

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, the City has established the Community Development Commission ("CDC") to, among other things, designate redevelopment areas, approve redevelopment plans, and recommend the sale of parcels located in redevelopment areas, subject to the approval of the City Council of the City ("City Council"); and

WHEREAS, pursuant to ordinances adopted by the City Council on February 5, 1998, and published at pages 60917 through 61070 of the Journal of the Proceedings of the City Council ("Journal") of such date, (i) a certain redevelopment plan and project (the "Original Redevelopment Plan") for the Roosevelt/Cicero Redevelopment Project Area (the "Redevelopment Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (currently codified at 65 ILCS 5/11-74.4-1 *et seq.*) (the "Act"); (ii) the Redevelopment Area was designated as a "redevelopment project area" pursuant to the Act with blighted area designation; and (iii) tax increment allocation financing was adopted pursuant to the Act as a means of financing certain Redevelopment Area redevelopment project costs (as defined in the Act) incurred pursuant to the Plan; and

WHEREAS, the City Council amended the Original Redevelopment Plan by ordinances adopted on November 1, 2016 and April 24, 2020 (as amended, the "Redevelopment Plan"); and

WHEREAS, the City is the owner of the eleven vacant parcels of land located at 4704-4738 West Fifth Avenue, Chicago, Illinois 60644, which are located in the Redevelopment Area and legally described on Exhibit A attached hereto (the "City Property"); and

WHEREAS, the City Property consists of approximately 49,190 square feet and is located in the Austin Community Area; and

WHEREAS, the City Property has a market value of \$196,760 (the "Purchase Price") based on an appraisal dated October 10, 2023; and

WHEREAS, K Town BCP, LLC, an Illinois limited liability company (the "Developer"), owns a parcel of land which is contiguous to the City Property, as depicted on Exhibit B attached hereto (the "Developer Property"); and

WHEREAS, the Developer is constructing a new facility at 4646 West Fifth Avenue (the "New Facility"); and

WHEREAS, the Developer has submitted a proposal to the Department of Planning and Development ("DPD") to purchase the City Property for the Purchase Price and consolidate it with the Developer Property (together, the "Property") to construct a parking lot to serve employees and guests of the New Facility and a nearby manufacturing facility (the "Project"); and

WHEREAS, the Developer provided the City with a Phase I Environmental Site Assessment ("Phase I ESA") compliant with ASTM E-1527-13 for the Property, and a Phase II Environmental Site Assessment ("Phase II ESA") for the Property; and

WHEREAS, the Phase II ESA identified contamination above commercial remediation objectives as determined by 35 Ill. Adm. Code Part 742; and

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

WHEREAS, the appraisal of the City Property assumes the land has no adverse environmental conditions; and

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

WHEREAS, the Project is consistent with the goals and objectives of the Redevelopment Plan; and

WHEREAS, public notices advertising DPD's intent to enter into a negotiated sale of the City Property with the Developer and requesting alternative proposals appeared in the *Chicago Tribune* on October 20 and 27, and November 3, 2023; and

WHEREAS, no alternative proposals were received by the deadline indicated in the aforesaid notices; and

WHEREAS, by Resolution No. 23-CDC-50, adopted on December 12, 2023, the CDC recommended to the City Council the approval of the sale of the City Property to the Developer; and

WHEREAS, by Resolution No. 23-062-21, adopted on December 21, 2023, the Chicago Plan Commission approved the disposition of the City Property; and

WHEREAS, this transaction will benefit Chicago and its residents by converting properties that have been vacant for many years into a productive industrial and commercial development that will create jobs in the Austin community area, and, restoring the City Property to the tax rolls; **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 City Council hereby approves the sale of the City Property to the Developer for the Purchase Price. This approval is expressly conditioned upon the City entering into a redevelopment agreement with the Developer substantially in the form attached hereto as Exhibit C (the "Redevelopment Agreement"). The Commissioner of DPD (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 Redevelopment Agreement, and such other 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 persons executing the Redevelopment Agreement. 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 or otherwise may be reasonably necessary or appropriate to consummate the transaction contemplated hereby

SECTION 3. The Mayor or the Mayor's proxy is authorized to execute, and the City Clerk or the Deputy City Clerk is authorized to attest, one or more quitclaim deed(s) conveying the City Property to the Developer, or to a land trust of which the Developer is the sole beneficiary, or to an entity of which the Developer is the sole controlling party or which is comprised of the same principal parties subject to those covenants, conditions and restrictions set forth in the Redevelopment Agreement.

SECTION 4. The Purchase Price shall be deposited into an escrow account ("Escrow Account") to be held by a third-party title insurance company for purposes of funding the Developer's Approved Project Costs (as set forth in the Redevelopment Agreement), pursuant to a joint written order environmental escrow agreement in substantially the form attached to the RDA (the "Escrow Agreement"). The Commissioner of the Department of Fleet and Facility Management (the "2FM Commissioner") or a designee of the 2FM Commissioner is each hereby authorized, with the approval of the City's Corporation Counsel as to the 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 the Escrow Agreement, with such changes, deletions and insertions as shall be approved by the 2FM Commissioner or the 2FM Commissioner's designee.

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 take effect upon its passage and approval.

Attachments: Exhibit A – Legal Description of City Property
Exhibit B – Depiction of City Property and Developer Property
Exhibit C – Form of Redevelopment Agreement