REPORT OF THE FINANCE SUBCOMMITTEE
ON REAL ESTATE & BUSINESS & ECONOMIC DEVELOPMENT

January 15, 2013

The Honorable,
The Board of Commissioners of Cook County

ATTENDANCE

Present: Chairman Garcia, Vice Chairman Murphy, Commissioners Gorman, Reyes, Schneider and Steele (6)

Absent: Commissioners Butler (1)

Also Present: Patrick Driscoll, Jr. – Deputy State's Attorney, Chief, Civil Actions Bureau, Stephan Simsic – Vice President, U.S. Equities Realty, Roark Frankel – Leed AP Senior Vice President, U.S. Equities Realty and Fred Moody – Associate Clerk Cook County Clerks Office

Ladies and Gentlemen:

Your Committee of the Finance Subcommittee on Real Estate & Business & Economic Development of the Board of Commissioners of Cook County met pursuant to notice on Tuesday, January 15, 2013 at the hour of 12:30 P.M. in the Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois.

Your Committee has considered the following items and upon adoption of this report, the recommendations are as follows:

321058 BUREAU OF ECONOMIC DEVELOPMENT, DEPARTMENT OF PLANNING AND DEVELOPMENT (PROPOSED RESOLUTION). Transmitting a Communication, dated November 15, 2012 from Herman Brewer, Chief, Bureau of Economic Development:

respectfully submitting this Resolution regarding CRP Holdings A-2, LLC's request for a Class 6b property tax incentive for special circumstances and substantial rehabilitation for an industrial building located at 1500 Bishop Court, Mount Prospect, Illinois. The applicant intends to lease the site to an industrial user for warehousing, manufacturing and/or distribution use.

CRP Holdings A-2, LLC requests approval of the tax incentive based on the special circumstances that the property has been vacant for more than 24 months; there will be no purchase for value; and substantial rehabilitation will be completed under the Class 6b Ordinance. This Resolution is required so that the company can complete its application to the Assessor of Cook County.

Submitting a Proposed Resolution sponsored by Toni Preckwinkle, President and Gregg Goslin, County Commissioner.

PROPOSED RESOLUTION

WHEREAS, the Cook County Board of Commissioners has adopted a Real Property Assessment Classification 6b that provides an applicant a reduction in the assessment level for an industrial facility; and

WHEREAS, the County Board of Commissioners has received and reviewed an application from CRP Holdings A-2, LLC and Resolution No. 28-11 from the Village of Mount Prospect for an abandoned industrial facility located at 1500 Bishop Court, Mount Prospect, Cook County, Illinois, County Board District #14, Property Index Number: 03-35-200-045-0000; and

WHEREAS, Cook County has defined abandoned property as buildings and other structures that, after having been vacant and unused for at least 24 months, are purchased for value by a purchaser in whom the seller has no direct financial interest; and

WHEREAS, industrial real estate is normally assessed at 25% of its market value. Qualifying industrial real estate eligible for the Class 6b can receive a significant reduction in the level of assessment from the date that new construction or rehabilitation has been completed, or in the case of abandoned property from the date of substantial re-occupancy. Properties receiving Class 6b will be assessed at 10% of the market value for 10 years, 15% for the 11th year and 20% in the 12th year; and

WHEREAS, in the instance where the property does not meet the definition of abandoned property, the municipality or the Board of Commissioners, may determine that special circumstances justify finding that the property is abandoned for the purpose of Class 6b; and

WHEREAS, in the case of abandonment of over 24 months and no purchase for value by a disinterested buyer, the County may determine that special circumstances justify finding the property is deemed abandoned; and

WHEREAS, Class 6b requires a Resolution by the County Board validating the property is deemed abandoned for the purpose of Class 6b; and

WHEREAS, the Cook County Board of Commissioners has determined that the building has been abandoned for 24 months, at the time of application, with no purchase for value and that special circumstances are present; and

WHEREAS, the re-occupancy will create an estimated 50-100 new full-time jobs; and

WHEREAS, the Village of Mount Prospect states the Class 6b is necessary for development to occur on this specific real estate. The municipal Resolution cites the special circumstances include that the property has been vacant for over 24 months; will have no purchase for value; and is in need of substantial rehabilitation; and

WHEREAS, the applicant acknowledges that it must provide an affidavit to the Assessor's Office stipulating that it is in compliance with the County's Living Wage Ordinance prior to receiving the Class 6b incentive on the subject property.

NOW, THEREFORE, BE IT RESOLVED, by the President and Board of Commissioners of the County of Cook, that the President and Board of Commissioners validate the property located at 1500 Bishop Court, Mount Prospect, Cook County, Illinois, is deemed abandoned with special circumstances under the Class 6b; and

BE IT FURTHER RESOLVED, that the County Clerk is hereby authorized and directed to forward a certified copy of this Resolution to the Office of the Cook County Assessor.

***Referred to the Finance Subcommittee on Real Estate & Business & Economic Development on 12/4/12.**

Vice Chairman Murphy, seconded by Commissioner Schneider, moved the Approval of Communication No. , 321058. The motion carried.

321059 BUREAU OF ECONOMIC DEVELOPMENT, DEPARTMENT OF PLANNING AND DEVELOPMENT (PROPOSED RESOLUTION). Transmitting a Communication, dated November 15, 2012 from Herman Brewer, Chief, Bureau of Economic Development:

respectfully submitting this Resolution regarding Prologis 2, L.P.'s request for a Class 6b property tax incentive for special circumstances for an industrial building located at 7400 Richard Road, Bridgeview, Illinois. The applicant intends to lease the property to World Imports Chicago, LLC for the warehousing and distribution of wholesale furniture.

Prologis 2, L.P. requests approval of the tax incentive based on the special circumstances that the property has been vacant for more than 24 month and there has been no purchase for value under the Class 6b Ordinance. This Resolution is required so that the company can complete its application to the Assessor of Cook County.

Submitting a Proposed Resolution sponsored by Toni Preckwinkle, President and Earlean Collins, County Commissioner.

PROPOSED RESOLUTION

WHEREAS, the Cook County Board of Commissioners has adopted a Real Property Assessment Classification 6b that provides an applicant a reduction in the assessment level for an industrial facility; and

WHEREAS, the County Board of Commissioners has received and reviewed an application from Prologis 2, L.P. and Resolution No. 11-26 from the Village of Bridgeview for an abandoned industrial facility located at 7400 Richard Road, Bridgeview, Cook County, Illinois, County Board District #1, Property Index Numbers: 23-12-210-009-0000 and 23-12-210-010-0000; and

WHEREAS, Cook County has defined abandoned property as buildings and other structures that, after having been vacant and unused for at least 24 months, are purchased for value by a purchaser in whom the seller has no direct financial interest; and

WHEREAS, industrial real estate is normally assessed at 25% of its market value. Qualifying industrial real estate eligible for the Class 6b can receive a significant reduction in the level of assessment from the date that new construction or rehabilitation has been completed, or in the case of abandoned property from the date of substantial re-occupancy. Properties receiving Class 6b will be assessed at 10% of the market value for 10 years, 15% for the 11th year and 20% in the 12th year; and

WHEREAS, in the instance where the property does not meet the definition of abandoned property, the municipality or the Board of Commissioners, may determine that special circumstances justify finding that the property is abandoned for the purpose of Class 6b; and

WHEREAS, in the case of abandonment of over 24 months and no purchase for value by a disinterested buyer, the County may determine that special circumstances justify finding the property is deemed abandoned; and

WHEREAS, Class 6b requires a Resolution by the County Board validating the property is deemed abandoned for the purpose of Class 6b; and

WHEREAS, the Cook County Board of Commissioners has determined that the building has been abandoned for 28 months, at the time of application, with no purchase for value and that special circumstances are present; and

WHEREAS, the re-occupancy will create an estimated 30 new full-time jobs; and

WHEREAS, the Village of Bridgeview states the Class 6b is necessary for development to occur on this specific real estate. The municipal Resolution cites the special circumstances include that the property has been vacant for over 24 month and will have no purchase for value; and

WHEREAS, the applicant acknowledges that it must provide an affidavit to the Assessor's Office stipulating that it is in compliance with the County's Living Wage Ordinance prior to receiving the Class 6b incentive on the subject property.

NOW, THEREFORE, BE IT RESOLVED, by the President and Board of Commissioners of the County of Cook, that the President and Board of Commissioners validate the property located at 7400 Richard Road, Bridgeview, Cook County, Illinois, is deemed abandoned with special circumstances under the Class 6b; and

BE IT FURTHER RESOLVED, that the County Clerk is hereby authorized and directed to forward a certified copy of this Resolution to the Office of the Cook County Assessor.

***Referred to the Finance Subcommittee on Real Estate & Business & Economic Development on 12/4/12.**

Vice Chairman Murphy, seconded by Commissioner Schneider, moved the Approval of Communication No. , 321059. The motion carried.

321060 BUREAU OF ECONOMIC DEVELOPMENT, DEPARTMENT OF PLANNING AND DEVELOPMENT (PROPOSED RESOLUTION). Transmitting a Communication, dated November 15, 2012 from Herman Brewer, Chief, Bureau of Economic Development:

respectfully submitting this Resolution regarding JNTALPHA, LLC and JNTBETA, LLC's request for a Class 6b property tax incentive for special circumstances for an industrial building located at 2525 Gardner Road, Broadview, Illinois. The applicant intends to lease the property to Nu-Puttie Corporation for the manufacturing of mastic compounds for the construction industry.

JNTALPHA, LLC and JNTBETA, LLC requests approval of the tax incentive based on the special circumstances that the property has been vacant for less than 24 months and has been purchased for value under the Class 6b Ordinance. This Resolution is required so that the company can complete its application to the Assessor of Cook County.

Submitting a Proposed Resolution sponsored by Toni Preckwinkle, President and Earlean Collins, County Commissioner.

PROPOSED RESOLUTION

WHEREAS, the Cook County Board of Commissioners has adopted a Real Property Assessment Classification 6b that provides an applicant a reduction in the assessment level for an industrial facility; and

WHEREAS, the County Board of Commissioners has received and reviewed an application from JNTALPHA, LLC and JNTBETA, LLC and Resolution No. RO-11-23 from the Village of Broadview for an abandoned industrial facility located at 2525 Gardner Road, Broadview, Cook County, Illinois, County Board District #17, Property Index Number: 15-21-202-099-0000; and

WHEREAS, Cook County has defined abandoned property as buildings and other structures that, after having been vacant and unused for at least 24 months, are purchased for value by a purchaser in whom the seller has no direct financial interest; and

WHEREAS, industrial real estate is normally assessed at 25% of its market value, qualifying industrial real estate eligible for the Class 6b can receive a significant reduction in the level of assessment from the date that new construction or rehabilitation has been completed, or in the case of abandoned property from the date of substantial re-occupancy. Properties receiving Class 6b will be assessed at 10% of the market value for 10 years, 15% for the 11th year and 20% in the 12th year; and

WHEREAS, in the instance where the property does not meet the definition of abandoned property, the municipality or the Board of Commissioners, may determine that special circumstances justify finding that the property is abandoned for purpose of Class 6b; and

WHEREAS, in the case of abandonment of less than 24 months and purchase for value, by a purchaser in whom the seller has no direct financial interest, the County may determine that special circumstances justify finding the property is deemed abandoned; and

WHEREAS, Class 6b requires the validation by the County Board of the shortened period of qualifying abandonment in cases where the facility has been abandoned for less than 24 consecutive months upon purchase for value; and

WHEREAS, the Cook County Board of Commissioners has determined that the building was abandoned for 18 months at the time of application, and that special circumstances are present; and

WHEREAS, the applicant estimates that the re-occupancy will retain 18 full-time jobs and one (1) part-time jobs, create 12 new full-time jobs and 10 construction jobs; and

WHEREAS, the Village Broadview states the Class 6b is necessary for development to occur on this specific real estate. The municipal Resolution cites the special circumstances include that the property has been vacant for less than 24 months; has been purchased for value and is in need of substantial rehabilitation; and

WHEREAS, the applicant acknowledges that it must provide an affidavit to the Assessor's Office stipulating that it is in compliance with the County's Living Wage Ordinance prior to receiving the Class 6bincentive on the subject property.

NOW, THEREFORE, BE IT RESOLVED, by the President and Board of Commissioners of the County of Cook, that the President and Board of Commissioners validate the property located at 2525 Gardner Road, Broadview, Cook County, Illinois, is deemed abandoned with special circumstances under the Class 6b; and

BE IT FURTHER RESOLVED, that the County Clerk is hereby authorized and directed to forward a certified copy of this Resolution to the Office of the Cook County Assessor.

***Referred to the Finance Subcommittee on Real Estate & Business & Economic Development on 12/4/12.**

Vice Chairman Murphy, seconded by Commissioner Gorman, moved the Approval of Communication No. 321060. The motion carried.

321061 BUREAU OF ECONOMIC DEVELOPMENT, DEPARTMENT OF PLANNING AND DEVELOPMENT (PROPOSED RESOLUTION). Transmitting a Communication, dated November 15, 2012 from Herman Brewer, Chief, Bureau of Economic Development:

respectfully submitting this Resolution regarding Airtech Holdings, LLC's request for a Class 6b property tax incentive for special circumstances and substantial rehabilitation for an industrial building located at 1371 Brummel Ave., Elk Grove Village, Illinois. The applicant intends to fully occupy the property for its own use consisting of testing air pollution emissions and storing, maintaining and repairing testing equipment.

Airtech Holdings, LLC requests approval of the tax incentive based on the special circumstances that the property has been vacant for less than 24 months; has been purchased for value; and substantial rehabilitation will be completed under the Class 6b Ordinance. This Resolution is required so that the company can complete its application to the Assessor of Cook County.

Submitting a Proposed Resolution sponsored by Toni Preckwinkle, President and Elizabeth "Liz" Doody Gorman, County Commissioner.

PROPOSED RESOLUTION

WHEREAS, the Cook County Board of Commissioners has adopted a Real Property Assessment Classification 6b that provides an applicant a reduction in the assessment level for an industrial facility; and

WHEREAS, the County Board of Commissioners has received and reviewed an application from Airtech Holdings, LLC and Resolution No. 28-11 from the Village of Elk Grove Village for an abandoned industrial facility located at 1371 Brummel Avenue, Elk Grove Village, Cook County, Illinois, County Board District #17, Property Index Number: 08-27-202-054-0000; and

WHEREAS, Cook County has defined abandoned property as buildings and other structures that, after having been vacant and unused for at least 24 months, are purchased for value by a purchaser in whom the seller has no direct financial interest; and

WHEREAS, industrial real estate is normally assessed at 25% of its market value, qualifying industrial real estate eligible for the Class 6b can receive a significant reduction in the level of assessment from the date that new construction or rehabilitation has been completed, or in the case of abandoned property from the date of substantial re-occupancy. Properties receiving Class 6b will be assessed at 10% of the market value for 10 years, 15% for the 11th year and 20% in the 12th year; and

WHEREAS, in the instance where the property does not meet the definition of abandoned property, the municipality or the Board of Commissioners, may determine that special circumstances justify finding that the property is abandoned for purpose of Class 6b; and

WHEREAS, in the case of abandonment of less than 24 months and purchase for value, by a purchaser in whom the seller has no direct financial interest, the County may determine that special circumstances justify finding the property is deemed abandoned; and

WHEREAS, Class 6b requires the validation by the County Board of the shortened period of qualifying abandonment in cases where the facility has been abandoned for less than 24 consecutive months upon purchase for value; and

WHEREAS, the Cook County Board of Commissioners has determined that the building was abandoned for 18 months at the time of application, and that special circumstances are present; and

WHEREAS, the applicant estimates that the re-occupancy create 20-21 new full-time jobs and 5-10 construction jobs; and

WHEREAS, the Village of Elk Grove Village states the Class 6b is necessary for development to occur on this specific real estate. The municipal Resolution cites the special circumstances include that the property has been vacant for less than 24 months; will be purchased for value pending approval of the Class 6b; and is in need of substantial rehabilitation; and

WHEREAS, the applicant acknowledges that it must provide an affidavit to the Assessor's Office stipulating that it is in compliance with the County's Living Wage Ordinance prior to receiving the Class 6b incentive on the subject property.

NOW, THEREFORE, BE IT RESOLVED, by the President and Board of Commissioners of the County of Cook, that the President and Board of Commissioners validate the property located at 1371 Brummel Avenue, Elk Grove Village, Cook County, Illinois, is deemed abandoned with special circumstances under the Class 6b; and

BE IT FURTHER RESOLVED, that the County Clerk is hereby authorized and directed to forward a certified copy of this Resolution to the Office of the Cook County Assessor.

***Referred to the Finance Subcommittee on Real Estate & Business & Economic Development on 12/4/12.**

Vice Chairman Murphy, seconded by Commissioner Gorman, moved the Approval of Communication No. 321061. The motion carried.

321062 BUREAU OF ECONOMIC DEVELOPMENT, DEPARTMENT OF PLANNING AND DEVELOPMENT (PROPOSED RESOLUTION). Transmitting a Communication, dated November 15, 2012 from Herman Brewer, Chief, Bureau of Economic Development:

respectfully submitting this Resolution regarding Illinois Process Equipment, Inc.'s request for a Class 6b property tax incentive for special circumstances for an industrial building located at 1110 Morse Avenue, Schaumburg, Illinois. The applicant intends to occupy the property for the warehousing and distribution of industrial sump/sewage, and wastewater products.

Illinois Process Equipment, Inc. requests approval of the tax incentive based on the special circumstances that the property has been vacant for less than 24 months and is being purchased for value pending approval of the Class 6b Ordinance. This Resolution is required so that the company can complete its application to the Assessor of Cook County.

Submitting a Proposed Resolution sponsored by Toni Preckwinkle, President and Timothy O. Schneider, County Commissioner.

PROPOSED RESOLUTION

WHEREAS, the Cook County Board of Commissioners has adopted a Real Property Assessment Classification 6b that provides an applicant a reduction in the assessment level for an industrial facility; and

WHEREAS, the County Board of Commissioners has received and reviewed an application from Illinois Process Equipment, Inc. and Resolution No. R-12 from the Village of Schaumburg for an abandoned industrial facility located at 1110 Morse Avenue, Schaumburg, Cook County, Illinois, County Board District #15, Property Index Numbers: 07-33-102-045-0000 and 07-33-102-051-0000; and

WHEREAS, Cook County has defined abandoned property as buildings and other structures that, after having been vacant and unused for at least 24 months, are purchased for value by a purchaser in whom the seller has no direct financial interest; and

WHEREAS, industrial real estate is normally assessed at 25% of its market value. Qualifying industrial real estate eligible for the Class 6b can receive a significant reduction in the level of assessment from the date that new construction or rehabilitation has been completed, or in the case of abandoned property from the date of substantial re-occupancy. Properties receiving Class 6b will be assessed at 10% of the market value for 10 years, 15% for the 11th year and 20% in the 12th year; and

WHEREAS, in the instance where the property does not meet the definition of abandoned property, the municipality or the Board of Commissioners, may determine that special circumstances justify finding that the property is abandoned for the purpose of Class 6b; and

WHEREAS, in the case of abandonment of under 24 months and purchase for value by a disinterested buyer, the County may determine that special circumstances justify finding the property is deemed abandoned; and

WHEREAS, Class 6b requires a Resolution by the County Board validating the property is deemed abandoned for the purpose of Class 6b; and

WHEREAS, the Cook County Board of Commissioners has determined that the building has been abandoned for 14 months, at the time of application, with no purchase for value and that special circumstances are present; and

WHEREAS, the re-occupancy will retain 14 jobs and create an estimated one (1) new full-time jobs; and

WHEREAS, the Village of Schaumburg states the Class 6b is necessary for development to occur on this specific real estate. The municipal Resolution cites the special circumstances include that the property has been vacant for over 24 months and will be purchased for value pending approval of the class 6b; and

WHEREAS, the applicant acknowledges that it must provide an affidavit to the Assessor's Office stipulating that it is in compliance with the County's Living Wage Ordinance prior to receiving the Class 6b incentive on the subject property.

NOW, THEREFORE, BE IT RESOLVED, by the President and Board of Commissioners of the County of Cook, that the President and Board of Commissioners validate the property located at 1110 Morse Avenue, Schaumburg, Cook County, Illinois, is deemed abandoned with special circumstances under the Class 6b; and

BE IT FURTHER RESOLVED, that the County Clerk is hereby authorized and directed to forward a certified copy of this Resolution to the Office of the Cook County Assessor.

***Referred to the Finance Subcommittee on Real Estate & Business & Economic Development on 12/4/12.**

Vice Chairman Murphy, seconded by Commissioner Schneider, moved the Approval of Communication No. 321062. The motion carried.

321063 BUREAU OF ECONOMIC DEVELOPMENT, DEPARTMENT OF PLANNING AND DEVELOPMENT (PROPOSED RESOLUTION). Transmitting a Communication, dated November 14, 2012 from Anna Ashcraft, Director, Real Estate Management Division and John Cooke, Director, Office of Capital Planning and Policy:

requesting permission to discuss with the Finance Committee's Real Estate and Business and Economic Development Subcommittee in executive session the possible acquisition or lease of property to be utilized by the Clerk of the Circuit Court as a records center.

***Referred to the Finance Subcommittee on Real Estate & Business & Economic Development on 12/4/12.**

By State Statue a Roll Call of the Committee was ordered, the vote of yeas and nays being as follows:

ROLL CALL ON MOTION TO GO INTO EXECUTIVE SESSION FOR COMMUNICATION NO. 321063

Yeas: Chairman Garcia, Vice Chairman Murphy, Commissioners Gorman, Reyes, Schneider and Steele (6)

Nays: None (0)

Present: None (0)

Absent: Commissioner Butler (1)

The motion to go into executive session CARRIED.

Vice Chairman Murphy, seconded by Commissioner Steele moved that the Recommendation for Acquisition of Real Estate submitted by the Director of Real Estate Management and the Director of the Office of Capital Planning and Policy be approved, and that the Recommendation be made a part of the Report of this meeting of the Subcommittee.

Commissioner Steele moved to adjourn the meeting, seconded by Vice Chairman Murphy. The motion carried and the meeting was adjourned.

YOUR COMMITTEE RECOMMENDS THE FOLLOWING ACTION WITH REGARD TO THE MATTERS NAMED HEREIN:

Communication Number 321058	Approved
Communication Number 321059	Approved
Communication Number 321060	Approved
Communication Number 321061	Approved
Communication Number 321062	Approved
Communication Number 321063	Approved

Respectfully submitted,
Committee on Real Estate & Business & Economic Development

Jesus G. Garcia, Chairman

Attest:

Matthew B. DeLeon, Secretary

*A video recording of this meeting is available on the Office of the Secretary to the Board's web site on the Video Page at http://blog.cookcountyil.gov/secretarytotheboard/county-board-proceedings/county-board-video-and-audio/

THE BOARD OF COMMISSIONERS
TONI PRECKWINKLE
PRESIDENT

EARLEAN COLLINS	1st Dist.	PETER N. SILVESTRI	9th Dist.
ROBERT STEELE	2nd Dist.	BRIDGET GAINER	10th Dist.
JERRY BUTLER	3rd Dist.	JOHN P. DALEY	11th Dist.
WILLIAM M. BEAVERS	4th Dist.	JOHN A. FRITCHEY	12th Dist.
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EDWIN REYES	8th Dist.	JEFFREY R. TOBOLSKI	16th Dist.
		ELIZABETH "LIZ" DOODY GORMAN	17th Dist.

COOK COUNTY
BUREAU OF ECONOMIC DEVELOPMENT

ANNA B. ASHCRAFT, J.D.
DIRECTOR
REAL ESTATE MANAGEMENT DIVISION

George W. Dunne Cook County Office Building
69 W. Washington, Suite 3000
Chicago, Illinois 60602-4053
TEL: (312) 603-0040
FAX: (312) 603-9840

CONFIDENTIAL

RECOMMENDATION FOR ACQUISITION OF REAL ESTATE AND CONSTRUCTION OF IMPROVEMENTS

January 14, 2013

The Honorable Board of Commissioners
County of Cook County
118 N. Clark Street
Chicago, Illinois 60602

Dear Commissioners:

This summary and recommendation for the consideration of the proposed acquisition of certain real estate located at 1330 S. 54th Avenue, Cicero, Illinois will be presented to the Finance Committee's Real Estate and Business and Economic Development Subcommittee at its meeting on January 15, 2013. The terms set forth below are set forth in Letter of Intent executed by the parties' agents. Contracts are under negotiation on terms no less favorable than the Letter of Intent.

PROPOSED PURCHASE CONTRACT TERMS

- Proposed purchase price will not exceed $15,700,000.
- Seller is ONC Cicero, LLC.
- Property consists of a 260,728 square foot building on a 12.18 acre lot.
- Earnest Money Deposit ("Deposit") is in the amount of 5% of purchase price ($785,000) to be deposited into joint order escrow at Chicago Title & Land Trust, within ten (10) days after full execution and delivery of the Contract.
- Due Diligence Period is 30 days after Contract execution, during which time the County will conduct appraisals, environmental and other investigations of the Property.
- During the Due Diligence Period, County may terminate the Contract within its sole and absolute discretion and the Deposit will be refunded to County.
- Closing Date is February 15, 2013 (the "Closing Date") subject to due diligence and title review.
- The County's costs for due diligence, transaction and closing costs will not exceed $225,000.
- Real estate taxes will be prorated as of the Closing Date. County will receive a credit for taxes accrued prior to closing and will be responsible for paying the bills when received.
- Brokerage Commission: OPUS will pay U.S. Equities Realty, LLC a market commission in connection with this transaction based on a separate agreement.

CONSTRUCTION OF OFFICE IMPROVEMENTS

The Seller has agreed in the Letter of Intent to negotiate in good faith a construction contract on the following terms for "turn-key" construction of necessary office space and racking systems. The Seller is reviewing the County's public works contract requirements. If the Seller agrees to those terms and conditions, and other terms can be negotiated, design and construction can begin immediately upon closing of the purchase transaction, allowing the County to vacate the 1120 S. 89th Street leased warehouse space by approximately August, 2013. If the Board does not approve this approach or if the Seller does not agree to comply with the County's contract requirements, then the Office of Capital

Printed on Recycled Paper

Planning and Policy will proceed to procure the necessary design and construction services in a timely manner. In this case, it is likely that the work would be completed two to three months later.

- OPUS Design Build, LLC (ODB), an affiliate of the Seller, will construct a 60,000 square foot turn-key office and work area (the "Improvements"). The total Improvements cost will not exceed $2,500,000, to be funded by the County through a construction escrow with the title company or as otherwise agreed.
- ODB will construct the Improvements on an "open book" cost plus a fee basis, competitively bidding subcontracts and demonstrating to the County that all subcontracts provide the lowest cost possible within the construction schedule, complying with the County minority and women-owned business ordinance and other ordinances applicable to public works.
- ODB will receive a construction management fee equal to 3% of the Improvements cost, or a maximum of $75,000 if the total Improvements costs reach $2,500,000.
- OPUS will procure racking equipment approved by the County and the Clerk of the Circuit Court and manage its installation. County will pay the procurement and installation costs, not to exceed $6,000,000. OPUS will earn a lump sum fee of $75,000 for this service.

BOARD AUTHORIZATION REQUESTED

Authorization is recommended of the following specific actions, as described in detail above:

1. For the President and Comptroller to execute the proposed Purchase and Sale Agreement for a price of $15,700,000 on terms no less favorable than those set forth in this authorization (the "Purchase Contract").
2. For the President and the Comptroller to execute the proposed construction contract documents required for the turn-key construction on terms no less favorable than those set forth in this authorization, at a cost not to exceed $2,500,000, and purchase and installation of racking at a cost not to exceed $6,000,000.
3. For the Real Estate Director to obtain the two appraisals required by ordinance, and to undertake environmental and other investigations as necessary to ascertain the suitability of the property for acquisition during the due diligence period.
4. For the Real Estate Director to deliver any and all notices under the Purchase Contract, including any notice to terminate the Contract in the event unsatisfactory matters are discovered during the due diligence period;
5. For the occupancy of leased premises by the Clerk of the Circuit Court at 1120 E. 89th Street, Chicago, Illinois to continue as a holdover tenancy on a month to month basis until the Improvements are completed and records at that location are relocated to the Cicero Property;
6. For the President or the Real Estate Director to execute any and all documents and instruments and take such other action as may be necessary to effectuate the purchase of 1330 S. 54th Avenue, Cicero, Illinois; and
7. For the Comptroller to pay the deposit, the balance of the purchase price, due diligence costs, and all other costs and fees set forth in this recommendation, including the Purchaser's share of closing costs and title charges, and the costs of the construction contract set forth herein.

Respectfully submitted,

Anna Ashcraft, Director

Real Estate Management Division

John Cooke, Director

Capital Planning and Policy

DOROTHY BROWN
CLERK OF THE CIRCUIT COURT

Richard J. Daley Center
Room 1001
Chicago, Illinois 60602
(312) 603-5030
FAX (312) 603-4557
www.cookcountyclerkofcourt.org

OFFICE OF THE CLERK OF THE CIRCUIT COURT OF COOK COUNTY

January 11, 2013

Mr. John Cooke
Director, Capital Planning
Cook County Bureau of Economic Development
69 West Washington, Suite 3000
Chicago, Illinois 60602

Via fax: (312) 603-9997

Re: Cicero Records Center

Dear Mr. Cooke,

Please allow me to express my support for the purchase and build out of the warehouse located at 1330 S. 54th Avenue, Cicero, Illinois for development as a modern records and evidence storage center for the office of the Clerk of the Circuit Court of Cook County.

During this current 'design' phase of the project, the Department of Capital Planning has addressed our concerns and made adjustments accordingly. Particularly critical to our operational needs was the recent decision to provide us with a system of racking that will allow storage of the most highly active files in a less dense, safer to retrieve manner.

Again, I would like to express my appreciation for the willingness of Capital Planning to continue to address our concerns as they arise and look forward to the successful completion of this vital project.

Please feel free to contact my Office at 312-603-5071 with any questions.

Very truly yours,

Dorothy Brown

Dorothy Brown

Confidential

1330 S. 54th Avenue, Cicero

A Modern Records Center for the Cook County Clerk of the Circuit Courts

U.S. Equities Realty TKB PARSONS EPSTEIN

A Modern Records Center for the Clerk of the Circuit Courts

Confidential

Overview

CURRENT SITUATION

- The Clerk of the Circuit Courts provides essential records management services to the County.
- The Clerk is currently "out" of space to house its 1.1 million boxes and the annual growth of approximately 43,000 boxes.
- Current storage facilities are decentralized and do not allow for modern records storage densities.

HAWTHORNE PROJECT

- Saved approximately $4.6 million in lease payments since 2006.
- Renovation would improve efficiency of records management and would increase the density of storage but would come at a total project cost of $37.4 million.

PROPOSED SOLUTION

- Cook County warehouse survey: to create a modern records center, new, high-ceiling buildings of 250,000 square feet or more were surveyed.
- Proposed building: 1330 S. 54th Ave. in Cicero, was built in 2009, is 260,000 square feet, and has 32' high clear ceilings.
- Increased records storage capacity: 2 million boxes at Cicero vs. 1.2 million boxes at Hawthorne in less space.
- Lower capital investment required: $23.9 million at Cicero vs. $33.7 million at Hawthorne.
- Lower costs: less square footage to operate and much lower operating costs with little to no capital repairs needed.
- Frees up valuable space at Rockwell & Hawthorne available for storage, other County uses or potential long-term disposition. Some level of maintenance capital will be provided to keep the buildings in proper condition.
- Better working conditions (better buildings systems: state of the art fire protection and fresh-air intake).

CENTRALIZATION BENEFITS

- Faster retrieval times & more efficient use of fleet.
- All documents under one roof – prospects for progress on retention schedule.
- Better implementation of scanning technology.

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Real Estate Search Process

CRITERIA AND INITIAL SURVEY

- All Cook County warehouse properties were surveyed for criteria that included: at least 150,000 square feet of available space; high-way access for Clerk of the Circuit Court records operations; public transit access for employees; ideally, 32' clear ceilings; in good condition, requiring little or no capital repairs.
- Initially, 35 properties were reviewed; many were eliminated for lack of available space and low ceiling heights.

SHORT-LIST PROCESS

- The above process yielded six short-list candidate buildings. Three of the buildings were eliminated for the reasons shown below.

Property	Short-list Consideration
1. 1401 N. Cicero Avenue, Chicago	Eliminated: Just under the size requirement; adjacent space under lease to another company.
2. 5999 Butterfield Road, Hillside	Short-listed; lower cost option in accessible but more remote location
3. 1330 S. 54th Street, Cicero	Short-listed; new building in accessible location
4. 5139 W. 73rd Street, Bedford Park	Short-listed; new building in accessible location
5. 2924 E. 126th Street, Chicago	Eliminated: Long distance from downtown and not centrally located
6. 21751 Jason Rasmussen Dr., Sauk Village	Eliminated: Long distance from downtown and not centrally located

FINALIST PROCESS AND LEASE vs BUY ANALYSIS

- Property #2 above was eliminated for being too far from downtown for the need for capital repairs.
- Properties #3 and #4 were deemed the top candidates.
- The lease vs. buy analysis of all received proposals favored buying with the real estate tax savings being a strong factor.
- The negotiation process yielded approximately a 10% lower price for Property #3 vs. Property #4.

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Deal Summary: Proposed Contract Terms

- **Purchase price:** $15,700,000.
- **Seller:** ONC Cicero, LLC ("OPUS").
- **Property:** 260,728 square foot building on a 12.18 acre lot.
- **Earnest Money:** In the amount of 5% of purchase price ($785,000) to be deposited into joint order escrow at Chicago Title & Land Trust, within ten (10) days after Board approval of the Contract.
- **Due Diligence Period:** 30 days after Contract execution for County to complete its appraisals, environmental review and other investigations of the property. Prior to expiration of the Due Diligence Period, County may terminate the Contract within its sole and absolute discretion and the Deposit will be refunded to County.
- **Closing Date:** February 15, 2013, subject to due diligence and title review.
- **Closing Costs:** Shall be paid by the parties in accordance with custom. Real estate taxes will be prorated as of the closing date on an accrual basis. County will receive a credit for taxes accrued prior to closing and will be responsible for paying the bills when received. The County's costs for due diligence, transaction and closing costs will not exceed $225,000.
- **Tenant Improvements:** OPUS Design Build , LLC, . (the Seller's design build affiliate) shall construct within the property a 60,000sf turn-key office and work area (the "Tenant Improvements"). The total Tenant Improvements cost will not exceed $2,500,000. OPUS will earn a fee of 3%.
- **Construction of Tenant Improvements:** Opus will design and construct the proposed improvements under a separate contract.
- **Equipment Procurement:** OPUS will procure racking equipment approved by CC and manage its installation. CC will pay the procurement and installation costs. The budget for said racking is $6,000,000. OPUS will earn a lump sum fee of $75,000 for this service.
- **Brokerage Commission:** OPUS will pay U.S. Equities Realty a market commission in connection with this transaction based on a separate agreement.

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Deal Summary: Proposed Construction Contract

Certain improvements will be constructed under a separate construction contract on terms no less favorable to the County than the following.

- OPUS Design Build, LLC (ODB), an affiliate of the Seller, will construct a 60,000 square foot turn-key office and work area (the "Improvements"). The total Improvements cost will not exceed $2,500,000.
- ODB will construct the Improvements on an "open book" cost plus a fee basis, competitively bidding subcontracts and demonstrating to the County that all subcontracts provide the lowest cost possible within the construction schedule, complying with the County minority and women-owned business ordinance and other ordinances applicable to public works.
- ODB will receive a construction management fee equal to 3% of the Improvements cost, or a maximum of $75,000 if the total Improvements costs reach $2,500,000.
- OPUS will procure racking equipment approved by the County and the Clerk of the Circuit Court and manage its installation. County will pay the procurement and installation costs, not to exceed $6,000,000. OPUS will earn a lump sum fee of $75,000 for this service.

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Lease Savings Related to Hawthorne

As space became available at Hawthorne the following leases were terminated. Annual lease savings to the County are as follows:

(1) County Clerk storage lease was terminated at the end of 2006, resulting in an annual savings to the County of $708,300 per year or $4,249,800 to date.

(2) Provident Hospital storage lease was terminated in July 2010 resulting in an annual savings of $71,775 per year or $143,550 to date.

(3) Stroger Hospital storage lease was terminated in July 2011 resulting in an annual savings of

$238,404 per year or $238,404 to date.

Total lease savings to date $4,631,754

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Recommended Option

Cicero Business Center , 1330 South 54th Avenue , Cicero, IL

Price: $16,000,000
Owner: Opus Group
Year Constructed: 2009
Building Class: A
Total Square Feet: 260,725 square feet

Ceiling Height (Clear): 32 feet
Column Spacing: 40'w x 50'd
Docks: 30 exterior
Drive-In Doors: 2
Parking: 168 surface spaces

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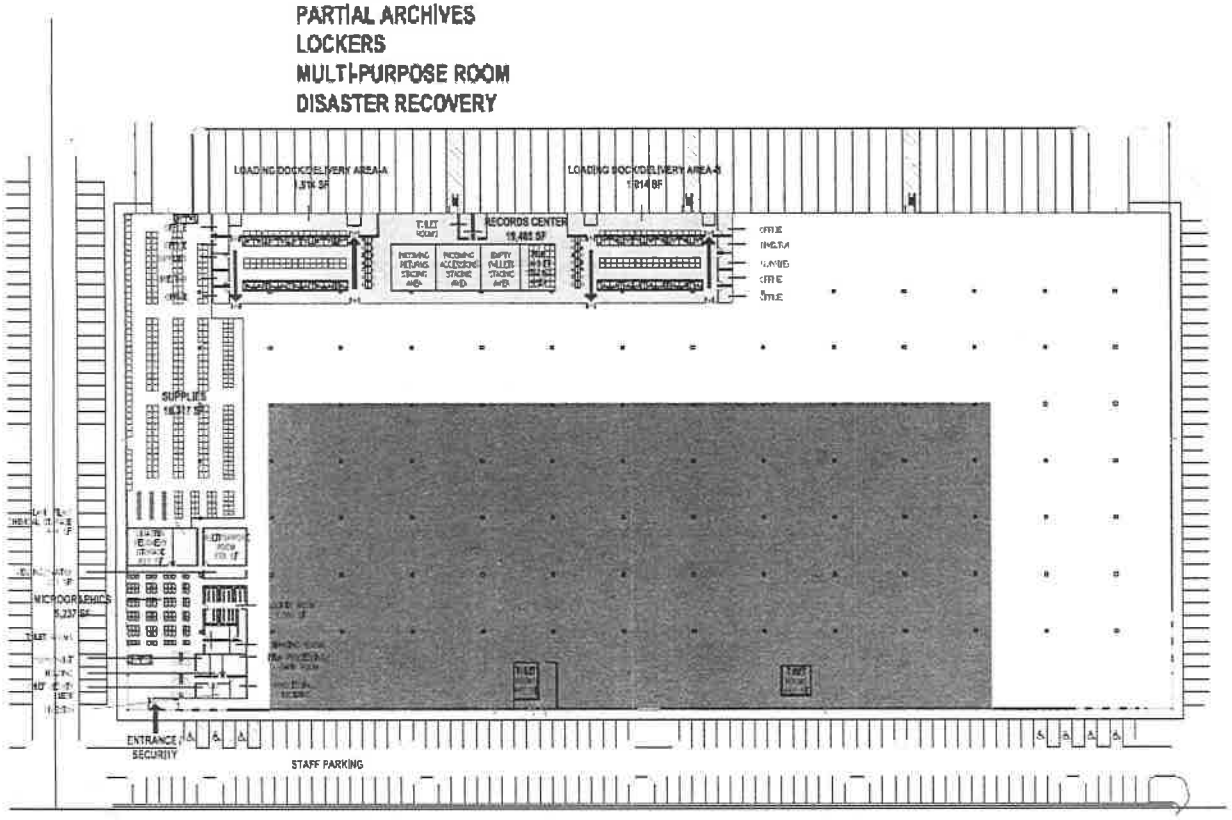
Floor plan: Cicero

STAFF AREAS: MICROGRAPHIC
SUPPLIES
RECORDS CENTER
PARTIAL ARCHIVES
LOCKERS
MULTI-PURPOSE ROOM
DISASTER RECOVERY

DAY 1 RECORDS STORAGE: APPROX. 1,15 M BOXES
APPROX. 160,000 SF

FUTURE RECORDS STORAGE: APPROX. 850,000 MORE BOXES
APPROX. 57,000 SF



PROGRAM SUMMARY:

Records storage	160,000 SF
Records operations	19,000 SF
Supply area	16,000 SF
Micrographics & Administrative	8,000 SF
Storage expansion	57,000 SF

To be added in upper levels or integrated into storage areas:

Evidence storage	20,000 SF

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Financial Comparison

Assumptions	
Current SF at Hawthorne	60,000
Hawthorne SF after renovation	315,000
Hawthorne OPEX per SF per year	$4.14
Cicero SF	260,000
Cicero OPEX per SF per year	$1.30
Inflation	3%

Summary of Facilites Expenses for Records Center (in $000s)		
	Hawthorne Project	Cicero Project
TEN-YEAR CASH FLOW	$52,302	$31,502
UPFRONT COSTS	$37,352	$27,627
TOTAL ANNUAL COSTS	$14,950	$3,875
YEAR 1 OPERATING COSTS	$1,304	$338
NPV @ 8%	$33,629	$21,864

Budget Summary for Records Center (in $000s)		
	Hawthorne Project	Cicero Project
Acquisition	$0	$15,925
Construction	$29,294	$2,027
Racking	$4,383	$6,000
TOTAL CAPITAL INVESTMENT	$33,677	$23,952
FF&E	$375	$375
Moving	$3,300	$3,300
TOTAL PROJECT COST	**$37,352**	**$27,627**

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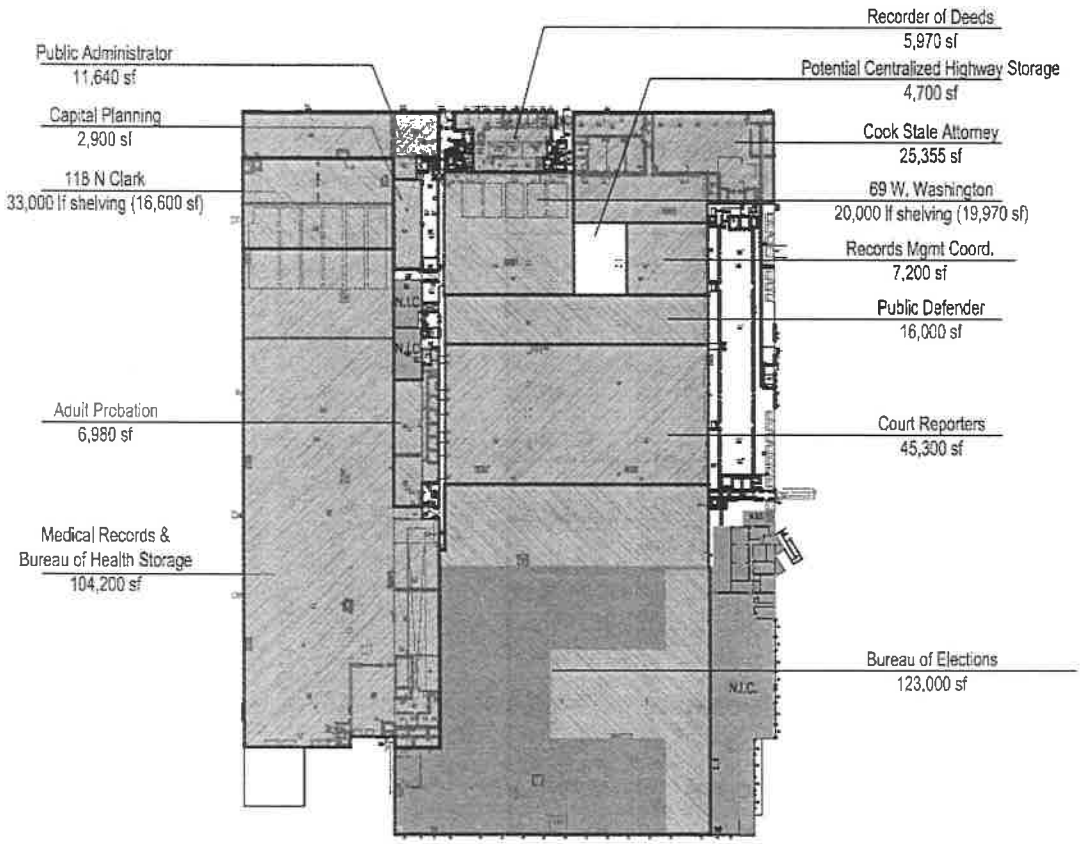
Re-use of Hawthorne



FIRST FLOOR

Space available if Clerk of Circuit Courts moves to Cicero: 315,000 SF

Uses:

Bureau of Health	104,200 SF
Court Reporters	45,300 SF
State's Attorney	25,355 SF
118 N. Clark storage	16,600 SF
Public Defender	16,000 SF
Public Administrator	11,640 SF
69 W. Washington storage	8,060 SF
Records Management	7,200 SF
Adult Probation	6,980 SF
Recorder of Deeds	5,970 SF
Highways storage	4,700 SF
Capital Planning	2,900 SF
Available	60,000 SF

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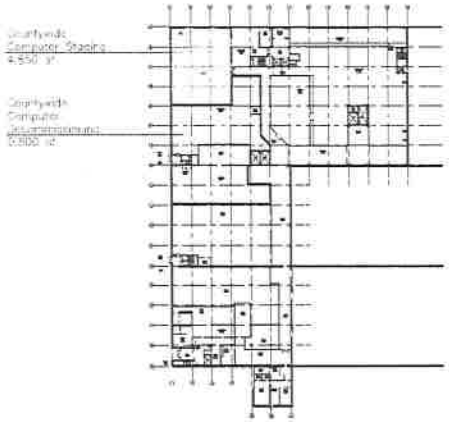
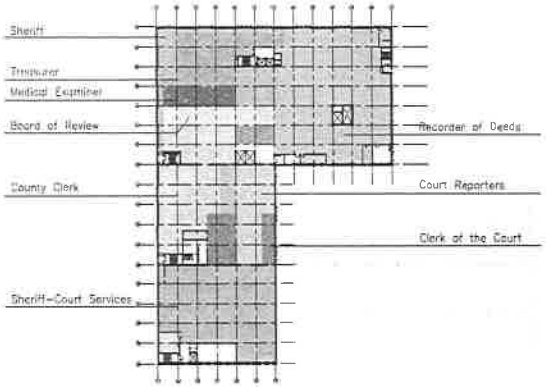
Re-use of Rockwell

Ground Floor



2nd Floor

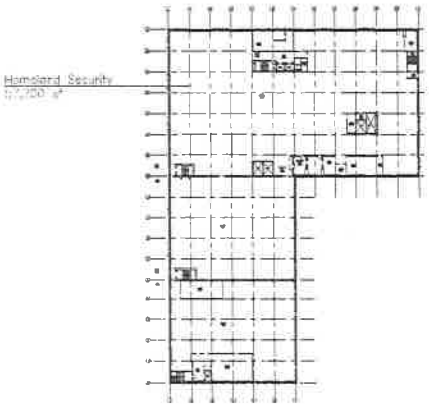


Space available if Clerk of Circuit Courts moves to Cicero: 167,000 SF

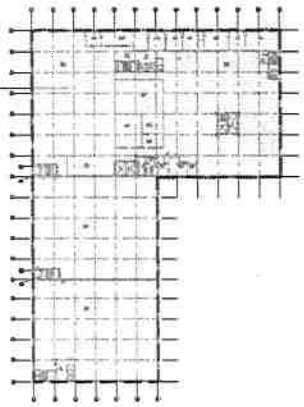
Uses:

County storage	87,000 SF
Computer staging & decom.	15,000 SF
IT teaming area	24,000 SF
Available	41,000 SF

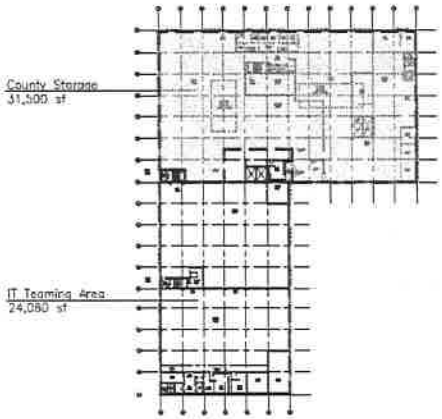
3rd Floor



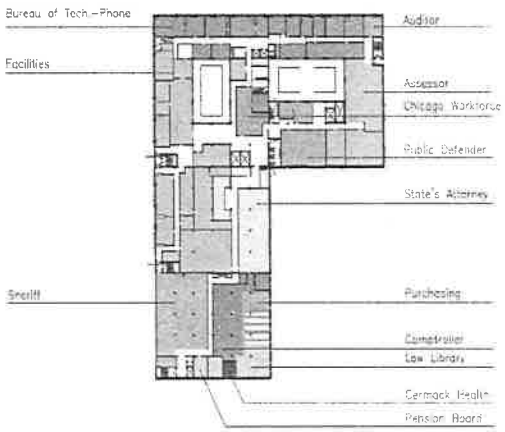
4th Floor



5th Floor



6th Floor



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