

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 28th Day of May 2002 with the original resolution adopted at said meeting and recorded in the minutes of the Commission, and do hereby certify that said copy is a true, correct and complete transcript of said Resolution.

Dated this 28th Day of May 2002


EXECUTIVE SECRETARY
Jennifer Rampke

02-CDC-48

8000204

COMMUNITY DEVELOPMENT COMMISSION
OF THE
CITY OF CHICAGO

RESOLUTION NO. 02-CDC-48

AUTHORITY TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH
JOHN MANEELY COMPANY d/b/a WHEATLAND TUBE COMPANY

FOR REDEVELOPMENT OF A SITE
LOCATED AT 4435 S. WESTERN BOULEVARD
IN THE
45TH AND WESTERN INDUSTRIAL PARK CONSERVATION PROJECT AREA,

AND

TO RECOMMEND
TO THE CITY COUNCIL OF THE CITY OF CHICAGO
THE DESIGNATION OF
JOHN MANEELY COMPANY d/b/a WHEATLAND TUBE COMPANY
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 (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 5/11-74.6-15 of the Illinois Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1 et seq (2000 State Bar Edition), as amended (the "IJRL"); and

WHEREAS, the City Council, upon the Commission's recommendation pursuant to Resolution 01-CDC-115 approved by the Commission on December 18, 2001 and reaffirmed by the Commission pursuant to Resolution 02-CDC-17 approved on February 5, 2001, and pursuant to the IJRL, enacted ordinances on March 27, 2002, published in the Journal of the Proceedings of City Council on such date at pages [], pages [] and pages [], pursuant to which the City

approved and adopted a certain redevelopment plan and project (the "Plan") for the Industrial Park Conservation 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, John Maneely Company d/b/a Wheatland Tube Company (the "Company") 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, to replace a 36,500 square foot existing building on an underutilized portion of its property with a 161,000 square foot warehouse building, and add a 32,000 square foot addition to the southern tube mill building (the "Project"); and

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

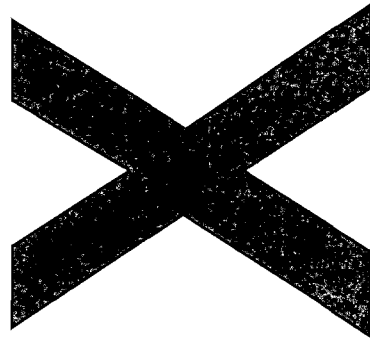
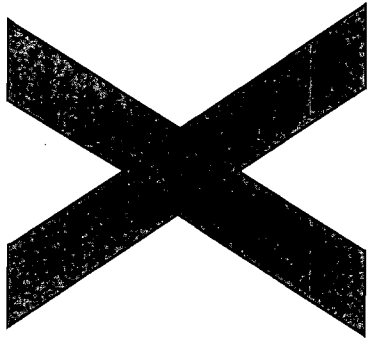
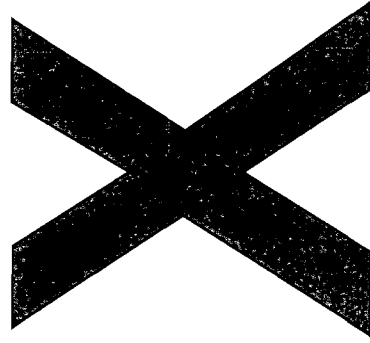
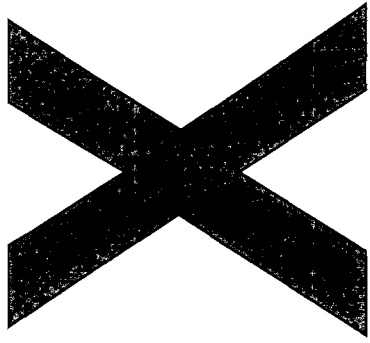
Section 6. A certified copy of this resolution shall be transmitted to the City Council.

ADOPTED: May 28, 2002

EXHIBIT A

Street Boundaries of the Area

The Area is bounded roughly by the Chicago St. Louis and Pacific railroad right of way on the east, 47th Street on the south, Western Boulevard on the west, and the northern boundaries of parcels 20-06-300-020 and 20-06-300-008 on the north.



**CITY OF CHICAGO
COMMUNITY DEVELOPMENT COMMISSION**

May 28, 2002

SUMMARY SHEET

Action Requested:

- (1) Authorize the City of Chicago, through the Department of Planning & Development ("DPD"), to negotiate a redevelopment agreement with John Maneely Company d/b/a Wheatland Tube Company for the use of incremental tax revenues for the redevelopment of the property located generally at 4435 S. Western Blvd. (the "Property"), located within the boundaries of the 45th and Western Industrial Park Conservation Project Area (the "Area"); and
- (2) Recommend to the City Council of the City of Chicago (the "City") the designation of John Maneely Company d/b/a Wheatland Tube Company as the Developer of the Property within the Area.

Project: The Developer proposes to replace a 36,500 square foot existing building on an underutilized portion of its property with a 161,000 square foot warehouse building, and add a 32,000 square foot bay to the southern tube mill building.

Location: The proposed Project is located at 4435 S. Western Avenue in the 45th and Western Industrial Park Conservation Area.

Developer: John Maneely Company d/b/a Wheatland Tube Company

Assistance: A maximum of \$1,869,300 in tax increment financing assistance. This amount represents 7.9% of the total project budget, currently estimated at \$23,731,625 and will be provided to the Developer in the form of a taxable TIF Developer's Note. The incremental taxes generated by the TIF will be pledged towards payment of the Note.

Sales Price: N/A

Alderman/Ward: 11th Ward/Alderman James A. Balcer

Issues: None

Public Benefits:

John Maneely Company will work with Alderman Balcer's office to develop a public benefits program.

Prevailing Wage, M\WBE, City Residency

The Developer has agreed to comply with all City ordinances regarding Prevailing Wage, M\WBE and City Residency. The Developer mailed letters to the MBE/WBE Contractors Associations in March 2002 and met with the Monitoring and Compliance staff on May 1, 2002. Wheatland Tube received a CD-Float Loan from the City in 1996 and was in full compliance with Prevailing Wage, M\WBE and City Residency requirements at that time.

Community Outreach:

This project has the full support of Alderman Balcer. The project also has the support of the Back of the Yards Council.

COMMUNITY DEVELOPMENT COMMISSION MEETING
May 28, 2002

STAFF REPORT

**For Property located within the
45th and Western Industrial Park Conservation Area**

MR. CHAIRMAN AND MEMBERS OF THE COMMISSION:

The resolution before the Commission requests the following actions:

- (1) Authorize the City of Chicago, through the Department of Planning & Development ("DPD"), to negotiate a redevelopment agreement with John Maneely Company d/b/a Wheatland Tube Company for the use of incremental tax revenues for the redevelopment of the property located generally at 4435 S. Western Blvd. (the "Property"), located within the boundaries of the 45th and Western Industrial Park Conservation Project Area (the "Area"); and
- (2) Recommend to the City Council of the City of Chicago (the "City") the designation of John Maneely Company d/b/a Wheatland Tube Company as the Developer of the Property within the Area.

Purpose of Resolution

To provide Tax Increment Financing assistance for the redevelopment of an industrial property located in the 11th Ward.

Background

Wheatland Tube Company has operated its galvanized tubing manufacturing facility at 4435 S. Western Boulevard for over 30 years. The Company produces tubes for electrical, recreational, signpost, fences and other related markets. During the 1980s, the Company acquired a warehouse and vacant land to the east of its original site.

In the 1990s, the Company expanded again, by purchasing a 16 acre site to the south of its existing facilities. The building on this site was deteriorated and had stood empty for approximately five years. Substantial building renovations and environmental remediation were required to bring this site up to modern standards. As a result, Wheatland Tube Company received a "6b" classification. This property tax classification is intended to encourage industrial projects by reducing the taxable assessed value of a parcel for a defined time period. Wheatland Tube Company once again desires to expand and improve upon its existing facilities and has applied for City assistance in the form of TIF funding and 6b industrial property tax

classification for the new building and building expansion.

Project Summary

C. Proposed Developer

The development entity is John Maneely Company d/b/a Wheatland Tube Company (the "Developer"). John Maneely Company is a privately-held corporation which has been in business for over 100 years. Wheatland Tube-Chicago Division was established in 1970 and currently employs approximately 200 people in the manufacture of electrical conduit, mechanical tubing, and sprinkler tubing at the facility located at 4435 S. Western Boulevard. Other Wheatland Tube divisions are located in Wheatland, Pennsylvania (established in 1932) and Little Rock, Arkansas (established in 1992).

D. Proposed Project

The site currently is improved with a 36,500 square foot building used for storage of raw materials and finished goods, and a 330,000 square foot manufacturing plant. The Developer proposes to replace a 36,500 square foot existing building on an underutilized portion of its property with a 161,000 square foot warehouse building, and add a 32,000 square foot bay to the southern tube mill building. Upon completion of the addition, a new 5" pipe mill will be installed in portions of the existing building. The mill will manufacture tubular products in size ranges that were previously not manufactured by the Developer. The addition to the southern tube mill building will be used for storage of inventory and finished goods. The new warehouse will be used for storage of raw materials and finished goods.

Rehabilitation of the site will be undertaken in accordance with all applicable City ordinances and requirements as well as the requirements of the redevelopment agreement.

Deal Structure

The City Council has approved a 6b classification for the new building and building expansion. It is assumed the new 6b classification will be renewed through the life of the TIF. The net present value of the estimated tax savings of the new 6b classification is \$2,517,910. With respect to TIF, the City proposes to commit 95% of the increment generated by the TIF (taking into account existing and new 6b classification), which is estimated to have a net present value of \$1,869,300. The City intends to negotiate a redevelopment agreement (the "Redevelopment Agreement") with the Developer for the lesser of \$1,869,300 or 7.9% of the total project budget, currently estimated at \$23,731,625. TIF will be provided to the Developer in the form of a taxable TIF Developer's Note. The incremental taxes generated by the TIF will be pledged towards payment of the Note. The Developer will be expected to comply with all City requirements, including M/WBE, Prevailing Wage and City Residency.

The financial assistance will be provided through a taxable Developer Note. Taxable note interest rate will be based upon market conditions. The Developer Note may be assigned or pledged, but cannot be sold without approval of the City.

The total of TIF and 6b classification savings represents 18.4% of the total project costs. This amount of assistance was critical to the Developer selecting Chicago over an alternative site in Little Rock Arkansas, which was substantially cheaper to the Developer.

PROJECT BUDGET

Sources:

Equity	\$ 885,000
Debt	<u>22,846,625</u>
Total Sources	\$23,731,625

Uses:

Hard Costs	
Demolition	\$ 195,000
Other Site Preparation (Environmental costs)	327,000
Building Construction/Renovation	5,279,422
Machines/Equipment	<u>15,325,092</u>
Sub-Total Hard Costs	\$21,126,514

Soft Costs	
Engineering	\$ 100,000
Construction Management	150,000
Air Operating Permit Charges	<u>113,000</u>
Sub-Total Soft Costs	\$ 363,000

Hard and Soft Cost Contingency	\$ 2,242,111
Total Uses:	\$23,731,625

Conformance With Redevelopment Plan

The proposed redevelopment is in conformance with the land use goal and objectives of the 45th and Western Industrial Park Conservation Project Area Plan. The Plan proposes economic redevelopment with an industrial use.

Community Outreach

Alderman Balcer is in support of the project. The project also has the support of the Back of the Yards Council.

Public Benefits

John Maneely Company will work with Alderman Balcer's office to develop a public benefits program.

Prevailing Wage, M\WBE, City Residency

The Developer has agreed to comply with all City ordinances regarding Prevailing Wage, M\WBE and City Residency. The Developer mailed letters to the MBE/WBE Contractors Associations in March 2002 and met with the Monitoring and Compliance staff on May 1, 2002. Wheatland Tube received a CD-Float Loan from the City in 1996 and was in full compliance with Prevailing Wage, M\WBE and City Residency requirements at that time.

Job Retention/Creation

The project will ensure the retention of all 200 current jobs and is expected to result in a 30-40 new jobs in Wheatland's workforce over the next three years. Salaries for existing and created jobs range from \$7/hr-\$18.70/hr with benefits.

RECOMMENDATION:

The resolution before the Commission requests the following actions:

- (1) Recommend to the City Council of the City of Chicago (the "City") the designation of John Maneely Company d/b/a Wheatland Tube Company as the Developer of the Project, and that DPD be authorized to negotiate, execute and deliver on the City's behalf a redevelopment agreement with the Company for the Project.

JOHN MANEELY COMPANY
d/b/a Wheatland Tube Company
Term Sheet

Project Description:

The Developer proposes to replace a 36,500 square foot existing building on an underutilized portion of its property with a 161,000 square foot warehouse building, and add a 32,000 square foot addition to the southern tube mill building.

City Funding Commitment to John Maneely Company:

The total cost of the Project is \$ 23,731,625. The City, through the Department of Planning and Development (DPD), is planning to reimburse the developer for TIF-eligible hard (construction) and related soft costs associated with the rehabilitation of the Building and the costs of job training. The financial assistance will be provided through a taxable Developer Note for a maximum amount of \$1,869,300. Taxable note interest rate will be based upon market conditions.

PROJECT BUDGET

Sources and Uses of Funds:

Sources:

Equity	\$ 885,000
Debt	<u>22,846,625</u>
Total Sources	\$23,731,625

Uses:

Hard Costs	
Demolition	\$ 195,000
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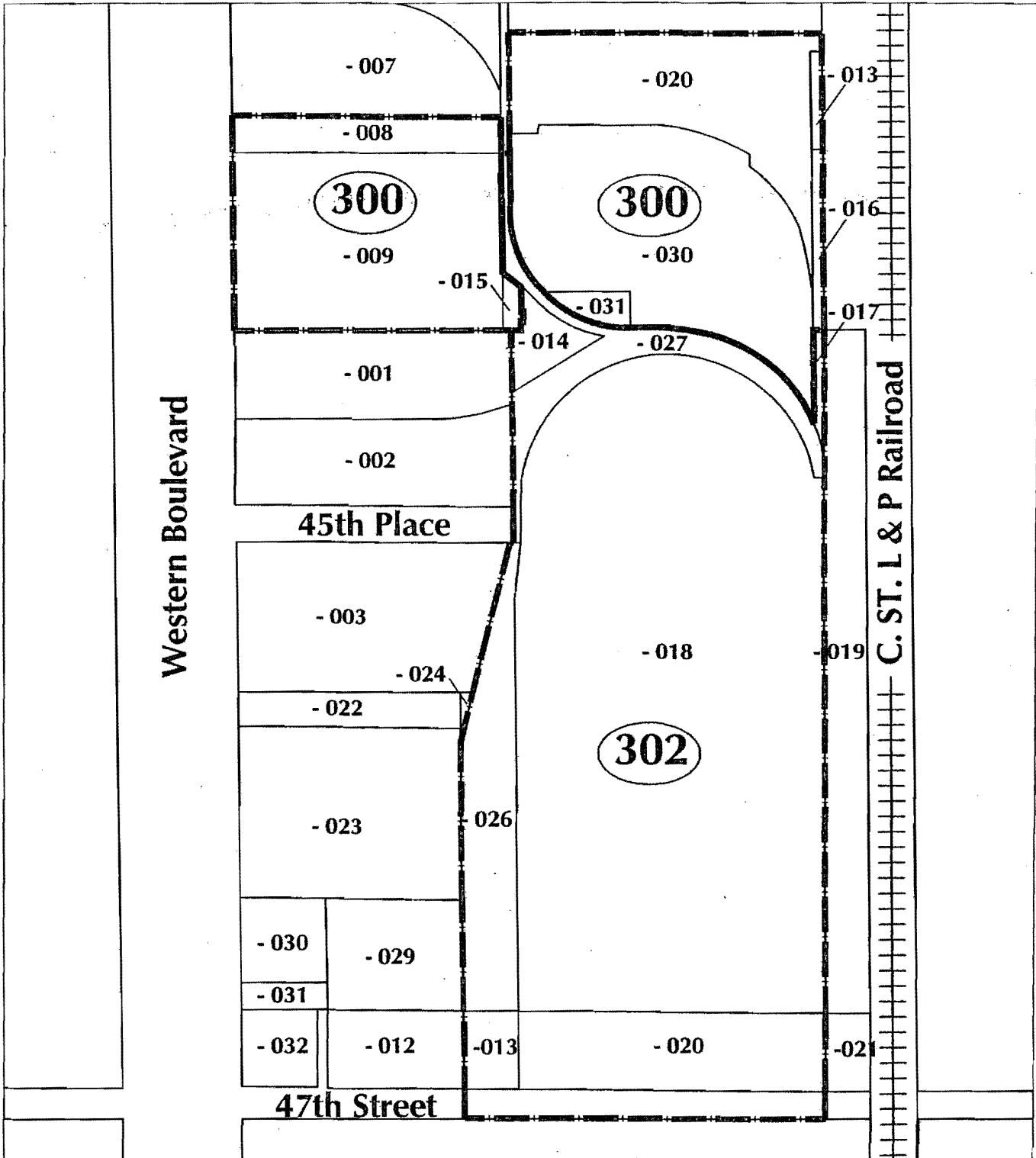
Hard and Soft Cost Contingency	\$ 2,242,111
Total Uses:	\$23,731,625

Figure A Boundary

TESKA
ASSOCIATES
INC.

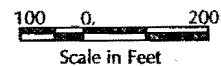
45th/Western Industrial Park Conservation Area

December 10, 2001



Legend

- Industrial Park Conservation Area Boundary
- Block Boundary Line

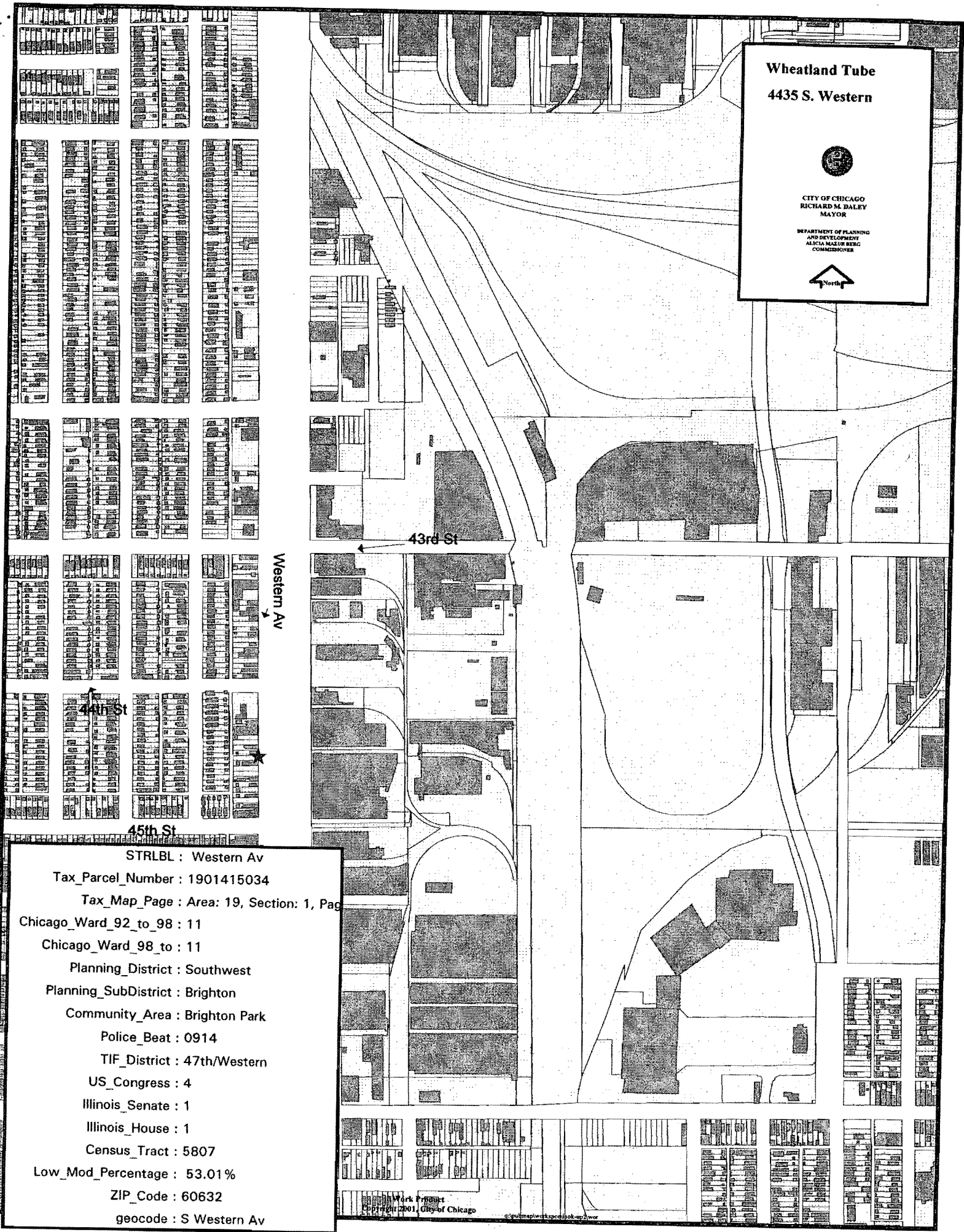


Wheatland Tube
4435 S. Western



CITY OF CHICAGO
RICHARD M. DALEY
MAYOR

DEPARTMENT OF PLANNING
AND DEVELOPMENT
MARIA MALOJUN BEBIC
COMMISSIONER



STRLBL : Western Av
Tax_Parcel_Number : 1901415034
Tax_Map_Page : Area: 19, Section: 1, Page: 1
Chicago_Ward_92_to_98 : 11
Chicago_Ward_98_to : 11
Planning_District : Southwest
Planning_SubDistrict : Brighton
Community_Area : Brighton Park
Police_Beat : 0914
TIF_District : 47th/Western
US_Congress : 4
Illinois_Senate : 1
Illinois_House : 1
Census_Tract : 5807
Low_Mod_Percentage : 53.01%
ZIP_Code : 60632
geocode : S Western Av



JAMES A. BALCER

ALDERMAN, 11TH WARD
3659 S. HALSTED ST. 60609
TELEPHONE: (773) 254-8677
FAX: (773) 254-8776

CITY COUNCIL

CITY OF CHICAGO

COUNCIL CHAMBER
SECOND FLOOR, CITY HALL

121 NORTH LA SALLE STREET
SUITE 9
CHICAGO, ILLINOIS 60602
TELEPHONE 312-744-6663

COMMITTEE MEMBERSHIPS

BUDGET AND GOVERNMENT OPERATIONS

RULES AND ETHICS

TRAFFIC CONTROL AND SAFETY

ENERGY, ENVIRONMENTAL PROTECTION, AND
PUBLIC UTILITIES

FINANCE

HOUSING AND REAL ESTATE

POLICE AND FIRE

TRANSPORTATION AND THE PUBLIC WAY

May 15, 2002

Alicia Mazur Berg, Commissioner
Department of Planning and Development
City Hall, 10th Floor
Chicago, IL 60602

Dear Commissioner Berg,

I am in full support of TIF funding for the rehabilitation and expansion project for Wheatland Tube.

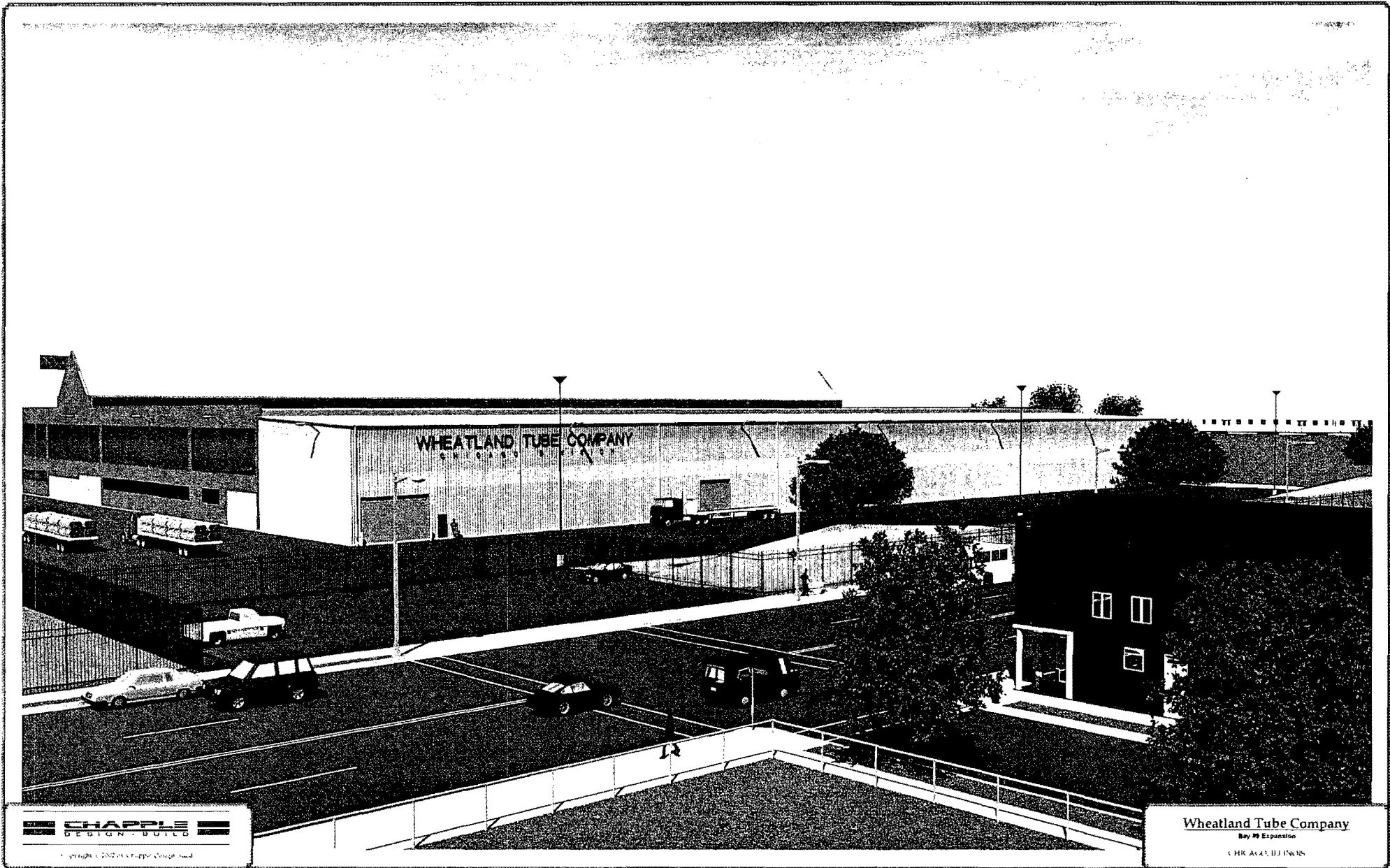
Wheatland Tube has been a great asset in the 11th Ward and a good neighbor to the community. I welcome city participation in this project.

Please contact me at (773) 254-6677 should you need any additional information.

Sincerely,

James A. Balcer
Alderman, 11th Ward

cc: Dinah Wayne

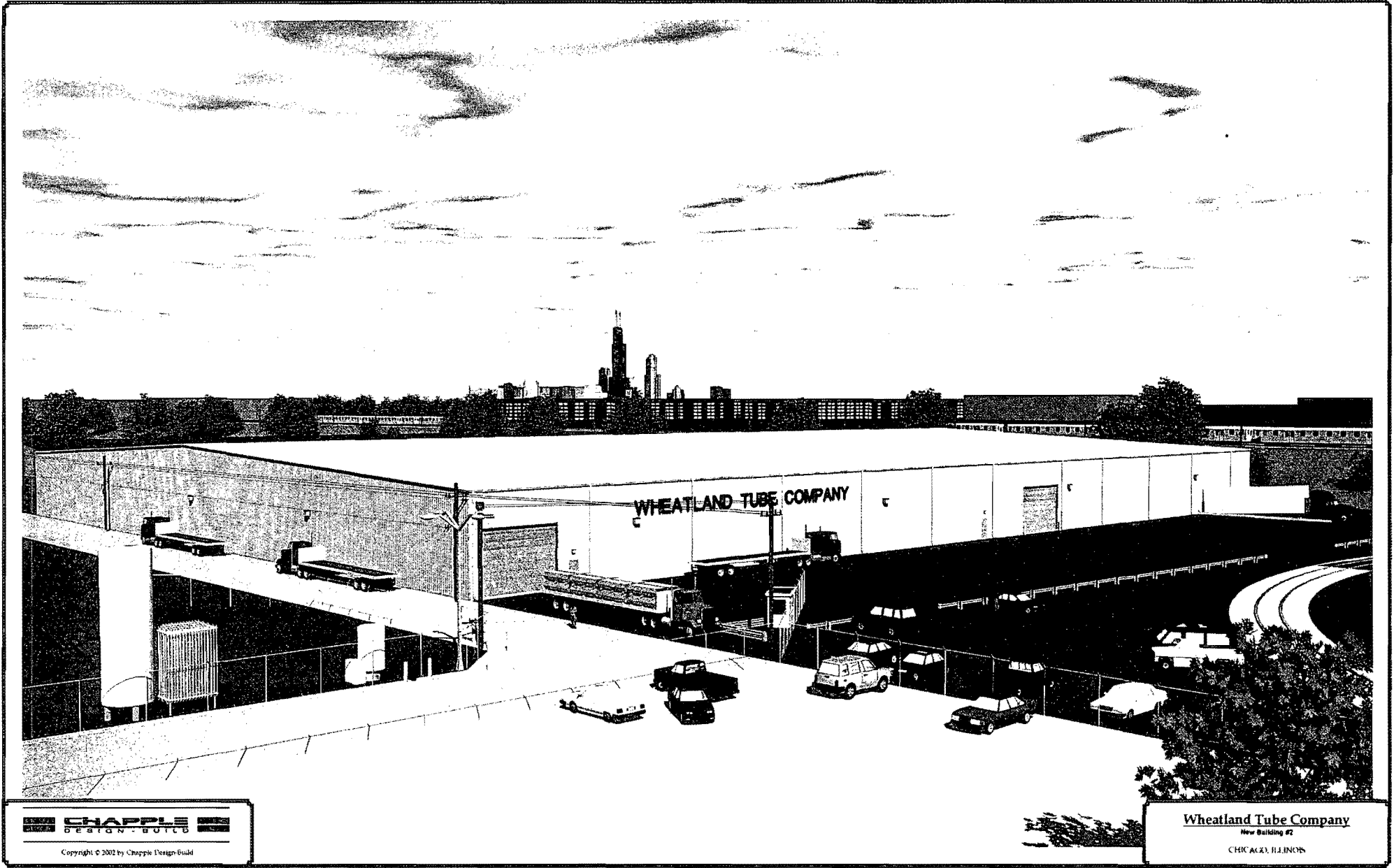


CHAPPLE
DESIGN-BUILD

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Wheatland Tube Company
Bay #9 Expansion

CHRISTOPHER J. FINN



CHAPPLE
DESIGN - BUILD

Copyright © 2002 by Chapple Design-Build

Wheatland Tube Company

New Building #2

CHICAGO, ILLINOIS

COMMUNITY DEVELOPMENT COMMISSION
OF THE
CITY OF CHICAGO

RESOLUTION NO. 02-CDC-___

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ADOPTED: _____, 2002

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