



City of Chicago



O2018-9627

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/12/2018
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Support of Class 7(b) tax incentive for property at 3837 S Halsted St and 3849 S Halsted St
Committee(s) Assignment:	Committee on Economic, Capital and Technology Development

ORDINANCE

WHEREAS, the City of Chicago (the "City") is a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois authorized to 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 ("City Council"), the City established "Enterprise Zone 2" in accordance with the Illinois Enterprise Zone Act, 20 ILCS 665/1, *et seq.*, finding, among other things, that Enterprise Zone 2 is a depressed area; and

WHEREAS, certain real estate generally located at 3837 South Halsted Street and 3849 South Halsted Street in the City, as more precisely described on Exhibit A attached hereto and hereby made a part hereof (the "Project Site"), is located within the boundaries of Enterprise Zone 2; and

WHEREAS, the Project Site is partially located within the 35th/Halsted Redevelopment Project Area designated by the City under the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.* pursuant to an ordinance published in the Journal of Proceedings of the City Council (the "Journal") on January 14, 1997, and the purpose of such redevelopment project area is also to provide certain incentives in order to revitalize depressed areas; and

WHEREAS, Lakeside Bank, an Illinois banking corporation (the "Applicant"), proposes to construct a new commercial building of approximately 6,344 square feet on the Project Site for use as a bank branch operated by the Applicant (the "Project"); and

WHEREAS, the City's support and consent to the Class 7b classification for the Project Site is conditioned upon the completion of the Project and occupation of the bank branch by the Applicant; and

WHEREAS, during a period of five years commencing on the date of the reclassification of the Project Site by the County to a Class 7b classification (the "Five-Year Period"), if the Applicant does not fully occupy the bank branch, it shall be deemed a "Vacancy;" and

WHEREAS, if a Vacancy lasts in excess of twenty-four months during the Five-Year Period as determined by the Commissioner of the City's Department of Planning and Development ("DPD"), the City may petition the County to revoke the Class 7b classification; and

WHEREAS, a related party to the Applicant purchased the Project Site for value, and the Project Site thereafter was held under a deed of trust by a trustee, the successor of which is Chicago Title Land Trust Company (the "Successor Trustee"); and

WHEREAS, the Successor Trustee conveyed the Project Site to the Applicant by trustee's deed on or about April 30, 2018; and

WHEREAS, the Project will increase employment opportunities, economic activity in the area and growth in the real property tax base; and

WHEREAS, the redevelopment objective of the City in connection with the Project Site is to redevelop underutilized properties, attract new businesses and retain and encourage the

expansion of existing viable businesses, increase employment opportunities, increase economic activity in the area, and growth in the real property tax base; and

WHEREAS, the intended use by the Applicant of the Project Site is to redevelop it into multi-use commercial space including a bank branch for the Applicant; and

WHEREAS, the Applicant has applied to the Office of the Assessor of Cook County, Illinois (the "Assessor") for designation of the Project Site as a Class 7b classification eligible for certain real estate tax incentives; and

WHEREAS, Section 74-65(b) of the Cook County Tax Incentive Ordinance, Classification System for Assessment, as amended from time to time (the "County Ordinance"), provides that prior to filing an eligibility application with the Assessor, an applicant for Class 7b classification must obtain an ordinance or resolution from the municipality in which the real estate is located expressly stating that (a) the municipality has determined that eligibility factors (1) through (5) under Section 74-65(a) of the County Ordinance are present, and (b) the municipality supports and consents to the Class 7b application to the Assessor; and

WHEREAS, DPD has reviewed the proposed Project and has determined that it meets the necessary eligibility requirements for Class 7b designation, and hereby recommends to City Council that the City expressly determine, among other things, by ordinance that (a) the required eligibility factors are present, and (b) the City supports and consents to the Class 7b application to the Assessor by the Applicant for the Project; now, therefore,

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

SECTION 1. The above recitals are hereby expressly incorporated as if fully set forth herein.

SECTION 2. The City hereby determines that the Project meets eligibility factor (1) under Section 74-65(a) of the County Ordinance in that the Project Site is located in an area in need of commercial development and designated by the City as Enterprise Zone 2.

SECTION 3. The City hereby determines that the Project meets eligibility factor (2) under Section 74-65(a) of the County Ordinance in that real estate taxes in the area during the last six years have either declined, remained stagnant and/or potential real estate taxes are not being fully realized due to the depressed condition of the area, and/or the Project Site, or property values as determined by the assessed value (AV) or equalized assessed value (EAV) for the redevelopment area or the Project Site have declined over the last six years, or property values as determined by the AV or EAV are increasing at a rate that is less than the balance of the City's AV or EAV for the last six years; or property values as determined by the AV or EAV for the redevelopment area/Project Site are increasing at a rate that is less than Consumer Price Index (CPI) for All Urban Consumers as published by the US Department of Labor for the last six years.

SECTION 4. The City hereby determines that the Project meets eligibility factor (3) under Section 74-65(a) of the County Ordinance in that there is a reasonable expectation that the Project is viable and likely to go forward on a reasonably timely basis if granted Class 7b designation and will therefore result in the economic enhancement of the area.

SECTION 5. The City hereby determines that the Project meets eligibility factor (4) under Section 74-65(a) of the County Ordinance in that certification of the Project for Class 7b designation will materially assist development, redevelopment or rehabilitation of the area and the Project would not go forward without the full incentive offered under Class 7b.

SECTION 6. The City hereby determines that the Project meets eligibility factor (5) under Section 74-65(a) of the County Ordinance in that certification of the Project for Class 7b designation is reasonably expected to ultimately result in an increase in real property tax revenue and employment opportunities within the area.

SECTION 7. The City hereby expressly determines that eligibility factors (1) through (5) under Section 74-65(a) of the County Ordinance are present for the Project, and hereby expressly supports and consents to the Class 7b application of the Applicant to the Assessor for Class 7b designation of the Project and the Project Site.

SECTION 8. The Commissioner of DPD or a designee of the Commissioner (each an "Authorized Officer") are each hereby authorized to take any actions and execute or enter into any agreements or documents necessary or advisable in order to petition the County to revoke the Class 7b classification of the Project Site.

SECTION 9. The City has received and filed the Applicant's Economic Disclosure Statement, as defined in the County Ordinance.

SECTION 10. The Authorized Officer is hereby authorized to deliver a certified copy of this ordinance to the Assessor and to furnish such additional information as may be required in connection with the filing of the application by the Applicant with the Assessor for Class 7b designation of the Project.

SECTION 11. This ordinance shall be effective from and after its passage and approval.

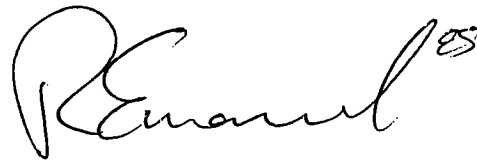
APPROVED



CORPORATION COUNSEL

DATED: 1/29/19

APPROVED



MAYOR

DATED: 1/29/19

EXHIBIT A

LEGAL DESCRIPTION OF THE PROJECT SITE:

LOTS 1, 2, 46, 47, 48, 49 AND 50 IN BLOCK 3 IN MCPHERSON AND ALLERTON'S ADDITION TO CHICAGO, A SUBDIVISION OF BLOCK 25 IN CANAL TRUSTEES' SUBDIVISION OF SECTION 33, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PROJECT SITE ADDRESSES:

3837 South Halsted Street, Chicago, Illinois 60609

3849 South Halsted Street, Chicago, Illinois 60609

PERMANENT TAX IDENTIFICATION NUMBERS:

17-33-321-042-0000

17-33-321-044-0000

ECOM
x
CAP



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 12, 2018

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing a Class 7b tax status for Lakeside Bank.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor