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This agreement was prepared by
and after recording return to:

City of Chicago Law Department
121 North LaSalle Street, Room 511
Chicago, IL 60604

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REDEVELOPMENT AGREEMENT

CITY OF CHICAGO

AND

NABISCO, INC.

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LIST OF EXHIBITS

Exhibit A	Redevelopment Area Legal Description
Exhibit B	Property Legal Description
Exhibit C	Redevelopment Plan
Exhibit D	Phase I Project Budget and TIF-Funded Improvements
Exhibit E	Requisition Form

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This agreement was prepared by and after recording return to:

City of Chicago Law Department
121 North LaSalle Street, Room 511
Chicago, IL 60602

NABISCO, INC. REDEVELOPMENT AGREEMENT

This Redevelopment Agreement (this "Agreement") is made as of this 25th day of July, 1994, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Nabisco, Inc., a New Jersey corporation (the "Developer").

RECITALS

A. Constitutional Authority: As a home rule unit of government under Section 6 (a), Article VII of the 1970 Constitution of the State of Illinois (the "State"), the City has the authority to promote the health, safety, and welfare of the City and its inhabitants, to encourage private development in order to enhance the local tax base, create and retain employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

B. Statutory Authority: The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (1992 State Bar Edition) (the "Act") to finance the redevelopment of conservation and blighted areas.

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on November 17, 1993: (1) "An Ordinance of the City of Chicago, Illinois, Concerning the Approval of a Tax Increment Redevelopment Plan and Project for the 73rd and Kedzie Redevelopment Area Tax Increment Financing Project"; (2) "An Ordinance of the City of Chicago, Illinois, Concerning the Designation of the 73rd and Kedzie Area as a Redevelopment Project Area Pursuant to Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois, Concerning the Adoption of Tax Increment Allocation Financing for the 73rd and Kedzie Redevelopment Tax Increment Financing Project." Said ordinances were re-adopted by the City Council on April 13, 1994 with a technical correction (collectively, the ordinances adopted on April 13, 1994 shall be referred to herein as the "TIF Ordinances"). The redevelopment project area (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Capital Development Program: The Developer has adopted a Capital Development Program (as that term is defined below) which includes the construction, acquisition and equipping of the Phase I Project (as that term is defined below) and the construction, acquisition and equipping of the Subsequent Projects (as that term is defined below).

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E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago 73rd and Kedzie Tax Increment Financing Redevelopment Project and Plan (the "Redevelopment Plan") attached hereto as Exhibit C.

F. City Financing: The City has agreed to make available Incremental Taxes (as defined below and to the extent available) to pay for or reimburse the Developer for certain of the Costs of TIF-Funded Improvements (as that term is defined below) pursuant to the terms and conditions of this Agreement.

Now, therefore, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. RECITALS

The foregoing recitals are hereby incorporated into this agreement by reference.

SECTION 2. DEFINITIONS

For purposes of this Agreement, in addition to the terms defined in the foregoing recitals, the following terms shall have the meanings set forth below.

"Affiliate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with the Developer.

"Bakery" shall mean the Nabisco Bakery owned by the Developer and located within the Redevelopment Area at 7300 South Kedzie Avenue, Chicago, Illinois 60629.

"Capital Development Program" shall mean all aspects of the Developer's modernization of the Property, including the construction, acquisition and equipping of the Phase I Project and the Subsequent Projects.

"Corporation Counsel" shall mean City's Office of Corporation Counsel.

"Costs of the Phase I Project" shall mean all of the costs incurred in connection with the Phase I Project as more particularly listed on Exhibit D.

"Costs of the Subsequent Projects" shall mean all of the costs incurred in connection with the Subsequent Projects as generally described in Section 3.02(a).

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"Costs of the TIF-Funded Improvements for the Phase I Project" shall mean the costs of the TIF-Funded Improvements as more particularly listed on Exhibit D.

"Costs of the TIF-Funded Improvements for Subsequent Projects" shall mean the costs of the TIF-Funded Improvements for Subsequent Projects.

"Employer(s)" shall have the meaning set forth in Section 11 hereof.

"Environmental Laws" shall mean the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended, any so-called "Superfund" or "Superlien" law, the Toxic Substances Control Act, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree now or hereafter in force regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Material, as now or at any time hereafter in effect.

"Financial Statements" shall mean complete audited financial statements of RJR Nabisco Holdings Corp. (or any subsequent controlling entity of the Developer) prepared by a certified public accountant in accordance with generally accepted accounting principles and made a part of the Annual Report to Shareholders (or, if the Developer subsequently becomes an independent public company, then the equivalent statements of the Developer).

"Hazardous Materials" shall mean any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any environmental law, or any pollutant or contaminant, and shall include, but not be limited to, petroleum (including crude oil), any radioactive material or by-product material, polychlorinated biphenyls and asbestos, in any form or condition.

"Included Costs" shall mean all of the Costs of the Phase I Project and all of the Costs of the Subsequent Projects actually undertaken by the Developer with the exclusion of the costs incurred for the following items: all machinery and equipment purchased for the Property and the related installation, engineering, mechanical and electrical support and vendor services related thereto; all additions and modifications to the process control systems and related installation and engineering; and the Rheem Property acquisition.

"Incremental Taxes" shall mean such ad valorem taxes, which, pursuant to the City's Ordinance Concerning the Adoption of Tax Increment Allocation Financing for the 73rd and Kedzie Redevelopment Tax Increment Financing Project and Section 5/11-74.4-8(b) of the Act are allocated to and when collected are paid

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to the Treasurer of the City of Chicago to be deposited into a special tax allocation fund for the purpose of paying for redevelopment project costs and obligations in the payment thereof.

"MBE(s)" or minority-owned business shall mean a business enterprise identified in the Directory of Certified Minority Business Enterprises published by the City's Purchasing Department, or otherwise certified by the City's Purchasing Department as a minority business enterprise.

"Non-Termination Event of Default" shall have the meaning set forth in Section 16.01 hereof.

"Phase I Project" shall have the meaning ascribed to it in Section 3.01 hereof.

"Phase I Project Budget" shall mean the budget attached hereto as Exhibit D, showing the total costs of the Phase I Project by line item, furnished by the Developer to DPD, in accordance with Section 3.01 hereof.

"Project" shall mean the Phase I Project and any Subsequent Projects.

"Property" shall mean the Bakery and the Rheem Property, as more particularly described in Exhibit B hereto, including the air rights over the Railroad Property.

"Railroad Property" shall mean certain real property owned by The Belt Railway of Chicago which intersects the Property.

"Rheem Property" shall mean certain property located within the Redevelopment Area at 7600 South Kedzie Avenue, Chicago, Illinois 60652 which has been acquired by the Developer.

"Subsequent Projects" shall have the meaning ascribed to it in Section 3.02 hereof.

"Term of the Agreement" shall mean the term commencing on the date of execution of this Agreement and ending April 1, 2017.

"Termination Event of Default" shall have the meaning set forth in Section 16.02 hereof.

"TIF Fund" shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

"TIF-Funded Improvements" shall mean improvements which pursuant to and subject to this Agreement will be reimbursed from Incremental Taxes and the costs of which are "redevelopment project costs" as that term is defined in the Act.

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"Title Policy" shall mean (a) with respect to the Rheem Property, a title insurance policy showing the Developer as the insured, issued by Lawyers Title Insurance Corporation, and (b) with respect to the Bakery, a Tract Index Search showing the Developer as the owner, issued by Chicago Title Insurance Company.

"WBE(a)" or women's business shall mean a business enterprise identified in the Directory of Certified Women's Business Enterprises published by the City's Purchasing Department, or otherwise certified by the City's Purchasing Department as a women's business enterprise.

SECTION 3. THE PHASE I PROJECT AND SUBSEQUENT PROJECTS

3.01 The Phase I Project.

(a) The Phase I Project consisting of the following components has been approved by DPD prior to the execution of this Agreement:

- (i) acquisition of the Rheem Property; and
- (ii) installation of three new baking lines in the Bakery.

(b) The Developer has commenced construction of the Phase I Project and shall complete construction no later than three years after the date of this Agreement.

(c) The Developer has furnished to DPD, and DPD has approved, the Phase I Project Budget attached hereto as Exhibit D showing the total Costs of the Phase I Project in an amount not less than Sixty Million Dollars (\$60,000,000), including the Costs of the TIF-Funded Improvements for the Phase I Project in the amount of Ten Million Six Hundred Thirty-One Thousand Seven Hundred Twenty-Five Dollars (\$10,631,725). The Developer has funds available in the amount sufficient to pay for all of the Costs of the Phase I Project and to the best of the Developer's knowledge after diligent inquiry, the Phase I Project Budget is true, correct and complete in all material respects.

3.02 The Subsequent Projects.

(a) The Subsequent Projects shall consist of all projects related to the modernization of the Property under the Developer's Capital Development Program, such as, but not limited to the following projects:

- (i) the construction and equipping on the Rheem Property of a shipping and receiving warehouse;
- (ii) the replacement or upgrading of the Developer's packaging lines;
- (iii) the replacement or modernization of the Bakery's ovens;

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- (iv) the installation of new flour, sugar and other raw materials storage and handling areas and systems;
- (v) the installation of new or improved utility systems including steam, air, electrical and refrigeration systems;
- (vi) the improvement of employee training facilities and other amenities;
- (vii) the improvement of traffic flows in and out of the Property, including improvements to the public streets abutting the Property;
- (viii) the construction of a pallet conveying bridge between the Bakery and new warehouse;
- (ix) the demolition of existing buildings on the Rheem Property and environmental remediation of the Rheem Property;
- (x) the construction of a co-generation facility on the Rheem Property;
- (xi) the training of employees;
- (xii) the construction of additional rail tracks; and
- (xiii) the modernization of the mixing facilities.

(b) The Capital Development Program of the Developer contemplates that the Costs of the Subsequent Projects will be \$378,900,000 and that the Subsequent Projects will be completed within 13 years of the execution of this Agreement.

(c) Notwithstanding any provision in this Agreement to the contrary, it is understood and agreed to by the City and the Developer that the Developer is not required to undertake any Subsequent Project at the Property; provided, however, that in the event that the Developer substantially commences construction on any Subsequent Project, the Developer shall be obligated to substantially complete such Subsequent Project; provided, further, that the Developer reserves the right to change the nature and/or form of any Subsequent Project at any time in order to meet the needs of the Developer's business.

SECTION 4. FINANCING FOR THE COSTS OF THE PROJECT

4.01 Initial Financing for the Project. The Developer shall pay for all of the Costs of the Project.

4.02 Reimbursement for the Phase I Project.

(a) The City hereby agrees to reimburse the Developer for the Costs of the TIF-Funded Improvements for the Phase I Project from Incremental Taxes, if any, on deposit from time to time in the TIF Fund, in an amount not to exceed the lesser of:

- i) 15% of the total amount actually spent on the Phase I Project and the Subsequent Projects, if any;
- ii) the actual amount spent on the TIF-Funded

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Improvements for the Phase I Project and the Subsequent Projects, if any; or

iii) \$60,000,000.

It is hereby understood and agreed to by the Developer that the City does not make any representations that the amount of the Incremental Taxes deposited in the TIF Fund will be sufficient to pay for or reimburse the Developer for all the Costs of the TIF-Funded Improvements for the Phase I Project.

(b) The City will reimburse the Developer for Costs of the TIF-Funded Improvements for the Phase I Project upon submission of a request from the Developer in the form attached hereto as Exhibit E ("Requisition Form"). Developer will be required to submit evidence of the expenditure of such amounts for Costs of TIF-Funded Improvements for the Phase I Project and, upon the City's request, will provide any additional documentation necessary for its approval of the Requisition Form.

4.03 Reimbursement for the Subsequent Projects.

(a) On or about each October 1, beginning in 1994 and continuing throughout the first 13 years of the Term of the Agreement, the Developer shall meet with DPD (the "Annual Review Meeting") to deliver a preliminary line item budget for any Subsequent Project for the following year which shall include a line item budget of the estimated Costs of TIF-Funded Improvements associated with such Subsequent Project. DPD shall have 30 days from the date of each Annual Review Meeting to issue a certificate evidencing its approval of the preliminary budget for the Costs of the TIF-Funded Improvements for such Subsequent Project which shall be eligible for reimbursement by the City upon completion ("TIF Budget Approval Certificate").

(b) At the Annual Review Meeting, the Developer shall provide DPD with the following documentation:

(i) a Requisition Form stating the costs incurred for any Subsequent Project that has been substantially completed and the costs previously reimbursed by the City. DPD will review prior Subsequent Projects and will agree to pay Costs of TIF-Funded Improvements for any Subsequent Projects which were incurred by the Developer but not reimbursed by the City, and which were previously deemed eligible for reimbursement by DPD;

(ii) an annual progress report detailing the status of the Project, including a revised completion date for any Subsequent Project, if necessary;

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(iii) a certification as to annual equivalent headcount in accordance with Section 6.07 hereof;

(iv) an annual report detailing compliance with Section 11(e) hereof.

(c) DPD shall approve all Costs of TIF-Funded Improvements in the preliminary budget for Subsequent Projects, with the exception that DPD may reject the following Costs of Subsequent Projects:

(i) costs that are not within the definition of "redevelopment project costs" as that term is defined in the Act;

(ii) any costs of interest paid by the Developer;

(iii) costs of corporate overhead not directly associated with the execution of the Project; or

(iv) costs of acquisition of new equipment unless it otherwise qualifies as a redevelopment project cost in connection with rehabilitation.

(d) Prior to the commencement of any Subsequent Projects, the Developer shall certify to the City that:

(i) it has funds available in an amount sufficient to pay for all of the budgeted Costs of such Subsequent Project; and

(ii) to the best of the Developer's knowledge after diligent inquiry, any such Subsequent Project budget is true, correct and complete in all material respects.

4.04 Incremental Taxes for TIF-Funded Improvements for Subsequent Projects.

The Developer shall pay for all of the Costs of a Subsequent Project. The City hereby agrees to use Incremental Taxes, to the extent available, to reimburse the Developer for those Costs of the TIF-Funded Improvements related to such Subsequent Projects which have been reviewed and approved by DPD pursuant to Section 4.03, provided however, that the total amount of Incremental Taxes paid out to the Developer from time to time shall never exceed the lesser of (i) 15% of the total aggregate amount actually paid by the Developer for the Costs of the Phase I Project plus the total aggregate amount actually paid by the Developer for the Costs of any Subsequent Project completed prior to 13 years from the date of this Agreement; or (ii) \$60,000,000. Provided further that Incremental Taxes paid to Developer may never exceed the actual total amount spent on all of the TIF-Funded Improvements.

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SECTION 5. GENERAL PROVISIONS APPLICABLE TO THE PHASE I PROJECT AND SUBSEQUENT PROJECTS

5.01 DPD Approval. Any approval granted by DPD is for the purposes of this Agreement only and does not affect or constitute any approval required by any other department of the City or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by DPD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

5.02 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's obligations to comply with the provisions of Section 6.01 hereof. The Developer shall not commence the construction of the Project until the Developer has obtained all necessary permits and approvals.

5.03 Signs and Public Relations. The Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the construction of the Phase I Project, and any Subsequent Project indicating that financing is being provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding the Developer, the Property and the Project in the City's promotional literature and communications.

5.04 Utility Connections. The Developer may connect all on-site water, sanitary, storm and sewer lines constructed on the Property to the City utility lines existing on or near the perimeter of the Property, provided the Developer first complies with all the City requirements governing such connections, including the payment of customary fees and costs related thereto.

5.05 Permit Fees. In connection with the Project, the Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City and are of general applicability to other property within the City.

5.06 Insufficiency of Incremental Taxes. The Developer hereby understands and agrees that the City does not make any representations that the amount of the Incremental Taxes will ever be sufficient to reimburse Developer for any of the amounts paid for any of the Costs of TIF-Funded Improvements.

SECTION 6. CONDITIONS PRECEDENT

The following conditions shall be complied with to the City's satisfaction within the time periods set forth below:

6.01 Other Governmental Approvals. Prior to beginning work on any Project, the Developer shall have secured all other

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request, provided, however, that the Developer has the right to delete proprietary information from such contracts or subcontracts.

SECTION 8. INTENTIONALLY OMITTED

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER

The Developer represents, warrants and covenants to the City as follows:

9.01 General. The Developer represents, warrants and covenants that:

(a) the Developer is a New Jersey corporation duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in every other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) the Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary corporate action and will not violate its Articles of Incorporation or by-laws as amended and supplemented, any applicable provision of law, or constitute a material breach of, default under or require any consent under, any agreement, instrument or document to which the Developer is now a party or by which the Developer is now or may become bound;

(d) unless otherwise permitted pursuant to the terms of this Agreement, including Sections 18.14 and 18.15 hereof, the Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Rheem Property and the Bakery;

(e) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting the Developer which would materially impair its ability to perform under this Agreement;

(f) the Developer has and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to construct, complete and operate its business at the Project;

(g) the Developer is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which the Developer is a party or by which the Developer is bound which would materially affect its ability to perform hereunder;

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(h) the Financial Statements are, and when hereafter required to be submitted will be, complete, correct in all material respects and accurately present the assets, liabilities, results of operations and financial condition of RJR Nabisco Holdings Corp. or other entity required to deliver the Financial Statements;

(i) the Developer is satisfied that it has taken any measures required to be taken to bring the Property and the Project into compliance with Environmental Laws and that the Property is suitable for its intended use.

9.02 Covenant to Redevelop. Upon DPD's approval of the Phase I Project Budget and any Subsequent Project budget as provided in Section 4 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Phase I Project Budget and any Subsequent Project budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer, provided, however, that it is understood and agreed to by the City that nothing in this Agreement or otherwise requires the Developer to undertake any Subsequent Project; provided, further, that in the event that the Developer substantially commences construction on any Subsequent Project, the Developer shall be obligated to substantially complete such Subsequent Project and that the Developer reserves the right to change the nature and/or form of any Subsequent Project at any time in order to meet the needs of the Developer's business.

9.03 Redevelopment Plan. The Developer represents that the Project shall be in compliance with all of the terms of the Redevelopment Plan.

9.04 Job Retention. An annual equivalent headcount of 1,800 shall be employed at the Property for the Term of this Agreement except as adjustments may be necessary to maintain the Developer's Chicago plant's competitiveness in the bakery business.

9.05 Employment Opportunity. The Developer covenants and agrees to abide by, and contractually obligate each contractor to abide by the terms set forth in Section 11 hereof.

9.06 Employment Profile. The Developer shall submit, and contractually obligate any contractor to submit, to DPD, from time to time, statements of its employment profile upon DPD's request.

9.07 Arms-length Transactions. Unless DPD shall have given its prior written consent with respect thereto, no Affiliate of the Developer may receive any part of the Incremental Taxes, directly or indirectly, through reimbursement of the Developer pursuant to Section 4 or otherwise, in payment for work done, services provided

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or materials supplied in connection with any TIF-Funded Improvement. The Developer shall provide information with respect to any entity to receive the Incremental Taxes (by reimbursement or otherwise), upon DPD's request, prior to any such disbursement. Notwithstanding the foregoing, nothing contained in this Agreement shall prohibit the Developer from paying any part of the Incremental Taxes received by the Developer to any Affiliate who provided money to the Developer, through inter-company loans or otherwise, for the payment of any of the Costs of the TIF-Funded Improvements.

9.08 Conflict of Interest.

(a) To the Developer's knowledge without due inquiry, no official or employee of the City, or member of any commission or committee exercising authority over the Project or the Redevelopment Plan, or any consultant hired by the City in connection with the Project, owns or controls (or has owned or controlled) any economic interest (as that term is defined in Chapter 2-156 of the Municipal Code of Chicago, the "Governmental Ethics Ordinance") distinguishable from that of the general public in the Developer's business or the Property in violation of the Governmental Ethics Ordinance.

(b) To the best of Developer's knowledge, no official or employee of the City, or member of any commission or committee exercising authority over the Project or the Redevelopment Plan, or any consultant hired by the City in connection with the Project, owns or controls (or has owned or controlled) 10 percent or more of the outstanding stock of RJR Nabisco Holdings Corp.

9.09 Disclosure of Interest. To the best of the Developer's knowledge, the Developer's counsel does not own 10 percent or more of the outstanding stock of RJR Nabisco Holdings Corp.

9.10 Financial Statements. The Developer shall obtain and provide to DPD Financial Statements for the Developer's fiscal year ended December 31, 1993 and each year thereafter for the Term of the Agreement.

9.11 Insurance. The Developer, at its own expense, shall comply with all provisions of Section 13 hereof.

9.12 Developer's Liabilities. The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder. The Developer shall immediately notify DPD of any and all events or actions which may materially affect the Developer's ability to perform its obligations under this Agreement.

9.13 Compliance with Laws. To the best of the Developer's knowledge, after diligent inquiry, the Property and the Project are

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and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, the Developer shall provide copies of any documentary evidence of compliance of such laws which may exist, such as, by way of illustration and not limitation, permits and licenses.

9.14 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of the county in which the Project is located. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

9.15 Real Estate Provisions.

(a) Governmental Charges. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, in accordance with law or become due and payable, and which create, may create, or appear to create a lien upon the Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to the Developer, the Property or the Project including but not limited to real estate taxes. The Developer shall have the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. The Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 9.15(b) below; provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made unless the applicable law provides otherwise.

(b) Real Estate Taxes.

(i) Real Estate Tax Exemption. With respect to the Property or the Project, in the event that the Developer or any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois

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Constitution, Article IX, Section 6 (1970)) of real estate taxes for the Property for any year that the Redevelopment Plan is in effect, or seek to have the Property reclassified such that such reclassification would result in abatement of real estate taxes and is successful in obtaining such an exemption or reclassification, as the case may be, then, at the option of the City and upon 60 days' notice to the Developer, the City may terminate this Agreement.

(ii) No Reduction in Real Estate Taxes. In the event that the Developer or any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the amount of the base equalized assessed value as certified by the County Clerk of Cook County in connection with the Redevelopment Area, and is successful in obtaining such a reduction, then, at the option of the City and upon 60 days' notice to the Developer, the City may terminate this Agreement.

(iii) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 9.15 are covenants running with the land and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. The Developer agrees that any sale, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made subject to such covenants and restrictions.

9.16 Survival of Covenants. All warranties, representations, covenants and agreements of the Developer contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

SECTION 10. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

10.01 General Covenants. The City represents that it has the authority as a home rule unit of local government to execute and deliver this Agreement and to perform its obligations hereunder and that the TIF Fund will be established and shall remain available to fund the City's obligations hereunder as the same become due.

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10.02 Survival of Covenants. All warranties, representations, and covenants of the City contained in this Section 10 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

SECTION 11. EMPLOYMENT OPPORTUNITY

The Developer and its successors and assigns hereby agree, and shall contractually obligate its or their contractors or any Affiliate of the Developer operating on the Property (individually an "Employer" and collectively, "Employers") to agree, that for the Term of this Agreement with respect to the Developer and during the period of any other such party's provision of services hereunder or occupation of the Property:

(a) No Employer shall discriminate against any employee or applicant for employment on the basis of race, color, sex, age, religion, mental or physical disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income, as defined in the City of Chicago Human Rights Ordinance adopted December 21, 1988, Municipal Code of Chicago, ch. 2-160, Section 2-160-010 et seq., as amended from time to time (the "Human Rights Ordinance"). Each Employer will take affirmative action to insure that applicants are employed and employees are treated during employment without regard to their race, color, religion, sex, national origin, ancestry, age, mental or physical disability, sexual orientation, marital status, parental status, military discharge status or source of income. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause.

(b) All solicitation or advertisement for employees placed by or on behalf of any Employer shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, ancestry, age, mental or physical disability, sexual orientation, marital status, parental status, military discharge status or source of income.

(c) Each Employer shall make a good faith effort to hire City residents for any temporary or permanent job vacancies created by the construction, development or use of the Project, subject to the provisions of existing labor contracts and collective bargaining agreements.

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(d) Each Employer shall comply with federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1992), and any subsequent amendments and regulations promulgated pursuant thereto.

(e) The Developer shall expend at least the following percentages of the total amount of Included Costs incurred in connection with the Project for contract participation by MBEs or WBEs in the Project:

<u>MBE Percentage</u>	<u>WBE Percentage</u>
25%	5%

This commitment may be met by the Developer's use of an MBE or WBE as General Contractor, by subcontracting a portion of the work to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs. In addition, all amounts expended by the Developer in connection with the Project to an MBE or WBE shall be credited against the Developer's MBE or WBE commitment even if the item for which such sum was expended is not an Included Cost. Those businesses that constitute both an MBE and WBE shall not be credited more than once against the Developer's MBE or WBE commitment. The City may require the Developer to demonstrate the specific efforts undertaken to involve MBEs and WBEs directly in the Project. An annual report shall be made by the Developer to the City on all efforts made to achieve compliance with the foregoing provisions. Such reports shall include the name and business address of each MBE and WBE solicited by the Developer to be involved in the Project and the responses received to such solicitation, the name and business address of each MBE and WBE actually involved in the Project, a description of the work performed and or products or services supplied, the date and amount of each expenditure and such other information as may assist the City in determining the Developer's compliance with the foregoing provisions, and the status of any MBE or WBE performing any contract in connection with the Project. The City shall have access to the Developer's books and records concerning the disbursement of Included Costs, including without limitation payroll records, tax returns and records and books of account, in accordance with the provisions of Section 15, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation.

(f) The Developer will include the foregoing provisions in paragraphs (a) through (d) in every contract entered into in connection with the Project and every agreement with any Affiliate operating on the Property so that such provision will be binding upon each contractor or Affiliate, as the case may be.

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SECTION 12. ENVIRONMENTAL MATTERS

The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, and the Redevelopment Plan.

Without limiting any other provisions hereof, the Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever (except those arising from the willful misconduct or negligent acts or omissions of the City) including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of the Developer, but excluding any claims resulting from the actions or inactions of The Belt Railway of Chicago, its employees, agents, affiliates or successors: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from all or any portion of the Property (except for the Railroad Property) or (ii) any liens against the Property (except for the Railroad Property) permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or the Developer or any of its subsidiaries under any Environmental Laws relating to the Property.

SECTION 13. INSURANCE

The Developer shall maintain and keep in force, at its sole cost and expense, at all times throughout the Term of this Agreement, and until each and every obligation of the Developer contained in the Agreement has been fully performed, insurance in such amounts and of such type that is normal, customary and adequate to protect a business of the type and size of the Developer. Such insurance may afford a blanket coverage with other properties of the Developer and may also include self-insurance.

SECTION 14. INDEMNIFICATION

The Developer agrees to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (except those arising from the willful misconduct or negligent acts or omissions of the City or The Belt Railway Company of Chicago or their employees, agents, affiliates or successors in connection with the Railroad Property), including, without limitation, reasonable attorneys' fees and court costs, suffered or incurred by the City

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arising from or in connection with (i) the Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) the Developer's or any contractor's failure to pay contractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement, or (iii) the Developer's failure to cure any material misrepresentation in this Agreement within the cure period provided.

SECTION 15. MAINTAINING RECORDS/RIGHT TO INSPECT

15.01 Books and Records. The Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents normally held by the Developer for Federal Income Tax purposes, shall be available at the Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense no more often than one time in any calendar year and upon reasonable notice. The Developer shall keep all Requisition Forms and TIF Budget Approval Certificates issued pursuant to Section 4 for a period of 23 years. The Developer shall keep all other books and records related to the Project for a period of 5 years.

15.02 Inspection Rights. Any authorized representative of the DPD shall have access to all portions of the Project and the Property during normal business hours for the Term of the Agreement, subject to prior arrangement with a representative of Developer.

SECTION 16. DEFAULT AND REMEDIES

16.01 Non-Termination Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 16.04, shall constitute a "Non-Termination Event of Default" by the Developer hereunder:

(a) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under this Agreement;

(b) the making or furnishing by the Developer to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect;

(c) the commencement of any proceedings in bankruptcy by or against the Developer or for the liquidation or reorganization of the Developer, or alleging that such the Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of the Developer's debts, whether under the United

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States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving the Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute a Non-Termination Event of Default unless such proceedings are not dismissed within 90 days after the commencement of such proceedings;

(d) the appointment of a receiver or trustee for the Developer, for any substantial part of the Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of the Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute a Non-Termination Event of Default unless such appointment is not revoked or such proceedings are not dismissed within 90 days after the commencement thereof;

(e) the failure of the Developer to substantially complete any Subsequent Project on which construction has been substantially commenced, provided that the Developer reserves the right to change the nature and/or form of any Subsequent Project at any time in order to meet the needs of the Developer's business; or

(f) the dissolution of the Developer.

16.02 Termination Event of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 16.04, shall constitute a "Termination Event of Default" by the Developer hereunder:

(a) the failure of the Developer to substantially complete the Phase I Project in accordance with the terms of this Agreement within three years of the date of this Agreement; or

(b) the closing of the Bakery and abandonment of the Property for a continuous period of more than 180 days.

16.03 Remedies.

(a) Upon the occurrence of a Non-Termination Event of Default, the City may, upon 30 days' written notice to the Developer, suspend disbursement of the Incremental Taxes for any Costs of TIF-Funded Improvements incurred by the Developer from, after and during the Non-Termination Event of Default, provided, however, that such disbursements shall be payable to the Developer from and after such time as the Non-Termination Event of Default has been cured by the Developer. In addition thereto, the City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, secure the specific performance of the agreements contained herein, provided, however, that it is

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understood and agreed to by the City that the Developer is not required to commence any Subsequent Project at the Property.

(b) Upon the occurrence of a Termination Event of Default, the City, in addition to its other remedies at law and in equity, may terminate this Agreement upon 60 days' prior notice to the Developer, provided, however, that upon the occurrence of a Termination Event of Default pursuant to Section 16.02(b), the City's sole remedy shall be to terminate this Agreement upon 60 days' prior notice to the Developer and thereafter, neither party shall have any obligation to the other hereunder.

16.04 Curative Period. In the event the Developer shall fail to perform a covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, a Non-Termination Event of Default or a Termination Event of Default under Section 16.02(a) shall not be deemed to have occurred unless the Developer shall have failed to cure such default within 60 days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those defaults which are not capable of being cured within such 60 day period, the Developer shall not be deemed to have committed a Non-Termination Event of Default or a Termination Event of Default under Section 16.02(a) if it has commenced to cure the alleged default within such 60 day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured; provided, further, that such default is cured in any event within 180 days of the date of the Developer's receipt of a written default notice.

SECTION 17. NOTICE

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) telecopy or facsimile; (c) overnight courier, or (d) registered or certified or facsimile mail, return receipt requested.

If to City:

City of Chicago
Department of Planning and Development
121 North LaSalle Street, Room 1000
Chicago, IL 60602
Attention: Commissioner
Fax No. (312) 744-2271

With Copies To:

City of Chicago
Department of Law
Finance and Economic Development
Division
121 North LaSalle Street, Room 511
Chicago, IL 60602
Fax No. (312) 744-8538

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If to Developer: Nabisco Biscuit Company
7300 South Kedzie Avenue
Chicago, Illinois 60629
Attention: Plant Manager
Fax No. (312) 925-6541

With Copies To: Nabisco Biscuit Company
100 Deforest Avenue
East Hanover, NJ 07936
Attention: Vice-President of Manufacturing
Fax No. (201) 386-5844

and: Marian Wexler
Skadden Arps Slate Meagher & Flom
333 West Wacker Drive, Suite 2100
Chicago, Illinois 60606
Fax No. (312) 407-0411

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand, or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (d) shall be deemed received two business days following deposit in the mail.

SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended without the prior written consent of the City and the Developer.

18.02 Entire Agreement. This Agreement (including each Exhibit attached hereto, which is hereby incorporated herein by reference) constitutes the entire Agreement between the parties hereto and it supersedes all prior agreements, negotiations and discussions between the parties relative to the subject matter hereof.

18.03 Limitation of Liability. No member, official or employee of the City shall be personally liable to the Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

18.04 Further Assurances. The Developer agrees to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

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18.05 Waiver. Waiver by the City or the Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or the Developer in writing.

18.06 Remedies Cumulative. The remedies of a party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any other remedies of such party unless specifically so provided herein.

18.07 Disclaimer. Nothing contained in this Agreement nor any act of the City shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving the City.

18.08 Headings. The paragraph and section headings contained herein are for convenience only and are not intended to limit, vary, define or expand the content thereof.

18.09 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

18.10 Severability. If any provision in this Agreement, or any paragraph, sentence, clause, phrase, word or the application thereof, in any circumstance, is held invalid, this Agreement shall be construed as if such invalid part were never included herein and the remainder of this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

18.11 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to its conflicts of law principles.

18.12 Form of Documents. All documents required by this Agreement to be submitted, delivered or furnished to the City shall be in form and content satisfactory to the City.

18.13 Approval. Wherever this Agreement provides for the approval or consent of the City or DPD, or any matter is to be to the City's or DPD's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City or DPD in writing and in its sole discretion.

18.14 Assignment. At any time during the term of this Agreement, the Developer may assign this Agreement to an entity which purchases the Developer, the Property or Affiliate and

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continues to operate the Property and the Project for the same purpose for which it is currently used and operated. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all terms of this Agreement for the Term of the Agreement, and shall execute an affidavit to the effect that it is in compliance with all applicable City ordinances and is otherwise qualified to do business with the City.

18.15 Conveyance. Notwithstanding any provisions of this Agreement to the contrary, nothing herein shall prohibit the Developer from undertaking any of the following activities: (a) the sale of all or any portion of the Rheem Property to any third party for the purposes of the construction of a co-generation facility to serve the Bakery or for any other reason not associated with the Bakery; (b) the granting of easements or other rights of way over the Property to any purchaser of a portion of the Rheem Property; and (c) the sale and leaseback of the Property, provided, however, that in the event the Developer sells all of the Rheem Property separate and apart from the Bakery, the Developer shall not be entitled to reimbursement from the TIF Fund for the acquisition costs of the Rheem Property and, to the extent that the Developer has been reimbursed previously for such acquisition costs, the City shall have the right to credit the amount so reimbursed against the next Costs of TIF-Funded Improvements incurred by the Developer and deemed eligible for reimbursement by DPD.

18.16 Binding Effect. This Agreement shall be binding upon the Developer and its successors and permitted assigns and shall inure to the benefit of the City, its successors and assigns.

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IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

ATTEST:

NABISCO, INC.

By: Robert H. Quinn

By: Raymond J. Jordan *11/17*

Its: ASST. SECRETARY

Its: VICE PRESIDENT

CITY OF CHICAGO

By: Valerie Farina
Commissioner

Department of Planning and Development

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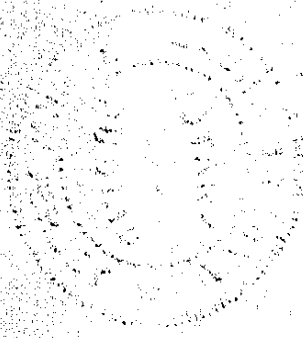
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Laura Brecka, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Raymond J. Verow and Robert K. DeVries, personally known to me to be the VCE President and VCE Secretary of Nabisco, Inc., a New Jersey corporation (the "Corporation"), and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed, and delivered said instrument, pursuant to the authority given to them by the Board of Directors of the Corporation, at their free and voluntary act and as the free and voluntary act of the Corporation, for the uses and purposes therein set forth.

Laura Brecka
Notary Public
LAURA BRECKA
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES SEPTEMBER 6, 1987
My Commission Expires _____

(SEAL)



Notary of Cook County Clerk's Office

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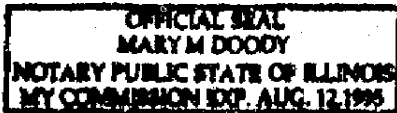
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, MARY M. DOODY, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Valerie B. Jarrett, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed, sealed, and delivered said instrument pursuant to the authority given to her by the City, in her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth, as of this 25th day of July, 1994.



Mary M. Doody
Notary Public

My Commission Expires 8-12-95

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EXHIBIT A

REDEVELOPMENT AREA LEGAL DESCRIPTION

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EXHIBIT A

LEGAL DESCRIPTION

NABISCO TIF DISTRICT
CHICAGO, ILLINOIS

A TRACT OF LAND COMPRISED OF A PART OF THE NORTHWEST QUARTER AND SOUTHWEST QUARTER OF SECTION 25, AND A PART OF THE NORTHEAST QUARTER AND SOUTHEAST QUARTER OF SECTION 26, ALL IN TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID TRACT OF LAND BEING DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWEST QUARTER OF SECTION 25 AFORESAID, BEING THE INTERSECTION OF THE SOUTHWARD EXTENSION OF THE EAST LINE OF KEDZIE AVENUE IN WABASH ADDITION TO CHICAGO, ACCORDING TO THE PLAT OF SAID SUBDIVISION RECORDED MAY 14, 1890, AS DOCUMENT NUMBER 1269284, WITH THE EASTWARD EXTENSION OF THE SOUTH LINE OF WEST SEVENTY-SEVENTH STREET IN MILLERS 79TH STREET AND KEDZIE AVENUE MANOR, ACCORDING TO THE PLAT OF SAID SUBDIVISION RECORDED APRIL 7, 1927, AS DOCUMENT NUMBER 9606520;

THENCE WESTWARD, PASSING INTO THE SOUTHEAST QUARTER OF SECTION 26 AFORESAID, ALONG SAID EASTWARD EXTENSION AND ALONG SAID SOUTH LINE OF WEST SEVENTY-SEVENTH STREET AND THE WESTWARD EXTENSION THEREOF, A DISTANCE OF 1398.46 FEET TO AN INTERSECTION WITH THE SOUTHWARD EXTENSION OF THE WEST LINE OF SOUTH HOMAN AVENUE IN GALLAGHER AND HENRY'S ORCHARD HILL SUBDIVISION, ACCORDING TO THE PLAT OF SAID SUBDIVISION, RECORDED MAY 2, 1966, AS DOCUMENT NUMBER 19813712;

THENCE NORTHWARD ALONG SAID SOUTHWARD EXTENSION AND ALONG SAID WEST LINE, A DISTANCE OF 797.90 FEET TO AN INTERSECTION WITH THE CENTERLINE OF WEST SEVENTY-SIXTH STREET IN SAID ORCHARD HILL SUBDIVISION;

THENCE WESTWARD ALONG SAID CENTERLINE, A DISTANCE OF 7.00 FEET TO AN INTERSECTION WITH THE SOUTHWARD EXTENSION OF THE WEST LINE OF WEST HOMAN AVENUE IN SAID SUBDIVISION;

THENCE NORTHWARD ALONG SAID SOUTHWARD EXTENSION AND ALONG SAID WEST LINE, A DISTANCE OF 513.20 FEET TO AN INTERSECTION WITH THE SOUTH LINE OF WEST SEVENTY-FIFTH STREET IN ORCHARD HILL SUBDIVISION AFORESAID;

THENCE WESTWARD ALONG SAID SOUTH LINE AND ALONG THE WESTWARD EXTENSION THEREOF, A DISTANCE OF 1243.93 FEET TO AN INTERSECTION WITH A LINE DRAWN PARALLEL WITH AND 50.00 FEET EAST FROM (MEASURED AT RIGHT ANGLES) THE WEST LINE OF THE NORTHEAST QUARTER OF SECTION 26;

THENCE NORTHWARD ALONG SAID PARALLEL LINE A DISTANCE OF 556.46 FEET TO AN INTERSECTION WITH THE WESTWARD EXTENSION OF THE NORTH LINE OF A 16 FOOT WIDE PUBLIC ALLEY IN WILLIAM H. BRITIGAN'S MARQUETTE PARK HIGHLANDS, ACCORDING TO THE PLAT OF SAID SUBDIVISION RECORDED APRIL 17, 1926 AS DOCUMENT NUMBER 9243604;

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Page 2

THENCE EASTWARD ALONG SAID WESTWARD EXTENSION AND ALONG SAID NORTH LINE, A DISTANCE OF 1251.27 FEET TO THE WEST LINE OF SOUTH HOMAN AVENUE IN SAID SUBDIVISION;

THENCE NORTHWARD ALONG SAID WEST LINE AND THE NORTHWARD EXTENSION THEREOF, A DISTANCE OF 855.32 FEET TO AN INTERSECTION WITH THE WESTWARD EXTENSION OF THE NORTH LINE OF WEST SEVENTY-THIRD STREET IN FRANK A. MULHOLLAND'S MARLAWN SUBDIVISION, ACCORDING TO THE PLAT OF SAID SUBDIVISION RECORDED JULY 20, 1926, AS DOCUMENT NUMBER 9345586;

THENCE EASTWARD PASSING INTO SECTION 25 AFORESAID, ALONG SAID WESTWARD EXTENSION AND ALONG SAID NORTH LINE AND THE EASTWARD EXTENSION THEREOF, A DISTANCE OF 1447.77 FEET TO AN INTERSECTION WITH THE NORTHWARD EXTENSION OF THE EAST LINE OF KEDZIE AVENUE AS WIDENED IN FIRST ADDITION TO HINKAMP AND COMPANY'S COLUMBUS AVENUE SUBDIVISION, ACCORDING TO THE PLAT OF SAID SUBDIVISION RECORDED MAY 3, 1927, AS DOCUMENT NUMBER 9637774;

THENCE SOUTHWARD ALONG SAID NORTHWARD EXTENSION AND ALONG SAID EAST LINE AS WIDENED BY AFOREMENTIONED DOCUMENT NUMBER 12365546, A DISTANCE OF 653.83 FEET TO AN INTERSECTION WITH THE CENTERLINE OF WEST SEVENTY-FOURTH STREET IN COLUMBUS AVENUE SUBDIVISION AFORESAID;

THENCE WESTWARD ALONG SAID CENTERLINE AND THE WESTWARD EXTENSION THEREOF, A DISTANCE OF 47.00 FEET TO AN INTERSECTION WITH A LINE DRAWN PARALLEL WITH AND 33.00 FEET EAST FROM (MEASURED AT RIGHT ANGLES) THE WEST LINE OF THE NORTHWEST QUARTER OF SECTION 25;

THENCE SOUTHWARD ALONG SAID PARALLEL LINE, A DISTANCE OF 696.84 FEET TO AN INTERSECTION WITH THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION;

THENCE EASTWARD ALONG THE NORTH LINE OF SAID SOUTHWEST QUARTER, A DISTANCE OF 47.00 FEET TO AN INTERSECTION WITH THE EAST LINE OF KEDZIE AVENUE, AS WIDENED BY THE AFOREMENTIONED DOCUMENT NUMBER 12365546, IN THE AFOREMENTIONED WABASH ADDITION TO CHICAGO;

THENCE SOUTHWARD ALONG SAID EAST LINE AS WIDENED IN SAID SUBDIVISION, A DISTANCE OF 860.99 FEET TO AN INTERSECTION WITH A LINE DRAWN PARALLEL WITH AND 7.00 FEET SOUTH FROM THE NORTH LINE OF LOT 41 IN BLOCK 15 OF SAID SUBDIVISION;

THENCE WESTWARD ALONG SAID PARALLEL LINE, A DISTANCE OF 47.00 FEET TO AN INTERSECTION WITH THE EAST LINE OF KEDZIE AVENUE IN SAID SUBDIVISION;

THENCE SOUTHWARD ALONG SAID EAST LINE AND THE SOUTHWARD EXTENSION THEREOF, A DISTANCE OF 499.83 FEET TO THE POINT OF BEGINNING; IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS.

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EXHIBIT B

PROPERTY LEGAL DESCRIPTION

Lot A of National Biscuit Company's consolidation of parts of the south 1/2 of the northeast 1/4 of Section 26, Township 38 north, Range 13 east of the third principal meridian recorded October 2, 1941, in Book 341 of Plats, page 13, as document number 12767855, in Cook County, Illinois.

The northeast 1/4 of the southeast 1/4 of Section 26, Township 39 north, Range 13 east of the third principal meridian, in Cook County, Illinois (except that part taken for Kedzie Avenue) and all public roads and rights-of-way adjacent to the above-described properties.

Two air right and/or underground crossings of the Railroad Property to be leased by the Developer from The Belt Railway of Chicago pursuant to a 99-year lease at a specific location or locations to be determined by the Developer and agreed to by The Belt Railway of Chicago.

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EXHIBIT C

REDEVELOPMENT PLAN

73RD AND KEDZIE

**TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AND PLAN**

**CITY OF CHICAGO
Richard M. Daley, Mayor**

JANUARY 1994

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1. INTRODUCTION

Manufacturing has played a pivotal role in the nation's economy and in the emergence of the United States as a world power. In 1920, manufacturing surpassed agriculture as the major employer in the country, and it held that position until the mid-1980s when it was passed by the service sector. Today, there is a restructuring of America's industrial sector, largely due to technological changes and competitive global markets. Underlying this restructuring are a number of significant trends. Dr. David Birch, identifies these trends in the book, *America's Future Industrial Space Needs. Preparing for the Year 2020*. Among these are:

1. Shift in the mix of industries and types of goods being manufactured--Emphasis has gone from basic industries, such as steel, food, cars and clothing to plastics, electronics, computers, pharmaceuticals, etc.
2. Shift in the size of manufacturers--Most of the nation's recent industrial growth comes from small to mid-size companies which are innovative and grow rapidly.
3. Shifts in geographical location--Manufacturers are no longer dependent upon the location of raw materials and traditional distribution methods. As a result, there is movement from the older rustbelt states of Ohio, Michigan, Pennsylvania and Illinois, to the sunbelt and western states.
4. Changing role for exporters--Increasing levels of foreign trade have resulted in expansion of the nation's wholesale trade sector at the expense of manufacturing.
5. Available labor pool--In the 1970s and 1980s, large numbers of new workers were available and absorbed into the work force. Future economic growth may be constrained by the availability of a labor force which is appropriately trained and skilled.

Dr. Birch states that continued industrial growth in the U.S. will result from high technology manufacturing and from traditional industries in which innovation comes from doing things in new, more competitive ways. A few examples of this innovation are the use of lasers to cut blouses, robots to assemble machines, computers to operate equipment and cryogenic technology to store frozen foods.

The restructuring of the country's industrial sector has greatly impacted major cities throughout the Northeast and Midwest, and many have seen the industrial bases in their cities change significantly.

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Major employers have downsized, relocated and/or gone out of business, and jobs for residents have disappeared. As a result, buildings and parts of buildings stand vacant, many of them made obsolete by contemporary industrial standards; tax bases erode; property values decline; personal income falls; and the impact ripples throughout the economy. Thus, in today's competitive national and international markets, it is extremely important that cities retain and invigorate their manufacturing base.

As in other cities, manufacturing has been the backbone of the economy in Chicago. The Illinois Bureau of Employment Security (IBES) reports that, in 1970, manufacturing totaled 41.5 percent of "covered" employment in the City of Chicago.¹ However, within the past two decades, manufacturing has declined, bringing about losses in the number of industrial firms located in the City as well as declines in employment. According to IBES, in 1984, there were 1,125,827 "covered" employees in the City of Chicago. Of this total, 263,875 (or 23.4 percent) were employed in manufacturing and 339,139 (30.1 percent) were employed in the service sector. In 1990, "covered" employment in the City rose to 1,201,156, a gain of seven percent. During the same six year period, however, manufacturing employment declined by 18 percent to 216,190 while service employment rose by 20 percent to 408,020. In 1990, manufacturing only composed 18.0 percent of "covered" employment while service sector employment increased to 34.0 percent.

Despite these declines, manufacturing still plays an extremely important role in the City's economy. The Economic Development Commission (EDC) of the City of Chicago published a report in August 1991 which addresses the future development of industrial parks within the City. According to data from the Federal Reserve Bank which appeared in that report, 4,500 manufacturing firms are located in the City. They provide over one-quarter of a million jobs and generate millions of dollars in City property tax, head tax and utility tax revenues.

In Chicago, manufacturing remains an important economic engine which sustains neighborhoods, providing well-paying jobs and enhancing the quality of life for residents. Moreover, industrial activity is important because it supports a number of other sectors of the local economy, bringing increases in employment and revenue to the City. The University of Illinois' Bureau of Business Research concludes that because of income paid to workers which is then spent elsewhere in the community and the connection between manufacturing and other economic areas, each manufacturing job supports approximately 3.2 other jobs. This compares to lower paying service sector jobs which support 1.7 additional jobs.

The previously cited EDC report includes the findings of a survey conducted among local manufacturers. It indicates that Chicago has many important advantages for industrial companies. These include access to suppliers and markets, an excellent transportation network, large labor force, and an abundant, high quality water supply and treatment service. Various factors contribute to a firm's decision to relocate from, or not locate within the City, but the one cited most often is the lack of modern industrial space for expanding businesses.

Currently, the City has expressed a policy to maintain and enhance its existing industrial base, and has undertaken actions and adopted ordinances to improve and build upon it. Although the City has suffered from some significant losses, such as the departure of Spiegel, Inc. to Ohio, it is committed

¹ "Covered" employment is defined as all employees covered by the Illinois Unemployment Insurance Act. The employment figures do not include State of Illinois workers because that data is not available by place of work.

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to preserving and improving its economic stature. The creation and preservation of jobs is a major economic development goal of the City. The City encourages economic diversity to enable it to reach this goal, adapt to changes in the regional and international market, and absorb the impact of these changes.

Industrial activity plays a significant role in a diversified economy. It provides highly paid employment for residents, supports important secondary jobs, and is an incubator for innovation from which new technologies and industries are created. To support the job creation goal, the City has adopted an industrial land use policy which seeks to:

1. Provide opportunities for synergy between related industrial activities;
2. Minimize the conflicts between industrial and other land uses;
3. Maximize the benefits of public investment in capital programming related to industrial investment.

The 73rd and Kedzie Area encompasses approximately 105.3 acres and is composed of the 46-acre Nabisco Facility and the 58.5-acre Rheem Property, separated by the Norfolk and Southern rail lines which run through the center of the two sites in an east-west direction. Both of the properties front Kedzie Avenue, from 73rd Street to 77th Street. The northern portion of the area contains the Nabisco Biscuit Company plant which is approximately 1.6 million square feet. The facility is the largest bakery in the world, with approximately 2,500 employees. Most of the complex consists of two story buildings except for the seven story high-rise silo storage building. The Rheem Property contains a vacant industrial complex of approximately 700,000 square feet, which was occupied by the Rheem Manufacturing Company. The Rheem Property has been vacant for the past three years.

The 73rd and Kedzie Area is a large industrial area adjacent to and just west of two large rail yards, surrounded mainly by residential areas with some commercial uses along the Kedzie Avenue frontage. Both industrial sites and the buildings on them are impacted by functional and economic obsolescence due to the single purpose design of the buildings, operational problems, inadequate parking, loading and service restraints, and limited access into each property with only a single entry and exit point. These problems have resulted in the total vacancy of the Rheem Property and the need for major capital improvements to the buildings and related operational functions within the Nabisco Facility.

Access to the area is provided only by Kedzie Avenue which borders both sites on the eastern boundary. Kedzie Avenue connects to nearby major streets, including 79th Street, Columbus Drive and 71st Street.

Existing site and development constraints must be overcome before achievement of the City's objectives for the maintenance and enhancement of its industrial base through private investment in new construction, modernization and expansion. Although City initiatives and expenditures have stimulated private investment in other industrial areas, the 73rd and Kedzie Redevelopment Area as a whole (the "Redevelopment Project Area") has not been subject to growth and development through investment by private enterprise, and is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of the Tax Increment Financing Redevelopment Project and Plan and the substantial investment of public funds.

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Tax Increment Financing

In January, 1977, tax increment financing ("TIF") was made possible by the Illinois General Assembly through passage of the *Tax Increment Allocation Redevelopment Act* (hereinafter referred to as the "Act.") The Act is found in Illinois Revised Statutes, Chapter 24, Section 11-74.4-1 *et seq.*, as amended. The Act provides a means for municipalities, after the approval of a "redevelopment plan and project", to redevelop "blighted," "conservation" or "industrial park conservation" areas and to finance public redevelopment costs with incremental real estate tax revenues. Incremental real estate tax revenue ("tax increment revenue") is derived from the increase in the equalized assessed valuation ("EAV") of real property within the TIF redevelopment area over and above the certified initial EAV of the real property. Any increase in EAV is then multiplied by the current tax rate which results in tax increment revenue. A decline in current EAV does not result in a negative real estate tax increment.

To finance redevelopment costs a municipality may issue obligations secured by the anticipated tax increment revenue generated within the redevelopment project area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Tax increment financing does not generate revenues by increasing tax rates. It generates revenues by allowing the municipality to temporarily capture new tax revenues resulting from redevelopment. Under tax increment financing, all taxing districts continue to receive the tax revenue they received prior to redevelopment from property in the area. Taxing districts can receive distributions of excess increment when more tax increment revenue is received than is necessary to pay for expected redevelopment project costs and principal and interest obligations issued to pay such costs. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

The 73rd and Kedzie Tax Increment Redevelopment Plan and Project

This 73rd and Kedzie Tax Increment Redevelopment Project and Plan (the "Redevelopment Plan") has been formulated in accordance with the provisions of the Act. It is a guide to all proposed public and private actions in the Redevelopment Project Area.

This Redevelopment Plan also specifically describes the Redevelopment Project Area and sets forth the conservation factors which qualify the Redevelopment Project Area for designation as a conservation area as defined in the Act.

In addition to describing the objectives of redevelopment, the Redevelopment Plan sets forth the overall program to be undertaken to accomplish these objectives. The "Redevelopment Project" as used herein means any development project which may, from time to time, be undertaken to accomplish the objectives of the Redevelopment Plan.

The Redevelopment Project represents an important economic opportunity for the City of Chicago. It will greatly improve the environment for private development, enabling a major manufacturing entity to expand and upgrade its facility. It also will enable the City to achieve three important goals:

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1) job retention and creation; 2) improvement of its tax base; and 3) retention of a major industrial employer that might otherwise move to the suburbs or out of state.

The goal of the City of Chicago, however, is to ensure that the entire Redevelopment Project Area be redeveloped on a comprehensive and planned development basis in order to ensure that new development occurs:

1. On a coordinated rather than a piecemeal basis to ensure that the land-use, pedestrian access, vehicular circulation, parking, service and urban design systems will functionally come together, meeting contemporary principles and standards.
2. On a reasonable, comprehensive and integrated basis to ensure that conservation area factors are eliminated.
3. Within a reasonable and defined time period so that the area may contribute productively to the economic vitality of the City.

Redevelopment of the Redevelopment Project Area is a complex undertaking, and it presents challenges and opportunities commensurate with its scale. To a large extent, the success of this effort will depend on the cooperation between the private sector and agencies of local government. The adoption of this Redevelopment Plan will make possible the implementation of a comprehensive program for the redevelopment of the Redevelopment Project Area. By means of public investment, the area will become a stable environment that will again attract private investment. Public investment will set the stage for improving the area with private capital.

Public and private investment is possible only if TIF is used pursuant to the terms of the Act. The revenue generated by the development will play a decisive role in encouraging private development. Conditions that have precluded intensive private investment in the past will be eliminated. Through this Redevelopment Plan, the City will serve as the central force for marshaling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. Implementation of this Redevelopment Plan will benefit the City, its neighborhoods and all the taxing districts which are included in the 73rd and Kedzie Project Area in the form of an expanded tax base, employment opportunities and a wide range of other benefits.

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2.
REDEVELOPMENT PROJECT AREA DESCRIPTION

The boundaries of the Redevelopment Project Area have been carefully drawn to include only the real property and improvements thereon substantially benefited by the proposed redevelopment project improvements to be undertaken as part of this Redevelopment Plan. The boundaries are more specifically shown in Figure 1, *Boundary Map*, and more particularly described as follows:

A tract of land comprised of a part of the Northwest Quarter and Southwest Quarter of Section 25, and a part of the Northeast Quarter and Southeast Quarter of Section 26, all in Township 38 North, Range 13 East of the third principal meridian, said tract of land being described as follows:

Beginning at a point in the Southwest Quarter of Section 25 aforesaid, being the intersection of the southward extension of the east line of Kedzie Avenue in Wabash addition to Chicago, according to the plat of said subdivision recorded May 14, 1890, as document number 1269284, with the eastward extension of the south line of West Seventy-Seventh Street in Millers 79th Street and Kedzie Avenue Manor, according to the plat of said subdivision recorded April 7, 1927, as document number 9606520;

Thence westward, passing into the Southeast Quarter of Section 26, aforesaid, along said eastward extension, and along said south line of West Seventy-Seventh Street and the westward extension thereof, a distance of 1398.46 feet to an intersection with the southward extension of the west line of South Homan Avenue in Gallagher and Henry's Orchard Hill subdivision, according to the plat of said subdivision, recorded May 2, 1966, as document number 19815712;

Thence northward along said southward extension and along said west line, a distance of 797.90 feet to an intersection with the centerline of west Seventy-Sixth Street in said Orchard Hill subdivision;

Thence westward along said centerline, a distance of 7.00 feet to an intersection with the southward extension of the west line of West Homan Avenue in said subdivision;

Thence northward along said southward extension and along said west line, a distance of 573.20 feet to an intersection with the south line of West Seventy-Fifth Street in Orchard Hill subdivision, aforesaid;

Thence westward along said south line and along the westward extension thereof, a distance of 1243.93 feet to an intersection with a line drawn parallel with and 50.00 feet east from (measured at right angles) the west line of the Northeast Quarter of Section 26;

Thence northward along said parallel line a distance of 556.46 feet to an intersection with the westward extension of the north line of a 16 foot wide public alley in William H. Britigan's Marquette

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Park Highlands, according to the plat of said subdivision recorded April 17, 1926 as document number 9243604;

Thence eastward along said western extension and along said north line, a distance of 1251.27 feet to the west line of south Homan Avenue in said subdivision;

Thence northward along said west line and the northward extension thereof, a distance 855.32 feet to an intersection with the westward extension of the north line of West Seventy-Third Street in Frank A Mulholland's Marlawn subdivision, according to the plat of said subdivision recorded July 20, 1926 as document number 9345586;

Thence eastward passing into Section 25 aforesaid, along said westward extension and along said north line and the eastward extension thereof, a distance of 1447.77 feet to an intersection with the northward extension of the east line of Kedzie Avenue as widened in first addition to Hinkamp and Company's Columbus Avenue subdivision, according to the plat of said subdivision recorded May 3, 1927 as document number 9637774;

Thence southward along said northward extension and along said east line as widened by aforementioned document number 12365546, a distance of 663.83 feet to an intersection with the centerline of West Seventy-Fourth Street in Columbus Avenue subdivision aforesaid;

Thence westward along said center line and the westward extension thereof, a distance of 47.00 feet to an intersection with a line drawn parallel with and 33.00 feet east from (measured at right angles) the west line of the Northwest Quarter of Section 25;

Thence southward along said parallel line, a distance of 696.84 feet to an intersection with the north line of the Southwest Quarter of said section;

Thence eastward along the north line of said Southwest Quarter, a distance of 47.00 feet to an intersection with the east line of Kedzie Avenue, as widened by the aforementioned document number 12365546, in the aforementioned Wabash Addition to Chicago;

Thence southward along said east line as widened in said subdivision, a distance of 860.99 feet to an intersection with a line drawn parallel with and 7.00 feet south from the north line of Lot 41 in Block 15 of said subdivision;

Thence westward along said parallel line, a distance of 47.00 feet to an intersection with the east line of Kedzie Avenue in said subdivision;

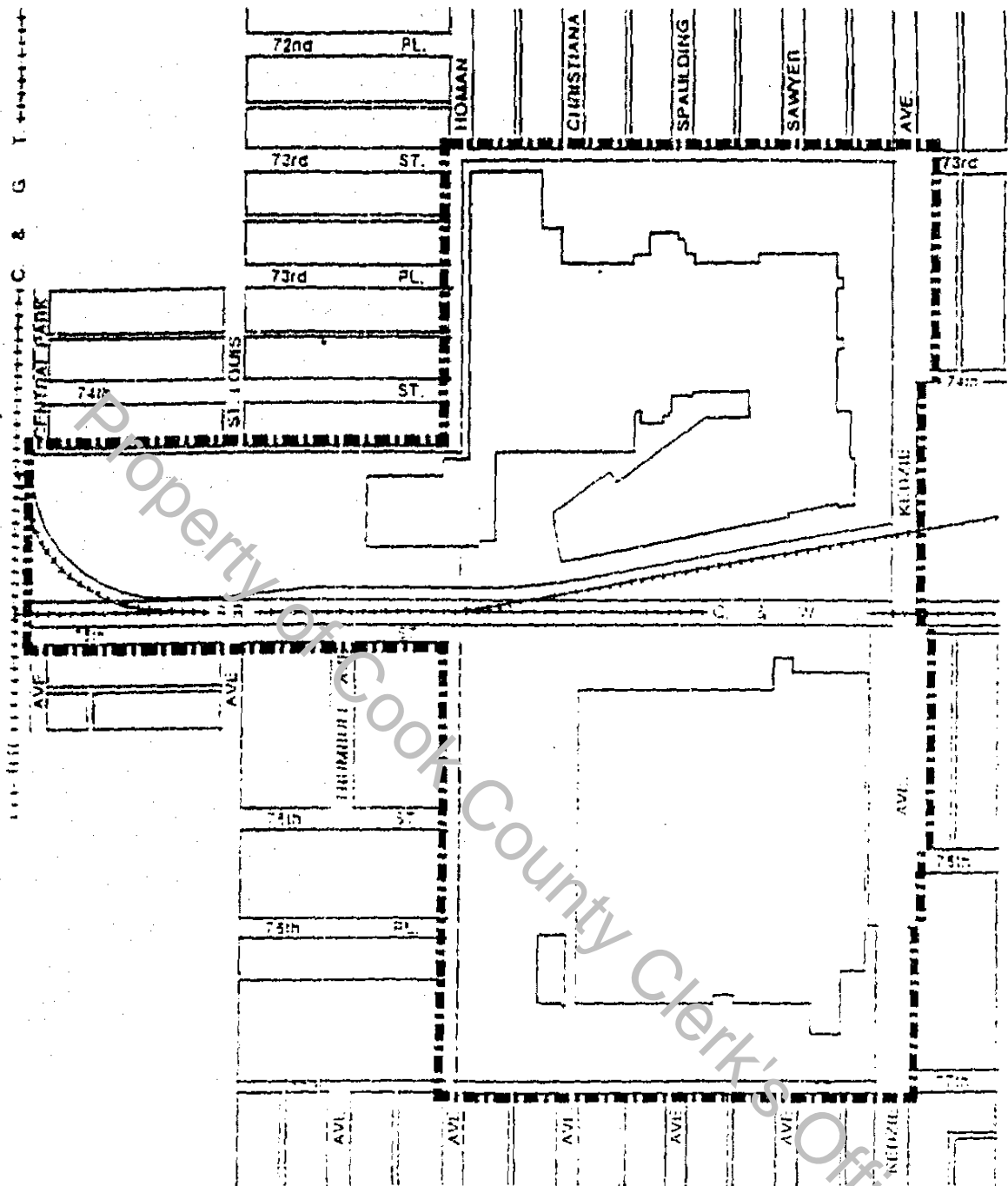
Thence southward along said east line and the southward extension thereof, a distance of 499.83 feet to the point of beginning;

In the City of Chicago, Cook County, Illinois.

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--- PROJECT BOUNDARY

Figure 1
PROJECT BOUNDARY
73RD STREET AND KEDZIE AVENUE
TAX INCREMENT REDEVELOPMENT PROJECT

Chicago, Illinois



Trkla, Pettigrew, Allen & Payne, Inc.

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3

REDEVELOPMENT PROJECT AREA GOALS AND POLICIES

Managed growth in the form of investment in new development and facilities is essential in the Redevelopment Project Area. Redevelopment efforts in the Redevelopment Project Area will strengthen the entire City through additional employment opportunities, increased tax base and infrastructure and environmental improvements.

The Act encourages the public and private sectors to work together to address and solve the problems of urban growth and development. The joint effort between the City and the private sector to redevelop parts of the Redevelopment Project Area will receive significant support from the financing methods made available by the Act.

This section of the Redevelopment Plan identifies the goals and policies of the City for the Redevelopment Project Area. A later section of this Redevelopment Plan identifies the more specific program which the City plans to undertake in achieving the redevelopment goals and policies which have been identified.

General Goals

- Provide infrastructure improvements within the Redevelopment Project Area.
- Encourage industrial development by eliminating the influences and the manifestations of physical and economic deterioration and obsolescence within the Redevelopment Project Area.
- Provide sound economic development in the Redevelopment Project Area.
- Revitalize the Redevelopment Project Area to maintain it as an important activity center contributing to the regional and national focus of the City.
- Create an environment within the Redevelopment Project Area which will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties adjacent to the Redevelopment Project Area.
- Provide an increased real estate tax base for the City and other taxing districts extending into the Redevelopment Project Area.

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Policies

It is the policy of the City of Chicago to:

- Foster the City's industrial base and to maintain the City's diversified economy for the general welfare of its citizens; and
- Encourage industrial investment, modernization, and expansion by providing for stable and predictable industrial environments.

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4 CONSERVATION AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

The findings presented in this section are based on surveys and analysis conducted for the Redevelopment Project Area. As set forth in the "Act", "conservation area" means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50 percent or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area, but because of a combination of three or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; or lack of community planning, is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area.

While it may be concluded that the mere presence of three or more of the stated factors may be sufficient to make a finding as a conservation area, the evaluation of this report identifies all existing conservation factors so that reasonable persons can conclude not only that statutory compliance exists, but that public intervention is appropriate and necessary.

On the basis of this approach, the Redevelopment Project Area is eligible as a "conservation area" within the requirements of the Act. The Redevelopment Project Area contains five buildings. Four buildings are located on the Nabisco Facility, and one building is located on the Rheem Property. Of the five buildings, three, or 60 percent, are 35 years or older. In addition to age, eight of the fourteen qualifying factors required under the Act are present in the Redevelopment Project Area. These factors are reasonably distributed throughout the entire Redevelopment Project Area. The entire Redevelopment Project Area is impacted by and shows the presence of these conservation factors. Finally, the Redevelopment Project Area includes only real property and improvements substantially benefited by the proposed redevelopment project improvements.

The factors described below and shown in Figure 2, *Summary of Conservation Area Factors*, are present in the area.

1. **Obsolescence**
Obsolescence is present to a major extent. Conditions contributing to this factor include the functional and economic obsolescence of existing single-purpose buildings in the Nabisco Facility and the Rheem Property and the inadequate provision for access, off-street parking and loading.
2. **Deterioration**
Deterioration is present to a major extent and includes deterioration of building components, parking areas, site surface areas, and perimeter fencing.

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3. **Excessive Vacancies**
Excessive vacancies are present to a major extent. The entire Rheem Property is vacant.
4. **Overcrowding of structures and community facilities**
Overcrowding of structures is present to a major extent within the Nabisco Facility.
5. **Structures Below Minimum Code**
The structures on the Rheem Property and their building components are below the minimum legal requirements established by the laws, ordinances and regulations of the City.
6. **Excessive Land Coverage**
Excessive land coverage is present to a major extent. The Nabisco Facility occupies over 75 percent of the land site, resulting in limited and confined off-street parking, inadequate service and loading facilities, a single point access and egress from the site, and excessive travel distances from remote parking areas to building entrance areas.
7. **Depreciation or Physical Maintenance**
Depreciation or physical maintenance is present to a major extent and includes substantial deferred maintenance on the entire building on the Rheem Property. A limited condition of deferred maintenance exists in parking and related storage and loading surface areas, perimeter fencing, and site improvements on the Nabisco Facility.
8. **Lack of Community Planning**
Lack of community planning is present to a limited extent. The Redevelopment Project Area was developed without the benefit or guidance of a community plan with reasonable policies and standards for building setbacks, the location and arrangement of off-street parking, and for buffering/screening of industrial use from adjacent residential areas.

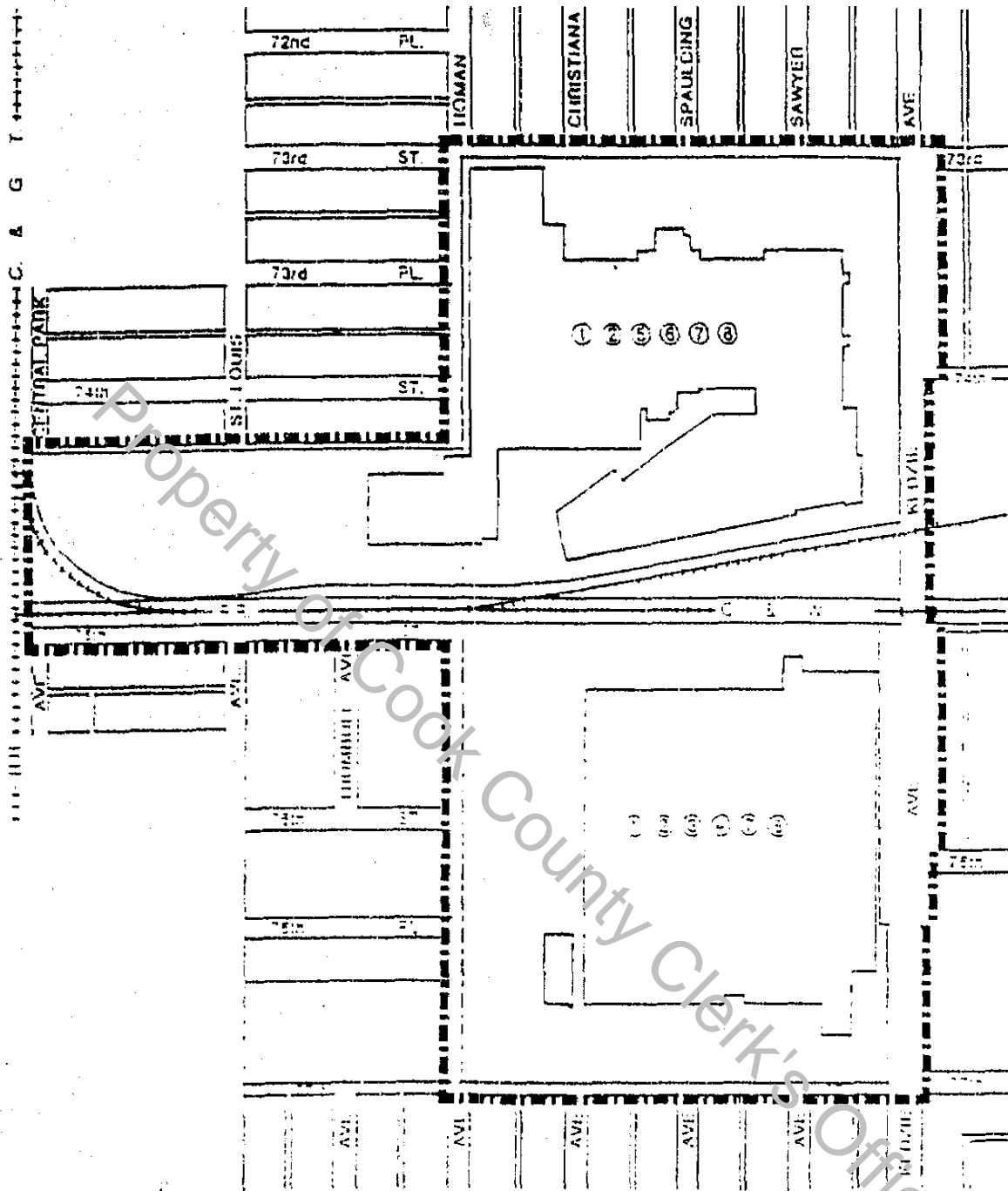
The analysis above is based upon surveys and analyses conducted by Trkla, Pettigrew, Allen & Payne, Inc. The surveys and analyses conducted include:

1. Exterior survey of the condition and use of both industrial complexes;
2. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of the existing use of the Redevelopment Project Area and its relationships to its surroundings;
4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Analysis of original and current platting and building size and layout;
6. Analysis of vacant portions of the site and building;
7. Analysis of building floor area and site coverage; and
8. Review of previously prepared plans, studies and data.

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| ① OBSOLESCENCE | ⑤ OVERCROWDING OF STRUCTURES;
COMMERCIAL FACILITIES |
| ② DETERIORATION | ⑥ EXCESSIVE LAND COVERAGE |
| ③ STRUCTURES BELOW CODE | ⑦ DEPRECIATION OF
PHYSICAL MAINTENANCE |
| ④ EXCESSIVE VACANCIES | ⑧ LACK OF COMMUNITY PLANNING |

--- PROJECT BOUNDARY

Figure 2
SUMMARY OF CONSERVATION FACTORS
73RD STREET AND KEDZIE AVENUE
TAX INCREMENT REDEVELOPMENT PROJECT

Chicago, Illinois



Tikka, Pettigrew, Allen & Payne, Inc.

9/27/73

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73RD AND KEDZIE TAX INCREMENT FINANCING REDEVELOPMENT PROJECT

This section presents the overall program to be undertaken by the City of Chicago or by private parties acting under redevelopment agreements with the City. It includes a description of redevelopment plan and project objectives, a description of redevelopment activities, a general land-use plan, estimated redevelopment project costs, a description of sources of funds to pay redevelopment project costs, a description of obligations that may be issued, identification of the most recent equalized assessed valuation of properties in the Redevelopment Project Area, and an estimate of anticipated equalized assessed valuation.

In the event the City determines that implementation of certain activities or improvements is not feasible, the City may reduce the scope of the overall program and Redevelopment Project.

Redevelopment Objectives

- Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a conservation area. Section 4 of this Redevelopment Plan, *Conservation Area Conditions Existing in the Redevelopment Project Area*, describes existing conservation conditions.
- Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values, and job opportunities.
- Assemble land into parcels functionally adaptable with respect to shape and size for disposition and redevelopment in accordance with contemporary development needs and standards.
- Create an environment which stimulates private investment in new construction, expansion, and rehabilitation.
- Achieve development which is integrated both functionally and aesthetically with nearby existing development, and which contains a complementary mix of uses.
- Encourage a high quality appearance of buildings, rights-of-way and open spaces as well as high standards of design.
- Provide sites for needed public improvements or facilities in proper relationship to the projected demand for and in accordance with accepted design criteria for such facilities.
- Provide needed incentives to encourage a broad range of improvements in both rehabilitation and new development efforts.

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