

## **EXHIBIT 2**

Commission on Chicago Landmarks  
Recommendation to the City Council

- see attached

**CITY OF CHICAGO  
COMMISSION ON CHICAGO LANDMARKS  
January 11, 2024**

**RECOMMENDATION TO THE CITY COUNCIL THAT  
A CLASS L REAL ESTATE TAX REDUCTION BE APPROVED FOR**

**801 West Madison Street and 2 South Halsted Street  
(Former) Mid-City Trust and Savings Bank Building**

**To the Mayor and Members of the City Council of the City of Chicago:**


**Whereas**, the building at 801 West Madison Street and 2 South Halsted Street (the "Building") was designated as a Chicago Landmark by the City Council of the City of Chicago (the "City Council") on April 24, 2012; and

**Whereas**, the Commission on Chicago Landmarks (the "Commission") has reviewed an application for the proposed exterior and interior rehabilitation of the Building (the "Project"), pursuant to the Cook County Real Property Assessment Classification Ordinance, as amended (the "County Ordinance"), and its requirements governing the Class L real estate tax incentive (the "Class L"); now, therefore

**THE COMMISSION ON CHICAGO LANDMARKS HEREBY:**

1. Incorporates the above recitals; and
2. Finds, based on the Project's budget and proposed scope of work, incorporated herein and attached as Exhibits A and B respectively, that the Project meets or exceeds the *Secretary of the Interior's Standards for the Rehabilitation of Historic Buildings*; and
3. Finds that the Project meets the eligibility criteria for the Class L incentive specified in the County Ordinance;
4. Recommends that the Project be approved for the Class L incentive.

The above recommendation was passed unanimously. (8-0)

  
Ernest C. Wong  
Chairman

Dated: January 11, 2024

The Neighborhood Hotel - West Loop 801 West Madison St. - Chicago, IL Class L Budget			
Uses of Capital	Total Cost	Class L Ineligible	Class L Eligible
<b>Hard Costs</b>			
General Conditions	\$808,442	\$808,442	
Owners General Requirements	\$100,000	\$100,000	
Performance Bond	\$115,520	\$115,520	
Insurance	\$250,000		\$250,000
Demolition & Abatement	\$2,664,267		\$2,664,267
Site & Utility (Use existing MEP utilities)	\$415,000		\$415,000
Sidewalk (Halsted) & Utility Vaults	\$145,000	\$145,000	
Landscape	\$34,720	\$34,720	
Green Roof	\$177,280		\$177,280
Structural Steel	\$369,367		\$369,367
Concrete, Footings, and Foundation	\$584,241		\$584,241
Masonry New & Repair Existing	\$1,033,448		\$1,033,448
Carpentry and Finishes L&M	\$2,109,086		\$2,109,086
Roofing/Downspouts/Coping	\$598,459		\$598,459
Exterior & Interior Caulking/Sealing/Fire Stopping	\$199,370		\$199,370
HVAC	\$2,739,682		\$2,739,682
Electrical & Low Voltage	\$2,562,622		\$2,562,622
Fire Alarm System	\$495,102		\$495,102
Plumbing, Gas Piping & Fixtures	\$2,384,494		\$2,384,494
Fire Sprinkler	\$527,995		\$527,995
Glass & Glazing	\$990,459		\$990,459
Skylight	\$400,000		\$400,000
Insulation (Exterior & Sound)	\$411,000		\$411,000
Drywall & Paint	\$1,443,000		\$1,443,000
Millwork	\$406,150		\$406,150
Cabinets & Countertops Material	\$581,824		\$581,824
Tile M&L	\$539,923		\$539,923
Flooring L&M	\$347,664		\$347,664
Stairs & Other Steel	\$155,000		\$155,000
Elevator (3)	\$450,000		\$450,000
Parking Lot / Alley	\$25,300	\$25,300	
Bath Accessories	\$111,250	\$111,250	
Shower Doors/Mirrors/Glass Material	\$158,517	\$158,517	
Closet Shelves Material	\$73,000	\$73,000	
Clean Up (Final Clean)	\$62,516	\$62,516	
Crane	\$173,000	\$173,000	
Street Repair	\$125,000	\$125,000	
WiFi & Locks	\$380,000	\$380,000	
Pre-Construction Work, Selective Demo, Immediate Roof Repairs	\$106,349	\$106,349	
Outside Canopy / Signage	\$30,000	\$30,000	
Exterior Lighting + Lighting Courtyard	\$57,500		\$57,500
Relocate Electrical Service	\$40,000		\$40,000
MBE / WBE Additional Costs	\$400,000	\$400,000	
<b>Subtotal Hard Costs</b>	<b>\$25,781,548</b>	<b>\$2,848,614</b>	<b>\$22,932,934</b>
<b>Hard Costs Contingency 7%</b>	<b>\$1,804,708</b>	<b>\$199,403</b>	<b>\$1,605,305</b>
<b>Total Hard Costs Total</b>	<b>\$27,586,257</b>	<b>\$3,048,017</b>	<b>\$24,538,240</b>
<b>Soft Costs</b>			
Construction Management Fees	\$800,000	\$800,000	
Title and Recording	\$25,000		\$25,000
Fees and Permits	\$50,000		\$50,000
Legal and Professional Fees	\$350,000		\$350,000
Furniture for Common Area and Units	\$1,900,000	\$1,900,000	
Marketing	\$50,000	\$50,000	
Utilities During Construction	\$50,000	\$50,000	
Real Estate Taxes During Construction	\$1,800,000	\$1,800,000	
Operating Expense Reserves	\$1,694,894	\$1,694,894	
Architectural/Engineering/Design	\$900,000	\$192,447	\$707,553
Pullout drawer refrigerator	\$152,000	\$152,000	
Combo Washer/Dryer	\$40,000	\$40,000	
Furniture Freight, Storage, Installation	\$750,000	\$750,000	
Art & Mural	\$130,000	\$130,000	
Room Amenities (Coffee, etc.)	\$76,000	\$76,000	
Appliances	\$380,000	\$380,000	
WiFi Install	\$159,600	\$159,600	
Linens	\$110,000	\$110,000	
<b>Subtotal Soft Costs</b>	<b>\$9,417,494</b>	<b>\$8,284,941</b>	<b>\$1,132,553</b>
<b>Soft Costs Contingency 7%</b>	<b>\$659,225</b>	<b>\$79,946</b>	<b>\$79,279</b>
<b>Total Soft Costs Total</b>	<b>\$10,076,719</b>	<b>\$8,364,887</b>	<b>\$1,211,831</b>
Development Fee	\$808,000		\$808,000
Acquisition Costs	\$14,626,379	\$14,626,379	
<b>Class L Budget - Mid-City National Bank Historic Rehab - Phase I</b>	<b>\$53,097,354</b>	<b>\$26,539,283</b>	<b>\$26,558,071</b>

(1) Class L Budget excludes overall project costs attributable to financing as well as costs to build out the retail space on the ground floor and lower level

## EXHIBIT B

### SCOPE OF THE WORK

**General.** All work affecting the significant historical and architectural features shall be done in accordance with the following:

- The City of Chicago's building permit review procedures and the Landmarks Ordinance, 2-120-580 et seq. of the Municipal Code of Chicago.
- The review and approval of the Commission.
- The U.S. Secretary of the Interior's Standards for the Rehabilitation of Historic Buildings (the "Standards") and the Guidelines for Alterations to Historic Buildings and New Construction, adopted by the Commission on March 4, 1992.
- Historic photographs, architectural drawings, and any other available archival documentation of the building, to be investigated and assembled by the property owner.
- Drawings prepared by Pappageorge Haymes dated June 19, 2023, and any Commission/PRC conditions of approval.

**Required Approvals.** All work must be submitted to the Commission staff for prior review and approval. The Commission staff may require as part of its review, as appropriate, material samples, paint colors and finishes, shop drawings, specifications, mock-ups, test patches, and control samples.

### Required Work.

#### **Exterior:**

##### Work Shall Include:

- Masonry repairs as necessary to address all condition issues on all elevations.
- Masonry cleaning on all elevations.
- Replacement of select un-repairable non-historic windows as required to match existing replacement windows on upper floors. Repair of remaining existing non-historic windows to make fully operational.
- Repair and refinishing of existing historic windows at ground and 2<sup>nd</sup> floors including installation of an additional layer of glazing to the inside face of the windows.
- Repair and re-installation of historic doors at all building entries.
- Modification of select ground floor windows to accommodate new tenant doors.
- Installation of exterior architectural illumination.
- Rebuilding of damaged areas of roof parapet.
- Roof work includes removal of old layers of roofing, installation of new layer of roofing and insulation over existing deck and perimeter flashing.
- Installation of vegetative 'green' roof.
- Installation of mechanical equipment serving hotel suites on the roof.

#### **Interior:**

##### Work shall Include:

- Installation of new mechanical, electrical, plumbing and fire protection systems to replace existing obsolete systems.
- Replacement and modernization of two existing elevators in existing locations and construction of (2) new elevators from bank hall to basement.
- Installation of new insulation and gypsum board at interior face of exterior walls on upper floors.

- Modifications to stairs, stairwells, and egress paths to endure conformance with Chicago Building Code.
- Installation of new trash chute at existing chimney.
- Restoration of historic features at entry stairwell and historic safety deposit box waiting area at the northeast corner of the basement.
- Capping of existing exposed soil floor in basement boiler room.
- Full buildout of basement hotel back-of-house spaces, including laundry room, package storage, maintenance office, etc.
- Full buildout of basement circulation for hotel and future tenant including corridors and ramps to accommodate level changes in the basement.
- Removal of non-historic bank hall finishes on the first floor.
- New glass partitions between the historic bank hall and hotel lobby.
- Replacement of non-historic lighting and finishes with new historically sensitive fixtures throughout.
- Buildout of vestibule and hotel lobby within historic bank hall with historically sensitive finishes and fixtures.
- Repair and renovation of bank hall skylights.
- Full build out of twelve new hotel suites on the 2nd floor mezzanine, including repairs and renovation of historic office/conference room. Full build out of sixteen new hotel suites per floor on floors 3-6. Hotel suites include full bathroom with shower, toilet and lavatory, small kitchenette, and living/sleeping rooms.
- Installation of fire separations at mezzanine openings to ensure conformance with Chicago codes.
- Demolition and replacement of east wall along north-south corridor on upper floors. Historic doors to be salvaged and reinstalled in new wall.
- Protection and renovation of existing historic north and south walls of east-west, and west wall of north-south corridor on upper floors.
- Protection and renovation of existing historic floor tile where present in the common corridor on upper floors. In areas where historic tile is not present, new tile to match historic color and patterning to be installed.
- Restoration and modernization of historic doors at new hotel suite entries to meet code requirements on upper floors. Where historic doors do not align with entries, doors to remain in place and be sealed shut.

**Sustainable Features:**

- Designed to earn the Energy Star – 30 Points
- Exceed Energy Code by 5% - 20 Points

Work shall occur in accordance with permit drawings for the Project, to be reviewed and approved by the staff of the Commission on Chicago Landmarks.

**Additional Work**

Additional work not required by Class L, but to be undertaken by the owner, includes installation of a new entrance canopy above the west entry along Madison Street and new mural along the alley. Any signage shall be reviewed and approved by the Commission prior to installation.