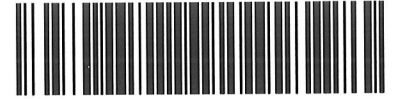




City of Chicago



SO2023-1644

Office of the City Clerk

Document Tracking Sheet

Meeting Date:

4/19/2023

Sponsor(s):

Lightfoot (Mayor)

Type:

Ordinance

Title:

First amendment regarding Right of Entry and Building
Maintenance and Protection Agreement of historic Laramie
State Bank, 5206 W Chicago Ave

[Proffered as Substitute in Committee - June 12th]

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, the City is the owner of the real property located at 5206 W. Chicago Avenue (the “Phase 1 City Property”), as legally described on Exhibit A-1 attached to the Building Stabilization Agreement (as hereinafter defined), and the real property located at 5200 W. Chicago Avenue, as legally described on Exhibit A-2 attached to the Building Stabilization Agreement (the “Phase 2 City Property”); and

WHEREAS, the Phase 2 City Property is improved with the Laramie State Bank building (the “Bank Building”); and

WHEREAS, as part of the City’s INVEST South/West initiative, the City selected Austin United Alliance Development Company LLC, an Illinois limited liability company (“Original Licensee”), to construct a 6-story, 78-unit, mixed-income apartment building on the Phase 1 Property (the “Phase 1 Project”) and to restore the Bank Building for use as a café, office, museum and community space (the “Phase 2 Project” and together with the Phase I Project, the “Project”); and

WHEREAS, the City, through its Department of Assets, Information and Services (“DAIS”), and Original Licensee previously entered into that certain Right of Entry and Building Maintenance and Protection Agreement dated December 16, 2022, and attached hereto as Exhibit A (the “Building Stabilization Agreement”), pursuant to which the City gave Original Licensee access to the Phase 2 City Property to maintain, secure and protect the Bank Building and take certain other actions prior to commencement and during construction of the Phase 1 Project (collectively referred to in the Building Stabilization Agreement as the “Activity”); and

WHEREAS, the Original Licensee is comprised of two entities: Oak Park Regional Housing Center (“New Licensee”) and Heartland Housing, Inc. (“Heartland Housing”); and

WHEREAS, the New Licensee holds a 30% interest in the Original Licensee, and Heartland Housing holds a 70% interest in the Original Licensee and is also its managing member; and

WHEREAS, Heartland Housing has informed the City that it is withdrawing from the Project and intends to assign and convey its interest in the Original Licensee; and

WHEREAS, pending the restructuring of the Original Licensee, the New Licensee has agreed to take over the Original Licensee’s obligations under the Building Stabilization Agreement; and

WHEREAS, the DAIS Commissioner has the authority to enter into leases and other temporary occupancy agreements for up to 180 days under Section 2-51-050 (12) of the Municipal Code of Chicago; and

WHEREAS, after 180 days, City Council approval is required to extend such temporary occupancy agreements; and

WHEREAS, the 180-day period allowed under Section 2-51-050 (12) for the Building Stabilization Agreement will expire on June 14, 2023; and

WHEREAS, the City has determined that it is necessary to extend the Building Stabilization Agreement in order to protect the Bank Building; *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 Commissioner of DAIS (the “DAIS Commissioner”) and a designee of the DAIS Commissioner are each hereby authorized, with the approval of the City’s Corporation Counsel as to form and legality, to negotiate, execute and deliver a First Amendment to the Bank Stabilization Agreement with retroactive effect to June 15, 2023, in substantially the form attached hereto as Exhibit B (the “First Amendment”), and such other documents as may be necessary or appropriate to carry out and comply with the provisions of the First Amendment and this ordinance, with such changes, deletions and insertions as shall be approved by the persons executing the First Amendment.

SECTION 3. 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 4. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 5. This ordinance shall take effect immediately upon its passage and approval.

Attachments: Exhibit A – Bank Stabilization Agreement
Exhibit B – First Amendment to Bank Stabilization Agreement

EXHIBIT A

BANK STABILIZATION AGREEMENT

(ATTACHED)

EXHIBIT B

FIRST AMENDMENT TO RIGHT OF ENTRY AND BUILDING MAINTENANCE AND PROTECTION AGREEMENT

This First Amendment to Right of Entry and Building Maintenance and Protection Agreement (this "First Amendment") is entered into as of June 15, 2023, between Oak Park Regional Housing Center ("New Licensee"), and the City of Chicago, an Illinois municipal corporation and home rule unit of government (the "City"), through its Department of Assets, Information and Services ("DAIS").

WITNESSETH:

WHEREAS, Austin United Alliance Development Company LLC, an Illinois limited liability company ("Original Licensee"), and the City are parties to that certain Right of Entry and Building Maintenance and Protection Agreement dated November __, 2022 (the "Agreement"), relating to the Phase 2 City Property; and

WHEREAS, the Original Licensee is comprised of two entities: the New Licensee and Heartland Housing, Inc. ("Heartland Housing"); and

WHEREAS, the New Licensee holds a 30% interest in the Original Licensee, and Heartland Housing holds a 70% interest in the Original Licensee and is also its managing member; and

WHEREAS, Heartland Housing has informed the City that it is withdrawing from the Project and intends to assign and convey its interest in the Original Licensee; and

WHEREAS, pending the restructuring of the Original Licensee, the New Licensee has agreed to take over the Original Licensee's obligations under the Building Stabilization Agreement; and

WHEREAS, the City and New Licensee desire to modify the terms of the Agreement, as more specifically set forth below.

NOW THEREFORE, in consideration of the mutual covenants and agreements of the parties and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Defined Terms. All capitalized terms used in this First Amendment shall have the same meanings given to said terms in the Agreement, unless otherwise expressly provided herein.
2. New Licensee. All references to the "Licensee" in the Agreement shall hereinafter be deemed to refer to the New Licensee.

3. Term. The first sentence of Paragraph 3 of the Agreement is hereby amended to delete the language struck-through and insert the language underlined, as follows

The term of this Agreement (the "Term") shall begin on the Effective Date and shall terminate upon the earlier of: (a) ~~180 days after the Effective Date~~ the completion of the Phase 1 Project; or (b) the closing of Licensee's purchase of the Phase 2 City Property.

4. Counterparts. This First Amendment may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

5. Entire Agreement. This First Amendment embodies the entire agreement and understanding between the parties and supersedes any prior oral or written agreements with respect to the matters stated herein.

6. Incorporation of Amendment. Licensee and the City hereby agree that (a) this First Amendment is incorporated into and made a part of the Agreement, and (b) any and all references to the Agreement hereinafter shall include this First Amendment.

7. Ratification. Except as provided in this First Amendment, the terms of the Agreement are hereby ratified and confirmed and the parties agree that the provisions contained therein are in full force and effect, as amended hereby, as of the date hereof.

IN WITNESS WHEREOF, License and the City have executed this First Amendment as of the date first above written.

CITY OF CHICAGO, an Illinois municipal corporation

By: _____
Sandra Blakemore
Commissioner
Department of Assets, Information and Services

OAK PARK REGIONAL HOUSING CENTER,
an Illinois not-for-profit corporation

By: _____

Name: _____

Its: _____