

# TIF PROJECT SCORECARD

## Hyatt Place Chicago at Harper Court

### 5223 S. Harper Avenue

Developer proposes to construct a 131 Room Hotel, run by SMART hotels / Olympia will develop this 131 Room Hotel to serve Hyde Park and the University of Chicago clientele. SHG Chicago LLC are the managers, SMART Hotels/Olympia LLC are the applicant and owners. U of Chicago also has an 8% ownership stake.

**Type of Project:** Commercial

**Developer:** Smart Hotels/Olympia Chicago, LLC

**Total Project Cost:** \$28,573,790.00

**Timeline for Completion:** July 31, 2013

**TIF Funding Requested:** Not to exceed \$5.2 million

**Project Status:** CDC- March 13, 2012

**TIF District:** 53rd Street TIF, 3rd Ward

## RETURN ON INVESTMENT BENCHMARKS

### Advances Goal of Economic Development Plan

Develop and Deploy Neighborhood Assets to Align With Regional Economic Growth

### Advances Goal of TIF District

Strengthen the economic well-being of the 53rd Street TIF by providing resources for retail, commercial, mixed-use and institutional development in the 53rd Street TIF as appropriate.

### Addresses Community Need

The project will provide commercial space, jobs, high quality hotel rooms for visitors to the area.

### Jobs Created/Retained

Approximately 200 construction/temporary and 21 permanent full time jobs.

### Affordable Housing Units Created/Preserved

N/A

### Return on Investment to City

Increase the property tax base, additional sales and hotel taxes

## FINANCIAL BENCHMARKS

### Other Funds Leveraged by \$1 of TIF

\$1:9

### Financing Structure

Grant

### Types of Other Funding Leveraged

Yes: Recovery Zone Bond Financing \$21,268,214 and Developer Equity \$7,305,576.

## RDA TERMS

### Payment Schedule

Interest reimbursement and taxable note, paid annually the beginning year after project completion.

### Monitoring Term of Agreement

10 years

### Taxpayer Protection Provisions

Yes; occupancy and job covenants will be in RDA

## OTHER CONSIDERATIONS

N/A



**City of Chicago  
Department of Housing and Economic Development**

**STAFF REPORT  
TO THE  
COMMUNITY DEVELOPMENT COMMISSION  
REQUESTING DEVELOPER DESIGNATION  
March 13, 2012**

**I. PROJECT IDENTIFICATION AND OVERVIEW**

**Project Name:** Hyatt Place Chicago at Hyde Park

**Applicant Name:** Smart Hotels/Olympia Chicago, LLC is the developer entity undertaking the Hyatt Place Chicago at Hyde Park Project. The Developer consists of five member entities, Olympia Chicago, LLC with 40% interest, Smart Hotels Chicago, LLC with 40% interest, The Olympia Companies, LLC with 8% interest, SHG University Chicago with 8% interest, and the remaining 4% interest is owned by various entities. The key principals of Smart Hotels/Olympia Chicago, LLC are Kevin P. Mahaney, Jonathan Adams and Ed Small.

**Project Address:** 5223 S. Harper Ave

**Ward and Alderman:** 4<sup>th</sup> Ward

**Community Area:** Hyde Park Community Area

**Redevelopment Project Area:** 53<sup>rd</sup> Street Tax Increment Finance District

**Requested Action:** TIF Developer Designation

**Proposed Project:** Construction of approximately 84,000 square foot hotel, with approximately 131 rooms and 50 below-grade parking spaces.

**TIF Assistance:** \$5,215,162 .00

## **II. PROPERTY DESCRIPTION**

Address:	5223 S. Harper Ave.
Location:	Northeast corner of South Harper and East 52 <sup>nd</sup> Place.
Tax Parcel Numbers:	20-11-412-039-0000
Land Area:	15,488 sq. ft.
Current Use:	The site is currently vacant. The site previously included a retail development.
Current Zoning:	PD 38
Proposed Zoning:	PD 38
Environmental Condition:	N/A.

## **III. BACKGROUND**

The Department of Community Development and University of Chicago jointly issued an RFQ/P on December 8, 2008 for the Harper Court Project Area, an approximately 3 acre site located on the northwest corner of 53<sup>rd</sup> Street and Lake Park Avenue within the 53<sup>rd</sup> Street TIF. The City of Chicago and University of Chicago were both owners of the entire project site.

Eleven (11) development teams responded to the RFQ/P and five (5) were chosen to submit full proposals to redevelop the entire project area. In January 2010, Vermilion Development was selected as the successful respondent for the Harper Court RFP by representatives of the DCD, Alderman's office, and U of C. Vermilion Development's proposal consisted of a strong urban plan, unique partnership, diverse team and, creative financial plan.

Vermillion's proposal for the site was a master plan that included 150,000 square feet of office space, 100,000 square feet of retail space, 458 parking spaces, a future phase of approximately 395 residential units, and an approximately 150 key hotel.

On September 14, 2010 the proposed master plan was presented to the Community Development Commission, and the first phase of the Master Plan that included the office space, the retail space, and the 458 parking spaces was approved with a total project cost was of \$106 million dollars, public incentives for the project were 19% of the entire project budget. This request did not include the hotel or the residential components of the Master Plan.

In this report we are seeking approval for Developer Designation and a TIF request of \$5,215,162

for the hotel component of the Master Plan of the Harper Court site.

This project is within the 53<sup>rd</sup> Street TIF Project Area, the Hyde Park Community, and it is located within Planned Development #38 which is zoned for commercial/retail and parking.

**IV. PROPOSED DEVELOPMENT TEAM**

**Development Entity:** Smart Hotels/Olympia Chicago, LLC is the developer entity undertaking the Hyatt Place Chicago at Hyde Park Project. The Developer consists of five member entities, Olympia Chicago, LLC with 40% interest, Smart Hotels Chicago, LLC with 40% interest, The Olympia Companies, LLC with 8% interest, SHG University Chicago with 8% interest, and the remaining 4% interest is owned by various entities. The key principals of Smart Hotels/Olympia Chicago, LLC are Kevin P. Mahaney, Jonathan Adams and Ed Small. The developer’s organization chart is included in the exhibits.

Smart Hotels Chicago team members have extensive experience with hotel projects as part of mixed-use developments. Smart Hotels has recently completed a comparable hotels project at Duke University in Durham, North Carolina. Smart Hotels team members’ experience with mixed-use project includes the Marriott at Key Tower at Tower City in Cleveland, Ohio. The extensive involvement of team members in projects such as these makes Smart Hotels uniquely qualified for the Hotel Project.

Olympia Chicago, LLC is a subsidiary of The Olympia Companies, a second generation, New England-base hospitality company. The predecessor company to The Olympia companies was founded in 1969 and has over 35 years of experience in the hospitality industry. Today, The Olympia Companies, through its subsidiaries, manages over 1,600 hotel rooms in four states. The properties range from and independent, Four Diamond resort to award winning franchise hotels. While the hotel will be Hyatt-branded, a subsidiary of the Olympia companies will manage the hotel after completion of construction.

**Consultants:**

Architect

Legat Architects  
651 West Washington Blvd  
Chicago, IL 60661

Attorneys

Dykeman Gossett PLLC  
10 S. Wacker Drive  
Suite 2300  
Chicago, IL 60606

TIF Consultant

Laube Companies  
200 S. Wacker Dr., 3100  
Chicago, Illinois. 60606

Financing Consultant

William Blair & Company  
222 West Adams Street  
Chicago, IL 60606

## **V. PROPOSED PROJECT**

**Project Overview:** The Developer intends to acquire an approximately 14,600 square foot parcel at the northeast corner of South Harper Avenue and East 52<sup>nd</sup> Place to construct a select service hotel (the Hotel Project). The hotel will consist of 84,000 square feet and have approximately 131 rooms and will also include 50 below grade parking spaces.

The hotel design blends traditional aesthetics with contemporary materials to respond to the fabric of the neighborhood. The exterior of the hotel will be comprised of glass and sandstone colored porcelain tiles resembles natural stone. Interlocking zinc shingles will add further architectural interest since they will weather to create a patina appearance compatible with the neighborhood.

Amenities for the Hotel Project will be comparable to other select service hotels. This will include a small work out facility and a swimming pool for guests. There will also be a breakfast and "on the go" deli foods' area, also available for guests. The hotel will also include conference rooms and meeting facilities for business travelers and community groups. Finally, a business center with computers, printers and other amenities will be offered.

A site plan, floor plans and elevation are provided as exhibits to this report.

**Environmental Features:** The building will have a 100% green roof (net of mechanicals) and the Developer is striving for LEED silver certification. With respect to the green roof, the Developer hopes to incorporate 95%-4 inch green roof trays and 5%-6 inch trays so it can select a wider range of planting materials. By doing so, the Developer may be able to achieve the "Site Development - Protect or Restore Habitat" LEED credit. By having a larger array of plant material from succulents to prairie grasses, the Developer will be able to attract native insects and birds to the roof.

The following are some of the sustainable elements that will be incorporated in this project: Energy efficient HVAC systems, Exterior structural insulated panels with a ventilated tile façade system that will decrease energy costs by 30% over a standard facility of similar size, Low flow plumbing fixtures, Desk and/or guest controlled HVAC and lighting systems, No or low VOC paints and carpets, Zero use of CFC refrigerants, Use of recycled steel, sheet rock and concrete where feasible, Use of regionally sourced materials where feasible, Active construction waste management program, and Vehicle sharing program in the hotel garage.

This development will comply with DHED's Green Matrix requirements.

## **VI. FINANCIAL STRUCTURE**

The City, through the Department of Housing and Economic Development, intends to reimburse the Developer for a portion of their TIF Eligible costs in an amount not exceed the lesser of

\$5,215,162 (\$3,216,722 NPV) or 18% of the Total project budget, currently estimated to be \$28,573,790. The City's assistance will be provided as a reimbursement for TIF-eligible construction loan interest and any other TIF-eligible costs. Per the State TIF Act, up to 30% of the construction loan interest can be reimbursed with TIF funds, but the reimbursement must come from TIF funds on hand; interest costs cannot be paid through a Note structure. These funds will be remitted annually, funded by increment created by the Developer's Project PINs only. The estimated annual payments will be lower in the first years that the project is operating and will increase as the increment from the Project increases. Other TIF eligible costs will be captured in an interest bearing Note.

The Developer is also in the process of applying for Class 7B property tax abatement. The Class 7B is utilized to incentivize development in commercial areas. The 7B application has not been through the DHED/City approval process and will also require approval from Cook County. If the Class 7B is approved by the City Council and the County the property taxes over the life of the TIF will be reduced from \$5.2M to \$3.09M. The tax reduction was taken into account when forecasting the amount of increment that would be generated by the Hotel PINs and will not affect the repayment of the construction loan interest. If a 7B is not part of the financial package the TIF assistance will be a combination of an interest bearing Note and Recovery Zone bond interest, paid out over time.

The total assistance package, between TIF funds and any potential tax abatement will equal a Net Present Value of \$3.2M, or \$5.2M present value.

The Developer is financing the construction and acquisition with equity and proceeds from a Recovery Zone bond. TIF funds and any potential property tax savings are not part of the construction financing but serve to increase the Developer's long term rate of return to levels acceptable to industry standards.

While DHED does not often present financing packages to CDC with both a TIF and tax abatement component the consideration is merited by this deal. Because this project involves new construction there are not enough TIF-eligible costs for the Development entity to fully realize the value of their increment generation. The Hotel investors, in accordance with industry wide standards, require a level of IRR that can not be met without combining the 7B and the TIF assistance. The increment that will be foregone if the 7B is granted, plus the interest reimbursement, equal the amount the City would have paid on an interest bearing note with a face value of \$3.2M. The 7B expires after 12 years, at which point the full benefit of the increased EAV will be realized.

Because of the extraordinary costs associated with the project, this development would not move forward without utilizing TIF in order to help bridge the financing gap. The cost of the hotel construction is not supported by the annual revenues in terms of delivering an adequate return on investment. The Hotel will be a wonderful complement to the already underway Harper Court development and will provide a quality accommodation option for visitors to the University of Chicago and Hyde Park area.

## Sources and Uses of Funds

Sources	Amount	% of Total Sources
Recovery Zone Bond Financing	21,268,214.00	74%
Developer Equity	7,305,576.00	26%
<b>Total Sources</b>	<b>28,573,790.00</b>	<b>100%</b>

Uses	Amount	\$/sf of Building*
Land Acquisition	3,276,600.00	\$39.01
Site Clearance and Preparation	723,400.00	\$8.61
Hard Costs	14,755,741.00	\$175.66
FF & E	2,620,000.00	\$31.19
Soft Costs		
Interest/Financing Costs	2,956,300.00	
Workin Capital	150,000.00	
Hard Cost Contingency	287,904.00	
Soft Cost Contingency	596,000.00	
Arch. & Engring	520,000.00	
Legal/Cons/Clsing/Title/Survey	200,000.00	
Project Development Consultant	200,000.00	
Permit Fees	200,000.00	
Developer Fee	1,140,000.00	
Insurance	138,094.00	
Other soft costs (2.0% of total costs)	809,751.00	
Total Soft Costs (18.2% of total costs)	7,198,049.00	\$85.69
<b>Total Uses</b>	<b>28,573,790.00</b>	<b>\$340.16</b>

\*Gross building area is 84,000 square feet

A stabilized year pro-forma is included in exhibits.

## **VII. PUBLIC BENEFITS**

The proposed project will provide the following public benefits.

**Property Taxes:** The project will expand the tax base because the investment in the property will result in an increase in its assessed value.

**Environmental Features:** The project will incorporate 100% Green Roof and strive for LEED Certification for the building.

**Permanent Jobs:** The project is estimated to generate 21 permanent jobs. The department's workforce development specialists will work with the developer on job training and placement.

**Construction Jobs:** The project will produce 150-200 temporary construction jobs.

**New Tax Revenue:** The project will generate new tax revenue of approximately \$350,000 yearly in new hotel, sales, and parking taxes.

**Affirmative Action:** The developer will comply with the requirements of Chicago's affirmative action ordinance, which requires contract participation of 24% by minority-owned business enterprises (MBEs) and 4% by woman-owned business enterprises (WBEs). The developer has provided notification of the proposed project, by certified mail, to several associations of minority and women contractors. A sample version of the letter and copies of the post office receipts for the certified letters are presented as exhibits to this report.

**City Residency:** The developer will comply with the requirements of Chicago's city residency ordinance, which requires that at least half of all construction-worker hours be filled by Chicago residents. The developer will also comply with the requirement that all construction jobs are paid the prevailing wage.

## **VIII. COMMUNITY SUPPORT**

Alderman Will Burns endorses the project as well as the Hyde Park Chamber of Commerce, both have provided letters of support. The project was presented to the community at a meeting held on January 5, 2012. (See exhibits for a copy of the support letters).

## **IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN**

The proposed project is located in the 53<sup>rd</sup> Street Tax Increment Financing Redevelopment Project Area. The proposed project will satisfy the following goals of the area's redevelopment plan: Reducing and eliminating conditions that qualify the 53<sup>rd</sup> Street Redevelopment Project Area (RPA) as a conservation area and provides the direction and mechanisms necessary to re-establish the RPA as an active and vibrant mixed-use commercial district that provides a comprehensive range of commercial and retail uses to the surrounding residential community.

## **X. CONDITIONS OF ASSISTANCE**

If the proposed resolution is approved by the CDC, HED will negotiate a redevelopment agreement with the developer. The redevelopment agreement will incorporate the parameters of the proposed project as described in this staff report.

It is HED policy that no business will be conducted with a development entity whose any principal has outstanding municipal debts (such as unpaid parking tickets, unpaid water bills, unpaid business licenses, and others), is in arrears of child support payments, or who is a debtor in bankruptcy, a defendant in a legal action for deficient performance, a respondent in an administrative action for deficient performance, or a defendant in any criminal action.

Closing of the sale of the property will not occur before the City Council has approved the



redevelopment agreement, the developer has obtained all necessary City approvals including zoning and building permits, and the developer has presented proof of financing. The documents will include a development timetable.

## **XI. RECOMMENDATION**

The Department of Housing and Economic Development has thoroughly reviewed the proposed project, the qualifications of the development team, the financial structure of the project, its need for public assistance, its public benefits, and the project's conformance with the redevelopment area plan, and HED recommends that the CDC recommend to the City Council the designation of Smart Hotels/Olympia Chicago, LLC as Developer for the construction of approximately 84,000 square foot hotel, with approximately 131 rooms and 50 below grade parking spaces located at 5223 S. Harper Avenue.

**EXHIBITS**

Redevelopment Area Map  
Neighborhood Map or Aerial  
+Survey or Plat  
Site Plan  
Typical Floor Plan  
Front Elevation or Rendering  
Sample M/WBE Letter  
Copies of M/WBE Certified Letter Receipts  
Lender's Letter of Interest  
Community Letters of Support  
Alderman's Letter of Support

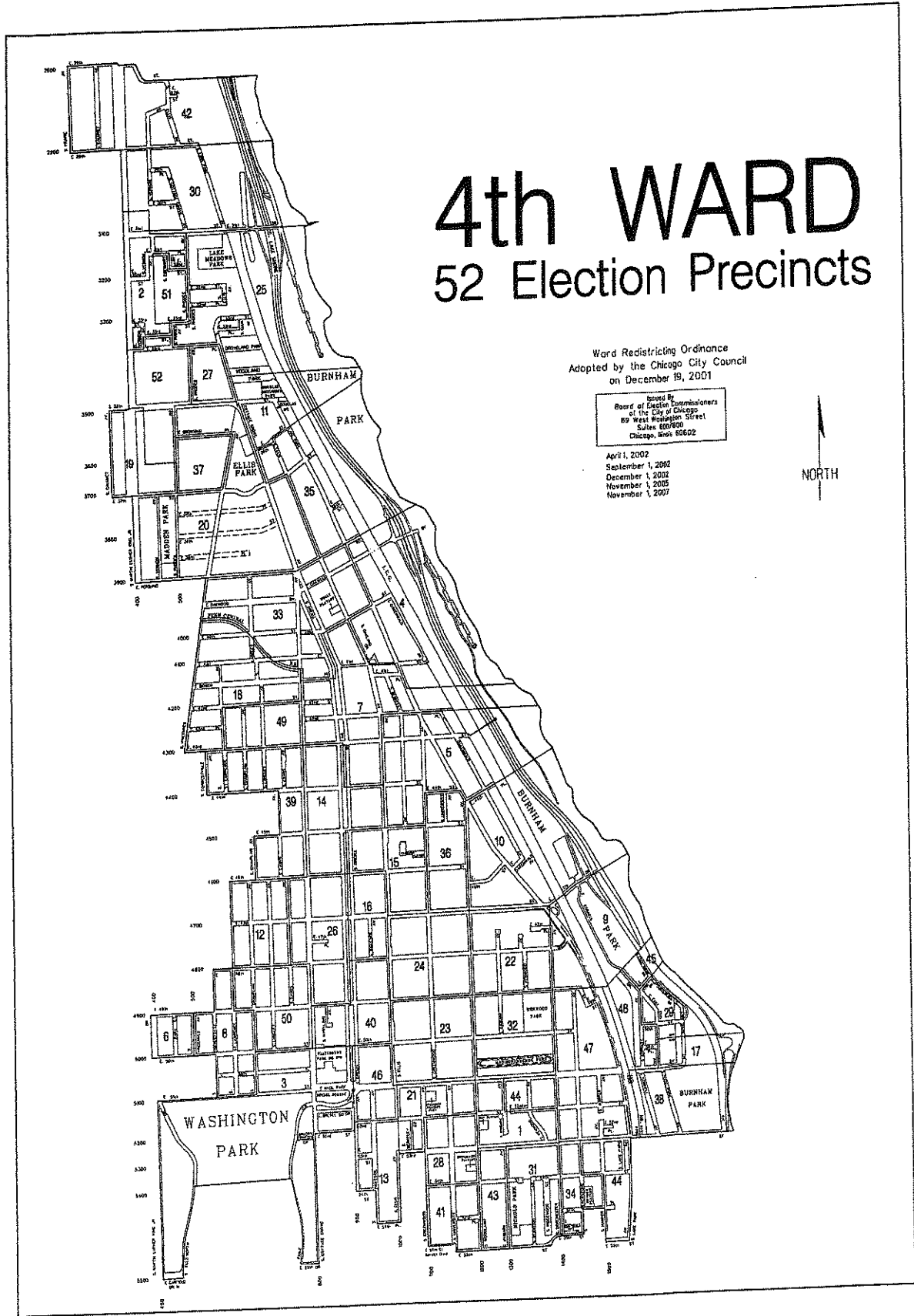
# 4th WARD

## 52 Election Precincts

Ward Redistricting Ordinance  
Adopted by the Chicago City Council  
on December 19, 2001

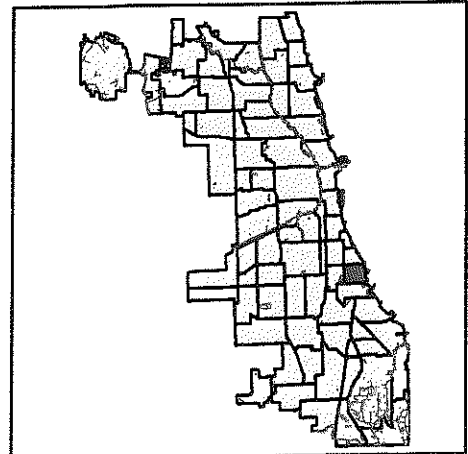
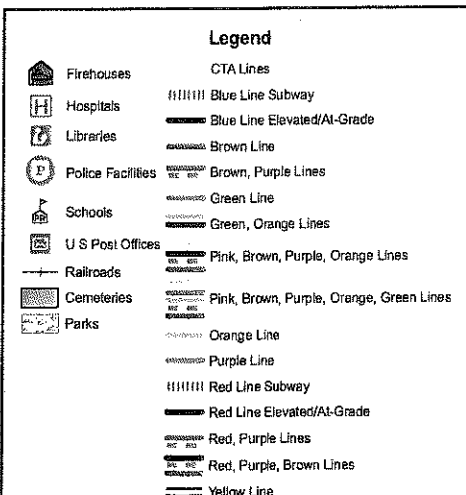
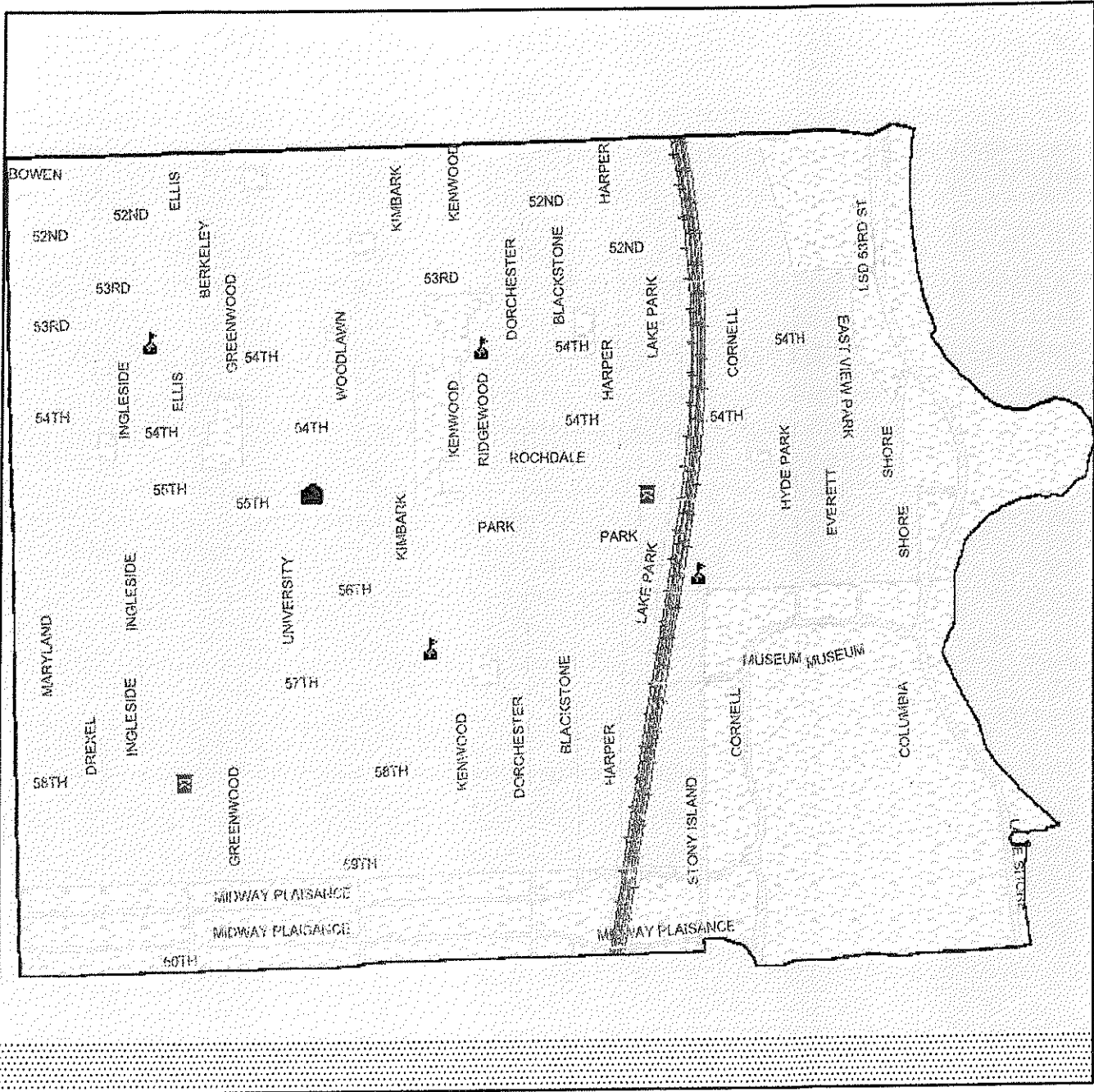
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Board of Election Commissioners  
of the City of Chicago  
69 West Washington Street  
Suite 600/609  
Chicago, Illinois 60602

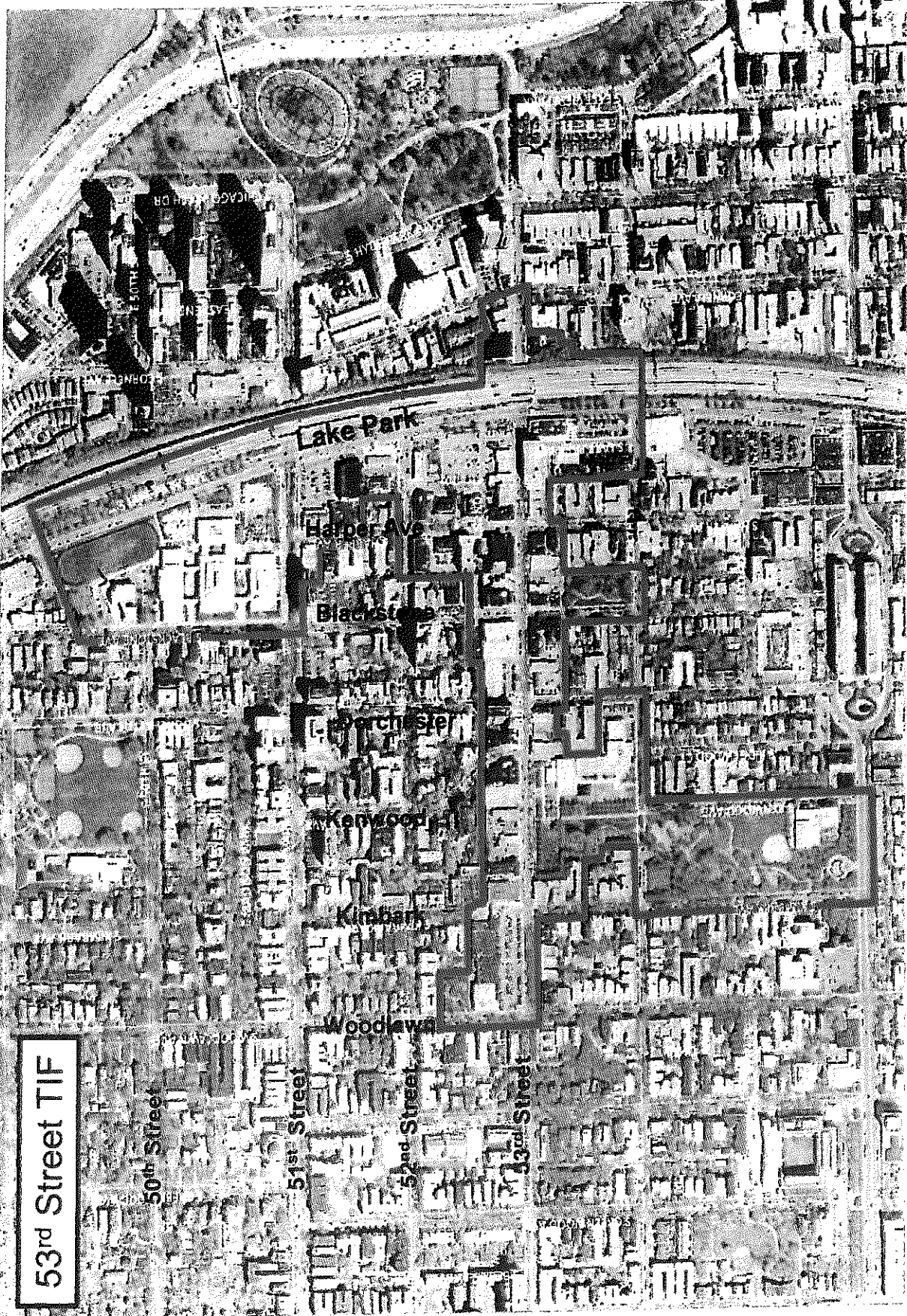
April 1, 2002  
September 1, 2002  
December 1, 2002  
November 1, 2005  
November 1, 2007





# HYDE PARK





53rd Street TIF

50th Street

51st Street

52nd Street

53rd Street

Lake Park

Harper Ave

Blackstone

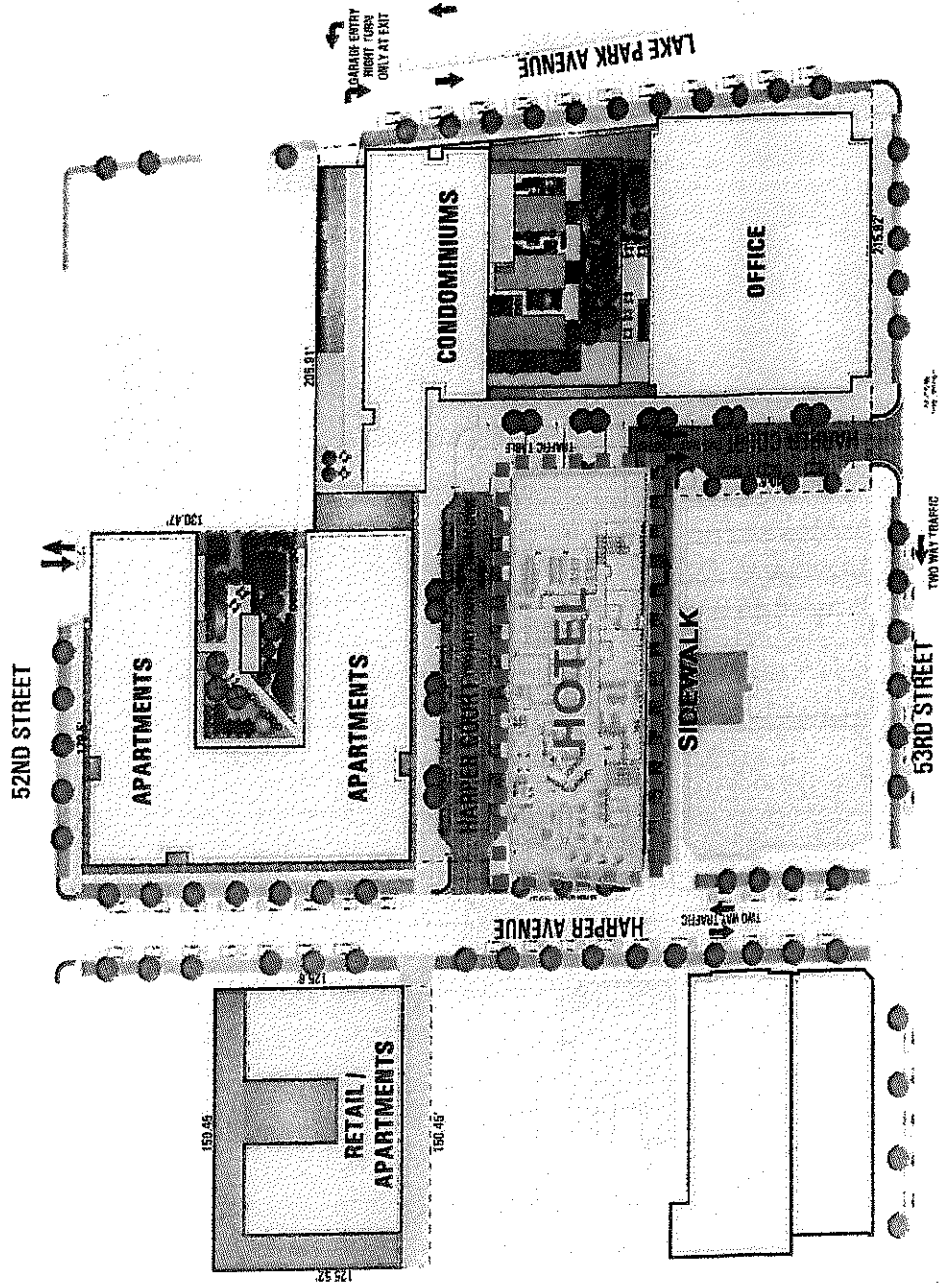
Merchfield

Kenwood

Kimbark

Woodlawn

# Site Plan

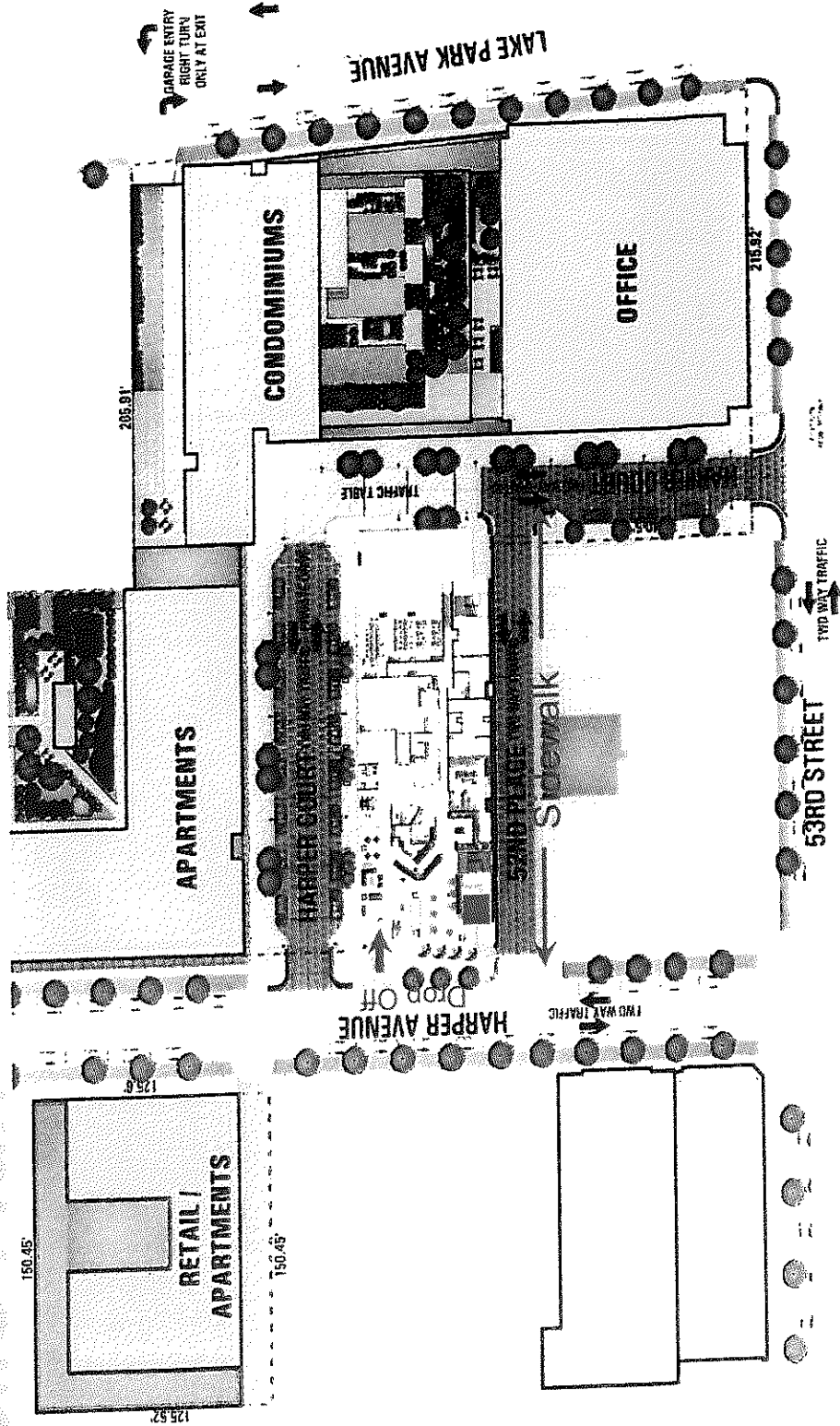


**LEGATARCHITECTS**  
sustainability performance design

## Hotel at Harper Court

**SMART**  
OLYMPIA

# Site Plan



**LEGATARCHITECTS**  
sustainability performance design

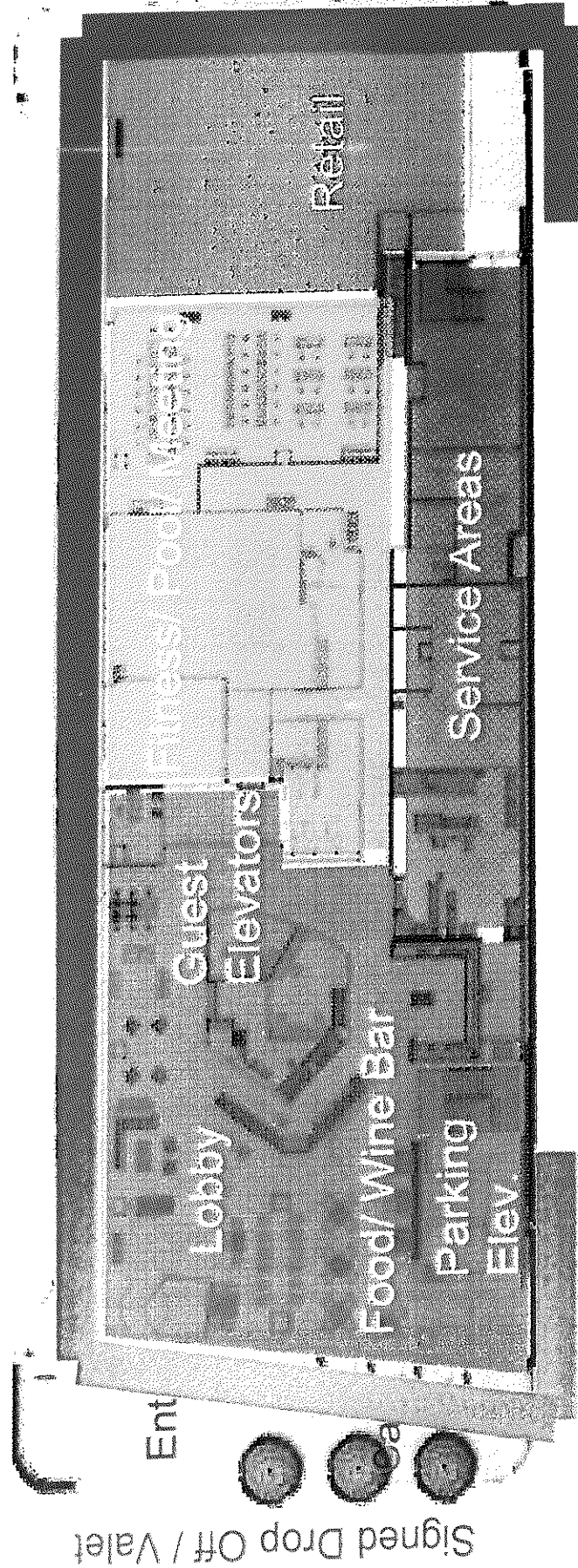
## Hotel at Harper Court

SMART

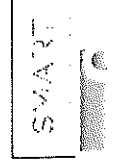
OLYMPIA

# Ground Plan

Harper Court



52nd Place



OLYMPIA

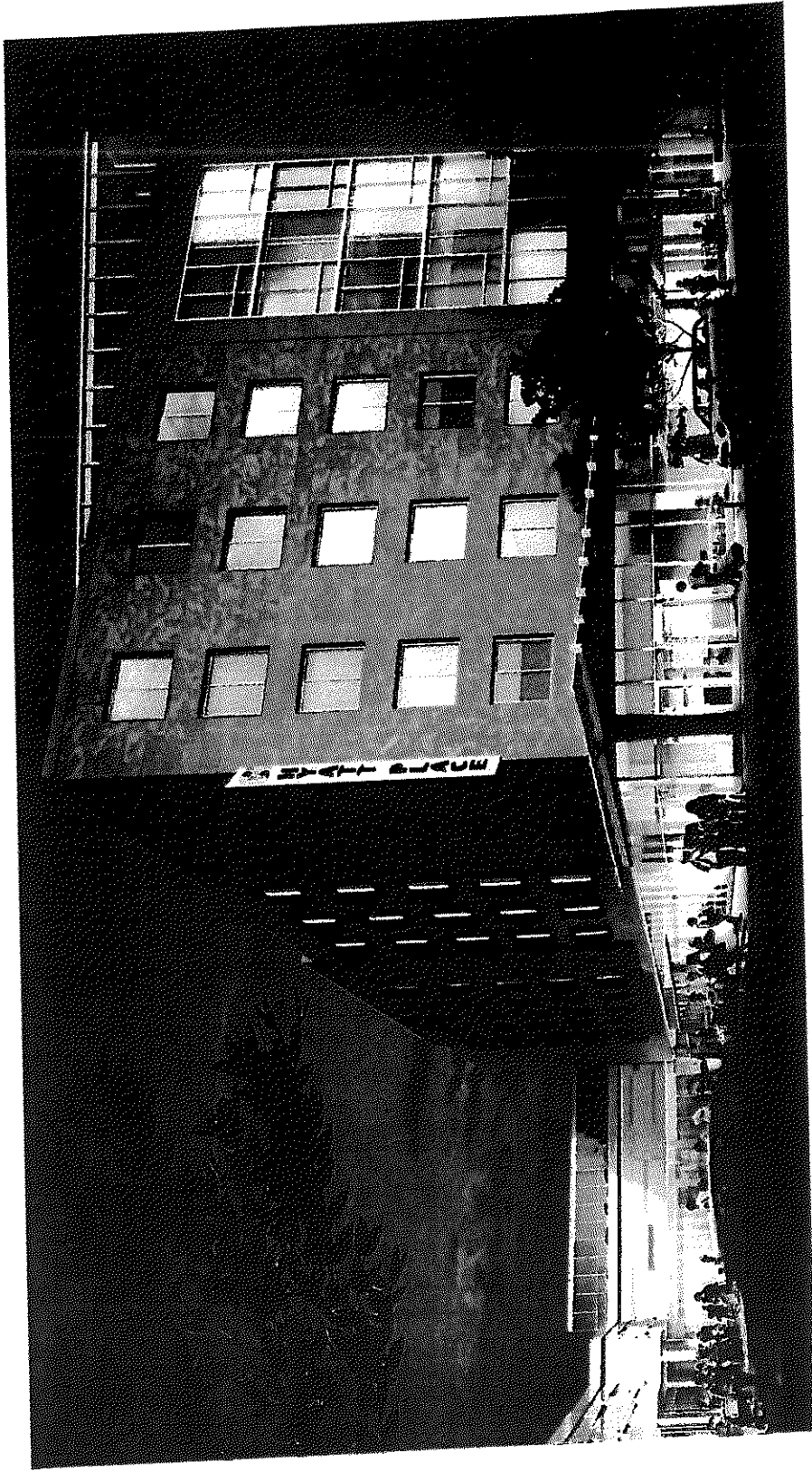
LEGATARCHITECTS  
sustainability performance design

Hotel at Harper Court



# Hyatt Place Hotel Chicago at Harper Court

Smart Hotels / Olympia Chicago LLC



SMART



OLYMPIA



THE OLYMPIA  
COMPANIES

December 1, 2011

**VIA CERTIFIED MAIL**

Mr. Omar Shareef  
African American Contractors Association  
3901 S. State Street, Suite 103  
Chicago, Illinois 60609

Re: 5300 South Harper Avenue

Dear Mr. Shareef:

The purpose of this letter is to inform your organization of potential contracting opportunities associated with the redevelopment of property located at approximately 5300 South Harper Avenue (the "Property"). The developer, Smart Hotels/Olympia Chicago, LLC (the "Developer") intends to develop an approximately 84,000 square foot limited service hotel on the Property.

In the near future, the Developer will select a general contractor. The project is anticipated to require the participation of trades such as carpentry, electrical, mechanical, plumbing, and others.

The Developer has yet to finalize the project budget, which identifies the items subject to minority business enterprise participation of 24% percent and women business enterprise participation of 4%, or a firm project schedule. The Developer will follow up with you to provide you with that information and, if available, its general contractor contact information.

Thereafter, at your request, our general contractor (upon selection), will meet with a representative of your organization to present the project budget and schedule. At your request, our general contractor will also provide your organization with one copy of the project bid documents (including plans and specifications).

We are requesting that you make your member companies aware of this project so that they may submit bids for appropriate subcontracting opportunities. Should you have any questions, please do not hesitate to call.

Sincerely,

Mike Zimmerman

Vice President, Development | LEED AP

Letters from The Olympia Companies re: 5300 South Harper Avenue

Dated: December 1, 2011

Delivery: Via Certified Mail

Mr. Omar Shareef  
African American Contractors Association  
3901 S. State Street, Suite 103  
Chicago, Illinois 60609

Certified Article Number  
7260 3901 9849 1972 0598  
SENDERS RECORD

Mr. Juan Ochoa  
Mexican American Chamber of Commerce  
111 W. Washington Street  
Chicago, Illinois 60602

Certified Article Number  
7260 3901 9849 1972 8755  
SENDERS RECORD

Mr. Edward T. McKinnie  
Black Contractors United  
400 W. 76<sup>th</sup> Street  
Chicago, Illinois 60620

Certified Article Number  
7260 3901 9849 1972 0604  
SENDERS RECORD

Mr. Perry Nackachi  
Association of Asian Construction Enterprises  
333 N. Ogden Avenue  
Chicago, Illinois 60607

Certified Article Number  
7260 3901 9849 1972 0611  
SENDERS RECORD

Ms. Beth Doria  
Federation of Women Contractors  
5650 S. Archer Avenue  
Chicago, Illinois 60638

Certified Article Number  
7260 3901 9849 1972 0628  
SENDERS RECORD

Ms. Hedy Ratner  
Women Business Development Center  
8 S. Michigan Avenue, Suite 400  
Chicago, Illinois 60603

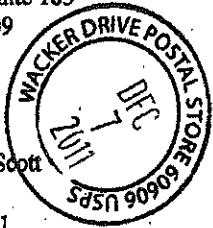
Certified Article Number  
7260 3901 9849 1972 0635  
SENDERS RECORD

Mr. Paul Cerpa  
Hispanic American Construction Industry Association  
901 W. Jackson Boulevard, Suite 205  
Chicago, Illinois 60607

Certified Article Number  
7260 3901 9849 1972 0642  
SENDERS RECORD

7160 3901 9849 1972 0598

**TO:** Mr. Omar Shareef  
African American Contractors Association  
3901 S. State Street, Suite 103  
Chicago, Illinois 60609



**SENDER:** Andrew P. Scott

**REFERENCE:** 108112-0001

PS Form 3800, January 2005

RETURN RECEIPT SERVICE	Postage	44
	Certified Fee	2.85
	Return Receipt Fee	2.30
	Restricted Delivery	
	Total Postage & Fees	624 5.99 ✓

US Postal Service  
**Receipt for Certified Mail**

No Insurance Coverage Provided  
Do Not Use for International Mail

POSTMARK OR DATE

7160 3901 9849 1971 8755

**TO:** Mr. Juan Ochoa  
Mexican American Chamber of Commerce  
111 W. Washington Street  
Chicago, Illinois 60602



**SENDER:** Andrew P. Scott

**REFERENCE:** 108112-0001

PS Form 3800, January 2005

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	Restricted Delivery	
	Total Postage & Fees	559 624 5.99 ✓

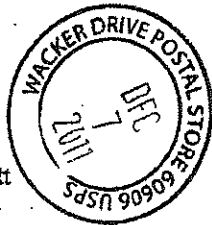
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**Receipt for Certified Mail**

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Do Not Use for International Mail

POSTMARK OR DATE

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**TO:** Mr. Edward T. McKinnie  
Black Contractors United  
400 W. 76th Street  
Chicago, Illinois 60620



**SENDER:** Andrew P. Scott

**REFERENCE:** 108112-0001

PS Form 3800, January 2005

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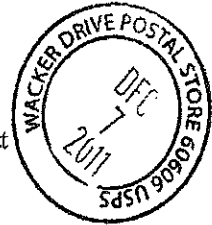
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No Insurance Coverage Provided  
Do Not Use for International Mail

POSTMARK OR DATE

7160 3901 9849 1972 0611

**TO:** Mr. Perry Nackachi  
Association of Asian Construction Enterprises  
333 N. Ogden Avenue  
Chicago, Illinois 60607



**SENDER:** Andrew P. Scott

**REFERENCE:** 108112-0001

PS Form 3800, January 2005

RETURN RECEIPT SERVICE	Postage	44
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US Postal Service  
**Receipt for Certified Mail**

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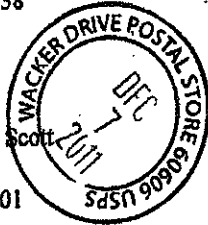
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7160 3901 9849 1972 0628

**TO:** Ms. Beth Doria  
Federation of Women Contractors  
5650 S. Archer Avenue  
Chicago, Illinois 60638

**SENDER:** Andrew P. Scott

**REFERENCE:** 108112-0001



PS Form 3800, January 2005

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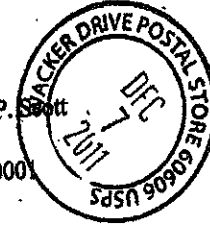
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7160 3901 9849 1972 0635

**TO:** Ms. Hedy Ratner  
Women Business Development Center  
8 S. Michigan Avenue, Suite 400  
Chicago, Illinois 60603

**SENDER:** Andrew P. Scott

**REFERENCE:** 108112-0001



PS Form 3800, January 2005

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US Postal Service  
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7160 3901 9849 1972 0642

**TO:** Mr. Paul Cerpa  
Hispanic American Construction Industry  
Association  
901 W. Jackson Boulevard, Suite 205  
Chicago, Illinois 60607

**SENDER:** Andrew P. Scott

**REFERENCE:** 108112-0001



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	Total Postage & Fees	5.59

US Postal Service  
**Receipt for Certified Mail**

No Insurance Coverage Provided  
Do Not Use for International Mail

POSTMARK OR DATE

**Smart Hotels  
Harper Court  
Gap Analysis  
Revenue Assumptions  
Stabalized Year Operating Pro-Forma**

Number of Rooms 131

REVENUE	<u>Year 3 - First Stabalized Year</u>	
Rooms	\$	5,562,743
Food	\$	443,376
Beverage	\$	165,789
Telecommunications	\$	7,709
Other	\$	61,673
Parking (50 Sp@70% of Net)	\$	139,402
Total Revenue	\$	6,380,693
Retail Rent	\$	70,000
Total Sales	\$	<u>6,450,693</u>

**DEPTMARTMENT PROFITS**

Rooms	\$	4,283,312
Food	\$	98,873
Beverage	\$	56,037
Telecommunications	\$	(10,423)
Other	\$	26,951
Parking	\$	97,582
Retail Rent	\$	70,000
Total Dept. Profit	\$	<u>4,622,332</u>

**Undistributed Expenses**

Administrative & General	\$	465,791
Marketing	\$	191,421
Franchise Fees	\$	528,461
Property Operations & Maint.	\$	234,648
Energy	\$	210,563
Total Undistributed Expenses	\$	<u>1,630,882</u>
Income Before Fixed Charges	\$	<u>2,991,449</u>
Less Other Charges:		
Property Taxes	\$	402,416
Insurance	\$	37,823
Management Fee	\$	191,421
Asset Management Fee	\$	63,807
Total of Other Charges	\$	<u>695,467</u>
Earnings Before Interest Taxes and Amortizatic	\$	<u>2,295,983</u>
Less: Replacement Reserve	\$	255,228
Net Operating Income	\$	<u>2,040,755</u>



SHOP HYDE PARK FIRST

**Board of Directors - 2012**

**President**

Susan Walker  
*Hyde Park Herald*

**1<sup>st</sup> Vice President**

Joyce Feuer  
*Joyce's Event & Party Planning*

**2<sup>nd</sup> Vice President**

Greg Guttman  
*MAC Property Management*

**Recording Secretary**

Greg Teague  
*Teague, Knight & Assoc. Country Financial*

**Treasurer**

Ken Sticken  
*BankFinancial*

**Directors:**

Mike Davis  
*The Entrepreneur's Source*

Kirsten Esterly  
*Medici on 57th*

James Hennessy  
*University of Chicago*

Director, Commercial Real Estate Operations

Denise Johnson  
*Museum of Science and Industry*

Brad Jonas  
*Powell's Bookstore*

Pattie Kidwell  
*Chant*

*Noodles Etc.*

Harry L. Parson III  
*Parson Enterprise*

Jim Poueymirou  
*Wells Fargo Home Mortgage*

Marc Pribaz  
*Istria Cafe*

Snjezana Sego  
*Hyde Park Bank*

Jeanne Spurlock  
*Century 21 Kennedy, Ryan & Montgal*

Edward Small, President  
Smart Hotels LLC  
3201 Enterprise Parkway, Suite 140  
Beachwood, OH 44122

February 29, 2012

Dear Mr. Small:

On behalf of the Hyde Park Chamber of Commerce I would like to welcome Smart Hotels LLC to Hyde Park, founded in 1889 in Chicago, the Jewel on the Lake.

Smart Hotels LLC has made a wise investment by deciding to build in Hyde Park. We are a community of businesses, educators, organizations and residents committed to outstanding quality, exceptional excellence and world class leadership. Hyde Park is the home to the 44<sup>th</sup> president of the United States, Barack Obama and was the home of the 51<sup>st</sup> Mayor of Chicago, the Honorable Harold Washington, as well as to Louis Sullivan, Mahalia Jackson, Clarence Darrow and Mohammed Ali.


Since 1939, the Hyde Park Chamber of Commerce has played a major role in the development of the Hyde Park business community. With over two hundred members, the Chamber is committed to creating business opportunities, supporting responsible commercial development and to building strong, lasting business relationships.

As a new member of the Chamber, Smart Hotels LLC joins an organization that includes the internationally known Museum of Science and Industry, the DuSable Museum of African American History, the University of Chicago and Chicago's oldest newspaper, the Hyde Park Herald.

The Hyde Park Chamber of Commerce gives a voice to our small and home-based business members as well as networking opportunities for our start-up, new and expanding members.

The Chamber is committed to assisting our members in culturally enriching and successfully adding economic value to our community. We believe that Smart Hotels LLC will do just that. We welcome your arrival in Hyde Park, your membership in the Chamber and anticipate your active participation in our culturally rich, ethnically diverse Jewel on the Lake.

Sincerely,



Susan J. Walker  
President  
Board of Directors  
Hyde Park Chamber of Commerce  
Wallace E. Goode, Jr.  
Executive Director



**WILLIAM D. BURNS**

ALDERMAN, 4TH WARD  
436 EAST 35TH STREET  
CHICAGO, ILLINOIS 60616  
TELEPHONE: 773-536-8103  
FAX: 773-536-7296



December 12, 2011

Andrew Mooney, Commissioner  
Department of Housing and Economic Development (DHED)  
121 North LaSalle Street  
Room 1000  
Chicago, Illinois 60602

Re: **Smart Hotels/Olympia Chicago, LLC Hotel Project; 5300 South Harper Avenue**

Dear Commissioner Mooney:

I am writing to express my support for the developer, Smart Hotels/Olympia Chicago, LLC's proposed hotel project at 5300 South Harper Avenue. The project development team has submitted an application for Tax Increment Financing (TIF) assistance from project PINs only located in the 53<sup>rd</sup> Street TIF to cover site acquisition and related TIF eligible costs. The TIF Advisory Council and Hyde Park community has approved a previous request from the project team and is in support of this project. I have no objection to the request for support from the 53<sup>rd</sup> street TIF for TIF eligible expenses.

I would appreciate your consideration and will work with your staff as the project moves forward through the legislative process. I believe that the project will improve the 4<sup>th</sup> Ward and the community by creating new job opportunities, increasing the City's tax base and furthering the goals of the 53th Street Redevelopment Project and Plan.

Thank you for your consideration. If you have questions, please contact me or my Chief of Staff, Lynda Korsah at (773) 536-8103.

Sincerely,

William D. Burns  
Alderman 4<sup>th</sup> Ward

Cc: Mary Bonome - HED

**CITY COUNCIL  
CITY OF CHICAGO  
COUNCIL CHAMBER**

CITY HALL - ROOM 200  
121 NORTH LA SALLE STREET  
CHICAGO, ILLINOIS 60602  
TELEPHONE 312-744-2690

**COMMITTEE MEMBERSHIPS**

COMMITTEES, RULES AND ETHICS

FINANCE

HOUSING AND REAL ESTATE

PEDESTRIAN AND TRAFFIC SAFETY

TRANSPORTATION AND PUBLIC WAY

WORKFORCE DEVELOPMENT AND AUDIT



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

**RESOLUTION NO. \_\_ - CDC -**

**AUTHORIZATION TO NEGOTIATE A  
REDEVELOPMENT AGREEMENT WITH SMART HOTELS/OLYMPIA  
CHICAGO, LLC**

**AND  
RECOMMENDATION TO  
THE CITY COUNCIL OF THE CITY OF CHICAGO  
FOR THE DESIGNATION OF SMART HOTELS/OLYMPIA  
CHICAGO, LLC AS 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 \_\_-CDC-\_\_ and pursuant to the Act, enacted three ordinances on March 13, 2012 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the 53<sup>rd</sup> Street 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**, Smart Hotels/Olympia Chicago, LLC (the "Developer"), has presented to the City's Department of Housing and Economic Development ("HED") a proposal for redevelopment of the Area or a portion thereof that is in compliance with the Plan, consisting of the construction of a Construction of approximately 84,000 square foot hotel, with approximately 131 rooms and 50 below-grade parking spaces (the "Project"); and

**WHEREAS**, HED requests that the Commission recommend to City Council that the Developer be designated as the developer for the Project and that HED 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 HED 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: \_\_\_\_\_, 200\_

Attachment: Exhibit A, Street Boundary Description

**EXHIBIT A**

Street Boundary Description of the  
53<sup>rd</sup> Street TIF Tax Increment Financing  
Redevelopment Project Area

The Area is generally bounded by 50<sup>th</sup> Street on the north, Lake Park Avenue on the east, 55<sup>th</sup> Street on the south, and Woodlawn Avenue on the west.