

EXHIBIT 2

Commission on Chicago Landmarks
Recommendation to the City Council

- see attached

CITY OF CHICAGO
COMMISSION ON CHICAGO LANDMARKS
September 7, 2023

**RECOMMENDATION TO THE CITY COUNCIL THAT
A CLASS L REAL ESTATE TAX REDUCTION BE APPROVED FOR**

**465 West Cermak Road
Cermak Road Bridge District**

To the Mayor and Members of the City Council of the City of Chicago:


Whereas, the building at 465 W. Cermak Road (the "Building") is within the Cermak Road Bridge District, designated as a Chicago Landmark by the City Council of the City of Chicago (the "City Council") on April 26, 2006; and

Whereas, the Commission on Chicago Landmarks (the "Commission") has reviewed an application for the proposed exterior and interior rehabilitation of the Building (the "Project"), pursuant to the Cook County Real Property Assessment Classification Ordinance, as amended (the "County Ordinance"), and its requirements governing the Class L real estate tax incentive (the "Class L"); now, therefore

THE COMMISSION ON CHICAGO LANDMARKS HEREBY:

1. Incorporates the above recitals; and
2. Finds, based on the Project's budget and proposed scope of work, incorporated herein and attached as Exhibits A and B respectively, that the Project meets or exceeds the *Secretary of the Interior's Standards for the Rehabilitation of Historic Buildings*; and
3. Finds that the Project meets the eligibility criteria for the Class L incentive specified in the County Ordinance;
4. Finds that 465 West Cermak Road is a contributing building to the historic character of the Cermak Road Bridge District; and,
5. Recommends that the Project be approved for the Class L incentive.

The above recommendation was passed unanimously (7-0)


Ernest C. Wong
Chairman

Dated: September 7, 2023

EXHIBIT 2

(Sub) Exhibit A

PROJECT BUDGET

Category	Non-Eligible Costs	Class L – Eligible Costs	Total Costs
1. Building Acquisition	\$ 12,090,000.00		\$ 12,090,000.00
2. Acquisition Closing Costs	\$ 217,620.00		\$ 217,620.00
3. Hard Costs			
Demolition/Site	\$ -	\$ 424,639	\$ 424,639
Excavation	\$ -	\$ 326,697	\$ 326,697
Site Utilities	\$ -	\$ 359,375	\$ 359,375
Asphalt	\$ 13,230	\$ -	\$ 13,230
Landscaping	\$ 20,000	\$ -	\$ 20,000
Concrete	\$ -	\$ 1,088,428	\$ 1,088,428
Precast	\$ -	\$ -	\$ -
Masonry	\$ -	\$ 1,592,553	\$ 1,592,553
Metals	\$ -	\$ 657,645	\$ 657,645
Wood & Plastics	\$ -	\$ 25,000	\$ 25,000
Millwork	\$ -	\$ 25,000	\$ 25,000
Waterproofing	\$ -	\$ 12,500	\$ 12,500
Roofing	\$ -	\$ 1,126,744	\$ 1,126,744
Joint Sealants	\$ -	\$ 25,000	\$ 25,000
Doors/Windows/Glazing/Framing	\$ -	\$ 1,008,080	\$ 1,008,080
Painting	\$ -	\$ 266,150	\$ 266,150
Flooring/Tile	\$ -	\$ 260,631	\$ 260,631
Drywall	\$ -	\$ 935,392	\$ 935,392
Conveying Systems/Elevators	\$ -	\$ 1,444,000	\$ 1,444,000
Plumbing	\$ -	\$ 786,756	\$ 786,756
Fire Sprinkler	\$ -	\$ 1,508,431	\$ 1,508,431
Mechanical	\$ -	\$ 7,248,038	\$ 7,248,038
Fire Life Safety	\$ -	\$ 229,100	\$ 229,100
Electrical	\$ -	\$ 1,888,217	\$ 1,888,217
Security	\$ -	\$ 150,000	\$ 150,000
Riverwalk Hard Cost	\$ 1,081,084	\$ -	\$ 1,081,084
South Building (Annex) Hard Cost	\$ 1,619,792	\$ -	\$ 1,619,792
General Conditions	\$ -	\$ 1,528,521	\$ 1,528,521
Insurance	\$ -	\$ 240,976	\$ 240,976
Overhead & Fee	\$ -	\$ 1,147,506	\$ 1,147,506
Tenant Improvement Allowance	\$ 3,165,944	\$ -	\$ 3,165,944
Contingency	\$ -	\$ 1,216,930	\$ 1,216,930
Total Hard Costs	\$ 5,900,050	\$ 25,522,309	\$ 31,422,359

PROJECT BUDGET (continued)

4. Soft Costs			
Permit Fees	\$ -	\$ 225,000	\$ 225,000
A&E	\$ -	\$ 1,530,000	\$ 1,530,000
Consulting	\$ -	\$ 675,000	\$ 675,000
Property Tax	\$ 682,380	\$ -	\$ 682,380
Insurance	\$ -	\$ 450,000	\$ 450,000
Development Management	\$ -	\$ 1,800,000	\$ 1,800,000
Riverwalk Soft Cost	\$ 135,206	\$	\$ 135,206
South Building (Annex) Soft Cost	\$ 270,412	\$	\$ 270,412
Leasing Commissions	\$ 1,350,000	\$	\$ 1,350,000
Other Marketing	\$ 225,000	\$	\$ 225,000
Carrying Costs	\$ -	\$ 2,081,181	\$ 2,081,181
Total Soft Costs	\$ 2,662,998	\$ 6,761,181	\$ 9,424,179
Total Project Cost (minus acquisition expenses)	\$ 20,870,668	\$ 32,283,490	\$ 40,846,538

(Sub) Exhibit B

SCOPE OF THE WORK

General. All work affecting the significant historical and architectural features shall be done in accordance with the following:

- The City of Chicago's building permit review procedures and the Landmarks Ordinance, 2-120-580 et seq. of the Municipal Code of Chicago.
- The review and approval of the Commission.
- The U.S. Secretary of the Interior's Standards for the Rehabilitation of Historic Buildings (the "Standards") and the Guidelines for Alterations to Historic Buildings and New Construction, adopted by the Commission on March 4, 1992.
- Historic photographs, architectural drawings, and any other available archival documentation of the building, to be investigated and assembled by the property owner.
- Drawings prepared by SPACE Architects + Planners dated July 14, 2023, updated to July 27, 2023, exterior wall condition assessment report prepared by BTL Architects, Inc. dated February 20, 2023, and any Commission/PRC conditions of approval.

Required Approvals. All work must be submitted to the Commission staff for prior review and approval. The Commission staff may require as part of its review, as appropriate, material samples, paint colors and finishes, shop drawings, specifications, mock-ups, test patches, and control samples.

Required Work.

Exterior:

Work Shall Include:

- Clean all facades and repair/re-point existing facades on all elevations as needed; replace brick and stone units that are deteriorated beyond repair w/ new units in-kind. Will work with Landmarks to select an appropriate new brick for use on any replacement;
- Rebuild deteriorated brick masonry as needed with salvaged brick if possible; any new brick will be a close match to the historic. This will include addressing all conditions contained in the condition assessment report dated February 20, 2023;
- New sunken plaza along east elevation of building;
- Along the East façade, remove the non-historic infills and install/inset new storefront and glazing to create a covered exterior entry area in general location of existing loading dock doors. In conjunction with a newly raised sidewalk and access drive, create a fully accessible first floor entry area. This will result in the covering of a few basement wall openings, located under the current loading dock doors;
- The area between the west façade of the building and the water's edge will be

provided with landscaping. Several of the bays along the riverwalk level will be left open, no windows, and the sills dropped to ground level, to create a recessed open covered walkway along the West elevation;

- Open up parts of the 5th floor roof to create open air spaces. All windows on the 5th floor will be maintained. Where possible, new openings in the roof membrane will be created;
- Remove masonry and metal panel infills from historic window openings to restore fenestration pattern. Retain and repair existing historic windows where they exist. Retain existing non-historic windows that are in good/salvageable condition. Where the existing non-historic windows are missing, install new aluminum windows that closely match the historic windows in configuration and detailing;
- Providing new glazing system in roof monitors. New solar panels are to be installed on the sloped side of the roof monitors;
- New mechanical systems to be place on roof;
- Remove existing 12,000-gallon underground oil tank;
- New internal openings to be created between the warehouse and the main building per original configuration; and

Interior:

Work shall Include:

- Demolition of all interior non-loadbearing walls and ceilings outside of the historic lobby and stair at the north entrance;
- Replace the western and southeast stairs; Retain and upgrade other stairs as needed to meet Code;
- Once structurally evaluated, the existing stairs may be replaced in their entirety, to meet code egress requirements, within the existing stair shafts;
- Infill concrete openings and repair concrete floors throughout space;
- Retain the existing fire wall, with openings width at 3-bay or less, for interior circulations;
- Retain existing terrazzo flooring on 2nd floor;
- Retain North entry (1st and 2nd floor) stairs, finishes, etc. Repair and replace in kind as necessary.
- Demise space based on proposed floor plan;
- Install new HVAC, Plumbing, and Electrical systems;
- Install six (6) new passenger elevators;
- Install two (2) service elevators as needed to meet the tenants' needs;
- Install improvements related to compliance with the Life Safety Code including new fire protection system with sprinklers and fire alarms;
- Required interior work will include work to build-out common lobby and demise building for retail, restaurant, hotel, and medical spaces, etc. Will also prepare common spaces (corridors, lobbies, circulation, etc.) so spaces are ready for tenant improvements.

Sustainable Features;

The project will meet the Chicago Sustainability Development Matrix for Substantial Renovation Projects – seeking 50 points.

Work shall occur in accordance with permit drawings for the Project, to be reviewed and approved by the staff of the Commission on Chicago Landmarks.

Additional Work

Additional work not required by the Class L, but to be undertaken by the owner, includes exterior and interior rehabilitation of the “South Annex” for loading, tenant space and storage. The scope will consist of the following: Existing East façade of the Annex/Warehouse to be cleaned and tuckpointed; Existing storefront to be removed and loading dock door to be installed per original intent of this area; Existing bridge at 2nd floor to remain and to be used by 2nd floor tenant – exterior alterations for windows, HVAC systems, etc. may be required. Replace existing loading dock door; Exterior concrete dock to be repaired and altered to provide a new ramp.

New trash enclosures, as required by code. New generators, as required by code.

Any signage and exterior illumination shall be reviewed and approved by the Commission prior to installation.