

## **SUBSTITUTE ORDINANCE**

**WHEREAS**, the City of Chicago ("City"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects; and

**WHEREAS**, by an ordinance adopted by the City Council of the City ("City Council") on July 21, 1999, and published in the Journal of Proceedings of the City Council ("Journal") for said date at pages 8307 to 8344, inclusive (the "Program Ordinance"), the City implemented a redevelopment program known as the Small Business Improvement Fund program (the "Program") to provide financing assistance pursuant to the Act for the improvement of commercial and industrial facilities of small businesses in certain redevelopment project areas of the City; and

**WHEREAS**, by ordinances adopted by the City Council, the first on November 8, 2000, and published in the Journal for said date at pages 43877 to 43930, inclusive (the "First Amending Ordinance") and the most recent sixty-third amending ordinance adopted by the City Council on January 18, 2023 and published in the Journal for said date beginning at page 59626 (the "Sixty-Third Amending Ordinance," collectively with the Program Ordinance, the First Amending Ordinance and the other amending ordinances, the "SBIF Ordinance"), the City has restated and refined the Program and extended its reach to additional redevelopment project areas of the City; and

**WHEREAS**, the City Council desires to authorize the Department of Planning and Development ("DPD") to allocate additional funding to nineteen redevelopment project areas that are already reached under the SBIF Ordinance, with the amounts of Funding Authorized by this Ordinance, Funding Authorized by Previous Ordinances, and Total Funding Authorized by this Ordinance and Previous Ordinances for each such redevelopment project area set forth in Exhibit A attached hereto and incorporated herein; and

**WHEREAS**, DPD also desires to amend the program rules for the Program ("Program Rules") and other terms of the Program to improve the operation and effectiveness of the Program; and

**WHEREAS**, the City Council, under the SBIF Ordinance, authorized DPD to enter into an agreement with SomerCor 504, Inc., an Illinois not-for-profit corporation ("SomerCor"), and DPD entered into such agreement on March 12, 2001, which agreement continues in full force and effect, as amended from time to time, pursuant to which SomerCor performs certain administrative services for the Program, and DPD now desires to further amend that agreement by entering into a Sixty-Fourth Amending Agreement (the "Sixty-Fourth Amending Agreement") with SomerCor to (a) increase the amount of grant funds available in various redevelopment project areas, as provided by this ordinance; (b) amend the Program Rules and other terms of the Program; and (c) authorize SomerCor to continue providing the same administrative services for the Program, which Sixty-Fourth Amending Agreement is set forth in more detail on Exhibit C, attached hereto and incorporated herein; and

**WHEREAS**, the City's obligation to provide funds under the Sixty-Fourth Amending

Agreement may be met through (i) incremental taxes from redevelopment project areas identified in this ordinance, as applicable; and/or (ii) any other funds legally available to the City for this purpose; now, therefore,

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:**

**SECTION 1.** The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

**SECTION 2.** The Program Rules for the Program shall be amended and restated in the form attached hereto as Exhibit B and made a part hereof.

**SECTION 3.** SomerCor is hereby authorized to continue to administer the Program, subject to the supervision of DPD.

**SECTION 4.** The Commissioner of Planning and Development or a designee are each hereby authorized, with the approval of the City's Corporation Counsel as to legal form, to negotiate, execute and deliver the Sixty-Fourth Amending Agreement between SomerCor and the City substantially in the form attached hereto as Exhibit C and made a part hereof, and such other supporting documents as may be necessary to carry out and comply with the provisions of the Sixty-Fourth Amending Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Sixty-Fourth Amending Agreement.

**SECTION 5.** To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. All sections of the SBIF Ordinance in conflict with this ordinance are hereby repealed to the extent of such conflict. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

**SECTION 6.** This ordinance shall be effective as of the date of its passage and approval.

**EXHIBIT A TO THE ORDINANCE**

<b>Redevelopment Project Areas</b>	<b>Funding Authorized By This Ordinance (\$)</b>	<b>Funding Authorized By Previous Ordinance (\$)</b>	<b>Funding Authorized By This Ordinance And Previous Ordinance Totals (\$)</b>
35th/Halsted	\$2,000,000	\$5,250,000	\$7,250,000
47th/Halsted	\$500,000	\$1,500,000	\$2,000,000
67th/Wentworth	\$750,000	\$1,875,000	\$2,625,000
79th Street/ Southwest Highway	\$500,000	\$1,500,000	\$2,000,000
87th/Cottage Grove	\$750,000	\$3,825,000	\$4,575,000
Archer/Western	\$2,000,000	\$1,800,000	\$3,800,000
Armitage/Pulaski	\$1,000,000	\$1,500,000	\$2,500,000
Avalon Park/South Shore	\$500,000	\$2,200,000	\$2,700,000
Avondale	\$500,000	\$2,000,000	\$2,500,000
Bronzeville	\$500,000	\$1,350,000	\$1,850,000
Devon/Sheridan	\$500,000	\$1,775,000	\$2,275,000
Elston/Armstrong	\$500,000	\$1,950,000	\$2,450,000
Ewing Avenue	\$1,000,000	\$800,000	\$1,800,000
Goose Island	\$1,000,000	\$1,500,000	\$2,500,000
Hollywood/Sheridan	\$1,000,000	\$2,150,000	\$3,150,000
Humboldt Park Commercial	\$1,000,000	\$5,000,000	\$6,000,000
Little Village Industrial	\$1,000,000	\$1,000,000	\$2,000,000
Stockyards SEQ	\$500,000	\$500,000	\$1,000,000
West Woodlawn	\$1,000,000	\$1,000,000	\$2,000,000

## EXHIBIT B TO THE ORDINANCE

### Amended and Restated Program Rules

CITY OF CHICAGO  
DEPARTMENT OF PLANNING AND DEVELOPMENT  
SMALL BUSINESS IMPROVEMENT FUND (SBIF)  
PROGRAM RULES

The City of Chicago's Small Business Improvement Fund is a TIF program which will reimburse building owners or tenants, as applicable, for eligible investments which preserve building stock, improve neighborhood appearance or economic value, and enable businesses to stay in the neighborhood, remain competitive, or even expand within the TIF District.

#### Funding.

- Grants only, in the form of reimbursement, to the person or legal entity who incurred the costs of the eligible improvements.
- Each Property shall be eligible to receive the Maximum Program Assistance no more than every three years. "Property" shall mean: (1) a building regardless of whether it has multiple addresses or permanent index numbers ("PINS"); and/or (2) contiguous parcels under Common Ownership, regardless of whether they have multiple addresses or PINS. A building or multiple parcels under Common Ownership shall mean having an ownership interest by the same person or legal entity of 7.5% or more.
- Applicants whose eligibility is established by being Industrial businesses currently employing a maximum of two hundred (200) full-time equivalent employees under the Eligible Applicant requirements are entitled to funding up to 50% of eligible costs.

Applicants whose eligibility is established by the Net Worth Requirements under the Eligible Applicant requirements are entitled to funding in the following manner:

- a. up to ninety percent (90%) of eligible costs if the Applicant demonstrates a net worth less than \$3,000,000.
  - b. up to sixty percent (60%) of eligible costs if the Applicant demonstrates a net worth equal to or greater than \$3,000,000, but less than \$6,000,000.
  - c. up to thirty percent (30%) of eligible costs if the Applicant demonstrates a net worth equal to or greater than \$6,000,000, but less than \$9,000,000.
- Applicants whose eligibility is established by the Annual Sales Requirement under the Eligible Applicant requirements are entitled to funding in the following manner:
    - a. up to ninety percent (90%) of eligible costs if the Applicant demonstrates annual sales totaling less than \$3,000,000.
    - b. up to sixty percent (60%) of eligible costs if the Applicant demonstrates annual sales totaling equal to or greater than \$3,000,000, but less than \$6,000,000.

c. up to thirty (30%) of eligible costs if the Applicant demonstrates annual sales totaling equal to or greater than \$6,000,000, but less than \$9,000,000.

- The Maximum Program Assistance shall be (i) less than Two Hundred and Fifty Thousand Dollars (\$250,000) maximum assistance per industrial Property; (ii) less than Two Hundred and Fifty Thousand Dollars (\$250,000) maximum assistance per industrial Property occupied by multiple owners or tenants, provided that no individual Applicant shall receive assistance greater than One Hundred Thousand Dollars (\$100,000); (iii) less than One Hundred Fifty Thousand Dollars (\$150,000) maximum assistance per commercial Property occupied by a single owner or tenant; or (iv) less than Two Hundred and Fifty Thousand Dollars (\$250,000) maximum assistance per commercial Property occupied by multiple owners or tenants, provided that no individual Applicant shall receive assistance greater than Seventy-Five Thousand Dollars (\$75,000). Applicants may receive one or more grants up to the Maximum Program Assistance. Once an Applicant has received the Maximum Program Assistance, the Applicant shall not be eligible to reapply for another Program grant for the same Property until three years from the date on which it receives final payment for the preceding Program grant(s), provided it has met DPD's guidelines and procedures regarding re-application. Applicants who have received a Program grant for one Property shall not be excluded from applying for Program grants for another Property.
- Applicants selected by lottery; a waiting-list will be created, if needed. Any waiting-list created on or after April 24, 2012 shall expire two (2) years after the date of its creation. Any applicants placed on the waiting-list shall remain on the list until the waiting-list expires, they receive a grant, withdraw from the waiting-list, or are otherwise determined to no longer be eligible under the Program to receive a grant. Applicants for a Property located in an "INVEST South/West Corridor" shall be given priority for funding and the lottery, unless the City's INVEST South/West program has been terminated. Applicants for a Property located in a "Target Corridor" shall be second in priority for funding and the lottery. The remaining Applicants shall be provided funding, if available, and placed on the waitlist, if applicable, after Applicants in the INVEST South/West Corridors and the Target Corridors.
- The maximum grant any Property would be eligible to receive under the Program shall be reduced dollar for dollar by (i) any Direct City Financial Assistance from any other program for the Property within (3) years before the date of the application, (ii) any Direct City Financial Assistance currently being received for such Property, or (iii) any Direct City Financial Assistance that the City has agreed to provide to such Property at any time in the future pursuant to a written contract (except for "gap" financing for the Project that is disclosed at the time the Application is first filed). "Direct City Financial Assistance" shall mean financial assistance directly provided by the City but shall not include any funds received pursuant to a contract for goods and services, a Delegate Agency Grant Agreement, or the "TIF Works" Program.
- All applicants for commercial properties who are approved for a grant of \$25,000 or greater shall be required to make at least one exterior improvement using at least ten percent (10%) of the maximum amount of their approved grant, including but not limited to, façade repair, windows and doors, and other exterior improvements eligible under the Program; subject to DPD approval; provided that, at DPD's sole discretion such requirement may

be waived if the applicant can demonstrate to DPD's satisfaction that no exterior improvements are needed because improvements have been recently completed or the exterior features of the building have been well-maintained and are consistent with DPD's Design Guidelines.

- SBIF applications and SBIF grants are non-transferrable between Applicants and/or Properties. Potential Applicants who wish to apply for SBIF funds for more than one Property must submit separate applications for each Property.

#### Eligible Applicants:

- Property owners that have an ownership interest in a commercial business, located on the property to be improved, with a maximum average annual sales of Nine Million Dollars (\$9,000,000) for the past three (3) years, or a business plan for a new business showing the same level of projected maximum average annual sales for three (3) years (the "Annual Sales Requirement"). Property owners that would otherwise be evaluated for eligibility under the Annual Sales Requirement but lease any part of the property to one or more entities in which they do not have an ownership interest are to be evaluated for eligibility under the Net Worth Requirement (defined herein).
- Industrial businesses currently employing a maximum of two hundred (200) full-time equivalent employees. Property owners of industrial businesses currently employing a maximum of two hundred (200) full-time employees. Property owners that would otherwise be evaluated for eligibility under this paragraph, but lease more than 50% of the property to one or more entities in which they do not have an ownership interest are to be evaluated for eligibility under the Net Worth Requirement (defined herein).
- Property owners who conform to maximum net worth and liquidity requirements (total net worth no more than Nine Million Dollars (\$9,000,000), and total liquidity of no more than Five Hundred Thousand Dollars (\$500,000) per individual owner or entity, and who lease space to eligible commercial or industrial tenants.
- Tenants that meet the Annual Sales Requirement have a leasehold interest in the property they would like to improve pursuant to a lease agreement with the property owner and have express prior property owner approval to make specific improvements. The property owner's eligibility will not be a requirement for the Tenant's eligibility.
- Qualified building owners who seek to attract eligible new commercial or industrial tenants to vacant space.
- Businesses which are Not eligible include, but may not be limited to: national chain businesses and franchise businesses (as defined by DPD); branch banks; day labor employment agencies; currency exchanges; pay day or title secured loan stores; pawn shops; fortune telling services; liquor stores, taverns, bars, (except pursuant to the rules stated below); hotels or motels; adult uses; private clubs; not-for-profit social clubs; not-for-profit organizations that have a national affiliation; start-up banquet halls (i.e., been in business for less than one calendar year); track wagering facilities; K-12 schools; gas stations; firearms dealers; firearms ranges; places of worship; smoke shops/cigar lounges;

tobacco dealers, including sales of tobacco, nicotine, or similar products and accessories; residential storage warehouses; trailer-storage yards; and junk yards, or any uses similar to those listed.

- Not-for-profit organizations that are not of the types listed above as not being eligible for SBIF funding may apply for grants. Eligibility criteria and rules are the same for not-for-profit organizations and for-profit organizations, except for the documents required to determine eligibility. For not-for-profit organizations, revenues will be reviewed using tax returns and income statements. Net worth and liquidity will be reviewed using the organization's balance and bank statements. Restricted grants and income unrelated to the Property will be considered to determine the organization's net worth and liquidity including, but not limited to, residential rents, memberships, donations, grants, and ticket sales. In place of business or Property owners, checks will be performed on the members of the board of directors of not-for-profit applicants to ensure that they are not indebted to the City and that they are in compliance with child support laws. DPD reserves the right, in its discretion, to ask for additional or different documentation than listed above to determine the eligibility of a not-for-profit organization.
  
- Religious organizations that operate an industrial or commercial business may be eligible for a Program grant provided that an authorized officer signs an affidavit stating that (a) the room or space that the SBIF funds will be used to acquire, improve or rehabilitate is not its primary place of worship; (b) SBIF funds will be used only for those portions of the acquisition, improvement or rehabilitation of the premises that are attributable to business activities described in its application; and (c) If in the future it uses the premise for inherently religious activities it will reimburse the City for the present value of the improvements, in an amount not to exceed the grant of SBIF funds.
  
- DPD, in its sole discretion, may deny new applications on the basis of past experience with the Applicant or Property involving misrepresentation, non-compliance with the requirements of the Program, or similar issues. Additionally, in the event of a major change to a project, such as a change in construction plans, unforeseen damage to the building, or, for start-up businesses, a change in the business plan, DPD may remove the project from the Program in its sole discretion.
  
- Rules for Taverns and Bars: Taverns and bars shall be defined as those businesses holding a "Tavern License" as defined by Chapter 4-60 of the Municipal Code of Chicago. An Applicant that is a bar or tavern at the time its Application is submitted and has held a valid license as such **and** been in business under said license for a minimum of two calendar years, may be approved by DPD to receive a grant under the Program. An Applicant, at the time its Application is submitted, that has not held a tavern license and been in business as a tavern/bar for at least two calendar years shall not be eligible for funding under the Program, including any Applicant that has purchased a Tavern License. As part of its application, each Applicant shall list its full and complete legal business name and any "DBA" names, its operating address, and beginning date of business or tavern license ownership. DPD will provide each Application to the City's Department of Business Affairs and Consumer Protection ("BACP") to vet each Applicant in regard to pending license discipline cases and community meetings for public nuisance issues. After such vetting, DPD, in consultation with BACP, will determine whether each Applicant is designated as eligible for funding under the Program. DPD's determination shall be made

in its sole discretion and shall be final.

- Property owned or leased by any local, state or federal government entity including, but not limited to, the City of Chicago, the Chicago Housing Authority, the Chicago Public Schools, the Chicago Park District, etc., and any tenants of such property, is not eligible to receive SBIF funding.
- City of Chicago employees and elected officials, if otherwise eligible to receive SBIF funding under the SBIF Ordinance, may not receive more than \$1,000 per calendar year from the SBIF Program unless either the Commissioner of Planning & Development or Commissioner of Housing designate such employees or officials as "eligible," or the City Council adopts an ordinance exempting City employees and officials from this restriction.
- No owner or tenant of a Property shall be eligible to apply to the SBIF Program or receive a Program grant if there are Lis Pendens, pending litigation, or a code enforcement action affecting the title to the Property or the viability of the proposed project, or if there are current injunctions, foreclosure actions, or liens, including but not limited to mechanic's liens, tax liens or judgment liens, recorded against the Property. For any application received on or after October 16, 2022, DPD may determine such Property eligible in its sole discretion for any foreclosures or delinquent payments. DPD's determination shall be final.

#### Vacant Property.

Funding for vacant properties will require one hundred percent (100%) lease-up of ground floor, the portion of the property subject to the SBIF grant with a qualified tenant, and a minimum sixty percent (60%) by square footage lease-up of the portion of the property subject to the SBIF grant, prior to funding.

#### Eligible Costs.

Any TIF-eligible improvement which permits a building owner to attract new commercial or industrial tenants, allows an eligible business owner to maintain or expand operations, or contributes to the improved appearance and viability of a property may be funded by the Program. This includes, at DPD's discretion, funding for the rehabilitation, remodeling or renovation of improvements including, but not limited to, the following:

- roof and facade;
- components of signs or awnings which are permanently affixed to the building;
- alterations or structures needed for ADA compliance (e.g., railings or ramps);
- HVAC and other mechanical systems;
- plumbing and electrical work;
- certain project-related architectural and construction management fees related to the project;



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- the purchase of adjacent land parcels for purposes of expansion or parking;
- solar panels
- the cost of an energy audit that recommends measures to improve the energy efficiency of a building may be included as a rehabilitation cost to the extent that:
  - (a) the building renovations undertaken pursuant to such recommendation promote energy efficiency and resource conservation (e.g., the installation of low-flow plumbing fixtures or energy-efficient HVAC systems, the use of building materials made with a high degree of recycled content or renewable or non-toxic substances, installation of energy efficient lighting systems); and
  - (b) the cost of the energy audit does not exceed 10% of the project budget;
- permanent interior renovations, including fixtures; and
- environmental remediation inside, under, or directly adjacent to a building undergoing a SBIF-funded renovation project if the remediation is directly related to the renovation project.

The following items are not eligible for reimbursement, and therefore will not be counted toward total project cost (this is not an exhaustive list):

- new construction;
- minor repairs or improvements such as painting or cleaning;
- equipment-related expenses;
- planters surrounding or affixed to buildings;
- outdoor dining or drinking areas including roof decks, beer gardens, outdoor patios, balconies, awnings, porches, and decks;
- fencing including pergolas, trellises, arbors, privacy screens, and similar structures;
- parking lot construction or repair;
- landscaping;
- work on the interior of residential units; and
- work, in DPD's sole determination, that is not consistent with the goals of this Program or the redevelopment priorities of the relevant TIF area, including, projects that do not conform with the uses and goals defined in the governing Redevelopment Plan for the

relevant TIF area.

#### Energy Efficiency Requirement.

All industrial applicants shall be required to purchase products that earn the ENERGY STAR and meet the ENERGY STAR specifications for energy efficiency. The applicant is encouraged to visit [energystar.gov](http://energystar.gov) for complete product specifications and updated lists of qualifying products.

#### Design Requirements

In order to receive funding, projects must conform to design requirements including meeting DPD's Design Guidelines, when applicable. Projects shall also comply with any applicable design guidelines and additional neighborhood requirements as described in guidelines, style guides, community plans and other planning documents associated with the TIF area and neighborhood in which the Property is located. Applicants are strongly advised to consult with SomerCor and design professionals on design requirements and guidelines before drawing up plans for work. Work which is potentially damaging to the building, such as use of incorrect tuckpointing materials, will not be reimbursed. Plans must be submitted to SomerCor for design approval prior to beginning construction, or the project will be automatically disqualified. DPD will work with applicants on mutually-agreeable design changes and/or enhancements to their projects.

#### Compliance.

- Checks will be performed on all applicants prior to project approval to ensure that they are not indebted to the City and that they are in compliance with child support laws. Any Applicant who enters into a payment plan with the City for its debts shall be in compliance with its plan in order to receive any reimbursements, including when the Project is completed.
- Applicants must obtain all permits required for project completion prior to commencing construction and must provide proof of permits or permit applications to SomerCor within 120 days of being approved for a SBIF grant.
- In cases where no person or legal entity has ownership of 7.5% or more of the business or property, all owners/entities must provide personal financial information to SomerCor to ensure that they are not indebted to the City and that they are in compliance with child support laws.
- Commercial landlords must have 100% of the ground floor subject to the SBIF grant and a minimum of 60% of the building square footage subject to the SBIF grant leased before reimbursement may be made, subject to DPD's discretion.
- Each applicant will sign an Economic Disclosure Affidavit.
- Grantees will be required to sign an affidavit certifying that they will maintain an active licensed business in the Property and will not relocate, sell the Property (if applicable), or sell the business or Property ownership entity (as applicable) within a three (3) year period

following disbursement of funds under the Program. In the event of vacancy, relocation, or sale of the property or business during the three (3) year compliance period, the Grantee shall reimburse the City of Chicago for the full amount of the SBIF grant. This will be monitored.

- In cases of SBIF reimbursement for land purchase, proof of land ownership will be required before reimbursement may be made.

#### Time Limits.

Each stage of the program has a time limit by which Applicants must complete the requirements. Each stage must be completed before the application may move to the next stage. Unless SomerCor or DPD has granted an extension of time, Applicants who do not complete each stage by the stated deadline will be disqualified.

DPD may shorten stage timelines and deny extensions due to impending TIF expirations. In all cases, projects must be completed and paid for, and documentation accepted and approved by SomerCor, prior to the TIF expiration date.

- Stage 1 – Applicant Eligibility Review - Applicant responds to request to determine eligibility and supplies any missing information to complete their application: twenty (20) days. Applicants must provide proof of site control for the project property, including a deed or executed lease agreement, by the deadline to complete Stage 1 of the application, subject to DPD's discretion.

- Stage 2 – Project Eligibility Review - Plans, bids, and specs, are obtained, debts are cured: one hundred twenty (120) days.

- Stage 3 – Project Approval and Construction - Construction is completed or land is purchased: ten (10) months.

- Stage 3.4– Proof of Financing and proof of permit or permit application (concurrent with 10-month construction phase). Applicant provides evidence to the satisfaction of DPD within one hundred and twenty (120) days following the date of the commitment letter that it has sufficient funds and a permit or permit application to complete the approved project. Evidence of financing may include, but is not limited to, proof of commitment from a financial institution for a loan or line of credit or financial statements that demonstrate that the applicant currently has sufficient equity to complete the project, at least 50% of the funds needed to cover total project costs. Evidence of permits includes proof of permits or permit applications.

A maximum of two (2) extensions may be granted with DPD approval in the case of unavoidable delay due to extraordinary circumstances. DPD (not SomerCor) also may on a case-by-case basis grant a Grant-Eligible Application an additional amount of time to complete any Program requirement. In such case, DPD shall have discretion to determine the appropriate length of the extension.

#### Technical Assistance.

- Grantees will have access to technical assistance to aid them in selecting contractors, obtaining bids, and drawing up proper work contracts.
- Grantees are not permitted to act as their own General Contractor.

Minority/Women-Owned Businesses (M/WBE).

A directory of City of Chicago certified M/WBE contractors will be provided to all eligible applicants to encourage the hiring of such contractors under the program.

Effective Date of Program Rules.

These Program Rules shall be applicable to all projects that apply for funding on or after [\_\_\_\_\_, 2024][Date of adoption of 64th Amending Ordinance]. Applications received prior to this date shall be governed by the version of the Program Rules applicable on the date the application was submitted for such project.

## EXHIBIT C TO THE ORDINANCE

### Form of Sixty-Fourth Amending Agreement

to

### ADMINISTRATIVE SERVICES AGREEMENT

This Sixty-Fourth Amending Agreement to Administrative Services Agreement (the "Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 2024, by and between the City of Chicago, a municipal corporation and home rule unit of local government existing under the 1970 Constitution of the State of Illinois (the "City"), acting through its Department of Planning and Development ("DPD"), and SomerCor 504, Inc., an Illinois not-for-profit corporation ("SomerCor") whose office address is 601 South LaSalle Street, Suite 510, Chicago, Illinois 60605.

**WHEREAS**, the City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects; and

**WHEREAS**, by ordinances adopted by the City Council of the City on July 21, 1999 and on November 8, 2000, and published in the Journal of Proceedings of the City Council for said dates at pages 8307 to 8344, inclusive, and pages 43877-43930, inclusive, respectively (the "SBIF Ordinances"), the City implemented and amended a redevelopment program known as the Small Business Improvement Fund program (the "SBIF Program") to provide financing assistance pursuant to the Act for the improvement of commercial and industrial facilities of small businesses in certain redevelopment project areas ("TIF Areas") in the City; and

**WHEREAS**, the City Council, under the SBIF Ordinances, authorized DPD to enter into agreements with SomerCor, and DPD and SomerCor entered into one agreement on September 22, 1999 ("First SomerCor Agreement") and another agreement on March 12, 2001 ("Second SomerCor Agreement"), to administer the SBIF Programs on behalf of the City; and

**WHEREAS**, in multiple ordinances adopted by the City Council, the most recent of which was adopted on \_\_\_\_\_, 2024 and published in the Journal of Proceedings of the City Council for said date at pages \_\_\_\_\_ through \_\_\_\_\_, inclusive (the "Sixty-Fourth Amending Ordinance"), the City Council authorized DPD to enter into agreements amending the First SomerCor Agreement and the Second SomerCor Agreement with SomerCor to make various changes to the administration of the SBIF Program; and

**WHEREAS**, the Sixty-Fourth Amending Ordinance authorized DPD to enter into an agreement with SomerCor to allocate additional funding to nineteen existing areas, and amend some of the rules and requirements of the SBIF Program, and DPD and SomerCor now desire to enter into such an agreement, which will amend the Second SomerCor Agreement (the "Sixty-Fourth Amending Agreement");

**NOW, THEREFORE**, in consideration of the mutual promises and covenants set forth below, the parties hereto agree as follows:

## ARTICLE I

### INCORPORATION AND RECITALS

The recitals set forth above are incorporated by reference as if fully set forth herein.

## ARTICLE II

### REAFFIRMATION OF REPRESENTATIONS, WARRANTIES AND COVENANTS

SomerCor reaffirms each and every representation, warranty and covenant made in Article III of the Second SomerCor Agreement. SomerCor reaffirms that it has insurance in force that conforms to the requirements of Section 4.8 of the Second SomerCor Agreement.

## ARTICLE III

### AMENDMENTS TO SECOND SOMERCOR AGREEMENT

1. The Second SomerCor Agreement, as amended, is further amended, as follows:
  - (a) Substitute the entire text of Exhibit 1 regarding Program Rules with the text contained in Exhibit B attached to the Sixty-Fourth Amending Ordinance.
  - (b) Section 4.11 of the Agreement is amended by inserting the text underscored, and by deleting the text struck through, as follows:

“Section 4.11. Special Rules Applicable to the LaSalle/Central Area.

Notwithstanding anything to the contrary in this Agreement or the Program Rules, the parties agree that the following rules shall apply to the implementation of the Program in the LaSalle/Central Area (“Special LaSalle/Central Rules”):

- (a) in order to be eligible for Grant Funds, a Property must be located within the LaSalle Street – Court Place to Van Buren Target Corridor, as shown on Sub-Exhibit 8.13 to Exhibit 8 (Target Corridors) of this Agreement.
- (b) the Maximum Program Assistance shall be no greater than \$250,000 per Project and no greater than \$1,000,000 per Property.
- (c) the Maximum Program Assistance may be increased by \$50,000 for an Applicant that is expanding from a “Qualifying Low- or Moderate-Income Neighborhood” identified in Exhibit 9 of this Agreement.
- (d) an Applicant is eligible for reimbursement of up to 90% of Eligible Costs incurred for the Project, in an amount not to exceed the Maximum Program Assistance.
- (e) there shall be no limits on the Net Worth, Liquidity or Annual Sales for Applicants.

(f) only improvements (interior or exterior) on the ground floor or in the great hall (if applicable) of a building will be eligible for reimbursement.

(g) Projects that expand above or below from the ground floor or great hall may be considered for funding in DPD's sole discretion -- for example, a second level dining room or basement level restrooms of a restaurant on the ground floor may be considered for funding under these rules.

~~(h) Taverns, bars and any other businesses holding a "Tavern License" as defined by Chapter 4-60 of the Municipal Code of Chicago shall not be eligible for Grant Funds.~~

~~(i)~~ (h) for an Applicant that is the Property owner to be eligible for reimbursement, 100% of the ground floor of the Project must be leased.

~~(j)~~ (i) no Property is eligible to receive Grant Funds under the Program if the Property has received (i) any Direct City Financial Assistance (as defined in the Program Rules) from the City for the Property within (3) years before the date of an application, (ii) any Direct City Financial Assistance currently being provided to such Property, or (iii) any Direct City Financial Assistance that the City has agreed to provide to such Property at any time in the future pursuant to a written contract.

~~(k)~~ (j) All other rules and requirements of the Program not in conflict with these Special LaSalle/Central Rules shall apply to all applications received for Grant Funds in the LaSalle/Central Area."

(c) amend the text in Exhibit 5 thereof increasing the maximum funds available for the TIF Areas included in Exhibit 1 attached hereto and incorporated herein, which maximum includes previously-allocated funds and additional funding authorized by the Sixty-Fourth Amending Ordinance.

(d) substitute the following for each occurrence of "'Two Hundred Eighty-Two Million Five Hundred and Thirty-Five Thousand Dollars (\$282,535,000)" in Section 4.2 thereof:

"Two Hundred Ninety-Nine Million and Thirty-Five Thousand Dollars (\$299,035,000)"

Except as set forth herein, the Agreement is not amended.

#### ARTICLE IV

##### **OBLIGATION TO PROVIDE DOCUMENTS**

SomerCor shall execute and deliver to DPD such documents as may be required by the Corporation Counsel of the City to evidence SomerCor's participation in the Program, including, but not limited to, an opinion of counsel in substantially the form of Exhibit 1 attached hereto and incorporated herein, and the City's current form of Economic Disclosure Statement.

**IN WITNESS WHEREOF**, the City and SomerCor have executed this Agreement as of the date first set forth above.

CITY OF CHICAGO

By: \_\_\_\_\_  
Commissioner,  
Department of Planning and Development

SOMERCOR 504, INC.

By: \_\_\_\_\_  
Its: \_\_\_\_\_



**EXHIBIT 1 to Sixty-Fourth Amending Agreement**

**Additional Funding**

<b>Redevelopment Project Areas</b>	<b>Funding Authorized by the 64<sup>th</sup> Amending Ordinance (\$)</b>	<b>Maximum Funds Available (\$)</b>
35th/Halsted	\$2,000,000	\$7,250,000
47th/Halsted	\$500,000	\$2,000,000
67th/Wentworth	\$750,000	\$2,625,000
79th Street/Southwest Highway	\$500,000	\$2,000,000
87th/Cottage Grove	\$750,000	\$4,575,000
Archer/Western	\$2,000,000	\$3,800,000
Armitage/Pulaski	\$1,000,000	\$2,500,000
Avalon Park/South Shore	\$500,000	\$2,700,000
Avondale	\$500,000	\$2,500,000
Bronzeville	\$500,000	\$1,850,000
Devon/Sheridan	\$500,000	\$2,275,000
Elston/Armstrong	\$500,000	\$2,450,000
Ewing Avenue	\$1,000,000	\$1,800,000
Goose Island	\$1,000,000	\$2,500,000
Hollywood/Sheridan	\$1,000,000	\$3,150,000
Humboldt Park Commercial	\$1,000,000	\$6,000,000
Little Village Industrial	\$1,000,000	\$2,000,000
Stockyards SEQ	\$500,000	\$1,000,000
West Woodlawn	\$1,000,000	\$2,000,000

**EXHIBIT 2 to Sixty-Fourth Amending Agreement**

**Form of Counsel's Opinion**

\_\_\_\_\_, 2024

City of Chicago  
Department of Planning and Development  
121 North LaSalle Street  
Suite 1000  
Chicago, Illinois 60602

RE: Amending Agreement to Administrative Services Agreement (the "Agreement")

Ladies and Gentlemen:

We have acted as counsel for SomerCor 504, Inc., an Illinois not-for-profit corporation ("SomerCor"), in connection with the execution and delivery of the Agreement by and between SomerCor and the City of Chicago, acting by and through its Department of Planning and Development (the "City"). SomerCor has requested that this opinion be furnished to the City.

In so acting as counsel for SomerCor we have examined:

- (i) an executed original of the Agreement;
- (ii) the Articles of Incorporation, including all amendments thereto, of SomerCor as furnished and certified by the Secretary of State of the State of Illinois (the "Articles");
- (iii) the By-Laws of SomerCor, as certified by the Secretary of SomerCor as of the date hereof (the "By-Laws"); and
- (iv) the Certificate of Good Standing dated \_\_\_\_\_, issued by the Office of the Secretary of State of the State of Illinois, as to the good standing of SomerCor (the "Certificate of Good Standing").

The Articles, By-Laws and Certificate of Good Standing are referred to collectively as the "Organization Documents".

In our capacity as counsel, we have also examined such other documents or instruments as we have deemed relevant for the purposes of rendering the opinions hereinafter set forth.

We have assumed, but have no reason to question, the legal capacity, authority and the genuineness of the signatures of and due and proper execution and delivery by the respective parties other than SomerCor which has made, executed or delivered or will make, execute and deliver the agreements and documents examined by us. We have also assumed that all documents submitted to us as originals are authentic and that all documents submitted to us as photostatic or certified copies conform to the original documents.

We have further assumed (i) that factual matters set forth in SomerCor's representations and warranties in the Agreement are true and accurate in all respects; (ii) that the conduct of the parties to the Agreement complies with any requirement of good faith, fair dealing and conscionability; and (iii) that there has not been any mutual mistake of fact, fraud, duress or undue influence.

We express no opinion as to (i) the laws of any state or jurisdiction other than the State of Illinois (and any political subdivisions thereof) and the United States of America; (ii) any matters pertaining or relating to the securities laws of the United States of America, the State of Illinois or any other state; (iii) any matters pertaining or related to the Employee Retirement Income Security Act of 1974 and any rules and regulations thereunder; (iv) any matters pertaining or relating to the taxation laws of the United States of America, the State of Illinois or any other state; and (v) any matters pertaining or relating to the criminal, quasi-criminal or civil forfeiture laws of the United States of America, the State of Illinois or any other state. Additionally, this opinion is limited to the matters set forth herein. No opinion may be inferred or implied beyond the matters expressly contained herein. We shall have no continuing obligations to inform you of changes in law or fact subsequent to the date hereof or of facts of which we become aware after the date hereof.

Based upon and subject to the assumptions and qualifications herein stated, it is our opinion that:

1. Based solely on our review of the Organization Documents, SomerCor is a not-for-profit corporation, duly organized and validly existing under the laws of the State of Illinois, SomerCor has made all filings required by the laws of the State of Illinois in respect of its formation and continuing existence, and has all requisite authority to carry on its business and to execute and deliver, and to consummate the transactions contemplated by, the Agreement.
2. Based solely on our review of the Organization Documents, the Agreement has been duly executed and delivered on behalf of SomerCor and constitutes a legal, valid and binding obligation of SomerCor, enforceable against SomerCor in accordance with its terms, except to the extent that enforcement of any such terms may be limited by: (a) applicable bankruptcy, reorganization, debt arrangement, insolvency or other similar laws generally affecting creditors' rights; or (b) judicial and public policy limitations upon the enforcement of certain remedies including those which a court of equity may in its discretion decline to enforce.
3. To our knowledge, there is no action, suit or proceeding at law or in equity pending, nor to our knowledge threatened, against or affecting SomerCor, before any court or before any governmental or administrative agency, which if adversely determined could materially and adversely affect the ability of SomerCor to perform under the Agreement or any of its business or properties or financial or other conditions.
4. The transactions contemplated by the Agreement are governed by the laws of the State of Illinois.
5. The execution and delivery of the Agreement and the consummation of the transactions contemplated thereby will not constitute:

- A. a violation or breach of (i) the Articles of Incorporation of SomerCor, (ii) the By-Laws of SomerCor, (iii) to our knowledge, any provision of any contract or other instrument to which SomerCor is bound, or (iv) to our knowledge, any order, writ, injunction, decree, statute, rule or regulation binding on SomerCor, or
  - B. to our knowledge, a breach of any of the provisions of, or constitute a default under, or result in the creation or imposition of any lien or encumbrance upon any of the property of SomerCor pursuant to any agreement or other instrument to which SomerCor is a party or by which SomerCor is bound.
6. To our knowledge, no action of, or filing with, any governmental or public body is required to authorize, or is otherwise required for the validity of, the execution, delivery and performance of any of the Agreement.

In basing the opinions or other matters set forth in this letter, the words "our knowledge" signify that, in the course of representation of SomerCor, no facts have come to our attention that would give us actual (and not implied or constructive) knowledge or actual (and not implied or constructive) notice that any such opinions or other matters are not accurate. Except as otherwise expressly stated in this opinion, we have undertaken no investigation nor verification of such opinions and matters. Further, the words "our knowledge" and similar language used in this opinion are intended to be limited to only the actual knowledge of the attorneys within our firm who have been directly involved in representing SomerCor, namely \_\_\_\_\_.

The foregoing opinions are furnished exclusively for your benefit and may be relied upon by you in connection with the Agreement but may not be delivered to or relied upon by any other person or entity without express written consent from the undersigned, which may be granted or denied in the undersigned's sole discretion.

Very truly yours,



CITY OF CHICAGO

★  
**COMMITTEE ON FINANCE**  
CITY COUNCIL  
CITY HALL - ROOM 302  
121 NORTH LASALLE STREET  
CHICAGO, ILLINOIS 60602

ALDERMAN PAT DOWELL  
CHAIRMAN

PHONE: 312-744-3380

May 22, 2024  
CHICAGO, ILLINOIS

**TO THE PRESIDENT AND MEMBERS OF THE CITY COUNCIL:**

Your Committee on Finance which was referred a substitute ordinance concerning the sixty-fourth (64<sup>th</sup>) amended administrative services agreement with SomerCor 504, Inc. to increase funding to select tax increment financing (TIF) Redevelopment Project Areas, and the amendment of the Small Business Improvement Fund (SBIF) program rules.

**Wards: 1, 3,4, 6, 7, 8, 10, 11, 12, 15, 16, 18, 20, 22, 26, 27, 30, 35, 39, 45, 48, 49**  
**(SO2024-0008887)**

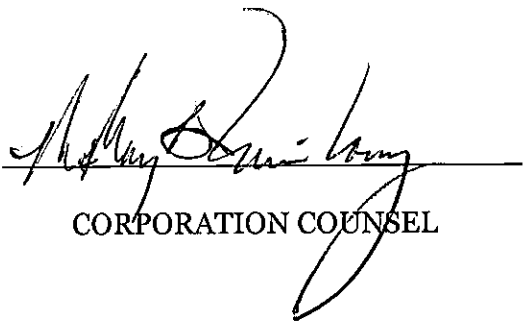
Having the same under advisement, begs leave to report and recommend that Your Honorable Body **Pass** the proposed substitute ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present with no dissenting votes on **May 13, 2024**.

(signed)

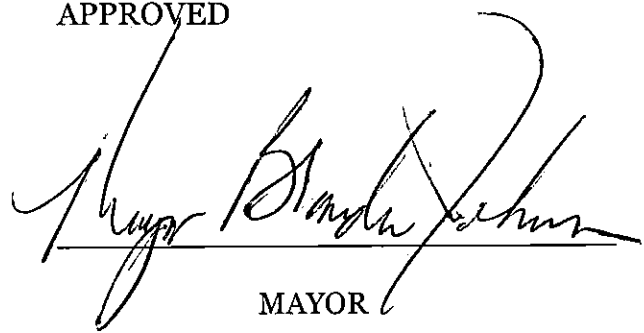
Pat Dowell, Chairman  
Committee on Finance

APPROVED

  
CORPORATION COUNSEL

DATED: 5/31/24

APPROVED

  
MAYOR

DATED: 5/31/24