



Office of the City Clerk

City Hall
121 N. LaSalle St.
Room 107
Chicago, IL 60602
www.chicityclerk.com

Legislation Details (With Text)

File #: O2021-2873
Type: Ordinance **Status:** Passed
File created: 6/25/2021 **In control:** City Council
Final action: 7/21/2021

Title: Support of Class L tax incentive for property(s) at 208 S LaSalle St (former Continental and Commercial National Bank Building)

Sponsors: Lightfoot, Lori E.
Indexes: Class L
Attachments: 1. O2021-2873.pdf

Date	Ver.	Action By	Action	Result
7/21/2021	1	City Council	Passed	Pass
7/13/2021	1	Committee on Economic, Capital and Technology Development		
6/25/2021	1	City Council	Referred	

O I I ! < 1 O I I I I E MAVOR

CITY OF CHICAGO

L. ORI E.. LIGHTFOOT

MAYOR

June 25,2021

TO THE HONORABLE, THE CITY COUNCIL OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request ofthe Commissioner of Planning and Development, 1 transmit herewith ordinances authorizing a favorable tax status for specified properties located in the City.

Your favorable consideration of these ordinances will be appreciated.

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 Real Property Assessment Classification Ordinance, as amended (the "Classification Ordinance"), which establishes the Class L property tax classification to encourage the preservation and rehabilitation of certain historically and architecturally significant buildings, which will enhance the general character of real estate in the county and contribute to the economic well-being of the county by increasing the level of economic activity, increasing employment opportunities and contributing to the long-term growth of the real property tax base; and

WHEREAS, RCP Hotel Owner, LLC, a Delaware limited liability company (the "Owner"), is the owner of a portion of the historic building known as the Continental and Commercial National Bank Building (the "Building") located at 208 South LaSalle Street in Chicago, Illinois, as more precisely described in Exhibit 1 attached hereto and hereby made a part hereof (the land and improvements thereon being herein referred to as the "Project Real Estate"); and

WHEREAS, the City Council of the City (the "City Council") adopted an ordinance on December 12, 2007, designating the area encompassing the Building as a Chicago landmark pursuant to the criteria established in Section 2-120-580, et seq. of the Municipal Code of Chicago, and such designation as a Chicago landmark meets the definition of landmark pursuant to the Classification Ordinance; and

WHEREAS, the Owner proposes to rehabilitate a portion of the Building (floors 18-22) 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 Owner intends to use the Building for commercial purposes after the Project is completed by operating a portion of the Building as a hotel (the "Intended Use"); and

WHEREAS, the Owner intends to renovate a portion of the Building for a new hotel and the rehabilitation work is expected to renovate the exterior and the interior of the Building; 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 Section 1 of the Classification Ordinance); and (2) has undergone Substantial Rehabilitation (as defined in Section 1 of 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 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, Section 2 of 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 Section 1 of 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 Section 1 of 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 Section 1 of the Classification Ordinance); and

WHEREAS, on February 4, 2021, the Landmarks Commission issued a written recommendation of the Project to the City Council and recommended 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 shall require, 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 2 (Sub Exhibit B) and 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 ("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,

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.

2

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 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, 2022. 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 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 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 Economic Disclosure Statement, as defined in the Classification Ordinance, has been received and filed by the City.

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 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 Commissioner.

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 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 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 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 Owner.

SECTION 12. No permit fee waiver(s) pursuant to Section 2-120-815 of the Municipal Code 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. The Owner, and any successors, shall submit to the Committee on Economic, Capital and Technology Development, and the alderman of the ward in which the Project Real Estate is located, an annual report no later than August 1 of each year the Class L incentive is in effect, which shall include: (1) an affidavit detailing the current status of the Project and certification that it meets any obligations or compliance requirements specified in this ordinance; (2) a jobs report providing anonymized information on each employee of the hotel management company and the restaurant management company who work onsite in the Project Real Estate, including their status as full-time or part-time; the ZIP code of the employee's primary residency; the employee's total employment tenure in months; and a statement of whether the employee's wages are in compliance with the minimum wage as specified by Mayoral Executive Order 2014-1 and the Chicago Minimum Wage rate as specified in Chapter 1-24 of the Municipal Code; and (3) any reports, affidavits, or other statements required to be filed with Cook County or the Cook County Assessor for the applicable annual period.

SECTION 14. 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 15. This Ordinance shall be effective from and after its passage and approval.

4

EXHIBIT 1

(Subject to final title and survey) Legal

Description

Parcel 1: NH Parcel 1:

The West 10 feet of Lot 1 and all of Lots 2 to 8 in Subdivision of Block 97 in School Section Addition to Chicago in Section 16, Township 39 North, Range 14, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +27.48 feet above Chicago City Datum and lying above a horizontal plane having an elevation of +13.53 feet above Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the Southeast Corner of Said Tract; thence North 00 degrees 04 minutes 44 seconds West, along the East Line Thereof, 62.57 feet to the point of beginning; thence North 89 degrees 47 minutes 01 seconds West, 16.41 feet; thence South 00 degrees 12 minutes 59 seconds West, 3.34 feet; thence North 89 degrees 47 minutes 01 seconds West, 16.32 feet; thence South 0 degrees 09 minutes 32 seconds West, 2.88 feet; thence North 89 degrees 47 minutes 01 seconds West, 9.67 feet; thence South 00 degrees 09 minutes 32 seconds West, 21.94 feet; thence North 89 degrees 47

minutes 01 seconds West, 14.63 feet; thence North 00 degrees 09 minutes 32 seconds East, 21.94 feet; thence North 89 degrees 47 minutes 01 seconds West, 9.91 feet; thence South 00 degrees 12 minutes 59 seconds West, 2.04 feet; thence North 89 degrees 47 minutes 01 seconds West, 50.77 feet; thence South 00 degrees 09 minutes 32 seconds West, 21.56 feet; thence South 89 degrees 47 minutes 01 seconds East, 18.81 feet; thence South 00 degrees 09 minutes 09 seconds West, 32.75 feet to the South Line of said tract; thence North 89 degrees 46 minutes 50 seconds West, along said South Line 97.04 feet; thence North 00 degrees 09 minutes 32 seconds East, 54.31 feet; thence North 89 degrees 47 minutes 1 seconds West, 59.59 feet; thence North 00 degrees 12 minutes 59 seconds East, 1.21 feet; thence North 89 degrees 47 minutes 01 seconds West, 10.58 feet; thence South 00 degrees 12 minutes 59 seconds West, 7.82 feet; thence North 89 degrees 47 minutes 01 seconds West, 14.53 feet; thence North 00 degrees 12 minutes 59 seconds East, 7.82 feet; thence South 89 degrees 57 minutes 46 seconds West, 43.22 feet to the West Line of said tract; thence North 00 degrees 02 minutes 52 seconds West, 18.18 feet along said West Line; thence South 89 degrees 47 minutes 01 seconds East, 66.39 feet; thence South 00 degrees 12 minutes 59 seconds West, 8.34 feet; thence South 89 degrees 47 minutes 01 seconds East, 177.30 feet; thence North 00 degrees 12 minutes 59 seconds East, 7.00 feet; thence South 89 degrees 47 minutes 01 seconds East, 12.08 feet; thence North 00 degrees 12 minutes 59 seconds East, 16.16 feet; thence South 89 degrees 47 minutes 01 seconds East, 1.52 feet; thence North 00 degrees 12 minutes 59 seconds East, 16.48 feet; thence South 89 degrees 4.7 minutes 01 seconds East, 1.09 feet; thence North 00 degrees 12 minutes 59 seconds East, 26.66 feet; thence South 89 degrees 47 minutes 01 seconds East, 8.82 feet; thence North 0 degrees 12 minutes 59 seconds East, 0.67 feet; thence South 89 degrees 47 minutes 01 seconds East, 7.03 feet; thence South 00 degrees 111 minutes 16 seconds West, 42.26 feet; thence South 89 degrees 45 minutes 44 seconds East, 49.58 feet to the East Line of said tract, thence South 00 degrees 04 minutes 44 seconds East, 27.30 feet to the point of beginning, in Cook County, Illinois.

NH Parcel 2:

The West 10 feet of Lot 1 and all of Lots 2 to 8 in Subdivision of Block 97 in School Section Addition to Chicago in Section 16, Township 39 North, Range 14, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +239.12 feet above Chicago City Datum and lying above a horizontal plane having an elevation of +27.48 feet above Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the Southeast Corner of said Tract; thence North 00 degrees 04 minutes 44 seconds West, along the East Line Thereof, 165.84 feet to the Northeast corner of said Tract; thence North 89 degrees 45 minutes 44 seconds West, along the North Line Thereof, 56.20 feet; thence South 00 degrees 14 minutes 16 seconds West, 34.37 feet to the point of beginning; thence North 89 degrees 47 minutes 01 seconds West, 8.82 feet; thence South 00 degrees 12 minutes 59 seconds West, 22.52 feet; thence South 89 degrees 47 minutes 01 seconds East, 8.82 feet; thence North 00 degrees 12 minutes 59 seconds East, 22.52 feet to the point of beginning, in Cook County, Illinois.

NH Parcel 3:

The West 10 feet of Lot 1 and all of Lots 2 to 8 in Subdivision of Block 97 in School Section Addition to Chicago in Section 16, Township 39 North, Range 14, East of the Third Principal Meridian, lying above a horizontal plane having an elevation of +239.12 feet above Chicago City Datum, in Cook County, Illinois.

Parcel 2:

Non-exclusive easement for the benefit of Grantee Property Owner and its permittees, as defined therein, as created by Easement Agreement and Declaration of Covenants, Conditions and Restrictions dated as of May

6, 2003 and recorded August 14, 2003 as document 0322645090 made by and between Federal Reserve Bank of Chicago, a Federally Chartered Corporation and LaSalle-Adams, L.L.C., a Delaware Limited Liability Company for the benefit of the Grantee Property Owner and its permittees for pedestrian ingress, egress, access and circulation over and upon the premises as described as exhibit "D" attached thereto, as amended by First Amendment recorded July 30, 2012 as document 1221210136 and further amended and relocated by Second Amendment recorded April 16, 2014 as document 1410616039.

Parcel 3:

Non-exclusive easements for the benefit of Parcel 1 as created and described in Sections 3.2, 4.2 and 5.2 of that certain Amended and Restated Reciprocal Easement and Operating Agreement by and between UST Prime III Office Owner, LLC, Ust Prime III Hotel Owner, L.P. And RCP Hotel Owner, LLC recorded as Document No. 1418916002 and rerecorded August 2, 2016 as document 1621522172.

6

Permanent Index Numbers:

17-16-220-018-0000 17-16-220-020-0000 17-16-220-021-0000

Address Commonly known as:

208 S. LaSalle Street Chicago, Illinois 60604

EXHIBIT 2

See attached Commission on Chicago Landmarks Recommendation to the City Council

