



Office of City Clerk

City Council Document Tracking Sheet

City Hall
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Room 107
Chicago, IL 60602
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Matter ID: O2023-0005045

Meeting Date: 10/4/2023

Sponsor(s): Johnson (Mayor) *

Type: Ordinance

Title: Sale of vacant as-is City-owned property at 4301, 4309, and 4329 W Madison St to Garfield Park Wellness Support Corporation as part of collaborative development of Sankofa Wellness Center joining other private parcels

Committee Assignment: Committee on Committees and Rules

1456



OFFICE OF THE MAYOR
CITY OF CHICAGO

BRANDON JOHNSON
MAYOR

October 4, 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 sale of City-owned properties.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

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

Mayor

ORDINANCE

WHEREAS, the City of Chicago (the "City") is a home rule unit of government under Article VII, Section 6(a) of the Constitution of the State of Illinois, 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 September 29, 1999, the City Council: (i) approved a certain redevelopment plan and project (the "Redevelopment Plan") for the Madison/Austin Tax Increment Financing 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 owns the vacant parcels of real property located generally at 4301, 4309 and 4329 West Madison Street, Chicago, Illinois, 60624, which are located in the Redevelopment Area and are identified by Property Index Number ("PIN") in Exhibit A attached hereto (the "City Property"); and

WHEREAS, the City Property consists of approximately 1.42 acres and is located in the West Garfield Park Community Area; and

WHEREAS, Pilgrim Development Corporation, the community development arm of New Mount Pilgrim Missionary Baptist Church, is the owner of the real property located generally at 4331 West Madison Street and identified by PIN on Exhibit B attached hereto, and the Cook County Land Bank Authority is the owner of the real property located generally at 4313 and 4315 West Madison Street and identified by PIN on Exhibit B attached hereto (together, the properties listed on Exhibit B being the "Grantee Property" and, collectively with the City Property, the "Property"); and

WHEREAS, New Mount Pilgrim Missionary Baptist Church is a member of the Garfield Park Rite to Wellness Collaborative (the "Collaborative"), a group of residents, faith-based and health care institutions, nonprofits and other stakeholders that work and live in Garfield Park that have come together to identify, promote and implement strategies to increase health and wellness in Garfield Park; and

WHEREAS, the Collaborative was the winner of the Pritzker Traubert Foundation 2022 Chicago Prize, including a \$10 million award, which the Collaborative will use to build Sankofa Wellness Village, a series of interconnected capital projects and social enterprises along the Madison Street commercial corridor in West Garfield Park that will serve as a wellness hub in the community; and

WHEREAS, the Garfield Park Wellness Center Support Corporation, an Illinois non-profit corporation ("Grantee"), has submitted a proposal to the Department of Planning and Development ("DPD") to purchase the City Property for \$1.00 (the "Purchase Price"), and consolidate the City Property with the Grantee Property to construct the first building in the Sankofa Wellness Village, a three-story community health and wellness center, as depicted in Exhibit C (the "Project"); and

WHEREAS, the City Property has a market value of \$45,607 based on an appraisal dated February 17, 2023; and

WHEREAS, the City desires to convey the City Property to Grantee for the Purchase Price for the development of the Project; and

WHEREAS, New Mount Pilgrim Missionary Baptist Church has signed a letter of commitment to contribute its property at 4331 West Madison Street to the Project, and the Cook County Land Bank Authority has entered into a term sheet with respect to the property located generally at 4313-4315 West Madison Street which will be further detailed in a Land Banking Agreement with The Community Builders, Inc., d/b/a TCB Illinois NFP, Inc., a member of the Grantee ("**TCB**"), and TCB will cause such property to be conveyed to the Grantee; and

WHEREAS, the Project will consist of approximately 50,000 square feet and will include a health care center, mental health offices for local non-profit and minority-owned businesses, offices for Rush (defined below) and West Side United, community multi-purpose spaces, a fitness center, gymnasium, childcare, employment support, and access to financial services; and

WHEREAS, if the Property is contaminated from past uses, Grantee has agreed to complete the remediation necessary to obtain one or more comprehensive "No Further Remediation" letters from the Illinois Environmental Protection Agency in coordination with the Department of Assets, Information and Services; and

WHEREAS, the Project will anchor the Sankofa Wellness Village; and

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

WHEREAS, by Resolution No. 23-029-21 adopted on July 20, 2023, the Chicago Plan Commission approved the disposition of the Property; and

WHEREAS, by Resolution No. 23-CDC-027 adopted on June 13, 2023, the Community Development Commission recommended the sale of the City Property to Grantee if no responsive alternative proposals were received at the conclusion of the advertising period, or, if alternative proposals were received, if DPD determined in its sole discretion that it was in the best interest of the City to proceed with Grantee's proposal; and

WHEREAS, public notices advertising DPD's intent to sell the City Property to Grantee and requesting alternative proposals appeared in the *Chicago Tribune* on April 3, 10, and 17, 2023; and

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

WHEREAS, the estimated budget for the Project is approximately \$43,697,327; and

WHEREAS, by ordinance adopted on April 13, 2016 ("2016 Rush Project Ordinance"), and published at pages 22378 through 22436 in the Journal of the Proceedings of the City Council ("Journal") of such date, the City Council of the City ("City Council") authorized the sale of approximately 7.22 acres of land (comprising a portion of the former Malcolm X College campus), to Rush University Medical Center, an Illinois 501(c)(3) not-for-profit corporation ("Rush"), for the construction of a multi-phase academic village, subject to the execution of a redevelopment agreement; and

WHEREAS, for economic and other reasons, Rush recently decided not to expand its campus and create an academic village and sought the City's consent under the redevelopment agreement to sell the former Malcolm X property to an affiliate of the Blackhawks Hockey team for an expansion of Fifth Third Arena; and

WHEREAS, pursuant to an ordinance adopted on April 19, 2023, and published at pages 62555 through 62565 in the Journal of such date (the "2023 Rush Amendment Ordinance"), the City Council authorized the sale of the Malcolm X property to the Blackhawks entity, subject to the City's receipt of the Excess Proceeds (as defined in the 2023 Rush Amendment Ordinance) of the sale (estimated to be approximately \$5,900,000.00); and

WHEREAS, the 2023 Rush Amendment Ordinance further authorized the contribution of the Excess Proceeds to Grantee for the Project, which proceeds may be granted to New Hope Community Capital, Inc. or another entity acting as leverage lender ("Leverage Lender") and used as the leverage loan in connection with the New Markets Tax Credits being pursued by the Project; and

WHEREAS, as a condition of the contribution of the Excess Proceeds to the Project, Grantee and Leverage Lender will be required to enter into a redevelopment agreement with DPD (the "Sankofa Village Wellness Center Redevelopment Agreement"); and

WHEREAS, the Sankofa Village Wellness Center Redevelopment Agreement shall (a) authorize the City to grant to Grantee and/or Leverage Lender from the Excess Proceeds an amount not to exceed \$5,900,000.00 (the "Grant") to reimburse a portion of the costs of construction of the Project, (b) require Grantee and/or Leverage Lender to complete the Project and own the Project for a specified term, and (c) include such other covenants, terms and conditions as DPD may require; *now, therefore*

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

SECTION 1. The above recitals are expressly incorporated in and made part of this ordinance as though fully set forth herein.

SECTION 2. The sale of the City 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 DPD in its sole discretion):

(a) Grantee must enter into the Sankofa Village Wellness Center Redevelopment Agreement; and

(b) Grantee must submit a Phase I Environmental Site Assessment performed and prepared in compliance with the most recent ASTM standard referenced by regulation in the United States Environmental Protection Agency's All Appropriate Inquiries Rule (currently ASTM E-1527-21), dated no more than 180 days prior to the closing.

If Grantee fails to close on the acquisition of the City 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 DPD, in the Commissioner's sole discretion, extends the closing date. Grantee shall pay all escrow fees and other title insurance fees and closing costs associated with the conveyance of the City Property.

SECTION 3. The Commissioner of DPD, 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 Sankofa Village Wellness Center Redevelopment Agreement and such other agreements and instruments and take such other actions 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 or otherwise may be reasonably necessary or appropriate to consummate the transaction contemplated hereby. Upon the execution and receipt of proper documentation, the Commissioner of DPD, or a designee of the Commissioner, is each hereby authorized to disburse the proceeds of the Grant to the Grantee and/or the Leverage Lender under the terms of the Sankofa Village Wellness Center Redevelopment Agreement.

SECTION 4. The Mayor or the Mayor's proxy is each hereby authorized to execute, and the City Clerk or the Deputy City Clerk is each hereby authorized to attest, a quitclaim deed ("Deed") conveying the City Property to Grantee, or to a land trust of which Grantee is the sole beneficiary, or to an entity of which Grantee is the sole controlling party, or to an entity which is comprised of the same principal parties. Without limiting the quitclaim nature of the Deed, the conveyance shall be subject to: (a) the standard exceptions in an ALTA title insurance policy; (b) general real estate taxes and any special assessments or other taxes; (c) all easements, encroachments, covenants and restrictions of record and not shown of record; (d) such other title defects that may exist; and (e) any and all exceptions caused by the acts of Grantee or its agents. In addition, the conveyance shall be subject to the following terms, covenants and conditions which are a part of the consideration for the City Property and which shall run with the land and be binding upon and enforceable against Grantee and Grantee's successors and assigns, in perpetuity (unless a shorter period is expressly stated below):

1. Compliance with Redevelopment Agreement. Grantee shall comply with the terms, covenants and conditions set forth in that certain Sankofa Village Wellness Center Redevelopment Agreement by and between the City and Grantee dated of even date herewith, and recorded in the Cook County Clerk's Office, the terms of which are incorporated herein by reference as if fully set forth herein, and which are a part of the consideration for the Property and are to be taken and construed as running with the land for the applicable periods set forth in the Redevelopment Agreement and binding on Grantee and Grantee's successors and assigns.

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 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. "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.

3. 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 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

4. Affordable Housing. Grantee acknowledges that the sale of City-owned land may trigger the Affordable Requirements Ordinance, codified at Section 2-44-085 of the Municipal Code of Chicago (as hereafter amended, supplemented or replaced), if such land is later improved with a residential project.

SECTION 5. To the extent that any ordinance, resolution, rule, order, or provision of the Code, 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 other provisions of this ordinance.

SECTION 6. This ordinance shall be in full force and effect from and after the date of its passage and approval.