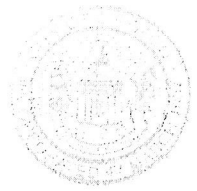


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OFFICE OF THE MAYOR
CITY OF CHICAGO

BRANDON JOHNSON
MAYOR

July 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, appearing to read "Brandon Johnson", written over a horizontal line.

Mayor

ORDINANCE

WHEREAS, the City of Chicago (the "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 February 16, 2000, as amended by ordinances adopted on August 31, 2007, September 8, 2011, and February 10, 2016, the City Council: (i) approved a certain redevelopment plan and project (as amended, the "Redevelopment Plan") for the Central West Redevelopment Project Area (as amended, 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 vacant property located at 2215-17 W. Warren Boulevard, Chicago, Illinois, which is legally described on Exhibit A attached hereto and incorporated herein (the "Property"), and which is located in the Redevelopment Area; and

WHEREAS, Makema Kromah Adkins (the "Grantee") submitted a proposal to the Department of Planning and Development (the "Department") to purchase the Property from the City for the sum of Two Hundred Nine Thousand and No/100 Dollars (\$209,000.00) (the "Purchase Price"); and

WHEREAS, the Purchase Price represents the appraised fair market value of the Property as of February 8, 2022; and

WHEREAS, the Grantee intends to use the Property to construct a new two-story, single family home, as depicted in the drawings attached hereto and incorporated herein as Exhibit B (the "Project"); and

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

WHEREAS, a Phase I Environmental Site Assessment of the Property identified Recognized Environmental Conditions ("RECS"); and

WHEREAS, a Phase II Environmental Site Assessment identified contamination above residential remediation objectives as determined by 35 Ill. Adm. Code Part 742; and

WHEREAS, as a condition of the sale, the City is requiring the Grantee to enroll the Property in the Illinois Environmental Protection Agency ("IEPA") Site Remediation Program to obtain a final comprehensive residential No Further Remediation ("NFR") letter; and

WHEREAS, the City has agreed to deposit the Purchase Price into an environmental escrow at closing for Grantee to utilize for the remediation of the Property and to secure a NFR letter for the Property from the IEPA; and

WHEREAS, by Resolution No. 23-015-21, adopted on April 20, 2023, the Chicago Plan Commission approved the disposition of the Property; and

WHEREAS, by Resolution No. 23-CDC-19 adopted on March 14, 2023, the Community Development Commission recommended the sale of the Property to Grantee if no responsive alternative proposals were received at the conclusion of the advertising period, or, if alternative proposals were received, if the Department determined in its sole discretion that it was in the best interest of the City to proceed with Grantee's proposal; 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 August 8, 15 and 22, 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 enroll the Property in the IEPA Site Remediation Program to obtain a final comprehensive residential NFR letter;

(b) Grantee must submit to the Department a Phase I Environmental Site Assessment for the Property dated no more than 180 days prior to the closing date, and a reliance letter authorizing the City to use and rely on any existing environmental site assessment reports for the Property.

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

(d) 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 Purchase Price shall be deposited into an escrow account to be held by a third-party title insurance company for purposes of funding certain environmental costs (the "Escrow Account"), pursuant to a written joint order environmental escrow agreement in substantially the form attached hereto as Exhibit C (the "Escrow Agreement"). The Commissioner of the Department (the "Commissioner"), 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 the Escrow Agreement and such other documents as

may be necessary or appropriate to carry out and comply with the provisions of this ordinance and the Escrow Agreement, 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 two-story, single-family home 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, including re-entering and taking possession of the Property, terminating the estate conveyed to Grantee, and revesting title to the Property in the City. 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. "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 accepts the risk that any inspection may not disclose all material matters affecting the Property (and any improvements thereon). 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 any improvements thereon), its compliance with any Laws (as defined in Section 3(a) below), or the suitability or merchantability 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.

3. Environmental Requirements. Grantee shall satisfy the following environmental requirements:

(a) Definitions. As used herein, the following terms shall have the following meanings:

“AIS” means the Department of Assets, Information and Services, or any successor department thereto.

“Contaminant” means any of those materials set forth in 415 ILCS 5/3.165 and 35 Ill. Adm. Code Part 742.305, as amended from time to time, that are subject to regulation under any Environmental Laws.

“Environmental Documents” means all reports, surveys, field data, correspondence and analytical results prepared by or for Grantee (or otherwise obtained by Grantee) regarding the condition of the Property or any portion thereof, including, without limitation, the SRP Documents.

“Environmental Laws” means all Laws pertaining to health, safety, Hazardous Substances or Other Regulated Material, or the environment (including, but not limited to, ground, air, water or noise pollution or contamination, and underground or above-ground tanks), now or hereafter in effect, as amended or supplemented from time to time, including, without limitation, the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 *et seq.*; the Resource Conservation and Recovery Act (“RCRA”), 42 U.S.C. § 6901 *et seq.*, as amended by the Hazardous and Solid Waste Amendments of 1984; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 *et seq.* (“CERCLA”), as amended by the Superfund Amendments and Reauthorization Act of 1986 (“SARA”); the Occupational Safety and Health Act, 29 U.S.C. § 651 *et seq.*; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 *et seq.*; the Clean Air Act, 42 U.S.C. § 7401 *et seq.*; the Illinois Environmental Protection Act, 415 ILCS 5/1 *et seq.*; the Gasoline Storage Act, 430 ILCS 15/0.01 *et seq.*; the Sewage and Waste Control Ordinance of the Metropolitan Water Reclamation District of Greater Chicago; the Municipal Code of the City of Chicago; and all rules, regulations, orders, and decrees now or hereafter promulgated under any of the foregoing Laws, as any of the foregoing Laws now exist or may be changed or amended or come into effect in the future.

“Final Comprehensive Residential NFR Letter” means a final comprehensive residential “No Further Remediation” letter issued by the IEPA approving the use of the Property for the construction, development and operation of the Project in accordance with the site plan approved by the City and the terms and conditions of the SRP Documents, as amended or supplemented from time to time. The Final Comprehensive Residential NFR Letter shall state that the Property meets remediation objectives for residential properties and the construction worker exposure route as set forth in 35 Ill. Adm. Code Part 742, but may be reasonably conditioned upon use and maintenance of engineered barriers and other institutional or engineering controls acceptable to the IEPA.

“Hazardous Substance(s)” has the meaning set forth in 415 ILCS 5/3.215, as amended from time to time.

“IEPA” means the Illinois Environmental Protection Agency, or any successor agency.

“Laws” means any and all applicable federal, state, county, municipal or other laws (including common law), statutes, codes, ordinances, rules, regulations, permits, executive orders or other requirements, now or hereafter in effect, as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative orders, consent decrees or judgments.

“Losses” means any and all debts, liens (including, without limitation, lien removal and bonding costs), claims, actions, suits, demands, complaints, legal or administrative proceedings, losses, damages, obligations, liabilities, judgments, amounts paid in settlement, arbitration or mediation awards, interest, fines, penalties, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable attorneys’ fees and expenses, consultants’ fees and expenses, costs of investigation, and court costs).

“Other Regulated Material” means any Waste, Contaminant, or any other material, not otherwise specifically listed or designated as a Hazardous Substance, that (a) is or contains: petroleum, including crude oil or any fraction thereof, motor fuel, jet fuel, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixtures of natural gas and such synthetic gas, asbestos, radon, any polychlorinated biphenyl, urea, formaldehyde foam insulation, explosive or radioactive material, materials known to contain per- and polyfluoroalkyl substances, i.e. PFAS, or (b) is a hazard to the environment or to the health or safety of persons.

“RACR” means the Remedial Action Completion Report required by the IEPA in order to receive a Final Comprehensive Residential NFR Letter.

“RAP” means the Remedial Action Plan required by the IEPA in order to receive a Final Comprehensive Residential NFR Letter.

“RAP Approval Letter” means written approval from the IEPA of the RAP.

“Remediation Work” means all investigation, sampling, monitoring, testing, removal, response, disposal, storage, remediation, treatment and other activities necessary to obtain a Final Comprehensive Residential NFR Letter for the Property, or any portion thereof, in accordance with the terms and conditions of the RAP Approval Letter for the Property, or the applicable portion thereof, issued by the IEPA, the SRP Documents, all requirements of the IEPA and all applicable Laws, including, without limitation, all applicable Environmental Laws.

“SRP” means the IEPA’s Site Remediation Program as set forth in Title XVII of the Illinois Environmental Protection Act, 415 ILCS 5/58 *et seq.*, and the regulations promulgated thereunder.

"SRP Documents" means all documents submitted to the IEPA under the SRP program, as amended or supplemented from time to time, including, without limitation, the Comprehensive Site Investigation and Remediation Objectives Report, the RAP, the RACR, and any and all related correspondence, data and other information.

"Waste" means those materials defined in the Illinois Environmental Protection Act, 415 ILCS 5/1 *et seq.* as waste and identified subcategories thereof, including but not limited to, construction or demolition debris, garbage, household waste, industrial process waste, landfill waste, landscape waste, municipal waste, pollution control waste, potentially infectious medical waste, refuse, or special waste.

(b) Remediation Requirements. Grantee has obtained a Phase I Environmental Site Assessment of the Property dated July 27, 2022, and a follow-up Phase II Environmental Site Assessment dated September 19, 2022. The Phase II Environmental Site Assessment disclosed the presence of contamination exceeding residential remediation objectives as set forth in 35 Ill. Adm. Code Part 742, and, as a condition to the City's transfer of the Property, Grantee has agreed to enroll the Property (or the applicable portion thereof) in the SRP and take all necessary and proper steps to obtain a RAP Approval Letter. Grantee acknowledges and agrees that it may not commence construction on the Property until the IEPA issues the RAP Approval Letter for the Property. Upon receipt of the RAP Approval Letter, Grantee covenants and agrees to complete all Remediation Work necessary to obtain a Final Comprehensive Residential NFR Letter for the Property. AIS shall have the right to review in advance and approve all documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the SRP Documents and any changes thereto, and Grantee's estimate of the cost to perform the Remediation Work. Grantee shall bear sole responsibility for all costs of the Remediation Work necessary to obtain the Final Comprehensive Residential NFR Letter, and any other investigative and cleanup costs associated with the Property, including, but not limited to, the removal of pre-existing building foundations, demolition debris, and soil or soil gas not meeting the requirements of 35 Ill. Adm. Code Part 742. In addition, Grantee shall remove and close any identified underground storage tanks ("USTs") in accordance with applicable regulations, including 41 Ill. Adm. Code Part 175, and shall properly address any identified leaking USTs in accordance with 35 Ill. Adm. Code Part 734. Grantee shall promptly transmit to the City copies of all Environmental Documents prepared or received with respect to the Remediation Work, including, without limitation, any written communications delivered to or received from the IEPA or other regulatory agencies. Grantee acknowledges and agrees that it may not seek a certificate of occupancy or otherwise permit occupancy of the Project until the IEPA has issued, AIS has approved (which approval will not be unreasonably withheld), and Grantee has recorded a Final Comprehensive Residential NFR Letter for the Property with the Office of the Cook County Clerk, Recordings Division. If Grantee fails to obtain the Final Comprehensive Residential NFR Letter within six (6) months of the submission of the RACR to the IEPA, then the City shall have the right to record a notice of default against the Property. Grantee must abide by the terms and conditions of the Final Comprehensive Residential NFR Letter.

(c) Release. Grantee, on behalf of itself and its officers, directors, employees, successors, assigns and anyone claiming by, through or under any of them, including,

without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through Grantee following the date of this Deed (collectively, the "Grantee Parties"), hereby releases, relinquishes and forever discharges the City, its officers, agents and employees (collectively, the "City Parties"), from and against any and all Losses which Grantee Parties ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of whatever kind or nature, whether known or unknown, foreseen or unforeseen, now existing or occurring after the date of the Deed, based upon, arising out of or in any way connected with, directly or indirectly: (i) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Substances, or threatened release, emission or discharge of Hazardous Substances; (ii) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Substances in, on, under or about the Property or the migration of Hazardous Substances from or to other property; (iii) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any governmental or regulatory body response costs, natural resource damages or Losses arising under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 6901 *et seq*; and (iv) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon. Grantee Parties waive their rights of contribution and subrogation against the City Parties. The covenant of release in this Section 3(c) shall run with the Property, and shall be binding upon all successors and assigns of Grantee with respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through Grantee following the date of this Deed. Grantee acknowledges and agrees that the foregoing covenant of release constitutes a material inducement to the City to convey the Property, and that, but for such release, the City would not have agreed to convey the Property to Grantee. It is expressly agreed and understood by and between Grantee and the City that, should any future obligation of Grantee or Grantee Parties arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, neither Grantee nor any other Grantee Parties shall assert that those obligations must be satisfied in whole or in part by the City, because this covenant contains a full, complete and final release of all such claims.

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.