hispanic Amer. Construction Ind. Ass'n.
 Street, Apt. No., or PO Box No.
 C. Santoy/ 901 W. Jackson, Ste. 205
 City, State, ZIP+4
 Chicago, IL 60607

7000 0600 0024 3773 0676

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

CHICAGO, IL 60653

Postage	\$ 0.49	UNIT ID: 0013	Postmark Here
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Return Receipt Fee (Endorsement Required)	1.75		
Restricted Delivery Fee (Endorsement Required)			
Total Postage & Fees	\$ 4.54	Clerk: KKVJYK	01/24/05

Recipient's Name (Please Print Clearly) (to be completed by addressee)
African Amer. Contractors Ass'n.
 Street, Apt. No., or PO Box No.
O. Shareef; C. Overton/37065 Indiana Ave.
 City, State, ZIP+4
Chicago, IL 60653 1st Fl.

7000 0600 0024 3773 0676

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

CHICAGO, IL 60620

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Return Receipt Fee (Endorsement Required)	1.75		
Restricted Delivery Fee (Endorsement Required)			
Total Postage & Fees	\$ 4.54	Clerk: KKVJYK	01/24/05

Recipient's Name (Please Print Clearly) (to be completed by addressee)
Black Contractors United/E. McKinnie
 Street, Apt. No., or PO Box No.
400 West 76th Street
 City, State, ZIP+4
Chicago, IL 60620

7000 0600 0024 3773 0683

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

CHICAGO, IL 60638

Postage	\$ 0.49	UNIT ID: 0013	Postmark Here
Certified Fee	2.30		
Return Receipt Fee (Endorsement Required)	1.75		
Restricted Delivery Fee (Endorsement Required)			
Total Postage & Fees	\$ 4.54	Clerk: KKVJYK	01/24/05

Recipient's Name (Please Print Clearly) (to be completed by addressee)
Federation of Women Contractors/B. Doris
 Street, Apt. No., or PO Box No.
5650 S. Archer
 City, State, ZIP+4
Chicago, IL 60638

7000 0600 0024 3773 1154

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

CHICAGO, IL 60607

Postage	\$ 0.49	UNIT ID: 0013	Postmark Here
Certified Fee	2.30		
Return Receipt Fee (Endorsement Required)	1.75		
Restricted Delivery Fee (Endorsement Required)			
Total Postage & Fees	\$ 4.54	Clerk: KKVJYK	01/24/05

Recipient's Name (Please Print Clearly) (to be completed by addressee)
Ass'n. of Asian Construction/P. Natchach
 Street, Apt. No., or PO Box No.
333 N. Ogden Ave.
 City, State, ZIP+4
Chicago, IL 60607

TERM SHEET

The project site is generally bounded by Norwood on the north, Damen Avenue on the east, Peterson Avenue on the south, and Rosehill Cemetery on the west. The property is located within the boundaries of the West Ridge-Peterson Tax Increment Financing Redevelopment Project Area and consists of 6.5 acres of land.

The Developer, Target Corporation, intends to construct a 160,000 square foot retail facility with 503 parking spaces. The City intends to negotiate a redevelopment agreement with the Developer for a maximum of \$4,600,000 or 10.8% of the total project cost estimated at \$42,486,468. The assistance will be provided in two forms: 1) a taxable TIF Developer's Note valued at approximately \$2,200,000 with a market based interest rate estimated at 6.5 %; and, 2) a payment upon the issuance of the Certificate of Completion for approximately \$2,400,000 from existing increment. A maximum of 92.5% of the increment generated by the PINs on which the project will be located will be made available to the developer.

<u>Sources of Funds</u>	<u>Amount</u>	<u>Percent of Total</u>
Developer's Equity	\$42,486,468	100%
<u>Uses of Funds</u>		<u>\$/sf of building</u>
Acquisition	10,510,000	\$65.69
Demolition and Site Prep		
Demolition	\$600,000	\$3.75
Underground Detention	\$450,000	\$2.81
Earthwork	\$468,250	\$2.93
Environmental	\$80,000	\$0.50
Sanitary & Water	<u>\$550,000</u>	<u>\$3.44</u>
Demolition and Site Prep Total	\$2,148,250	\$13.43
<u>Public & Site Improvements</u>		
Streets	\$310,000	\$1.94
Landcaping	\$800,000	\$5.00
Paving	\$450,000	\$2.81
Curb	\$150,000	\$0.94
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Green Roof	\$1,200,000	\$7.50
LEED Compliance	<u>\$150,000</u>	<u>\$0.94</u>
Public and Site Impr. Total	\$3,955,000	\$24.72
<u>Soft Costs/Fees</u>		
Fees	\$130,000	\$0.81
Inspections	\$70,000	\$0.44
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A/E, Legal, Consulting	<u>\$550,000</u>	<u>\$3.44</u>

SoftCosts/Fees Total	\$825,000	\$5.16
Construction Hard Costs	\$24,093,000	\$150.58
Contingency	\$955,218	\$5.97
Total	\$42,486,468	\$265.54



PATRICK J. O'CONNOR

ALDERMAN, 40TH WARD
5850 NORTH LINCOLN AVENUE
CHICAGO, ILLINOIS 60659
TELEPHONE: 773-769-1140
FAX: 773-769-3804
EMAIL: ward40@cityofchicago.org

CITY COUNCIL
CITY OF CHICAGO
COUNCIL CHAMBER

CITY HALL - ROOM 305
121 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60602
TELEPHONE 312-744-6858
FAX 312-744-8548

COMMITTEE MEMBERSHIPS

EDUCATION AND CHILD DEVELOPMENT
(CHAIRMAN)
FINANCE
(VICE-CHAIRMAN)
BUDGET AND GOVERNMENT OPERATIONS
HEALTH
HISTORICAL LANDMARK PRESERVATION
RULES AND ETHICS

January 27, 2005

Denise Casalino, Commissioner
Department of Planning and Development
121 N. LaSalle Street, Room 1000
Chicago, IL 60602

Dear Commissioner Casalino:

I would like to take this opportunity to express my support for the tax increment financing (TIF) assistance to be used in support of the new Target store in the West Ridge-Peterson TIF area.

Thank you for your cooperation in this matter.

Sincerely,

Patrick J. O'Connor
Alderman - 40th Ward

PJO:rh

EXHIBIT A

**Street Boundary Description of the
West Ridge-Peterson Tax Increment Financing
Redevelopment Project Area**

The West Ridge-Peterson TIF is generally bounded by Norwood Avenue on the north, Damen Avenue on the east, Peterson Avenue on the south, and Hamilton Avenue on the west.