



Office of the Chicago City
Clerk



SO2011-9753

Office of the City Clerk

City Council Document Tracking Sheet

Meeting Date: 12/14/2011

Sponsor(s): Emanuel, Rahm (Mayor)

Type: Ordinance

Title: Sale of City-owned property at 6217, 6227-6229, and 6237-6239 S Ingleside Ave, 6220-6232 and 6240 S Ellis Ave, and 910 East 63rd St

Committee(s) Assignment: Committee on Housing and Real Estate

SUBSTITUTE 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 an ordinance adopted by the City Council of the City (the "City Council") on January 20, 1999 and published at pages 87763 through 87844, in the Journal of the Proceedings of the City Council (the "Journal") of such date, a certain redevelopment plan and project (as such plan may be amended, the "TIF Plan") for the Woodlawn Redevelopment Project Area (the "TIF 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 20, 1999 and published at pages 87845 through 87852 and page 87853 in the Journal of such date, the TIF 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 20, 1999 and published at page 87852 and pages 87854 through 87860 in the Journal of such date, tax increment financing was adopted pursuant to the Act as a means of financing certain TIF Area redevelopment project costs (as defined in the Act) incurred pursuant to the TIF Plan; and

WHEREAS, the Developer desires to purchase from the City the real property commonly known as 6217, 6227-29, and 6237-39 South Ingleside Avenue, 6220-32 and 6240 South Ellis Avenue, and 910 East 63rd Street, Chicago, IL 60637, which is legally described on Exhibit A attached hereto (the "City Parcels"); and

WHEREAS, the Developer owns certain real property located adjacent to the City Parcels at 6219 South Ingleside Avenue, Chicago, IL 60637, which is legally described in Exhibit B attached hereto (the "Developer Parcels"); and

WHEREAS, the Developer is under contract (the "Developer/WPIC Purchase Agreement") to purchase (a) for a sum not to exceed the Release Amount (as defined below) the real property commonly known as 6233 South Ingleside Avenue, Chicago, IL 60637 (the "Non-City-Encumbered WPIC Parcel") (the "WPIC Purchase Price") from Woodlawn Preservation and Investment Corporation ("WPIC"), an Illinois not-for-profit corporation, and (b) for One Dollar (\$1.00) the real property commonly known as 6227 South Ingleside Avenue and 6235 South Ingleside Avenue (the "6235 South Ingleside Parcel"), Chicago, IL 60637 (collectively, the "City-Encumbered WPIC Parcels"), all of which is legally described in Exhibit C attached hereto (the City-Encumbered WPIC Parcels together with the Non-City-Encumbered WPIC Parcel, the "WPIC Parcels"); and

WHEREAS, the 6233 South Ingleside Parcel and another WPIC-owned parcel are encumbered by a mortgage (the "LISC Mortgage") granted to Local Initiatives Support Corporation, a New York not-for-profit corporation, with a payoff amount currently estimated at approximately One Hundred Forty-Five Thousand Dollars (\$145,000) (such amount, as the same may be adjusted as of the Closing, the "LISC Mortgage Payoff Amount"); and

WHEREAS, the Developer has represented to the City that the Developer intends to close on its purchase of the City-Encumbered WPIC Parcels immediately preceding the Closing (as defined in Section 2) and intends to close on its purchase of the Non-City-Encumbered WPIC Parcel in advance of the Closing; and

WHEREAS, the City has the right to re-enter and re-vest title to the City-Encumbered WPIC Parcels, which were originally conveyed to WPIC by the City for One and 00/100 Dollar (\$1.00) each pursuant to: (i) the quitclaim deed dated August 26, 1997, and recorded on August 26, 1997, as Document No. 97628565 and (ii) the quitclaim deed dated April 23, 1999, and recorded on April 23, 1999, as Document No. 99393784 (the quitclaim deeds collectively, the "City/WPIC Quitclaim Deeds"); and

WHEREAS, the City has the right to re-enter and re-vest title to another WPIC-owned parcel, commonly known as 6134 S. Greenwood Avenue, Chicago, Illinois (the "Greenwood Parcel"), which is legally described in Exhibit D attached hereto and which was originally conveyed to WPIC by the City for One and 00/100 Dollar (\$1.00) pursuant to the quitclaim deed dated November 4, 1996, and recorded on November 4, 1996, as Document No. 96840869; and

WHEREAS, WPIC has agreed to re-convey the Greenwood Parcel to the City; and

WHEREAS, the City is willing to release the restrictions contained in the City/WPIC Quitclaim Deeds and waive its right to re-enter and re-vest title to the City-Encumbered WPIC Parcels subject to the terms and conditions of this Agreement, and further subject to the Developer and WPIC's amending the Developer/WPIC Purchase Agreement to state that a sum equal to the dollar amount of the difference between the (i) WPIC Purchase Price and (ii) the sum of the LISC Mortgage Payoff Amount and WPIC's closing costs (such closing costs shall not include attorney's fees and shall not exceed \$3,000) associated with the conveyance of the WPIC Parcels to the Developer (the dollar difference between (i) and (ii), the "Release Amount") shall be paid to the City at the closing of the conveyance of the City-Encumbered WPIC Parcels from WPIC to the Developer; and

WHEREAS, the City is willing to authorize the sale of the City-Encumbered WPIC Parcels by WPIC to the Developer subject to the terms and conditions of this Agreement; and

WHEREAS, the Developer intends to develop on the City Parcels, Developer Parcels and WPIC Parcels (the City Parcels, Developer Parcels and WPIC Parcels, collectively, the "Property") facilities for the Hyde Park Day School ("HPDS"), a not-for-profit

elementary school for children with learning disabilities, and the Sonia Shankman Orthogenic School ("SSOS"), a not-for-profit, coeducational residential treatment program for children and adolescents with profound emotional issues (the "Project"); and

WHEREAS, HPDS has been in operation since 2000 and is currently located on the campus of the University of Chicago ("U of C") at Erna Heller Hall, 1375 E. 60th Street, Chicago, IL 60637 in a building leased by the U of C; and

WHEREAS, SSOS has been in operation since 1915 and is currently located next door to the HPDS on the campus of the U of C at 1365 E. 60th Street, Chicago, IL 60637 in a building leased by the U of C; and

WHEREAS, upon completion of the Project, HPDS and SSOS will relocate to the Property and occupy the facilities pursuant to leases with the Developer; and

WHEREAS, the Property is located in the TIF Area and the Project is consistent with the TIF Plan, by satisfying the following three goals: (1) concentrating commercial uses near the intersection of 63rd and Cottage Grove Avenue to reduce the surplus of land and buildings committed to such use, (2) providing land for adequate off-street parking, loading facilities, and open space designed to enhance development areas within the TIF Area, and (3) enhancing the sense of neighborhood identity in the TIF Area with streetscape and urban design projects; and

WHEREAS, as partial consideration for the transfer of the City Parcels, the Developer has agreed to remediate the Property including, but not limited to, obtaining a comprehensive final "No Further Remediation" letter approving the use of the Property for the construction, development and operation of the Project ("Comprehensive Final NFR Letter") from the Illinois Environmental Protection Agency through the Site Remediation Program (Illinois Administrative Code, Title 35, Part 740, Subpart H (Requirements Related to Schools)) (the "SRP"), prior to the occupancy of the Property for school use; and

WHEREAS, the Property is located in the TIF Area; and

WHEREAS, the appraised value of the City Parcels is \$883,000; and

WHEREAS, the Developer, has offered to purchase the City Parcels for Three Hundred Eighty-Three Thousand and 00/100 Dollars (\$383,000.00), and redevelop the City Parcels and the remainder of the Property for the Project; and

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

WHEREAS, by Resolution No. 11-CDC-31, adopted on June 14, 2011, the CDC authorized the Department of Housing and Economic Development (together with any successor department thereto, the "Department") to advertise and issue a request for

proposals ("RFP") for the sale and redevelopment of the Property; and

WHEREAS, public notices advertising the RFP appeared in the Chicago Sun-Times on June 17 and July 1, 2011 (the "CDC Advertisements"); and

WHEREAS, the Department did not receive any alternative proposals by the deadline indicated in the CDC Advertisements; and

WHEREAS, by Resolution No. 11-091-21, adopted by the Plan Commission of the City of Chicago (the "Plan Commission") on October 20, 2011, the Plan Commission recommended the sale of the Property to the Developer; **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 sale of the City Parcels to the Developer for Three Hundred Eighty-Three Thousand and 00/100 Dollars (\$383,000.00) (the "Purchase Price") is hereby approved; provided, however, that the Developer pays to the City an additional amount equal to the the Release Amount. This approval is expressly conditioned upon the City entering into a redevelopment agreement with the Developer substantially in the form attached hereto as Exhibit E and made a part hereof (the "Redevelopment Agreement"). 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 the Redevelopment Agreement, and such other supporting documents as may be necessary or appropriate 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 3. The Mayor or his proxy is authorized to execute, and the City Clerk or Deputy City Clerk is authorized to attest, one or more quitclaim deeds conveying the City Parcels 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 owner and the controlling party, subject to those covenants, conditions and restrictions set forth in the Redevelopment Agreement.

SECTION 4. The Commissioner, or the Commissioner's designee, is authorized (i) to record a release of the restrictions contained in the City/WPIC Quitclaim Deeds, including a waiver of the City's right to re-enter and re-vest title to the City-Encumbered WPIC Parcels; (ii) to consent to the sale of the City-Encumbered WPIC Parcels to the Developer; and (iii) to record or cause to be recorded a quitclaim deed conveying title to the Greenwood Parcel to the City.

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 superseded to the extent of such conflict.

SECTION 7. This ordinance shall take effect immediately upon its passage and approval.

EXHIBIT A

LEGAL DESCRIPTION OF CITY PARCELS

(SUBJECT TO FINAL SURVEY AND TITLE COMMITMENT)

PARCEL 1

LOT 44 IN BLOCK 9 IN LLOYD'S RESUBDIVISION OF BLOCKS 8, 9 AND WEST ½ OF BLOCK 10 IN CHARLES BUSBY'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT 2 ½ ACES), IN COOK COUNTY, ILLINOIS.

PARCEL 2

LOT 39 IN BLOCK 9 IN LLOYD'S RESUBDIVISION OF BLOCKS 8, 9 AND WEST ½ BLOCK 10 IN CHARLES BUSBY'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT 2 ½ ACRES), IN COOK COUNTY, ILLINOIS.

PARCEL 3

LOTS 33 AND 34 IN BLOCK 9 IN LLOYD'S RESUBDIVISION OF BLOCKS 8, 9 AND WEST ½ BLOCK 10 IN CHARLES BUSBY'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT 2 ½ ACRES), IN COOK COUNTY, ILLINOIS.

PARCEL 4

LOTS 9 AND 10 IN BLOCK 9 IN LLOYD'S RESUBDIVISION OF BLOCKS 8, 9 AND WEST ½ BLOCK 10 IN CHARLES BUSBY'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT 2 ½ ACRES), IN COOK COUNTY, ILLINOIS.

PARCEL 5

LOTS 11 AND 12 IN BLOCK 9 IN LLOYD'S RESUBDIVISION OF BLOCKS 8, 9 AND WEST ½ BLOCK 10 IN CHARLES BUSBY'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT 2 ½ ACRES), IN COOK COUNTY, ILLINOIS.

PARCEL 6

LOT 13 IN BLOCK 9 IN LLOYD'S RESUBDIVISION OF BLOCKS 8, 9 AND WEST ½ BLOCK 10 IN CHARLES BUSBY'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT

2 ½ ACRES), IN COOK COUNTY, ILLINOIS.

PARCEL 7

LOTS 14 AND 15 IN BLOCK 9 IN LLOYD'S RESUBDIVISION OF BLOCKS 8, 9 AND WEST ½ BLOCK 10 IN CHARLES BUSBY'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT 2 ½ ACRES), IN COOK COUNTY, ILLINOIS.

PARCEL 8

THE SOUTH ½ OF LOT 17 AND ALL OF LOT 18 IN BLOCK 9 IN LLOYD'S RESUBDIVISION OF BLOCKS 8, 9 AND WEST ½ BLOCK 10 IN CHARLES BUSBY'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT 2 ½ ACRES), IN COOK COUNTY, ILLINOIS.

PARCEL 9

LOTS 26 THRU 32, BOTH INCLUSIVE, IN BLOCK 9 IN LLOYD'S RESUBDIVISION OF BLOCKS 8, 9 AND WEST ½ BLOCK 10 IN CHARLES BUSBY'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT 2 ½ ACRES), IN COOK COUNTY, ILLINOIS.

PARCEL 10

LOT 23 (EXCEPT THE EAST 13 FEET THEREOF) AND ALL OF LOTS 24 AND 25 IN BLOCK 9 IN LLOYD'S RESUBDIVISION OF BLOCKS 8, 9 AND WEST ½ BLOCK 10 IN CHARLES BUSBY'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT 2 ½ ACRES), IN COOK COUNTY, ILLINOIS.

PARCEL 11

LOTS 19 TO 22, BOTH INCLUSIVE, AND THE EAST 13 FEET OF LOT 23 IN BLOCK 9 IN LLOYD'S RESUBDIVISION OF BLOCKS 8, 9 AND WEST ½ BLOCK 10 IN CHARLES BUSBY'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT 2 ½ ACRES), IN COOK COUNTY, ILLINOIS.

PARCEL 12

LOTS 35 AND 36 IN BLOCK 9 IN LLOYD'S RESUBDIVISION OF BLOCKS 8, 9 AND WEST ½ BLOCK 10 IN CHARLES BUSBY'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL

MERIDIAN, (EXCEPT 2 ½ ACRES), IN COOK COUNTY, ILLINOIS.

PARCEL 13

LOT 40 IN BLOCK 9 IN LLOYD'S RESUBDIVISION OF BLOCKS 8, 9 AND WEST ½ BLOCK 10 IN CHARLES BUSBY'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT 2 ½ ACRES), IN COOK COUNTY, ILLINOIS.

PARCEL 14

LOT 13 IN BLOCK 9 IN LLOYD'S RESUBDIVISION OF BLOCKS 8, 9 AND WEST ½ BLOCK 10 IN CHARLES BUSBY'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT 2 ½ ACRES), IN COOK COUNTY, ILLINOIS.

<u>ADDRESS</u>	<u>P.I.N.</u>	<u>PARCEL NO.</u>
6217 SOUTH INGLESIDE AVENUE	20-14-315-005	1
6227-29 SOUTH INGLESIDE AVENUE	20-14-315-008; 20-14-315-009	13; 2
6237-39 SOUTH INGLESIDE AVENUE	20-14-315-014; 20-14-315-028	3; 12
6220-32 SOUTH ELLIS AVENUE	20-14-315-019; 20-14-315-020; 20-14-315-021; 20-14-315-022	4; 5; 14; 6
6240 SOUTH ELLIS AVENUE	20-14-315-024	8
910 EAST 63 RD STREET	20-14-315-025; 20-14-315-026; 20-14-315-027	9; 10; 11

All in Chicago, Illinois.

EXHIBIT B

LEGAL DESCRIPTION OF DEVELOPER PARCEL

(SUBJECT TO FINAL SURVEY AND TITLE COMMITMENT)

PARCEL 1

LOT 43 IN BLOCK 9 IN LLOYD'S RESUBDIVISION OF BLOCKS 8, 9 AND WEST ½ BLOCK 10 IN CHARLES BUSBY'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ (EXCEPT 2 ½ ACRES THEREOF), OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

<u>ADDRESS</u>	<u>P.I.N.</u>	<u>PARCEL NO.</u>
6219 SOUTH INGLESIDE AVENUE	20-14-315-006	1

All in Chicago, Illinois.

EXHIBIT C

LEGAL DESCRIPTION OF WPIC PARCELS

(SUBJECT TO FINAL SURVEY AND TITLE COMMITMENT)

PARCEL 1 (City-Encumbered WPIC Parcel)

LOT 41 IN BLOCK 9 IN LLOYD'S RESUBDIVISION OF BLOCKS 8, 9 AND WEST ½ BLOCK 10 IN CHARLES BUSBY'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ (EXCEPT 2 ½ ACRES THEREOF), OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2 (Non-City-Encumbered WPIC Parcel)

LOT 38 IN BLOCK 9 IN LLOYD'S RESUBDIVISION OF BLOCKS 8, 9 AND WEST ½ BLOCK 10 IN CHARLES BUSBY'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ (EXCEPT 2 ½ ACRES THEREOF), OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3 (City-Encumbered WPIC Parcel)

LOT 37 IN BLOCK 9 IN LLOYD'S RESUBDIVISION OF BLOCKS 8, 9 AND WEST ½ BLOCK 10 IN CHARLES BUSBY'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ (EXCEPT 2 ½ ACRES THEREOF), OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

<u>ADDRESS</u>	<u>P.I.N.</u>	<u>PARCEL NO.</u>
6227 SOUTH INGLESIDE AVENUE	20-14-315-007	1
6233 SOUTH INGLESIDE AVENUE	20-14-315-010	2
6235 SOUTH INGLESIDE AVENUE	20-14-315-011	3

All in Chicago, Illinois.

EXHIBIT D

LEGAL DESCRIPTION OF GREENWOOD PARCEL

(SUBJECT TO FINAL SURVEY AND TITLE COMMITMENT)

PARCEL 1

LOT 7 IN MARSH'S SUBDIVISION OF BLOCK 3 (EXCEPT THE NORTH 50 FEET THEREOF) IN CHARLES BUSBY'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ (EXCEPT 2 ½ ACRES THEREOF), OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

<u>ADDRESS</u>	<u>P.I.N.</u>	<u>PARCEL NO.</u>
6134 SOUTH GREENWOOD AVENUE	20-14-310-024	1

All in Chicago, Illinois.

EXHIBIT E

REDEVELOPMENT AGREEMENT

(attached)