

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 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 and 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 vacant property located at 4741 South Indiana Avenue, Chicago, Illinois, which is legally described on Exhibit A attached hereto and incorporated herein (the "City Property"), and which is located in the Redevelopment Area; and

WHEREAS, JD Housing LLC, an Illinois limited liability company (the "Grantee"), is the owner of the vacant property located adjacent to the City Property at 4739 and 4743 South Indiana Avenue, Chicago, Illinois, as legally described on Exhibit A attached hereto (the "Grantee Property," and together with the City Property, the "Property"); and

WHEREAS, Grantee submitted a proposal to the Department of Planning and Development (the "Department") to purchase the City Property from the City for the sum of Fifty-Nine Thousand Two Hundred and 00/100 Dollars (\$59,200.00) (the "Purchase Price"); and

WHEREAS, the Purchase Price represents the appraised fair market value of the City Property as of June 8, 2023; and

WHEREAS, Grantee intends to use the Property to construct two (2), three-story residential buildings, each containing three (3) rental units, 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 ("ESA") of the Property dated September 25, 2023, did not identify any "Recognized Environmental Conditions", as that term is defined by the American Society for Testing and Materials (ASTM) E1527-21 standard for conducting Phase I ESAs; and

WHEREAS, by Resolution No. 23-061-21, adopted on December 21, 2023, the Chicago Plan Commission approved the proposed disposition of the City Property; and

WHEREAS, by Resolution No. 23-CDC-44 adopted on November 14, 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 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 City Property with Grantee and requesting alternative proposals appeared in the *Chicago Tribune* on October 9, 16 and 23, 2023; 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 City Property to Grantee for the Purchase Price is hereby approved, subject to the 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 a Phase I ESA (or update) for the City 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 City Property;

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

(c) 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 City Property within six (6) months 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, upon a request from Grantee, extends the closing date. Grantee shall pay all escrow fees and other title insurance fees and closing costs.

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, a quitclaim deed conveying the City 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 or which is comprised of the same principal parties. Without limiting the quitclaim nature of the deed, the conveyance of the City 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 City 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 Residential Buildings. Grantee shall commence construction of two (2), three-story residential buildings on the Property (the "Project") in accordance

with the site plan and elevations previously approved by the Department of Planning and Development ("Department") within thirty (30) days of the date of this Deed and shall complete the Project (as evidenced by the issuance of the certificate of completion) no later than eighteen (18) months after the commencement of construction; provided, however, the Department, in its sole discretion, may extend the construction commencement and completion dates upon written request to the Department. 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 City 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 City Property, terminating the estate conveyed to Grantee, and revesting title to the City 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. Sale or Transfer of City Property. Prior to the City's issuance of the certificate of completion, Grantee may not, without the prior written consent of the Department, which shall be at the City's sole discretion: (i) merge, liquidate, or consolidate; (ii) directly or indirectly sell, lease, or transfer the City Property, excluding the sale or lease of individual units in the ordinary course of development, (iii) enter into any transaction outside the ordinary course of business, or (iv) engage in any financing or other transaction which would create an encumbrance or lien on the City Property, except for the acquisition and construction financing for the Project. If Grantee is a business entity, no principal party of Grantee (e.g., a general partner, member, manager, or shareholder) may sell, transfer or assign any of its interest in the entity prior to the issuance of the certificate of completion to anyone other than another principal party, without the prior written consent of the Department, which consent shall be in the Department's sole discretion. Grantee must disclose the identity of all limited partners to the City at the time such limited partner obtains an interest in the Grantee.
3. "As Is," "Where Is" and "With All Faults" Conveyance. Grantee acknowledges that Grantee has had an opportunity to inspect the City Property, and is relying solely upon Grantee's own inspection and other due diligence activities in determining whether to acquire the City 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 City Property (and any improvements thereon). Grantee acknowledges and agrees that the City Property is being conveyed, and Grantee accepts the City 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 City Property (or any improvements thereon) or the suitability of the City Property for any purpose whatsoever. Grantee acknowledges and agrees that Grantee is solely responsible for any investigation and remediation work necessary to put the City Property in a condition which is suitable for its intended use, 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.

4. Release. Grantee, on behalf of Grantee and Grantee's heirs, transferees, successors and assigns, and anyone claiming by, through or under any of them, hereby releases, relinquishes and forever discharges the City and its officers, employees, agencies, departments, officials, agents, representatives, contractors and consultants, 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 City Property.

SECTION 5. 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 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 or otherwise may be reasonably necessary or appropriate to consummate the transaction contemplated hereby.

SECTION 6. 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 7. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 8. This ordinance shall be in full force and effect immediately upon its passage and approval.