

WHEREAS, the Prospective Owner, after acquiring the Building, proposes to rehabilitate the Building, thereby preserving the historic building, increasing employment opportunities in the area and contributing to the long-term growth of the real property tax base (the "Project"); and

WHEREAS, the redevelopment objective of the City in connection with the Project Real Estate is to enhance the character of real estate in the City and Cook County; contribute to the long-term growth in the level of economic activity and employment opportunities in the City and Cook County; contribute to the long-term growth of Cook County's tax base; provide greater tax revenues to the City and Cook County by increasing economic activity at the Building; and facilitate the preservation of a historically significant building; and

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

WHEREAS, the Prospective Owner intends to renovate the Building for future office and retail tenants and the rehabilitation work is expected to renovate the exterior and the interior of the Building including the Building's ground floor plaza, first floor, basement and exterior facade;

1

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and

WHEREAS, the Current Owners authorized the Prospective Owner, pursuant to that certain "Authorization" executed by the Current Owner and the Prospective Owner on December 16, 2019, to apply to 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, the Prospective Owner has applied to the Assessor for such designation of the Project Real Estate as a Class L classification; 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 or Contributing Building (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 the Landmarks Commission is a Preservation Commission (as defined in the County Ordinance); and

WHEREAS, on September 3, 2020, 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 recommendation is attached hereto as Exhibit 2 and hereby made a part hereof; and

WHEREAS, the Project Real Estate shall have been occupied and used within 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 Prospective Owner has agreed to perform or cause to be performed, certain work as part of the Project as more fully described in (Sub) Exhibit B to Exhibit 2 and attached hereto and incorporated herein, in furtherance of the City's efforts to promote a sustainable development policy; and

2

EASTM 78893555.2

WHEREAS, the City encourages goals of (i) 26 percent MBE and 6 percent WBE participation (measured against the total construction budget for the Project or any phase thereof), and (ii) 50 percent City resident hiring (measured against the total construction work hours for the Project or any phase thereof) where possible and the Prospective Owner has acknowledged that it is the policy of the City to maximize opportunities for Minority and Women-owned Business Enterprises ("MAA/BEs") and City residents to compete for contracts and jobs on construction projects approved by the City.

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.

SECTION 3. The City hereby expressly supports and consents to the granting of the Class L incentive for the Project Real Estate. 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 and operation of the Project as proposed by the Prospective 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, 2024. The Commissioner of Planning and Development (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 Prospective Owner or a successor 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 recommendation is

3

EASTM 78893555.2

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 Prospective 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 to perform any and all acts as shall be necessary or advisable in connection with the Project which reflect the terms described in Exhibit 2 hereto, or such other terms and conditions as may be imposed or approved in connection with the Project 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 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 10. Upon request by the Prospective 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 11. Any conveyance of all or a portion of the Project Real Estate by the Prospective 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 Prospective 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 Prospective Owner or who constitute the direct or indirect controlling parties of the Prospective 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 Prospective Owner to one or more entities who will receive an allocation of federal historic rehabilitation tax credits ("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 Prospective Owner.

4

EASTM 78893555.2

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 Prospective 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.

SECTION 15. To assist the City in promoting and tracking M/WBE and City resident participation in the Project, the Prospective Owner agrees to provide information to the Committee on Economic, Capital and Technology Development at two points in the City approval process for the Project. First, the Prospective Owner agrees to submit to the Committee on Economic, Capital and Technology Development an M/WBE Participation Proposal prior to commencement of construction of the Project. The Prospective Owner agrees that the Participation Proposal will identify the Prospective Owner's goals for participation of certified M/WBE firms in the design, engineering and construction of the Project, and of City residents in the construction work. The Prospective Owner agrees to include a description of the Prospective Owner's proposed outreach plan designed to inform M/WBEs and City residents of job and contracting opportunities. Second, prior to issuance of a Final Determination for the Project or any phase thereof, the Prospective Owner agrees to provide the Committee on Economic, Capital and Technology Development with a report of the actual level of M/WBE and city resident participation in the Project or any phase thereof, and evidence of such participation. In addition to the forgoing, the Committee on Economic, Capital and Technology Development may request such additional information as the Committee determines may be necessary or useful in evaluating the extent to which M/WBEs and City residents are informed of and utilized in projects that seek the Class L classification.

5

EASTM 78893555.2

EXHIBIT 1

LEGAL DESCRIPTION (Subject to final title
and survey)

Parcel 1:

Lots 2, 3 and 4 (except that part of Lot 2 dedicated for public alley by instrument recorded as Document Number 18928994) in Block 41 in original Town of Chicago in the southeast Quarter of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

That part of vacated West Court Place lying South of and adjoining the South line of Lots 2, 3 and 4 and lying North of and adjoining the North line of Lot 6, all in Block 41 in original Town of Chicago aforesaid; lying North of and adjoining the North line of Sub-Lot 1 of Lot 5 and the North line of Sub-Lots 1, 2 and 3 of Lot 7, and lying West of and adjoining the East line of said Sub-Lot 3 of Lot 7 produced North 18 feet, all in block 41 in original Town of Chicago aforesaid, all in Cook County, Illinois

Permanent Index Numbers:

17-09-443-001
002
443-004
09-444-016
17-09-444-034

17-09-443-003
17-09-443-005

17-09-443-
17-09-
17-
17-09-444-020

Address Commonly known as: 225 West Randolph Street, Chicago, Illinois 60606

6

EASTM 78893555.2

EXHIBIT 2

Commission on Chicago Landmarks Recommendation to the City Council

- see attached

7

CITY OF CHICAGO COMMISSION ON CHICAGO LANDMARKS September
3,2020

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

225 W. Randolph Street Illinois Bell 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 225 W. Randolph Street (the "Building" and its rehabilitation, the "Project"), pursuant to the Cook County Repl 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 September 3,2020; now, therefore ;

THE COMMISSION: ON CHICAGO LANDMARKS HEREBY:

V: 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, 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

Rafael M. Icon Chairman

Dated: September 3, 2020

EXHIBIT A PROJECT BUDGET

	Total Costs	Class 1. Eligible Costs	Class 1. Ineligible Costs
Acquisition and Assembly Costs	\$ 185,157,750		\$ 185,157,750
Transfer Taxes	\$ 1,388,683		\$ 1,388,683
Closing Costs	\$ 1,750,000		\$ 1,750,000
Total Acquisition and Assembly Costs	\$ 188,296,433	\$	\$ 188,296,433
Hard Costs			
Restoration Marble and Grannic Repairs	\$ 1,180,290	\$ 1,180,290	\$
Curtain Wall Repairs	\$ 2,538,216	\$ 2,538,216	\$
Facade Cleaning	\$ 233,700	\$ 233,700	\$
Roof	\$ 725,000	\$ 725,000	\$
Plaza	\$ 1,053,702	\$	\$ 1,053,702
Entrance	\$ 280,490	\$ 280,490	\$
Canopy	\$ 165,821	\$	\$ 165,821
Lobby	\$ 2,314,157	\$ 2,314,157	\$
Basement Renovation / Repairs	\$ 3,083,990	\$ 3,083,990	\$
Bathrooms	\$ 4,465,557	\$ 4,465,557	\$
MEP	\$ 43,943,545	\$ 43,943,545	\$
Fire Life Safety	\$ 2,272,985	\$ 2,272,985	\$
Vertical Transportation	\$ 5,650,000	\$ 5,650,000	\$
Interior Demolition	\$ 6,163,104	\$ 6,163,104	\$
Concrete / Metals / Materials	\$ 9,337,103	\$ 9,337,103	\$
Interior Finishes	\$ 18,874,506	\$ 18,874,506	\$
FF&E	\$ 5,779,566	\$	\$ 5,779,566
General Conditions / General Requirements	\$ 5,953,330	\$ 5,953,330	\$
Contingency	\$ 10,504,163	\$ 10,504,163	\$
Insurance	\$ 1,524,828	\$ 1,524,828	\$
Total Hard Costs	\$ 126,244,152	\$ 119,044,963	\$ 6,999,089
Soft Costs			
Financing Costs	\$ 4,669,695		\$ 4,669,695
Architectural and Engineering	\$ 1,168,660	\$ 1,168,660	
Project Management/Consultants	\$ 486,942		\$ 486,942
Permits	\$ 427,907		\$ 427,907
GCFccs	\$ 3,519,187	\$ 3,519,187	
Leasing Commissions	\$ 17,355,948		\$ 17,355,948
Total Soft Costs	\$ 27,628,339	\$ 4,687,347	\$ 22,941,192
Total Project Costs	\$ 342,168,824	\$ 123,932,310	\$ 218,236,014

Interior Finish work includes, but is not limited to, painting, partitioning, and drywall for the new interior walls and ceiling of the office floor.

EXHIBIT B

ILLINOIS BELL BUILDING (225 W. Randolph) SCOPE OF 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, unless alteration from the same are agreed to by the Commission, to be investigated and assembled by the property owner.

- Drawings prepared by Hartshorn Plunkard Architecture dated September 27, 2019, revised drawings dated December 20, 2019, facade condition assessment summary report prepared by WJE dated December 20, 2019, and corresponding repair drawings dated September 2019, 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 and replacement material samples, paint colors and finishes, shop drawings, specifications, mock-ups, test patches, and control samples.

Required Work.

Exterior.

Work shall include:

Marble & granite panel repairs will be performed as necessary to address all condition issues.

Curtainwall repairs will be performed as necessary to address all condition issues. All facades will be cleaned using the gentlest means possible. Plaza paver & sealant repairs.

- Metal repairs at existing screens/fencing and east alley column bases.
Alteration of existing built in planters for new seating areas along Franklin and removal of one built in planter along Randolph.
Removal and replacement of existing non-historic curtainwall film applied to the interior surface.

Interior:

Work shall include:

Demolition of interior non-load bearing walls and finishes at tenant floors and at restaurant tenant spaces and select areas of floor slab. Renovation of elevator lobbies, common corridors, and bathrooms.

New entrance to be added at the center bay of the Randolph elevation. Non-historic lobby ceiling to be removed and replaced.

Non-historic lobby wall panels to be removed and replaced with stone similar to historic finish.

Construction of a new stair from lobby to the basement.

The existing core of seventeen elevators and two stairs to be retained and renovated at all floors.

All existing obsolete mechanical, electrical, plumbing, and fire protection systems will be removed and new code compliant systems installed in addition to upgrades to bring the building into conformance with the City's High Rise ordinance - including all life safety, accessibility and energy code requirements.

New mechanical units will be installed in the current mechanical floors located on the 2nd, 21st, and 31st floors and will not be visible to the public. Additional individual floor systems, where required, will be concealed and located so as not to damage or compromise significant historic fabric.

Sustainable Features:

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

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 basement fitness center and an entrance canopy. Any signage and exterior illumination shall be reviewed and approved by the Commission.

alderman, 36th ward 6934 West Diversey Avenue Chicago, Illinois 60707 ward36cityofch icago.org <http://icago.org>. (773) 745-4636

GILBERT VILLEGAS CITY COUNCIL

City of Chicago

Council Chamber

city hall - 2nd floor 121 North Lasalle street chicago, illinois 60602
Committee Chairman

economic, Capital, and Technology development

Committee Vice Chairman committees and Rules
Committee memberships **zoning, landmarks, and building standards**

budget and government operations
contracting oversight and equality

license and consumer protection
workforce development

aviation

FINANCE

January 27, 2021

To the President and Members of the City Council:

Your Committee on Economic, Capital and Technology Development, for which a meeting was held on Thursday, January 21, 2021, recommends passage of the following item:

SO2020-6250 Support of Class L tax incentive for property(s) at 225 West Randolph St (Illinois Bell Building)

Introduced Date: 12/16/2020

Sponsor(s): Mayor Lightfoot

A recommendation of Do Pass was concurred in a voice vote of all committee members present, with no dissenting votes.

Respectfully Submitted,

Gilbert Villegas, Chairman
Committee on Economic, Capital and Technology Development

Approved

