

FIN



OFFICE OF THE MAYOR  
CITY OF CHICAGO

BRANDON JOHNSON  
MAYOR

February 21, 2024

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 an ordinance authorizing the execution of an amended redevelopment agreement with Portage Park Capital, LLC to provide TIF funds for improvements at 3657 North Central Avenue.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in blue ink, appearing to read "BJ", with a horizontal line extending to the right.

Mayor

## ORDINANCE

**WHEREAS**, as a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, the City of Chicago (the "City") has the power to regulate for the protection of the public health, safety, morals and welfare of its inhabitants, and pursuant thereto, has the power to encourage private development in order to enhance the local tax base, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals; and

**WHEREAS**, the City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions through the use of tax increment allocation financing for redevelopment projects; and

**WHEREAS**, pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on January 12, 2000 and published at pages 22590 to 22710 of the Journal of the Proceedings of the City Council (the "Journal") of such date, a certain redevelopment plan and project (the "Original Belmont/Central Plan and Project") for the Belmont/Central Redevelopment Project Area (the "Belmont/Central Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"); and

**WHEREAS**, pursuant to an ordinance adopted by the City Council on January 12, 2000 and published at pages 22709 to 22725 of the Journal of such date, the Belmont/Central Area was designated as a redevelopment project area pursuant to the Act; and

**WHEREAS**, pursuant to an ordinance adopted by the City Council on January 12, 2000 (the "Belmont/Central TIF Ordinance") and published at pages 22724 to 22740 of the Journal of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain redevelopment project costs, as defined in the Act, incurred pursuant to the Belmont/Central Plan and Project (as defined herein) and directed that the allocation of ad valorem taxes arising from levies by taxing districts upon the taxable real property in the Belmont/Central Area and tax rates be divided in accordance with the Act and as described in the Belmont/Central TIF Ordinance; and

**WHEREAS**, the Original Belmont/Central Plan and Project has been amended by ordinances adopted on May 17, 2000 (the "Revised Plan"), July 6, 2011 (the "First Amendment") and October 14, 2015 (the "Second Amendment"); and

**WHEREAS**, the Original Belmont/Central Plan and Project, as amended by the Revised Plan, the First Amendment and the Second Amendment, are together herein referred to as the "Belmont/Central Plan and Project"; and

**WHEREAS**, pursuant to an ordinance adopted by the City Council on May 20, 2020 and published at pages 16888 - 16943 of the Journal (the "Authorizing Ordinance"), the City Council authorized the City to enter into a redevelopment agreement ("RDA") with Portage Park Capital

LLC, an Illinois limited liability company (“the Developer”) for the construction of a project to be located at 3611-57 North Central Ave., Chicago, Illinois 60634; and

**WHEREAS**, subsequent to the adoption of the Ordinance but prior to the execution of the RDA, the Developer has encountered a number of additional challenges that have caused changes to the nature and timing of the project and that require amendments to certain provisions of the form of RDA authorized by the Ordinance; now therefore,

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

**SECTION 1.** The above recitals are incorporated herein and made a part hereof.

**SECTION 2.** The form of RDA attached to the Ordinance as Exhibit A is hereby amended, as follows:

(1) Recital G is replaced in its entirety with the following language:

“G. Authority for City to Execute Agreement. The City is authorized to execute and deliver the Agreement pursuant to that certain ordinance adopted by the City Council on May 20, 2020, and published in the Journal for said date at pages 16888 to 16943, inclusive, as amended by that certain ordinance adopted by the City Council on \_\_\_\_\_, 2024, and published in the Journal for said date at pages \_\_\_\_ to \_\_\_\_\_, inclusive (the “Agreement Authorization Ordinance”).”

(2) Section 4.03(c) is replaced in its entirety with the following language:

(c) Subject to the terms and conditions of this Agreement, and after the delivery of each Requisition Form required by Section 4.04, payments shall be made from Incremental Taxes deposited in the TIF Fund, as follows:

(i) Project Cost Reimbursement. Incremental Taxes in the amount of \$2,458,497 (the “Development Cost Reimbursement”) for Redevelopment Project Costs incurred and a maximum of \$841,503 for up to 30% of interest costs accrued and paid relating to the construction of the Project prior to the issuance of the Certificate of Completion (the “Interest Cost Reimbursement”) shall be reimbursed upon the issuance of the Certificate of Completion, subject to the limitations described in Section 4.03(c)(iii). Compounded interest will not be considered an eligible cost for calculating the Interest Cost Reimbursement.

(ii) Additional Interest Cost Reimbursement. If the combined total of the Development Cost Reimbursement and the Interest Cost Reimbursement disbursed to Developer at the Certificate of Completion is less than \$3,300,000, then the City also will reimburse, subject to the limitations described in Section 4.03(c)(iii), the Developer for up to 30% of interest costs accrued and paid relating to the construction of the Project from the date the Certificate of Completion is issued through December 31, 2024 (the “Additional Interest Cost

Reimbursement"). Compounded interest will not be considered an eligible cost for calculating the Additional Interest Cost Reimbursement.

(iii) Limitations on Reimbursements. In no event shall the Development Cost Reimbursement, the Interest Cost Reimbursement and the Additional Interest Cost Reimbursement, if any, together exceed \$3,300,000. In addition, if the Certified Final Project Cost is less than \$12,473,038, then the maximum amount of City Funds shall be reduced on a dollar-for-dollar basis. Further, if the Developer fails to meet the sustainability requirements described in Section 8.23, the total amount of City Funds shall be reduced by \$250,000.

(3) Section 4.04 is replaced in its entirety with the following language:

4.04 Requisition Form. At the time the Developer issues its written request for the Certificate of Completion to DPD, and prior to December 31, 2024 in regard to the Additional Interest Cost Reimbursement, if any, Developer shall provide DPD with a Requisition Form (in a form required by DPD), along with the documentation described therein. Requisition for the Additional Interest Cost Reimbursement shall not be made more than one time. At the request of DPD, Developer shall meet with DPD to discuss the Requisition Form(s) previously delivered.

**SECTION 3.** The Commissioner of Planning and Development (the "Commissioner"), or a designee of the Commissioner, is each hereby authorized, with the approval of the City's Corporation Counsel, to negotiate, execute and deliver a redevelopment agreement between the Developer and the City in substantially the form attached to the Authorizing Ordinance, as amended by this ordinance (the "Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement.

**SECTION 4.** To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

**SECTION 5.** This ordinance shall be effective as of the date of its passage and approval.