

renovation of a prominent Chicago landmark to bring it into compliance with Chicago Life Safety Codes, and to enhance the City's property tax revenue; and

WHEREAS, the Owner intends to use the Building for commercial purposes after the Project is completed by operating the Building as offices (the "Intended Use"); and

WHEREAS, it is anticipated that the Project may require a transfer of a beneficial interest in the Owner to one or more entities who will receive an allocation of federal historic rehabilitation tax credits ("Tax Credit Investors"); and

WHEREAS, the Owner has applied to the Office of the Assessor of Cook County, Illinois (the "Assessor"), for designation of the Project Real Estate as a Class L classification eligible for certain real estate tax incentives pursuant to the County Ordinance; and

WHEREAS, pursuant to the County Ordinance, the Class L classification is available to real estate which is to be used for commercial or industrial purposes and which (1) is a Landmark (as defined in the County Ordinance); and (2) has undergone Substantial Rehabilitation (as defined in the County Ordinance), which constitutes an investment by the owner of at least 50

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percent of the building's full market value as determined by the Assessor in the assessment year prior to the commencement of the Substantial Rehabilitation; and the Class L incentive shall apply to the building only, except that if the entire building has been vacant and unused for at least 24 continuous months prior to the filing of the eligibility application with the Assessor, the land upon which the building is situated shall be eligible for the incentive; and

WHEREAS, the County Ordinance requires that, in connection with the filing of a Class L eligibility application with the Assessor, an applicant must obtain from the unit of local government in which the real estate is located, an ordinance or resolution which expressly states, among other things, that the local government: 1) has determined that the incentive provided by Class L is necessary for the Substantial Rehabilitation of the property; 2) supports and consents to the granting of the incentive; and 3) has reviewed and accepted its Preservation Commission's (as defined in the County Ordinance) written recommendation of the project for the Class L incentive, specifying the project budget and proposed scope of the work, which meets or exceeds the Standards of the United States Department of the Interior for Rehabilitation, Preservation, Restoration, and Reconstruction of historic properties; and

WHEREAS, the City is a Certified Local Government as defined in the County Ordinance and has established the City of Chicago Commission on Chicago Landmarks (the "Landmarks Commission"), and such Landmarks Commission is a Preservation Commission (as defined in the County Ordinance); and

WHEREAS, on January 11, 2018, the Landmarks Commission issued a written recommendation of the Project to the City Council recommending that the Project be approved by the Assessor for the Class L incentive, a copy of which is attached hereto as Exhibit 2 and hereby ' made a part hereof; and

WHEREAS, the Project Real Estate shall have been occupied and used for the 24-month period prior to the filing of the Class L eligibility application with the Assessor, making the Class L incentive applicable to the Building only; and

WHEREAS, the Department of Planning and Development of the City ("DPD") has reviewed the proposed Project, has determined that it meets the necessary eligibility requirements for Class L designation, and hereby recommends to City Council that the City expressly determine by ordinance,

among other things, that: 1) the incentive provided by Class L is necessary for the Substantial Rehabilitation of the Project Real Estate; 2) the City supports and consents to the granting of the incentive; and 3) the City has reviewed and accepted the Landmarks Commission's written recommendation of the Project for the Class L incentive, specifying the Project budget and proposed scope of the work, and specifying that the Project meets or exceeds the Standards of the United States Department of the Interior for Rehabilitation, Preservation, Restoration, and Reconstruction of historic properties; 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 Class L is necessary for the Substantial Rehabilitation of the Project Real Estate.

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SECTION 3. The City hereby expressly supports and consents to the granting of the Class L incentive. The City's support and consent to the grant of certification for the Class L incentive for the Project Real Estate is expressly conditioned upon the substantial completion of the Project as proposed by the Owner and approved by the City, both upon completion of the Substantial Rehabilitation of the Project Real Estate and during the term of the Class L incentive.

SECTION 4. The Project is anticipated to be completed by November 1, 2018. The Commissioner of DPD (the "Commissioner") or a designee of the Commissioner (together with the Commissioner, an "Authorized Officer") shall have discretion to extend the construction completion date by issuing a written extension letter in response to a written request from the Owner. To the extent that the Project Real Estate is not rehabilitated, used or maintained during the term of the Class L incentive in a manner which is substantially consistent with the approved Project or Use, as determined by the Authorized Officer, the Authorized Officer is hereby authorized to take such steps as may be necessary and appropriate to withdraw the City's support and consent to the Class L incentive, which may cause the Class L certification to be terminated or revoked.

SECTION 5. The City has reviewed and hereby accepts the Landmarks Commission's written recommendation of the Project for the Class L incentive, which specifies the Project budget and proposed scope of the work, and which specifies that the Project meets or exceeds the Standards of the United States Department of the Interior for Rehabilitation, Preservation, Restoration, and Reconstruction of historic properties, a copy of which is attached hereto as Exhibit 2 and made a part hereof.

SECTION 6. The Economic Disclosure Statement, as defined in the County Ordinance, has been received and filed by the City.

SECTION 7. 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 Owner with the Assessor for Class L designation of the Project Real Estate.

SECTION 8. The Authorized Officer is hereby authorized to enter into and execute such instruments and agreements, and perform any and all acts as shall be necessary or advisable in connection with the Project, including such terms and conditions as may be imposed or approved by the Authorized Officer.

SECTION 9. The Authorized Officer is hereby authorized to approve minor changes in the scope of

work and budget delineated on (Sub) Exhibits A and B to Exhibit 2 hereof, provided that changes in the Building conditions warrant such changes and will not change the suitability of the Project Real Estate for the Use (all as determined in the sole discretion of the Authorized Officer). Changes to the Project budget delineated on (Sub) Exhibit A to Exhibit 2 shall not require prior City approval provided that the Project is substantially completed in accordance with the scope of work defined in (Sub) Exhibit B to Exhibit 2 and achieves the minimum investment required for Class L eligibility.

SECTION 10. Upon request by the Owner for a final determination of the eligibility of the Project Real Estate for the Class L incentive by the Landmarks Commission pursuant to the

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County Ordinance upon completion of the Substantial Rehabilitation of the Project Real Estate, the Authorized Officer shall verify that the work performed substantially conforms to the Project approved by the City and that the Project Real Estate is eligible for the Class L incentive (the "Final Determination").

SECTION 11. Any conveyance of all or a portion of the Project Real Estate by the Owner before the Final Determination shall render the support and consent of the City for the Class L incentive set forth hereunder in connection with the Project null and void. Any renewed support and consent of the City for the Class L incentive contemplated in connection with the Project undertaken by a successor in interest to the Owner of the Project Real Estate prior to the Final Determination shall require additional authorization by the City Council. Any change prior to the Final Determination in the direct owners in excess of 7.5% of the Owner or who constitute the direct or indirect controlling parties of the Owner, as determined by the Corporation Counsel (an "Ownership Change"), shall render the support and consent of the City for the Class L incentive set forth hereunder in connection with the Project null and void, unless such Ownership Change is approved by the Authorized Officer in his or her discretion. This Section shall not apply to the transfer of a beneficial interest in the Owner to Tax Credit Investors with respect to the Project, or to the transfer of a leasehold interest in the Project Real Estate to a master tenant entity owned in whole or in part by one or more Tax Credit Investors, provided that such transfers do not involve a change to the direct or indirect controlling parties of the Owner.

SECTION 12. No permit fee waiver(s) pursuant to Section 2-120-815 of the Municipal Code of Chicago from the City related to the Project Real Estate shall be granted to the Owner during the rehabilitation of the Project and prior to the expiration of the Class L incentive related to the Project Real Estate.

SECTION 13. To the extent that any ordinance, resolution, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this Ordinance, the provisions of this Ordinance shall be controlling. If any section, paragraph, clause or provision shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

SECTION 14. This Ordinance shall be effective from and after its passage and approval.

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EXHIBIT 1
LEGAL DESCRIPTION
(Subject to final title and survey)

THE SOUTH 99 FEET OF THAT PART OF LOTS 18 TO 25, LOT 26 (EXCEPT THE WEST 8 FEET THEREOF), TOGETHER WITH THE 10 FOOT STRIP OF LAND LYING WEST OF AND ADJOINING LOTS 18 TO 22, INCLUSIVE, AND EAST OF AND ADJOINING LOT 23 VACATED BY CITY ORDINANCES PASSED SEPTEMBER 26, 1872, ALL IN BLOCK 7 IN JOHN S. PRUSSING'S SUBDIVISION OF BLOCKS 7 AND 10 IN WOLCOTT'S ADDITION TO CHICAGO IN THE EAST $\frac{1}{2}$ OF THE NORTHEAST $\frac{1}{4}$ OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index Numbers: 17-09-254-009-0000

Address Commonly known as:
EXHIBIT 2

Commission on Chicago Landmarks Recommendation to the City Council

- see attached

**CITY OF CHICAGO COMMISSION ON CHICAGO
LANDMARKS January 11, 2018**

RECOMMENDATION TO THE CITY COUNCIL THAT A CLASS L REAL ESTATE
TAX REDUCTION BE APPROVED FOR

**54 West Hubbard Street (Courthouse
Place)**

To the Mayor and Members of the City Council of the City of Chicago:

Whereas, the Commission on Chicago Landmarks (the "Commission") has reviewed an application for the proposed exterior and interior rehabilitation of the building at 54 West Hubbard Street (the "Building," and its

rehabilitation, the "Project"), pursuant to the Cook County Real Property Assessment Classification Ordinance, as amended (the "County Ordinance"), and its requirements governing the Class L real estate tax incentive (the "Class L"); and

Whereas, the Building designated as a Chicago Landmark by the City Council of the City of Chicago (the "City Council") on May 19, 1993; now, therefore

THE COMMISSION ON CHICAGO LANDMARKS HEREBY:

1. Incorporates the above recitals; and
2. Finds, based on the Project's budget and proposed scope of work, incorporated herein and attached as Exhibits A and B respectively, that the Project meets or exceeds the Secretary of the Interior's Standards for the Rehabilitation of Historic Buildings; and
3. Finds that the Project meets the eligibility criteria for the Class L incentive specified in the County Ordinance;
4. Recommends that the Project be approved for the Class L incentive.

The above recommendation was passed **Aj^y^>^++_ *^^ c & - O)**

Rafael M. Leon Chairman

EXHIBIT A

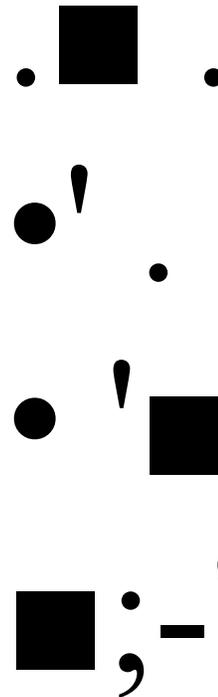
**54 W. Hubbard Street
PROJECT BUDGET**

	Non-Eligible Costs	Class L- Eligible Costs	Total Costs
1. Building Acquisition	-	V' :...! - .	-

2. Acquisition Closing Costs

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3. HARD COSTS

Demolition ***	\$551,477*	:- - ; ;27.L623. ■	\$823,100
Masonry/Concrete		\$663,300	\$663,300
Clean Facade		..\$202,168 '•	\$702,168
Structural Steel		.. ,. :.\$7;?8j\$00? .	\$798,500
Roofing	\$70,000**	.C\$235,229' ..	\$305,229
Carpentry (Includes Bicycle Parking***)		^:;%SW\$656,0J3-^ ;	\$656,013
Life Safety		. • -;\$484,355; .	\$484,355
Elevators and Freight Elevator Improvements		<, ,; ,; i. :\$2'04,94J iA. •	\$204,941
Plumbing (Includes Indoor Water Use Reduction)		l	\$535,050
HVAC ***		il^iifi^35lb5oMfe	
Electrical ***		i}. ^S^Ioli^oSl^S	\$2,031,400
Night Lighting Program		t<^\$Jli^6;8lbk&	\$1,736,810
Exterior Window Repair/Painting		igM\$^i6oo^^:;;	\$200,000
Survey			\$402,000
Painting	\$33,272		\$10,000
		<i>mmmmmm</i>	\$33,272
		<i>m.</i>	
Metal Doors & Frames			\$38,866
Bathrooms			\$112,246
Insurance			\$95,554
Tenant Improvements	\$4,506,970		\$4,506,970
Contingency			\$293,723

4. SOFT COSTS

Permit Fees		\$230,000	\$230,000
A&E		\$35,000	\$35,000
Legal/Consulting		\$153,674	\$153,674
Development Management/Tenant Coordination			
Leasing Commissions			
Other Marketing			
Debt and Equity Construction Loan Interest			
PROJECT TOTAL COSTS	\$4,540,242	\$9,390,452	\$14,552,171

*Cost of Previously Incurred Demolition Costs

**Cost of Roof Deck

***Includes Required Sustainable Features Work identified in Exhibit B

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EXHIBIT B

54 W. HUBBARD SCOPE OF THE WORK

General. All work affecting the significant historical and architectural features shall be done in accordance with the following:

- The City of Chicago's building permit review procedures and the Landmarks Ordinance, 2-120-580 et seq. of the Municipal Code of Chicago.
- The review and approval of the Commission.
- The U. S. Secretary of the Interior's Standards for the Rehabilitation of Historic Buildings (the "Standards") and the Guidelines for Alterations to Historic Buildings and New Construction, adopted by the Commission on March 4, 1992.
- Historic photographs, architectural drawings, and any other available archival documentation of the building, to be investigated and assembled by the property owner.
- Drawings prepared by NORR dated 6/30/17, and any Commission/PRC conditions of approval.

Required Approvals. All work must be submitted to the Commission staff for prior review and approval. The Commission staff may require as part of its review, as appropriate, material samples, paint colors and finishes, shop drawings, specifications, mock-ups, test patches, and control samples.

Required Work.

Exterior.

Work shall include:

- Clean existing stone facades on all elevations;
- Remove existing, non-historic fire escape and perform masonry repairs resulting from removal;
- Implementation of Night Lighting Program; Repair, paint, and caulk windows;
- Perform exterior roof repairs;

Interior:

Work shall include:

- Installation of new HVAC systems; Installation of new plumbing systems;
- Installation of new electrical systems;
- Improvements related to compliance with Life Safety Code including new fire protection system with sprinklers and fire alarms;
- Elevator improvements to two passenger and one freight elevator;
- Tenant improvements on floors 1-4 and 6 (jointly performed by Landlord and Tenant);
- New bathrooms on Floors 1-4 and 6; Upgrades for ADA accessibility;

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Sustainable Features: Work shall include:

- Exceed Energy Code by 5% (20 pts)
- Indoor Water Use Reduction (10 pts)
- Proximity to Transit Service (5 pts)
- Bike Parking (5 pts) - 80% Waste Diversion (10 pts)

Work shall occur in accordance with permit drawings for the Project, to be reviewed and approved by the staff of the Commission on Chicago Landmarks.

Additional work not required by the Class L, but to be undertaken by the owner, includes construction of a rooftop deck.

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CHICAGO April 18,2018

To the President and Members of the City Council:

Your Committee on Finance having had under consideration an ordinance authorizing the approval of a Class L Real Estate Incentive Classification for the property located at 54 West Hubbard Street for 54 West Hubbard, LLC.

02018-2347

Having had the same under advisement, begs leave to report and recommend that your Honorable Body pass the proposed Ordinance Transmitted Herewith.

This recommendation was concurred in by (afviva voce vote^)
of members of the committee with dissenting vote(s)r

Alderman Burke abstained from voting under the provisions of Rule 14.

Respectfully submitted

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(signedyiP^0 *^U^Yfr~

Chairman

Document No.

REPORT OF THE COMMITTEE ON FINANCE TO THE CITY COUNCIL CITY OF CHICAGO

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM
EMANUEL MAYOR

March 28, 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 L tax status for property located at 54 West Hubbard Street.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,