



City of Chicago



O2023-1643

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 4/19/2023

Sponsor(s): Lightfoot (Mayor)

Type: Ordinance

Title: Sale of City-owned property at 4451 S Calumet Ave to construct three single-family homes on subject property and developer's adjacent property with common driveway access

Committee(s) Assignment: Committee on Housing and Real Estate



OFFICE OF THE MAYOR
CITY OF CHICAGO

LORI E. LIGHTFOOT
MAYOR

April 19, 2023

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

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the negotiated sale of City-owned properties.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

A handwritten signature in black ink that reads "Lori E. Lightfoot".

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, pursuant to ordinances adopted by the City Council of the City (the “City Council”) on March 27, 2002, and published at pages 81231 to 81472 in the Journal of the Proceedings of the City Council for such date, the City Council: (i) approved a certain redevelopment plan and project (the “Redevelopment Plan”) for the 47th/King Drive Redevelopment Project Area (the “Redevelopment Area”), pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended, 65 ILCS 5/11-74.4-1 *et seq.* (the “TIF Act”), (ii) designated the Redevelopment Area as a redevelopment project area pursuant to the TIF Act; and (iii) adopted tax increment allocation financing pursuant to the TIF Act as a means of financing certain Redevelopment Area redevelopment project costs (as defined in the TIF Act) incurred pursuant to the Redevelopment Plan; and

WHEREAS, the City is the owner of the property located at 4451 South Calumet Avenue, Chicago, Illinois 60653, which is legally described on Exhibit A and depicted on Exhibit B attached hereto and incorporated herein (the “Property”), and which is located in the Redevelopment Area; and

WHEREAS, Eckco Development Group LLC, an Illinois limited liability company (“Grantee”), submitted a proposal to the Department of Planning and Development (the “Department”) to purchase the Property from the City for the sum of Eighty Thousand and No/100 Dollars (\$80,000.00) (the “Purchase Price”); and

WHEREAS, the Purchase Price represents the appraised fair market value of the Property as of July 12, 2021; and

WHEREAS, Grantee owns the property located at 4453 South Calumet Avenue adjacent to the Property (the “Adjacent Property”), and intends to use the Adjacent Property and the Property to construct three single-family homes, one of which will be located on the Property, as depicted in the drawings attached hereto and incorporated herein as Exhibit C (the “Project”); and

WHEREAS, the Project will also include construction of a driveway on the Property to provide access to the homes on the Adjacent Property; and

WHEREAS, the Project is consistent with the Redevelopment Plan; and

WHEREAS, by Resolution 23-013-21, adopted on March 16, 2023, the Chicago Plan Commission approved the disposition of the Property; and

WHEREAS, public notice advertising the Department’s intent to enter into a negotiated sale of the Property with Grantee and requesting alternative proposals appeared in the *Chicago Tribune* on July 7, 14 and 21, 2022; and

WHEREAS, no other responsive proposals were received by the deadline set forth in the aforesaid notices; *now, therefore*,

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

SECTION 1. The foregoing recitals, findings and statements of fact are hereby adopted as the findings of the City Council.

SECTION 2. The sale of the Property to Grantee for the Purchase Price is hereby approved, subject to Grantee's satisfaction of each of the following conditions precedent to closing (unless waived by the Department in its sole discretion):

(a) Grantee must submit to the Department, and the Department must approve, the final construction plans and specifications for the Project; and

(b) Grantee must obtain all building permits and other required permits and approvals necessary to construct the Project and submit evidence thereof to the Department.

If Grantee fails to close on the acquisition of the Property within three (3) years of the date of passage and approval of this ordinance, then this ordinance will be rendered null and void and of no further effect, unless the Commissioner of the Department, in the Commissioner's sole discretion, extends the closing date. Grantee shall pay all escrow fees and other title insurance fees and closing costs.

SECTION 3. The Commissioner of the Department, or a designee of the Commissioner, is each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver such documents as may be necessary or appropriate to carry out and comply with the provisions of this ordinance, with such changes, deletions and insertions as shall be approved by the Commissioner or the Commissioner's designee. Such documents may contain terms and provisions that the Commissioner or the Commissioner's designee deems appropriate, including indemnification, releases, affidavits and other documents as may be reasonably necessary to remove exceptions from title with respect to the Property or otherwise may be reasonably necessary or appropriate to consummate the transaction contemplated hereby.

SECTION 4. The Mayor or the Mayor's proxy is authorized to execute, and the City Clerk or the Deputy City Clerk is authorized to attest, a quitclaim deed conveying the Property to Grantee, or to a land trust of which Grantee is the sole beneficiary, or to a business entity of which Grantee is the sole controlling party. Without limiting the quitclaim nature of the deed, the conveyance of the Property shall be subject to the following: the standard exceptions in an ALTA title insurance policy; general real estate taxes and any special assessments or other taxes; easements, encroachments, covenants, restrictions and liens of record and not shown of record; such other title defects as may exist; and any and all exceptions caused by the acts of Grantee or its agents. In addition, the deed shall include the following conditions and covenants, in substantially the form set forth below, which are a part of the consideration for the Property and

which shall run with the land and be binding upon and enforceable against Grantee and Grantee's successors and assigns:

1. **Covenant to Build Home.** Grantee shall construct a single-family residential building on the Property (the "Project") in accordance with the site plan and elevations previously approved by the Department of Planning and Development ("Department") within eighteen (18) months of the date of this Deed. No material deviation from the previously approved site plan and elevations is permitted without written approval from the Department. If this condition is not met, the City may record a notice of default against the Property and shall have the right to exercise any and all remedies available to it at law or in equity. Upon completion of the Project, Grantee shall submit a written request to the Department for a certificate of completion. If the Department determines that Grantee has completed the Project in accordance with this covenant, the Department shall provide Grantee with the certificate of completion. The certificate shall be in recordable form and shall, upon recording, constitute a conclusive determination of satisfaction and termination of the covenant in this section.
2. **Historic Contamination of Urban Land.** Grantee acknowledges that soil and groundwater in urban areas, including Chicago, are frequently impacted by historic environmental contamination, such as (a) buried demolition debris containing lead-based paint or asbestos, (b) underground heating oil tanks, (c) off-site migration of chemicals from surrounding property previously or currently used for gas stations, dry cleaners, or other commercial, industrial or manufacturing land uses, (d) unauthorized "fly" dumping, (e) nearby railroad operations, and (f) airborne deposit of lead and other contaminants from historic use of lead gasoline and polluting industrial or manufacturing uses.
3. **As Is," "Where Is" and "With All Faults" Conveyance.** Grantee acknowledges that Grantee has had an opportunity to inspect the Property, and is relying solely upon Grantee's own inspection and other due diligence activities in determining whether to acquire the Property, and not upon any information provided by or on behalf of the City with respect thereto. Grantee acknowledges and agrees that the Property is being conveyed, and Grantee accepts the Property, in its "AS IS," "WHERE IS" and "WITH ALL FAULTS" condition without any covenant, representation, or warranty, express or implied, of any kind, regarding the physical or environmental condition of the Property or the suitability of the Property for any purpose whatsoever. Grantee acknowledges and agrees that Grantee is solely responsible for any investigation and remediation work necessary to put the Property in a condition which is suitable for its intended use.
4. **Release of City.** Grantee, on behalf of Grantee and Grantee's heirs, successors and assigns, and anyone claiming by, through or under any of them, hereby releases, relinquishes and forever discharges Grantor and its officers, employees, agencies, departments and officials, from and against any and all claims, demands, losses, damages, liabilities, costs and expenses (including, without limitation, reasonable

attorney's fees and court costs) based upon, arising out of or in any way connected with, directly or indirectly, the environmental or physical condition of the Property.

SECTION 5. 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 6. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 7. This ordinance shall be in full force and effect immediately upon its passage and approval.

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

(SUBJECT TO FINAL SURVEY AND TITLE COMMITMENT)

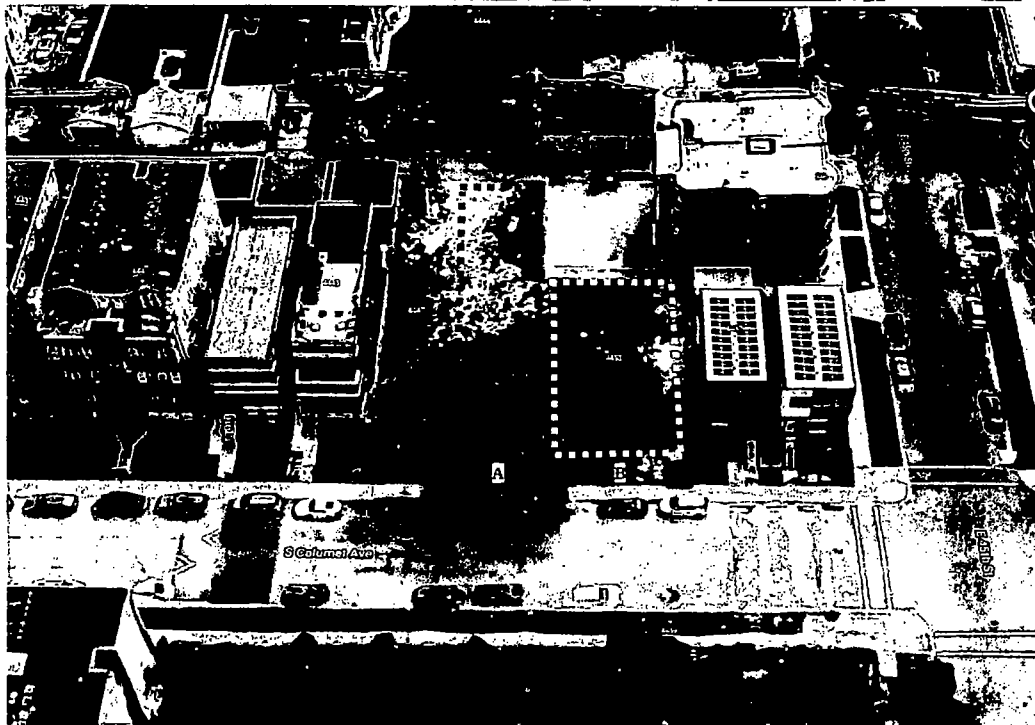
THE SOUTH 25 FEET OF LOT 11 IN D. H. PIKE'S SUBDIVISION OF THE SOUTH 1/2 OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS: 4451 South Calumet Avenue
Chicago, Illinois 60653

PIN: 20-03-311-020-0000

EXHIBIT B

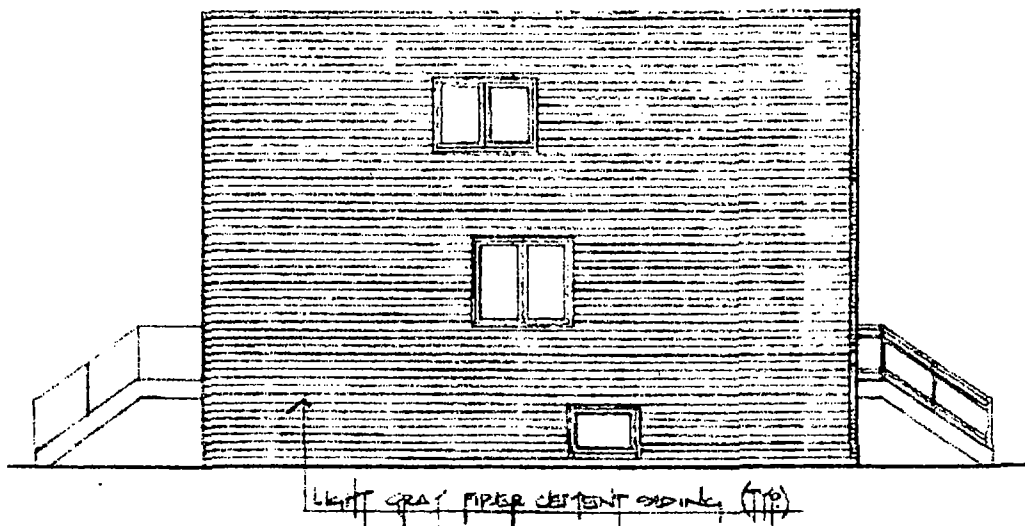
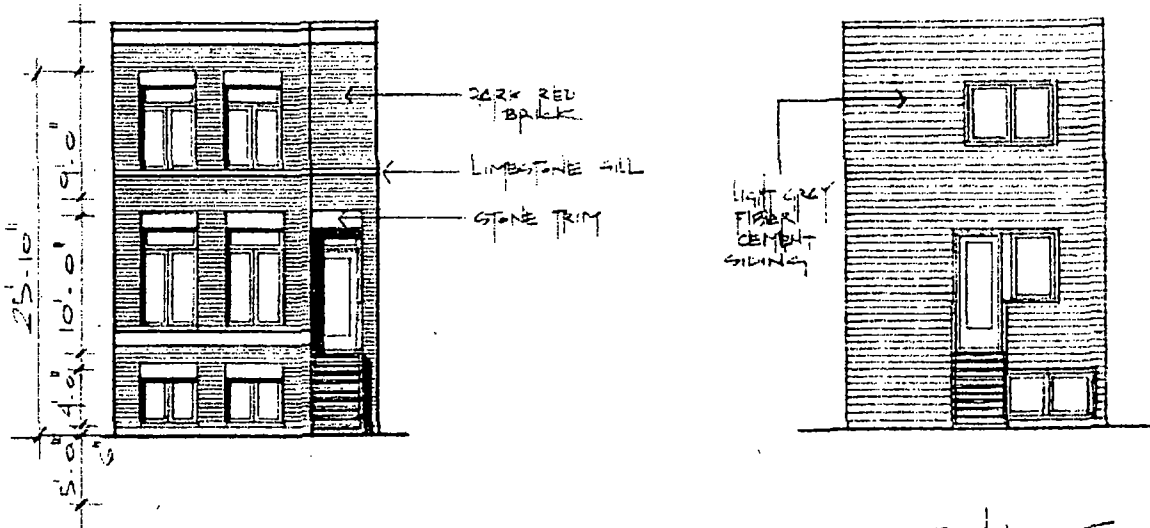
DEPICTION OF PROPERTY

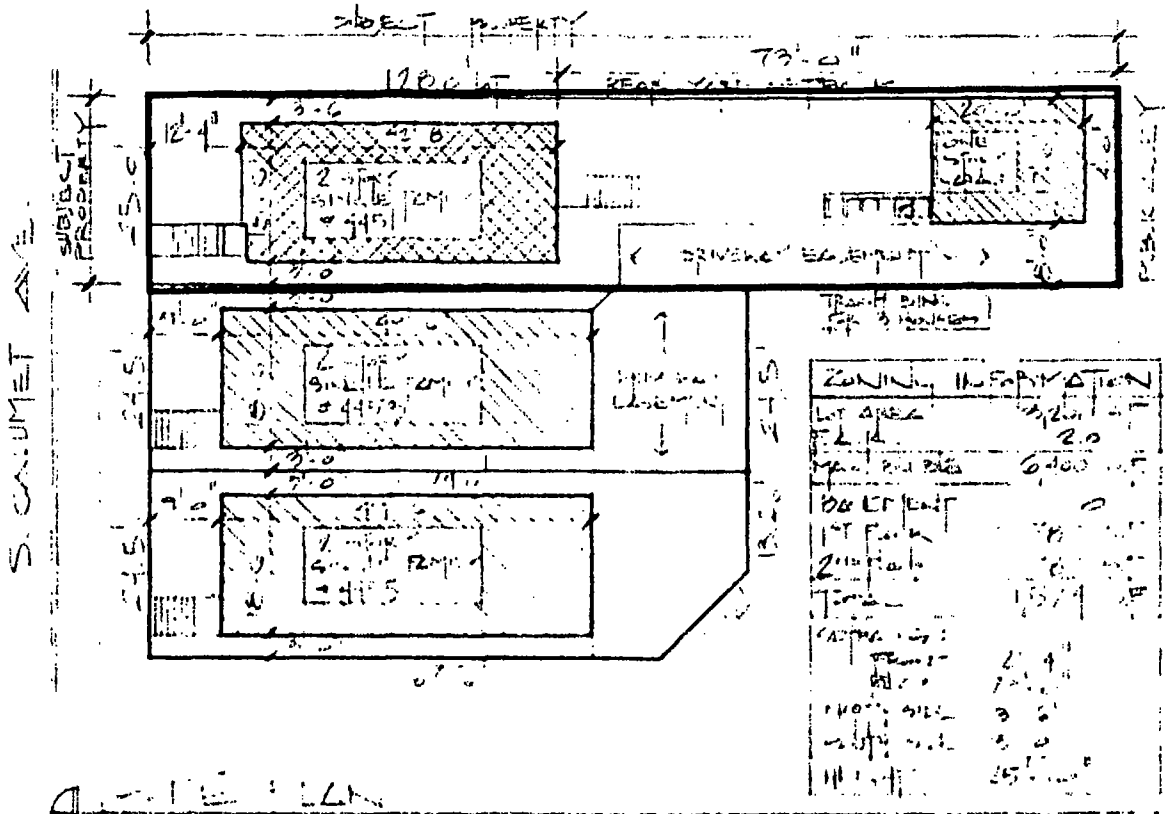


- : City lot (4451 S Calumet) - to construct 1 single family
- : Applicant lot (4453 S Calumet) - to construct 2 single family homes

EXHIBIT C

DRAWINGS





DATE: 1/17/17