

WHEREAS, the redevelopment objective of the City in connection with the Project Real Estate is to remove non-historic alterations and restore and expand the Building with a new 3rd floor with outdoor roof terrace (the "New Addition"); rehabilitating, preserving and re-activating an existing vacant building in an improved condition with an economically viable use; and 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 for retail, restaurant or office purposes (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

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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 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 vacant and unused 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 and to the land upon which the Building is situated, but the Class L incentive shall be 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; and

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WHEREAS, the Class L Incentive is applicable to the existing Building only, and does not apply to the New Addition, 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.

SECTION 3. The City hereby expressly supports and consents to the granting of the Class L incentive to the Project Real Estate, other than the New Addition. The Class L Incentive shall be applicable to the existing Building only, and will not apply to the New Addition. The City's support and consent to the grant of certification for the Class L incentive for the Project Real Estate, other than the New Addition, 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 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 Intended 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 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 Intended 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 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 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 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 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

LEGAL DESCRIPTION

(Subject to final title and survey)

LOTS 1, 2 AND 3 (EXCEPT THE NORTH 35 FEET OF SAID LOT TAKEN FOR STREET) IN JAMES WARDS' RESUBDIVISION OF LOTS 3,4, 5, 6, 8 AND 9 IN BLOCK 39 IN CARPENTER'S ADDITION TO CHICAGO, ACCORDING TO THE PLAT THEREOF RECORDED NOVEMBER 7, 1870 AS DOCUMENT 72473 AND RECORDED APRIL 2, 1872 IN BOOK 1 OF PLATS PAGE 48, AS DOCUMENT NUMBER 21601, BEING A SUBDIVISION OF THE SOUTH EAST $\frac{1}{4}$ OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index Numbers: 17-08-440-003-0000

Address Commonly known as: 911-915 West Randolph Street, Chicago, Illinois 60607

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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**

**911 West Randolph Street (Fulton-Randolph
Market District)**

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 911-915 West Randolph 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 is within the Fulton-Randolph Market District, designated as a Chicago Landmark by the City Council of the City of Chicago (the "City Council") on July 29, 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 (he 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. Finds that 911 West Randolph Street is a contributing building to the historic character of the Fulton-Randolph Market District; and,
5. Recommends that the Project be approved for the Class L incentive.

Chairman

Class L Project Budget

911 -915 West Randolph Street Exhibit A

Hard Costs	Class L Eligible	Class L Ineligible - Class L Ineligible		Total Costs
	Costs	Third Floor Costs	Costs	
General Requirements	\$9,951	\$2,600	\$749	\$13,300
Layout and Survey	\$6,500	\$0		\$6,500
Security and Safety	\$9,100	\$0		\$9,100
Permit and Fees Allowance	\$25,000	\$0		\$25,000
Dewatering	\$10,000	\$0		\$10,000
Shoring	\$12,500	\$0		\$12,500
Demolition	\$58,300	\$0		\$58,300
Excavation and Grading	\$39,900	\$0		\$39,900
Utilities	\$82,000	\$0		\$82,000
Asphalt	\$13,400	\$0		\$13,400
Site Concrete	\$9,800	\$0		\$9,800
Concrete Building	\$75,800	\$34,700		\$110,500
Masonry	\$126,800	\$41,200		\$168,000
Structural Steel	\$46,100	\$119,800		\$165,900
Misc. Metals	\$106,600	\$12,800,		\$119,400
Rough Carpentry	\$11,800	\$0		\$11,800
Finish Carpentry	\$4,900	\$0"		\$4,900
Ceilings	\$1,200	\$300		\$1,500
Waterproofing	\$5,500	\$3,100		\$8,600
Roofing	\$43,600	\$36,100		\$79,700
EIFS/Stucco	\$0	\$5,800		\$5,800
Siding	\$0	\$15,300		\$15,300
Joint Sealants	\$5,000	\$0		\$5,000
Doors Frames and Hardware	\$28,500	\$0		\$28,500
Aluminum and Glass	\$61,800	\$24,900		\$86,700
Gypcrete Floors	\$56,200	\$2,000		\$58,200
Framing Drywall and Insulation	\$34,400	\$0		\$34,400
Paint	\$17,600	\$1,400		\$19,000
Misc. Materials	\$3,500	\$500		\$4,000
Toilet Accessories	\$2,000	\$0		\$2,000
Elevator	\$101,000	\$10,000		\$111,000
Sprinkler	\$33,800	\$5,700		\$39,500
Plumbing	\$111,300	\$17,900		\$129,200
HVAC	\$150,200	\$3,300		\$153,500
Electric	\$119,100	\$15,000		\$134,100
General Conditions	\$78,027	\$0 '	\$5,873	\$83,900
Fee	\$49,104	\$0	\$3,696	\$52,800
Insurance	\$14,508	\$0	\$1,092	\$15,600
Hard Costs Subtotal w/o Contingencies	\$1,564,790	\$352,400	\$11,410	\$1,928,600

Construction Contingency	\$63,984	\$0	\$4,816	\$68,800
Total Hard Costs	\$1,628,774	\$352,400	\$16,226	\$1,997,400

Soft Costs	Class L Eligible Costs	Class L Ineligible - Third Floor Costs	Class L Ineligible Costs	Total Costs
Legal	\$0	\$0	\$40,000	\$40,000
Architectural/Engineering	\$139,500	\$0	\$10,500	\$150,000
Tenant Allowance	\$0	\$0	\$360,000	\$360,000
Commissions	\$0	\$0	\$200,000	\$200,000
Loan Interest	\$0	\$0	\$200,000	\$200,000
Insurance	\$0	\$0	\$25,000	\$25,000
RE Taxes	\$0	\$0	\$40,000	\$40,000
Consultants ¹	\$0	\$0	\$80,000	\$80,000
Total Soft Costs	\$139,500	\$0	\$955,500	\$1,095,000
Total Costs	\$1,768,274	\$352,400	\$971,726	\$3,092,400

EXHIBIT B

911-915 W. RANDOLPH 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 Architects, Engineers, Planners dated April 27, 2017, and revised December 28, 2017 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:

- Removal of non-historic masonry and glass block infill;
- Masonry repairs including tuck pointing of front facade and repair/replace deteriorated portions of the cornice;
- Installation of new compatible storefronts and windows; Installation of a new roof;

Interior:

Work shall include:

- Demolition of all interior non-load bearing walls and finishes;
- Structural work to include: reinforcing existing columns, foundations, walls, and floor joists as needed, and replacement of third-floor and roof joists;

Installation of a new machine-room-less traction elevator;
Construction of new fire stairs from basement to 3rd floor;
New water and gas service connections;
New base building mechanical and plumbing systems;

Sustainable Features:

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)

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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, includes¹ construction of a new 1-story rooftop addition, a rooftop deck, and a new metal canopy. Any signage and exterior illumination shall be reviewed and approved by the Commission.

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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 911-15 West Randolph Street.

Your favorable consideration of this ordinance will be appreciated.

Mayor

Very truly yours,

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 911-15 West Randolph Street for 911 Property Associates, LLC.

02018-2348

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 _____ (a(wva voce vote^)
of members of the committee with _____ dissenting vote(s):

Respectfully submitted

(signed? ^ ^ ^ V -- ^ - ■

Chairman