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**OFFICE OF THE MAYOR
CITY OF CHICAGO**

BRANDON JOHNSON
MAYOR

October 4, 2023

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Transportation, I transmit herewith an ordinance authorizing the execution of an infrastructure agreement for the LeClaire Courts redevelopment project.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in blue ink, appearing to read "BJ Johnson", followed by a horizontal line.

Mayor

ORDINANCE

WHEREAS, the City of Chicago ("City") is a home rule unit of government by virtue of the provisions of the Constitution of the State of Illinois of 1970, and as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, LeClaire Partners, LLC, is an Illinois limited liability company, whose offices are located at c/o Cabrera Capital Partners, LLC ("Cabrera"), 227 West Monroe Street, # 3000, Chicago, IL 60606 (together with its permitted successors and assigns, the "Private Developer of Public Way"); and

WHEREAS, the Private Developer of Public Way is a venture between Cabrera and The Habitat Company LLC; and

WHEREAS, the Chicago Housing Authority (the "CHA") is a public housing authority authorized to develop and operate public housing in the City of Chicago pursuant to the United States Housing Act of 1937 (42 USC §1437, *et seq.*), as amended from time to time, and the Illinois Housing Authorities Act (310 ILCS 10); and

WHEREAS, the Private Developer of Public Way and the CHA are referred to herein collectively as the "Public Way Developers" and each individually as a "Public Way Developer"; and

WHEREAS, the CHA is the owner of the former LeClaire Courts public housing site located west of Cicero Avenue and south of the Stevenson Expressway, consisting of approximately 36 acres (the "Redevelopment Site") in the Garfield Ridge neighborhood near Midway Airport, as generally depicted in the site plan attached as Exhibit 1 to the Infrastructure Agreement (as hereafter defined); and

WHEREAS, on May 22, 2019, the CHA Board of Commissioners selected the Private Developer of Public Way to redevelop the Redevelopment Site; and

WHEREAS, the selected redevelopment project (the "Project") is a multiphase, mixed-use, mixed-income community development project located on the Redevelopment Site, which will offer approximately 650 mixed-income residential units, as well as a grocery store, federally qualified medical center and daycare to serve the community; and

WHEREAS, on July 23, 2023, the CHA Board of Commissioners approved a number of actions advancing the initial phases of the Project, including (i) entering into a ground lease for the first residential phases of the Project, which will consist of two six-story buildings containing 183 mixed-income apartments (86 CHA, 79 affordable, and 18 market-rate); and (ii) entering into an infrastructure agreement with the City, which will provide funding to support the public right of way infrastructure work needed for the Redevelopment Site, including streets, sidewalks, parkways and underground utilities; and

WHEREAS, pursuant to an ordinance adopted by the City Council of the City (the "City Council") on December 14, 2022, and published at pages 58221 through 58250 in the Journal of Proceedings of the City Council of such date, the City Council approved a vacation and dedication ordinance (SO2022-2420) to reestablish the grid for the first phase of the Project, which includes construction of a full-service grocery store, a health care center, and two mid-rise buildings along Cicero; and

WHEREAS, prior to commencement of any Work (as defined below) on the first phase of the Project, the Public Way Developers must make good faith progress toward submitting all plats and other paperwork required by the Chicago Department of Transportation ("CDOT") to prepare a vacation and dedication ordinance for the remainder of the Redevelopment Site; and

WHEREAS, the City proposes to contract with the Public Way Developers to construct certain public infrastructure improvements on the Redevelopment Site pursuant to an infrastructure agreement between the parties; and

WHEREAS, a substantially final proposed form of infrastructure agreement between the City and the Public Way Developers is attached hereto as Exhibit A (the "Infrastructure Agreement"); and

WHEREAS, the City is or shall be the owner of the public right of way and other real property generally depicted on Exhibit 1 to the Infrastructure Agreement (the "Public Improvements Property"); and

WHEREAS, the City wishes to authorize the Public Way Developers to prepare plans and specifications and implement such plans and specifications to construct certain public improvements (the "Public Improvements") on the Public Improvements Property pursuant to the Infrastructure Agreement (the "Work"); and

WHEREAS, the Public Way Developers shall be compensated for the Work on the Public Improvements pursuant to the Infrastructure Agreement; and

WHEREAS, as part of the Work, the Public Way Developers shall prepare or cause to be prepared plans, specifications, estimates of quantities, engineer's estimates, and ancillary engineering reports and analyses by duly licensed engineer(s) depicting the construction of the Public Improvements comprising the Work, which shall be reviewed and approved by the City prior to the commencement of the Work (the "Approved Plans and Specifications"); and

WHEREAS, pursuant to the Infrastructure Agreement, the Public Way Developers will perform the Work, or cause the Work to be performed, and engage third party contractors or subcontractors to cause the Work to be performed in accordance with the Approved Plans and Specifications and the schedule and budget attached as Exhibits 2 and 3 to the Infrastructure Agreement; and

WHEREAS, the City and the Public Way Developers desire that the City shall retain ownership of the Public Improvements Property and the Public Improvements, as constructed in accordance with the Approved Plans and Specifications; and

WHEREAS, the City agrees to use available funds in an amount not to exceed \$16,557,263 (the "Guaranteed Maximum Price" or "GMP") to pay the Public Way Developers for the costs of the Public Improvements pursuant to the terms and conditions of the Infrastructure Agreement; and

WHEREAS, separate from but in coordination with the Work to be performed by the Public Way Developers under the Infrastructure Agreement, the City has agreed to fund certain additional public improvements to be provided by the Department of Water Management ("DWM"), as set forth in Exhibit B attached hereto; now, therefore

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

SECTION 1. The foregoing recitals are hereby adopted as the findings of the City Council.

SECTION 2. The Commissioners of the Department of Planning and Development (“DPD”), CDOT and DWM (the “Commissioners”) or designees of the Commissioners are each hereby authorized, with the approval of the City’s Corporation Counsel as to form and legality, to negotiate, execute and deliver the Infrastructure Agreement, and such other supporting documents as may be necessary or appropriate to carry out and comply with the provisions of the Infrastructure Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Infrastructure Agreement (including but not limited to any changes necessary to preserve the tax-exempt status of any City bonds the proceeds of which may be used to make payments under the Infrastructure Agreement). Pursuant to Section 2-8-065(c)(1) of the Municipal Code of Chicago, the Commissioners are authorized to waive such fees in connection with the Work that are customarily waived in connection with comparable public infrastructure projects.

SECTION 3. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 5. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 6. This ordinance shall take effect immediately upon its passage and approval. This ordinance shall be of no further force or effect if the Infrastructure Agreement is not fully executed within one year of the passage and approval hereof.