

STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

CERTIFICATE

I, Jennifer Rampke, the duly authorized, qualified and Executive Secretary of the **Community Development Commission of the City of Chicago**, and the custodian of the records thereof, do hereby certify that I have compared the attached copy of a Resolution adopted by the **Community Development Commission of the City of Chicago** at a Regular Meeting Held on the 11th Day of January 2005 with the original resolution adopted at said meeting and recorded in the minutes of the Commission, and do hereby certify that said copy is a true, correct and complete transcript of said Resolution.

Dated this 11th Day of January 2005


EXECUTIVE SECRETARY
Jennifer Rampke

05-CDC-06

8800301

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

RESOLUTION NO. 05-CDC-06

**AUTHORITY TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH
MIDWAY BROADCASTING CORPORATION
WITHIN THE
STONY ISLAND COMMERCIAL AND BURNSIDE INDUSTRIAL CORRIDORS T.I.F.
REDEVELOPMENT PROJECT AREA,**

AND

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

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

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

WHEREAS, the City Council, upon the Commission's recommendation pursuant to Resolution 98-CDC-45 and pursuant to the Act, enacted three ordinances on June 10, 1998 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Stony Island Commercial and Burnside Industrial Corridors TIF Redevelopment Project Area (the "Area"), designated the Area as a redevelopment project area and adopted tax increment allocation financing for the Area. The street boundaries of the Area are described on Exhibit A hereto; and

WHEREAS, Midway Broadcasting Corporation (the "Developer"), has presented to the City's Department of Planning and Development ("DPD") a proposal for redevelopment of the

Area or a portion thereof that is in compliance with the Plan, consisting of the reconstruction and rehabilitation of an approximately 54,000 square foot office/warehouse facility to be used for radio broadcasting and warehousing purposes (the "Project"); and

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

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

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

ADOPTED: January 21, 2005

Attachment: Exhibit A, Street Boundary Description

CITY OF CHICAGO
Department of Planning & Development
Community Development Commission
January 11, 2005

SUMMARY SHEET

ACTION REQUESTED: Request the authority for the Department of Planning and Development to negotiate a redevelopment agreement with Midway Broadcasting Corporation, within the Stony Island Commercial and Burnside Industrial Corridors Tax Increment Financing Redevelopment Project Area; and to recommend to the City Council of the City of Chicago, the designation of Midway Broadcasting Corporation as the developer.

PROJECT & TYPE OF DEVELOPMENT: Commercial (Radio Station Offices & Broadcasting/Warehousing)

LOCATION: 1000 East 87th Street

DEVELOPER: Midway Broadcasting Corporation (WVON Radio)

ASSISTANCE: \$1,000,000 TIF assistance

APPRAISED VALUE : N.A.

SALES PRICE: N.A.

TARGET PRICE: N.A.

ZONING: Currently Zoned B1-2/Rezoning in process

SISTER AGENCY ACQUISITION: N.A.

WARD & ALDERMEN: 8th Ward; Alderman Todd H. Stroger

PUBLIC BENEFITS:

- 1) Reuse/rehabilitation of vacant structures;
- 2) Revitalization of East 87th Street;
- 3) Retention of 25 jobs and creation of six new jobs;
- 4) Creation of 3500 square feet of Green Roof/Energy Star-rated roof features; and,
- 5) Creation of a WVON resource center/library for schoolchildren and students of broadcasting.

M/WBE: Midway Broadcasting Corporation will fully comply and most likely exceed all M/WBE goals established as part of this project. Midway has chosen II in One as its general contractor for the project. II in One is a certified City minority contractor with extensive experience in private and public construction projects and minority participation.

COMMUNITY OUTREACH: The community is generally supportive of this project. Alderman Stroger is very supportive of this project.

ISSUES: There are no known issues relating to this project.

**CITY OF CHICAGO
DEPARTMENT OF PLANNING AND DEVELOPMENT
COMMUNITY DEVELOPMENT COMMISSION**

January 11, 2005

STAFF REPORT

INTRODUCTION:

Madam Chairman and members of the Commission, the Resolution before you requests that you grant:

- 1) Authority to the Department of Planning and Development to negotiate a redevelopment agreement with Midway Broadcasting Corporation, within the Stony Island Commercial and Burnside Industrial Corridors Tax Increment Financing Redevelopment Project Area; and to recommend to the City Council of the City of Chicago, the designation of Midway Broadcasting Corporation as the developer.
(Ward 8)

PURPOSE OF RESOLUTION:

The purpose of this resolution is to negotiate a TIF redevelopment agreement with WVON Radio (Midway Broadcasting Corporation) that will facilitate the planned relocation and expansion of WVON Radio's headquarters facility from 3350 S. Kedzie to 1000 East 87th Street.

BACKGROUND:

WVON Radio traces its history to 1963 through the owners of Chess Records and is one of the oldest African American radio stations in the U.S. WVON is a for profit station that features an assortment of talk radio and some feature programming. Despite being a for profit station, WVON offers free advertising to various consumer/charitable organizations and sponsors an annual Personal Financial Workshop along with Citibank, attended by as many as 1000 individuals.

The station is currently located at 3350 S. Kedzie and shares the AM 1450 radio frequency with another station. (WVON has 16 hours of the frequency and the other station has eight hours.)

WVON has been considering relocating for quite some time to a neighborhood that better matched its listener market and to a facility that offered room to expand. In the future, WVON is planning to acquire the remaining nine hours of their frequency and is also contemplating a partnership with other media companies into TV production.

In 2003, WVON purchased the former Soft Sheen headquarters property at E. 87th Street and S. Dobson Avenue (1000 E. 87th) to accommodate its expansion goals.

PROJECT SUMMARY:

Proposed Developer:

Midway Broadcasting Corporation was created in 1975 and operates WVON Radio. The

principals of Midway Broadcasting Corporation and their percentage ownership in the company are as follows:

- | | | |
|----|---------------------|--------|
| 1) | Melody Spann-Cooper | 14.63% |
| 2) | Wesley W. South | 49.18% |
| 3) | Pervis Spann | 36.19% |

Proposed Project

WVON is planning to rehab a total of 17,000 square feet of the currently 54,500 square foot property, consisting of two buildings, for its broadcasting and office needs. Approximately 7,500 square feet of one of the buildings will be demolished under WVON's plan to make room for more accessible parking leaving approximately 47,000 square feet of total building space.

Approximately 1,500 square feet of the 17,000 square foot space WVON is rehabbing will be devoted to a "library/resource center" which will house historical information pertaining to the station and will act as the headquarters for Friends of WVON, a not for profit arm of the station devoted to preserving the station's history, among other endeavors. The library will also feature permanent displays of WVON's history and its relation to African American broadcasting in general and will serve as an educational center for schoolchildren as well as students of broadcasting. WVON will work with MOWD on job training and placement issues.

A majority of the remainder of the space (30,000 square feet) is planned to be leased to third party tenants predominantly for warehouse purposes and a small amount of office space.

Under the proposal, the 87th Street facade of the east building will be redeveloped to accommodate the studio space which will include floor to ceiling sound proof windows allowing pedestrians the ability to see into the station's newsroom during live broadcasts. Planned site work includes generous landscaping and parking lot improvements to the property. The station will not be building a new radio tower but will send their signal back to 33rd and Kedzie where the broadcasting tower will remain. There will also be 3500 square feet of Green Roof/Energy Star-rated roof features included on the structure.

DEAL STRUCTURE:

WVON is seeking TIF assistance in the amount of \$1,000,000 with \$250,000 of that in up-front funding. The total Project Costs are \$5,087,428. The TIF amount represents 19% of the total Project Costs. This TIF subsidy will support the debt service of their loan. Currently this proposal represents 17,000 sq. ft. of the 47,000 sq. ft. building. There will be approximately 2,000 sq. ft. of unoccupied office space and the remainder is unoccupied warehouse space. The increment generated by 17,000 sq ft of office space is approximately \$375,000 NPV. If all of the office and warehouse space is occupied the increment generated will be approximately \$1,150,000 NPV. DPD proposes the following payout:

\$250,000	Upon Certificate of Completion
\$250,000	in 2006
\$250,000	in 2007
\$250,000	in 2008(Contingent upon occupation of the unused warehouse and office space.)

Under the proposed deal structure, the last payment will be contingent on WVON finding a tenant or tenants to occupy a portion of the vacant space. Without these tenants, there will not be as much increment generated. This will provide the company to a some time to find tenants. DPD will budget \$250,000 out of increment available in the Stony Island / Burnside TIF. The developer's rate of return is 7% with TIF assistance and is negative without it. The project is not feasible without it.

The following is a sources and uses of funds statement for the project :

Uses

Acquisition	950,000	\$17.60 / Sq. Ft.
Acquisition Carry Costs	300,000	
Total Aquisition	1,250,000	
Net Construction Costs	1,800,000	\$33.33 / Sq. Ft.
Furniture	150,000	
Broadcasting Equipment&Labor Cost	350,000	
Contingency (5% of Net Const Cost)	162,000	
Total Hard Costs	2,462,000	\$46.60 / Sq. Ft.
Professional Fees (2.3% TPC)	117,000	
Lender Fees (1.1% TPC)	58,750	
Hazard Insurance (.60% TPC)	30,000	
Real Estate taxes during Const (1% TPC)	50,000	
Marketing and Relocation Costs (22%)	1,119,678	
Total Soft Costs	1,375,428	\$25.50 / Sq. Ft.
Total Uses	5,087,428	

Sources

First Mortgage (Shore Bank)	3,100,000	61%
General Partner Equity	1,987,428	39%
Total Sources	5,087,428	

CONFORMANCE WITH PLAN:

The proposal conforms to the goals established in the underlying Stony Island Commercial and Burnside Industrial Corridors TIF Redevelopment Project Area Plan which include:

- 1) Strengthening the economic well-bing of the Project Area by increasing taxable values;
- 2) Creation of an environment which stimulates private investment in the upgrading and expansion of existing industries and the construction of new businesses and industrial facilities; and,
- 3) Providing opportunities for women and minority businesses to share in the redevelopment of the Project Area.

The proposal also conforms to the land use plan established in the underlying Stony Island Commercial and Burnside Industrial Corridors TIF Redevelopment Plan. The land use plan indicates that industrial uses including warehousing and office be permitted at 1000 E. 87th Street.

COMMUNITY OUTREACH:

The community is generally supportive of WVON's proposal and 8th Ward Alderman Stroger is very supportive of this proposal.

PUBLIC BENEFITS:**Project Benefits:**

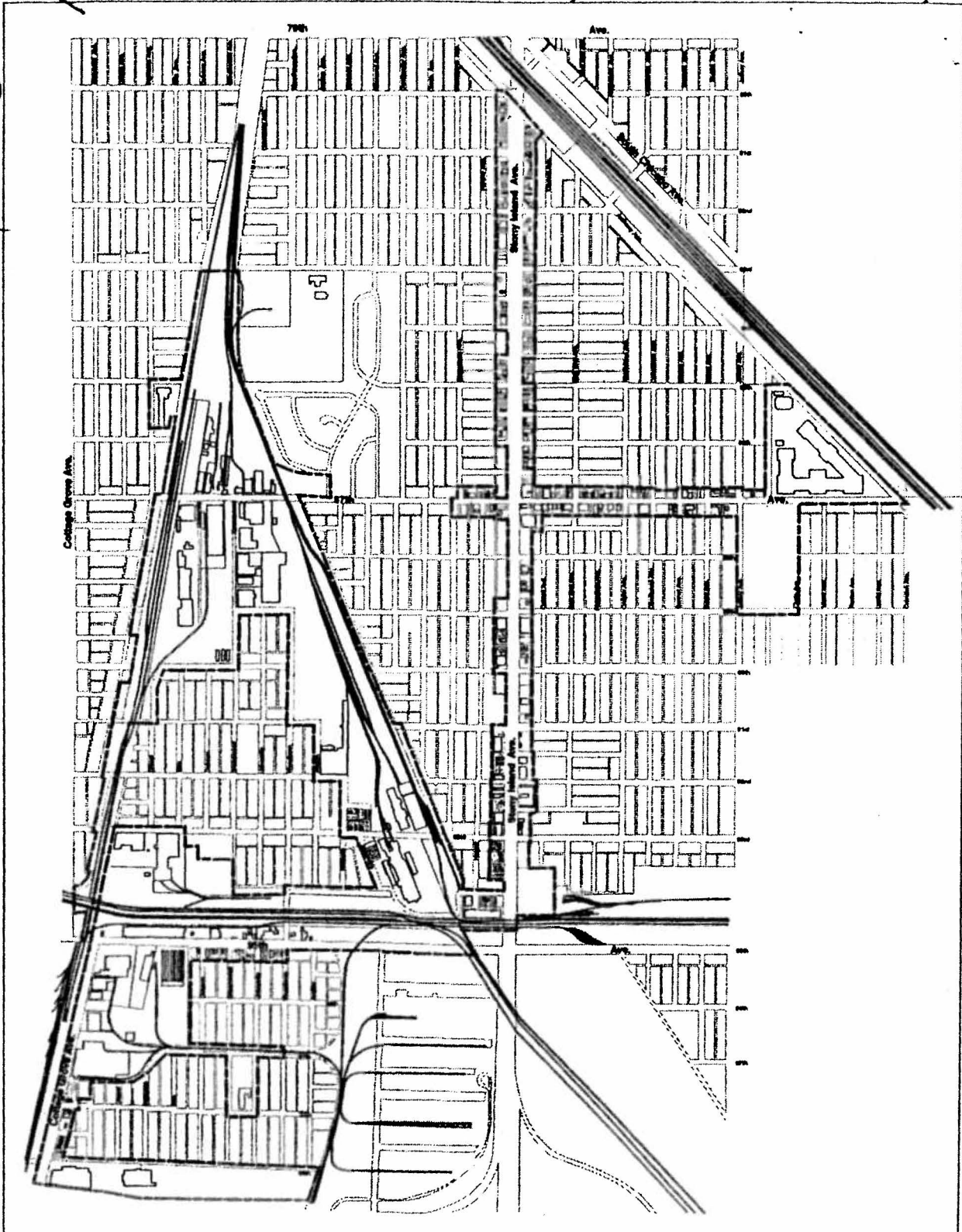
- 1) Reuse/rehabilitation of vacant structures;
- 2) Revitalization of East 87th Street;
- 3) Retention of 25 jobs and creation of six new jobs;
- 4) Creation of 3500 square feet of Green Roof/Energy Star-rated roof features; and,
- 5) Creation of a WVON resource center/library for the use of schoolchildren and students of broadcasting (among others).

M/WBE Benefits:

Midway Broadcasting Corporation will fully comply and most likely exceed all M/WBE goals established as part of this project. Midway's general contractor is II in One, a certified minority MBE firm. II in One has extensive experience in public and private construction projects and minority participation.

RECOMMENDATIONS:

The Department of Planning and Development respectfully requests that the Community Development Commission grant the Department of Planning and Development the authority to negotiate a redevelopment agreement with Midway Broadcasting Corporation, within the Stony Island Commercial and Burnside Industrial Corridors Tax Increment Financing Redevelopment Project Area; and to recommend to the City Council of the City of Chicago, the designation of Midway Broadcasting Corporation as the developer.



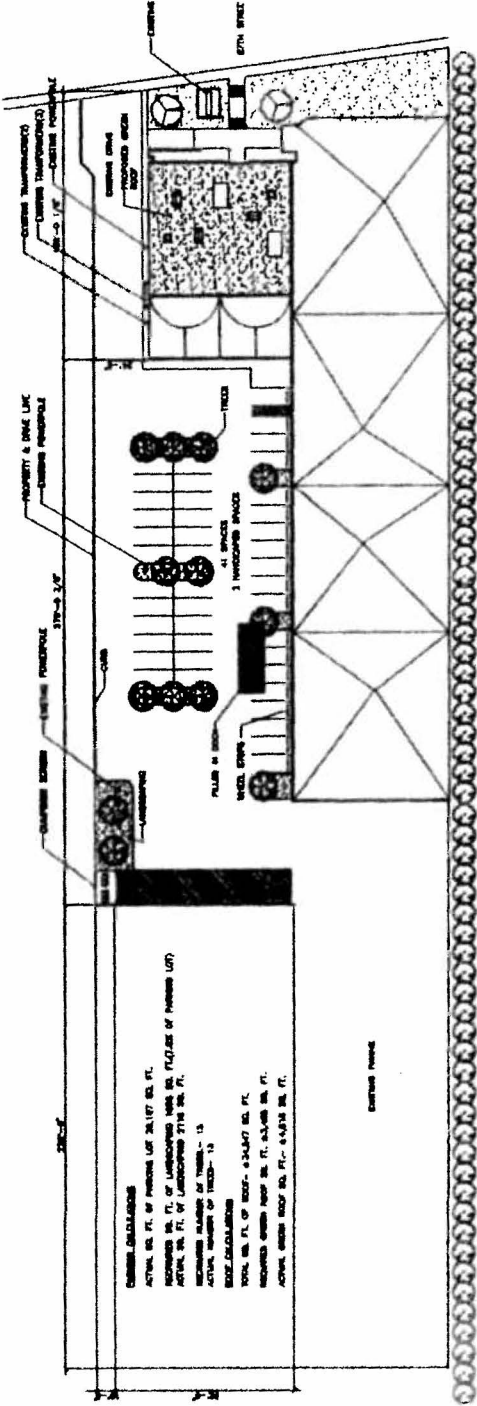
Project Area Boundary

Figure 1
Project Area Boundary

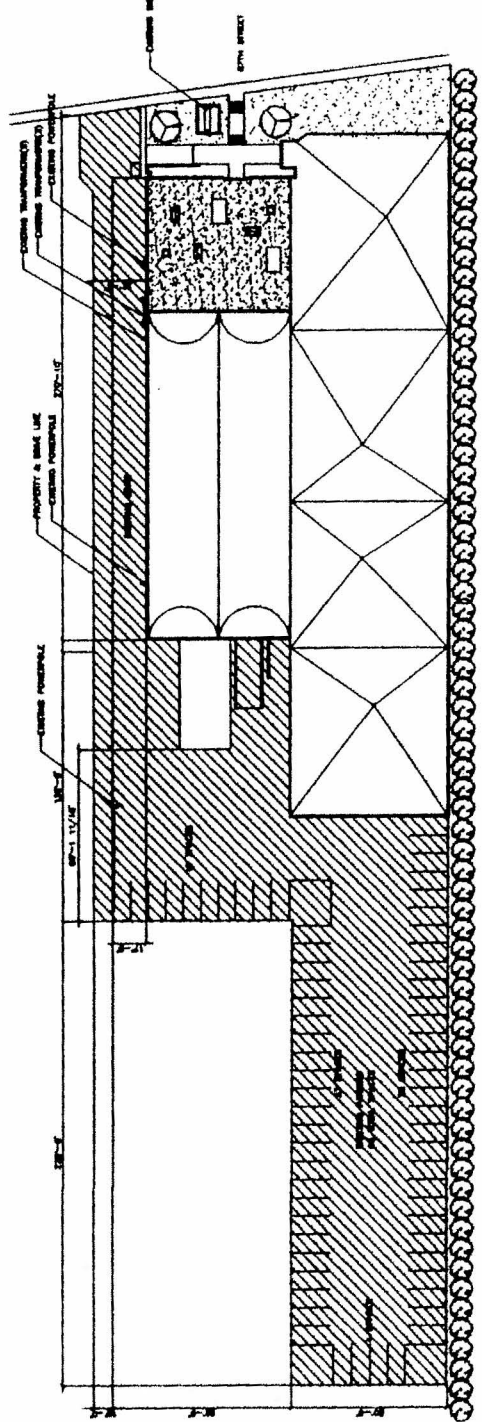
Revised 2/24/98 

Architect & Eng. Inc.
 1000 N. Dearborn St.
 Chicago, Illinois 60610

PROPOSED AND EXISTING SITE PLAN	
PROJECT NO.	0418
SP NO.	SP101
DATE	
SCALE	AS SHOWN
OWNER	WYSON
ADDRESS	3300 E. 67TH ST. CHICAGO, ILLINOIS



⊕N 2 PROPOSED SITE PLAN
 SCALE 1/8" = 1'-0"



⊕N 1 EXISTING SITE PLAN
 SCALE 1/8" = 1'-0"

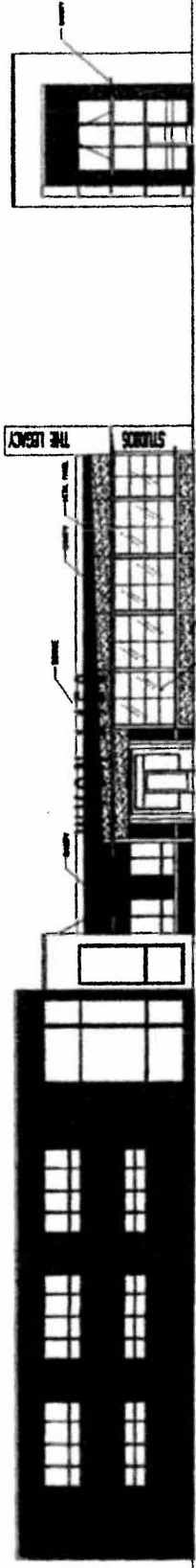
EXISTING CALCULATIONS
 ACTUAL SQ. FT. OF PAVED LOT 28,107 SQ. FT.
 RECORDED SQ. FT. OF LANDSCAPED AREA 82,747 SQ. FT. (AS OF PREVIOUS LOT)
 ACTUAL SQ. FT. OF LANDSCAPED 54,640 SQ. FT.
 RECORDED SQUARE FEET TOTAL - 110,854
 ACTUAL NUMBER OF TREES - 13

PROPOSED CALCULATIONS
 TOTAL SQ. FT. OF ROOF - 83,247 SQ. FT.
 RECORDED SQUARE FEET SQ. FT. 83,248 SQ. FT.
 ACTUAL SQUARE FOOT SQ. FT. - 83,248 SQ. FT.

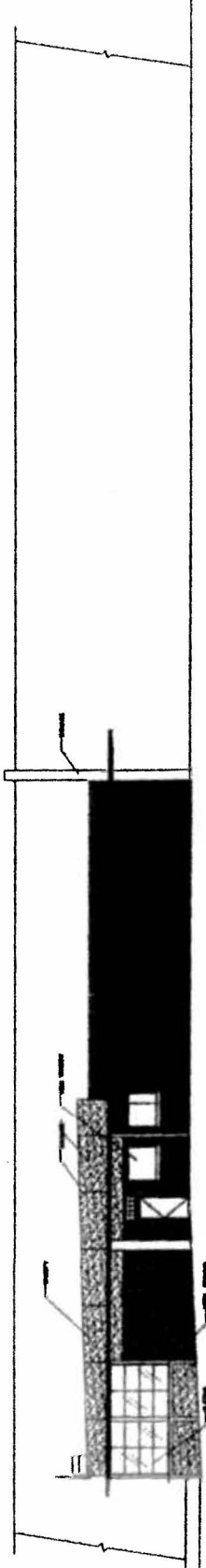
EXISTING PARKING

Architect: P. J. Lee, AIA
 1000 E. 57th St.
 Chicago, Illinois 60637
 Phone: 312-467-1100
 Fax: 312-467-1101

NO. 1		NO. 2		NO. 3		NO. 4		NO. 5		NO. 6	
PROJECT: 1000 E. 57th St. CHICAGO, ILLINOIS DRAWING: ELEVATIONS DATE: 0418 SHEET: A201											



3 SOUTH ELEVATION



1 EAST ELEVATION

2 PARTIAL EAST ELEVATION

7004 2890 0003 5236 2522

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Restricted Delivery Fee (Endorsement Required)		12/30/04
Total Postage & Fees	\$ 4.42	

Sent To ASIAN CONSTRUCTION
 Street, Apt. No. or PO Box No. 333 N Ogden
 City, State, ZIP+4 Chicago IL 60607

PS Form 3800, June 2002 See Reverse for Instructions

7004 2890 0003 5236 2522

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Return Receipt Fee (Endorsement Required)	1.75	Clerk: KJPZX9
Restricted Delivery Fee (Endorsement Required)		12/30/04
Total Postage & Fees	\$ 4.42	

Sent To Black Contractors United
 Street, Apt. No. or PO Box No. 408 W. 76th St
 City, State, ZIP+4 Chicago IL 60607

PS Form 3800, June 2002 See Reverse for Instructions

Term Sheet

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TODD H. STROGER

ALDERMAN—8TH WARD

PUBLIC SERVICE OFFICE
8539 SOUTH COTTAGE GROVE AVENUE
CHICAGO, ILLINOIS 60619
TELEPHONE: 773-874-3300
FAX: 773-224-2425

COMMITTEE MEMBERSHIPS

BUDGET
HUMAN RELATIONS
POLICE & FIRE
RULES & ETHICS
SPECIAL EVENTS
TRAFFIC

TODD H. STROGER

CITY HALL, ROOM 300
121 NORTH LA SALLE STREET
CHICAGO, ILLINOIS 60602
TELEPHONE: 312-744-3075

January 5, 2005

Denise M. Casalino, P. E.
Commissioner
Department of Planning and Development
City of Chicago
121 N. LaSalle Street, Room 1000
Chicago, Illinois 60602

Re: TIF Assistance for WVON Radio Relocation/Expansion Project

Dear Commissioner Casalino:

I am writing to express my support for the use of tax increment financing assistance for WVON Radio's relocation/expansion project into the 8th Ward.

As you may be aware, WVON Radio is one of the oldest African American radio stations in the U.S and is currently located in cramped quarters at 3350 S. Kedzie Avenue. By purchasing the former Soft Sheen headquarters property at 1000 East 87th Street in the 8th Ward, WVON has laid the groundwork for its long term expansion as well as its immediate need for additional space. TIF assistance will make the rehab of this facility possible in addition to retaining 25 radio jobs and the creation of six additional positions, among other public benefits.

I look forward to welcoming WVON to the 8th Ward and am in full support of this project. Please contact my office if you wish to discuss this matter with me or a member of my staff. Thank you for your attention to this matter.

Sincerely,

Todd H. Stroger
Alderman, 8th Ward



87th Street Stony Island *Why Shop Anywhere Else!*
Chamber of Commerce
201 EAST 79th STREET • CHICAGO, IL 60649 • 773-734-0626 • FAX 773-734-0649
EMAIL: 87THCHAMBER@SICILCHAM.COM

December 27, 2004


Melody Spann-Cooper, President
WVON Radio
3350 South Kedzie
Chicago, IL 60623

Dear Ms. Spann-Cooper:

We are writing this letter to express our support for WVON relocation into our area. We believe having WVON who has been the voice of the African American community will enhance the growth and viability of the community.

We are a thriving community and welcome the addition. We look forward to working together for a successful business climate in our area.

Sincerely,



Sam Foster, President
87th Street Stony Island Chamber of Commerce

Chatham Business Association
8441 S. Cottage Grove
Chicago, Ill. 60619
(773) 994-5006 ph. (773) 994-9871

December 28, 2004

Melody Spann-Cooper, President
WVON Radio
3350 S. Kedzie
Chicago, Ill. 60623

Dear Ms. Cooper;

Chatham Business Association's primary mission is to maintain, establish and promote business development on the South side of Chicago.

WVON has been a longstanding African American talk radio station and is well known throughout Chicago. It is with this in mind that we welcome WVON to the Chatham area. We fully support your move into the former headquarters of Soft Sheen Products.

The Chatham Business Association looks forward to working with you in the near future. We are sure you will be an asset to the community.

Sincerely


William Garth
Chairman

Exhibit A

Street Boundaries of the Area

The Area is generally described in two parts: 1) the industrial district, which is generally bounded by Cottage Grove Avenue, the Norfolk Southern Rail Line and the Bishop Ford Expressway and excludes most of the residential blocks within these general boundaries; and 2) the commercial district, which is generally bounded by the Stony Island Avenue frontage from 95th Street to 80th Street, and the 87th Street frontage from Blackstone Avenue to Anthony Avenue.