

"Use"); 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 Classification Ordinance; and

WHEREAS, pursuant to the Classification 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 Classification Ordinance); and (2) has undergone Substantial Rehabilitation (as defined in the Classification Ordinance), which constitutes an investment by the owner of at least 50 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

1

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 Classification 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 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 Classification 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 Classification 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 Classification Ordinance); and

WHEREAS, on October 1, 2015, the Landmarks Commission issued a written recommendation of the Project to the City Council; conditioned upon a final determination by the City Council to designate the building as a Chicago landmark, 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 City requires, and the Owner has agreed to perform or cause to be performed, certain work as part of the Project as more fully described in Exhibit 3 attached hereto and incorporated herein, in furtherance of the City's efforts to promote a sustainable development policy; and

WHEREAS, the Department of Planning and Development of the City (the "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 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,

2

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.

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 December 31, 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 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 7. 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 which reflect the terms described in Exhibit 3 hereto, or such other terms and conditions as may be imposed or approved in connection with the Project by the Authorized Officer.

SECTION 8. 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

3

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 9. 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 Classification 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 10. 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 10 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 11. 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 12. 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 13. This Ordinance shall be effective from and after its passage and approval.

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EXHIBIT 1

(Subject to final title and survey)

Legal Description:

Parcel 1:

THE EAST 1/2 OF LOT 7. EXCEPT THE NORTH 9 FEET TAKEN FOR ALLEY; THE WEST 1/2 OF LOT 7 EXCEPT THE NORTH 9 FEET THEREOF TAKEN FOR ALLEY; THE SOUTH 87 FEET OF LOT 8; THE NORTH 40 FEET OF THE SOUTH 2 / 3 OF THE FOLLOWING DESCRIBED PARCEL TAKEN AS A TRACT; LOT 8, EXCEPT THE NORTH 9 FEET THEREOF TAKEN FOR ALLEY. ALL IN BLOCK 120 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE NORTH 1 /3 OF THE FOLLOIWN G DESCRIBED PAREL TAKEN AS A TRACT. LOT 8, EXCEPT THE NORTH 9 FEET THEREOF TAKEN FOR ALLEY, IN BLOCK 120 IN THE SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 1 AND PARCEL 2 MAY ALSO BE DESCRIBED AS FOLLOWS:

LOT 7, EXCEPT THE NORTH 9.00 FEET THEREOF TAKEN FOR ALLEY, AND LOT 8, EXCEPT THE NORTH 9.00 FEET THEREOF TAKEN FOR ALLEY, ALL IN BLOCK 120 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS

PARCEL 1 AND PARCEL 2 MAY ALSO BE DESCRIBED AS FOLLOWS:

LOTS 13, 14, 15, 16, 17, AND 18 IN COUNTY CLERK'S DIVISON OF BLOCK 120 IN SCHOOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS 125 SOUTH CLARK STREET, CHICAGO, ILLINOIS

Permanent Index Numbers:

17-16-212-016, 17-16-212-017, 17-16-212-018

Address Commonly known as:

125 S. Clark Street Chicago, Illinois 60603-4013
EXHIBIT 2

Commission on Chicago Landmarks Recommendation to the City Council

- see attached

**CITY OF CHICAGO COMMISSION ON CHICAGO
LANDMARKS October 1, 2015**

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

**125 S. Clark St.
Commercial National Bank Building/Commonwealth Edison Building**

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 125 S. Clark (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 was preliminarily recommended as a Chicago Landmark by the Commission on October 1, 2015; 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; and
4. Recommends, conditioned upon a final determination by the Commission and the City Council to designate the building as a Chicago Landmark, that the Project be approved for the Class L incentive.

The above recommendation was passed 1J rU A M A*-c w L y (8

Commission on Chicago Landmarks Serving as Chair pursuant to Article I.A.2.b. of the Rules and Regulations

EXHIBIT A
125 S CLARK STREET (Commercial National Bank/Commonwealth Edison Building)

PROJECT BUDGET

Table with 4 columns: Description, Non-Eligible Costs, Class L- Eligible Costs, Total Costs. Rows include Building Acquisition Costs, Acquisitions and Closing costs, HARD COSTS, Interior Demolition, Sue Work, Concrete repairs, Masonry/Facade Repair, Facade Cleaning.

9	Clark and Adams masonry and terra colta repairs	\$ 5,000.00	J 312,825.00		
10	Cast Iron window repair/painr 2nd - 4th		\$ 68,250 00		
II	Adarns Facade replace stone infills		\$ 1,576,250 00		
12	Clark Street coating'. lo infills and replacement orinfills to floors 17-19		\$ 730,000 00		
13	Courtyard repairs/cleaning	\$ 176,240.00	\$ 98,660 00		
14	Repair and Paint metal surrounds on 17lh-19th floors		\$ 212,750.00		
15	Site protection general provisions, inspections	\$ 125,800.00	\$ 204,750 00		
	Facade Total			\$ 3,899,725 00	
16	Structural Steel/Misc Iron	\$ 50,000 00	\$ 13,500 00	J 63,500 00	
17	Rough Carpentry	\$ 48,000 00	\$ 20,000 00	\$ 68,000 00	
18	Millwork/Fin Carpentry	\$ 90,000 00	\$ 105,000 00	\$ 195,000 00	
				\$	
19	Doors/Frames/l lardware	\$ 35,000 00	\$ 458,000.00	\$ 493,000.00	
20	Roofing			\$	
21	RoofiiHt reflective coating		J 40,000.00	\$ 40,000.00	
22	Roofing: 6th fl. green terrace		\$ 405,000.00	\$ 405,000.00	
23	Retail Storefront- Clark St	\$ 26,000 00		\$ 26,000 00	
				\$	
24	Clark and Adams Entries- clean/repair	\$ 28,000.00		\$ 28,000.00	
25	Metal clad gutter 1950's	I 50,000.00		\$ 50,000 00	
26	Drywall/Cetlings/Toilet rooms/hallwavs	\$ 294,435.00	\$ 2,888,825 00	\$ 3,183,260 00	
28	Shell and Core column repair		\$ 200,000 00	\$ 200,000 00	
29	Shell and core flooring restoration		\$ 500,000.00	\$ 500,000.00	
30	Elevator lobby floor and wall finishes		\$ 400,000 00	J 400,000 00	
			\$	J	
				\$	
31	Signage: wayfnding and safety	\$ 38,500 00	J 16,500 00	\$ 55,000 00	
32	Hlevators cabs		J 200,000.00	J 200,000.00	
33	Fire Protection nil floors	\$ 41,950 00	J 808,050.00	i 850,000 00	
34	Plumbing core piping replacement and fixtures	J 446,114.00	J 2,247,909.00	I 2,694,023 00	
35	HVAC	\$ 565,243 00	J 2,134,447 00	\$ 2,699,690 00	
36	Electrical	\$ 555,463.00	J 4,111,087.00	\$ 4,666,550 00	
37	Facade Lighting: optional	\$ 446,000.00		\$ 446,000.00	
38	Communications/ telecom		\$ 322,000 00	\$ 322,000.00	
39	Security		J 173,000 00	\$ 173,000.00	
40	Knvironmental- Asbestos Abatement	\$ 239,297.00	J 160,703.00	\$ 400,000.00	
41	General Conditions	\$ 75,000 00	\$ 1,300,000.00	\$ 1,375,000.00	
42	Insurance		\$ 108,000 00	\$ 108,000.00	
43	Construction management	\$ 369,943.00	\$ 2,830,057.00	\$ 3,200,000.00	
				\$	
44	Contingency		\$ 1,000,000 00	J 1,000,000.00	
	Sub-Total Hard Costs	\$ 5,643,071 00	\$ 24,927,677.00	J 30,570,748.00	
				J	
45	4. SOFT COSTS			i	
46	Permit Fees	\$ 90,000 00	J 140,000.00	i 230,000.00	
47	A&E/consultants	J 303,539 00	\$	\$ 303,539 00	
48	Marketing/Leasing	\$ 150,000 00		\$ 150,000.00	

Sub-Total Soft Costs	\$	543,539.00	\$	140,000.00	\$	683,539.00
					<i>i</i>	
					<i>s</i>	
49 PROJECT TOTAL COSTS	\$	35,544,978.00	J 25,067,677.00		\$	60,612,655.00

EXHIBIT B

125 S.Clark
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 7, 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 HBRA Architects, Inc. dated 6/03/15 and Klein and Hoffman (KM) dated 9/18/15 and any Commission/PRC conditions of approval that may occur during the duration of the project.

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:

Repair of granite piers/cladding on floors 1 through 4 and finished return. Repair of existing entries and storefronts on the south and west elevations as needed. Repair of glazed white brick and terra cotta window heads and sills within the building's center light court.

Repair of deteriorated terra cotta on south and west elevations and finished returns. Where replacement of terra cotta is necessary, replacement units may be GFRC units to match original terra cotta units.

Removal of all existing stone infills (where original terra cotta was removed in the past) on the south elevation and replacement with GFRC units to match original terra cotta units.

Removal of deteriorated stone and brick infills (where original terra cotta was removed in the past) on the west elevation and replacement with GFRC units to match original terra cotta units.

Removal of all existing stone and brick infills on the west elevation on floors 17 through 19 and replacement with GFRC units to match original terra cotta units. Architectural coating approved for masonry of all existing stone and brick infills to remain on the west elevation to match color of existing terra cotta as much as possible. Cleaning of Adams and Clark Street elevations and finished return. Repair and painting of cast iron windows/surrounds on floors 2 through 4 and floors 17 through 19 on south and west elevations. Repair of existing cornice including tuckpointing and copper cap repair. Grinding and repointing of open or cracked masonry mortar joints. Grinding and scaling of upward facing wash joints.

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Construction of an outdoor patio amenity space on the 6th floor roof including 1,520 s.f. of vegetation.

Interior:

Work shall include:

- Rehabilitation of floors 2 through 20 to house new office spaces. Construction of 7 common hallways to provide access for demised spaces.
- Rehabilitation of elevator lobby hallways on floors 1 through 19.
- Replacement of 6 elevator cab interiors.
- Construction of 42 toilet rooms on floors 1 through 20.
- Repair of 20 fan room/air handlers.
- Installation of a fire sprinkler system to protect all floors.
- Electrical service lighting, fire alarm, telecommunication updates and plumbing improvements.

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 optional architectural lighting at the base of the building and at 17th floor. Any signage and exterior illumination shall be reviewed and approved by the Commission staff.

In addition, Applicant began work before Class L approval was given by the Commission on Chicago Landmarks and these items are reflected in Exhibit A as Non-Eligible Costs.

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EXHIBIT 3

Additional Requirements - see attached

EXHIBIT 3 Additional Requirements

Additional Requirements: Energy-Efficiency & Environmental Quality Measures Upon completion of the project, as part of the Class L certification, the owner shall submit certification by the project engineer/architect to Historic Preservation staff stating how each requirement was met. All items that require a building permit should be clearly noted in the architectural plans submitted to the City of Chicago for review.

1. The 20th floor and machine room penthouse roofs not encumbered by mechanical systems will have a new Energy Star reflective coating applied.
2. HVAC - Infrastructure air distribution will include VAV/DDC units and controls plus other Building Automation Systems improvements designed to exceed ASHREA 90.1 2004 by 14%.
3. HVAC - VAV (variable air volume) units on supply air ducts to all occupied spaces shall be installed to achieve better temperature control and greater energy efficiency.
4. New plumbing fixtures with high efficiency faucets and flush valves will be installed.
5. Point of use hot water heaters shall be installed for office toilet rooms, to allow the basement hot water generator (currently using electricity to make hot water) to be shut down.
6. LED lighting for common hallways, toilet rooms, and Arcade level shall be installed.
7. Painting - Low VOC paints shall be used where applicable.

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

May 18, 2016

TO THE HONORABLE, THE CITY COUNCIL OF THE

Respectfully submitted

Chairman