



City of Chicago



SO2021-4198

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 9/14/2021

Sponsor(s): Hopkins (2)

Type: Ordinance

Title: Support of Class 6(b) tax incentive for property at 2017 N Mendell St

Committee(s) Assignment: Committee on Economic, Capital and Technology Development

SUBSTITUTE 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, The Cook County Board of Commissioners has enacted the Cook County Tax Incentive Ordinance, Classification System for Assessment, as amended from time to time (the "County Ordinance"), which provides for, among other things, real estate tax incentives to property owners who build, rehabilitate, enhance and occupy property which is located within Cook County, Illinois and which is used primarily for industrial purposes; and

WHEREAS, The City, consistent with the County Ordinance, wishes to induce industry to locate and expand in the City by supporting financial incentives in the form of property tax relief; and

WHEREAS, 2017 Mendell Baker, LLC, an Illinois limited liability company (the "Applicant"), owns certain real estate located generally at 2017 North Mendell Street, Chicago, Illinois 60614, as further described on Exhibit A hereto (the "Subject Property"); and

WHEREAS, The Applicant acquired the Subject Property in 2015 at which time it consisted of a vacant, dilapidated, deteriorating, approximately 100-year-old, 52,000 square foot warehouse structure (the "Industrial Facility"); and

WHEREAS, The Applicant substantially rehabilitated and modernized the Industrial Facility (the "Substantial Rehabilitation"); and

WHEREAS, Meds, LLC, a Delaware limited liability company (the "Tenant") is a Chicago-based, Life Science pharmaceutical manufacturer; and

WHEREAS, Tenant manufactures pharmaceutical products; and

WHEREAS, Tenant commenced operations within an 8,000 square foot portion of the Industrial Facility in April 2020; and

WHEREAS, Prior to April 2020, the Subject Property was continuously vacant for a period exceeding 24 months and no purchase for value occurred during such vacancy period; and

WHEREAS, Tenant is considering expanding its Industrial operations at the Subject Property and Applicant seeks to secure other tenants to fully occupy the Industrial Facility (the "Proposed Expansion"); and

WHEREAS, The Proposed Expansion will create up to approximately 200 permanent jobs and approximately 100 construction jobs; and

WHEREAS, The redevelopment objective of the City in connection with the Subject Property is to create new jobs and increase the City's tax base through the rehabilitation and reoccupation of the Industrial Facility on the Subject Property; and

WHEREAS, The Applicant has filed an eligibility application for a Class 6b tax incentive under the County Ordinance with the Office of the Assessor of Cook County (the "Assessor"); and

WHEREAS, The City Council has determined that special circumstances exist to warrant a finding that the Subject Property was abandoned for purposes of the Incentive where there was no purchase for value and the period of abandonment prior to the application for the incentive was 24 continuous months or greater; and

WHEREAS, The Subject Property is located within the Cortland and Chicago River Redevelopment Project Area (created pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11- 74.4-1 et seq., as amended, and pursuant to an ordinance enacted by the City Council of the City), and the purposes of Redevelopment Project Areas are also to provide certain incentives in order to stimulate economic activity and to revitalize depressed areas; and

WHEREAS, It is the responsibility of the Assessor to determine that an application for a Class 6b classification or renewal of a Class 6b classification is eligible pursuant to the County Ordinance; and

WHEREAS, The County Ordinance requires that, in connection with the filing of a Class 6b eligibility application with the Assessor, an applicant must obtain from the municipality in which such real estate that is proposed for Class 6b classification is located an ordinance expressly stating, among other things, that the municipality has determined that the incentive provided by the Class 6b classification is necessary for Proposed Expansion to occur on such real estate and that the municipality supports and consents to the Class 6b classification by the Assessor; and

WHEREAS, The Proposed Expansion will create significant employment opportunities at the Subject Property; and

WHEREAS, Notwithstanding the additional Class 6b classification of the Subject Property, the redevelopment and utilization thereof will generate significant new revenues to the City in the form of additional real estate taxes and other tax revenues; 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 incentive provided by the Class 6b classification is necessary to induce the Tenant to undertake the Proposed Expansion, and for future investment and development to occur at the Subject Property.

SECTION 3: The City supports and consents to the Class 6b classification by the Assessor with respect to the Subject Property.

SECTION 4: The Economic Disclosure Statement, as defined in the County Ordinance, has been received and filed by the City.

SECTION 5: The Clerk of the City of Chicago is authorized to and shall send a certified copy of this ordinance to the Assessor, and a certified copy of this ordinance may be included with the Class 6b eligibility application filed with the Assessor by the Applicant, as applicant, in accordance with the County Ordinance.

SECTION 6: The approval of and consent by the City of Chicago to 6b tax incentive for the Subject Property is subject to the Applicant, its successors and assigns and its various contractors, subcontractors or any affiliates operating on the Property (collectively with the Applicant, the "Employers" and individually the "Employer") complying with the following requirements:

- (a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq. of the Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance");
- (b) To the greatest extent feasible, each Employer shall present opportunities for training and employment of low- and moderate-income residents of the City and preferably the local area; and to provide that contracts for work in connection with the construction of improvements to the Subject Property and/or Industrial Facility be awarded to business concerns that are located in, or owned in substantial part by persons residing in the City and preferably in the local area;
- (c) The Applicant, its successors and assigns, its General Contractor and all subcontractors performing construction work on the Subject Property and/or the Industrial Facility shall pay the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all persons working on the Project. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Applicant, its successors and assigns, or the General Contractor to evidence compliance with this Prevailing Wage;

- (d) The Applicant, its successors and assigns, shall contractually obligate its General Contractor and shall cause the General Contractor to contractually obligate its subcontractors, as applicable, to comply with the minimum percentage of total worker hours performed in connection with construction of improvements to the Subject Property and/or the Industrial Facility be in compliance with Section 2-92-330 of the Municipal Code of Chicago, and furthermore that a good faith effort be made to utilize qualified residents of the City in both unskilled and skilled labor positions;
- (e) The Applicant, its successors and assigns, shall comply and, as necessary, shall obligate its General Contractor to comply with respect to the hard costs associated with the construction of additional improvements on the Subject Property and/or the Industrial Facility with the provisions of Section 2-92-420 or 2-92-650 et seq (M/WBE requirements);
- (f) The Applicant, its successors and assigns, shall pass-thru to the tenants of the Industrial Facility the cost savings from the 6b incentive; and
- (g) The Applicant, its successor and assigns, shall comply with the requirements of Section 2-45-160(d) of the Municipal Code ("Reporting Requirements").

SECTION 7: The provisions of Section 2-45-165 of the Municipal Code for failure to comply with the obligations, conditions or requirements of this Ordinance shall apply to approval of the 6b incentive provided by this Ordinance.

SECTION 8: This ordinance shall be effective immediately upon its passage and approval.