



City of Chicago



SO2016-3066

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	4/13/2016
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Sale of City-owned property at 2124-2140 W Lake St to Peppercorn Capital LLC
Committee(s) Assignment:	Committee on Housing and Real Estate

SUBSTITUTE ORDINANCE

WHEREAS, the City of Chicago ("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 vacant parcels of property located at 2124-40 West Lake Street, Chicago, Illinois, which are legally described on Exhibit A attached hereto ("Properties"), and which Properties are located in the Kinzie Industrial Conservation Area Tax Increment Redevelopment Project Area ("Area") established pursuant to ordinances adopted by the City Council on June 10, 1998, and published in the Journal of Proceedings of the City Council for such date at pages 70367 through 70520; and

WHEREAS, the City, acting through its Department of Planning and Development ("DPD"), offered the Properties for sale through a sealed bid auction pursuant to Chapter 2-158 of the Municipal Code of the City of Chicago; and

WHEREAS, public notices advertising the City's intent to sell the Properties through a sealed bid auction appeared in the *Chicago Sun-Times*, a newspaper of general circulation, on November 2, November 9, and November 16, 2015; and

WHEREAS, the bids received in response to the public notice were opened in a public meeting before a certified court reporter; and

WHEREAS, DPD received bids from Peppercorn Capital, LLC in the amount of \$810,000.00, Dayton Street Partners in the amount of \$510,000.00, and MT Foods in the amount of \$500,000.00; and

WHEREAS, the appraised "as is" value of the Properties, as of October 11, 2015, was \$410,000.00; and

WHEREAS, DPD has recommended that the sealed bid of Peppercorn Capital, LLC, the highest bidder, in the amount of \$810,000.00 (the "Purchase Price") be accepted by the City Council; and

WHEREAS, by Resolution No. 16-021-21 adopted on March 17, 2016, the Chicago Plan Commission approved the sale of the Properties; now, therefore,

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

SECTION 1. The City Council hereby accepts the bid of Peppercorn Capital, LLC, One North Wacker Drive, Suite #4125, Chicago, Illinois 60606 ("Grantee"), and approves the sale of the Properties to the Grantee for the Purchase Price. This approval is expressly conditioned upon the City entering into an escrow agreement with the Grantee (the "Escrow Agreement"), pursuant to which the City will deposit the deed for the Properties and the Grantee will deposit a portion of the Purchase Price and any other documents that may be required by DPD to evidence that the Grantee (or Grantee's yet to be determined tenant pursuant to a lease that may be executed at or prior to Grantee's purchase) is prepared to commence construction, which may include building permits and proof of financing. 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 Escrow Agreement, and

such other supporting documents as may be necessary or appropriate to carry out and comply with the provisions of the Escrow Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Escrow Agreement.

SECTION 2. If the Grantee elects to have the escrow established with an independent third party escrow agent, Grantee shall pay the costs of establishing and maintaining such escrow.

SECTION 3. The Mayor or his proxy is authorized to execute, and the City Clerk or Deputy City Clerk is authorized to attest, a quitclaim deed conveying the Properties to the Grantee. Such deed shall include a covenant obligating the Grantee to use the Properties only for a use consistent with the land uses permitted under the redevelopment plan for the Area. Grantee's acceptance of the City's deed shall constitute Grantee's agreement to such covenant. The Grantee acknowledges that if the Grantee develops the Properties with a residential housing project, as defined under and that is subject to Section 2-45-115 of the Municipal Code (the "2015 Affordable Requirements Ordinance"), the Grantee and such project shall be obligated to comply with the 2015 Affordable Requirements Ordinance.

SECTION 4. DPD is authorized to deliver the deed to the Grantee upon receipt of the balance of the Purchase Price and satisfaction of any other conditions to conveyance set forth in the Escrow Agreement. In the event that the closing has not occurred within the time frame set forth in the Escrow Agreement through no fault of the City, DPD may cancel the sale upon written notice to the Grantee, retain the Grantee's deposit check as liquidated damages, and again offer the Properties for sale.

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 inconsistent with this ordinance are hereby repealed or amended to the extent of such conflict.

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

EXHIBIT A

Purchaser: Peppercorn Capital, LLC
Purchaser's Address: One North Wacker Drive, Suite #4125, Chicago, Illinois 60606
Purchase Amount: \$810,000.00
Appraised Value: \$410,000.00

Legal Description (Subject to Title Commitment and Survey):

Lots 10 to 19, inclusive, in C.C. Robinson's Subdivision of Lots 59 to 72, inclusive, in the Subdivision of Block 43 in Canal Trustees Subdivision of Section 7, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Address: 2124-40 West Lake Street
Chicago, Illinois 60612

Property Index Numbers: 17-07-314-028-0000
17-07-314-027-0000
17-07-314-026-0000
17-07-314-047-0000
17-07-314-048-0000



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CITY OF CHICAGO**

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May 18, 2016

To the President and Members of the City Council:

Your Committee on Housing and Real Estate, for which a meeting was held on May 17, 2016, having had under consideration the ordinance introduced by Mayor Rahm Emanuel on April 13, 2016, this being the sale of property located at 2124 -2140 W. Lake St, begs leave to recommend that Your Honorable Body Approve said substitute ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of all committee members present with no dissenting votes.

Respectfully submitted,

Joseph A. Moore, Chairman
Committee on Housing and Real Estate

