



Office of the City Clerk

City Hall
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Room 107
Chicago, IL 60602
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Legislation Text

File #: SO2016-3936, **Version:** 1

SUBSTITUTE 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, certain real estate consisting of an approximately 0.86 acre site is generally located at 111 East Cermak Road in the City as further described on the legal description and indicated on the project site map attached hereto as Exhibit A hereto and hereby made a part hereof (the "Project Site"); and

WHEREAS, Michigan Cermak Indiana, LLC, an Illinois limited liability company along with certain affiliated development entities (collectively herein, the "Applicant"), proposes to construct a new approximately 466 room full service hotel, currently expected to be branded as a three-branded Hilton and including approximately 54,290 square feet of commercial and/or retail uses on the Project Site (the "Project"); and

WHEREAS, the Applicant has submitted that certain Blighting Report and Representative Photos prepared by Laube Consulting Group, LLC and dated October 19, 2015 (the "Blighting Report") to the Department of Planning and Development ("DPD"); and

WHEREAS, the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "TIF Act"), contains certain blighting criteria used for determining the presence of blight in connection with improved property and certain blighting criteria used for determining the presence of blight in connection with vacant property (the "TIF Blight Criteria"); and

WHEREAS, a certain portion of the Project Site consisting of permanent index numbers 17-27-102-001-0000 and 17-27-102-024-0000 is located within the Michigan and Cermak Redevelopment Project Area designated by the City under the TIF Act pursuant to an ordinance published in the Journal of Proceedings of the City Council of the City on September 13, 1989, and extended on November 26, 2013, and such area was determined by the City Council of the City to be blighted under the TIF Act within the last 10 years; and

WHEREAS, a certain portion of the Project Site consisting of permanent index numbers 17-27-102-002-0000 and a portion of 17-27-102-013-0000 of the Project Site is located within the 24th and Michigan Redevelopment Project Area designated by the City under the TIF Act pursuant to an ordinance published in the Journal of Proceedings of the City Council of the City on July 21, 1999, and has been analyzed in the Blighting Report utilizing the TIF Blight Criteria to determine the condition of blight of such portion of the Project Site (the "Designated Portion"); and

WHEREAS, it is anticipated that the City Council of the City will adopt an ordinance (the "Blight Designation Ordinance") which finds, based on the Blighting Report, that the Designated Portion of the Project Site is blighted under the TIF Blight Criteria; and

WHEREAS, the Project will increase employment opportunities, economic activity in the area and growth in the real property tax base; and

WHEREAS, the Applicant has applied to the Office of the Assessor of Cook County, Illinois (the "Assessor") for designation of the Project Site as a Class 7b classification eligible for certain real estate tax incentives; and

WHEREAS, Section 74-65(b) of the Cook County Real Estate Classification Ordinance, as amended, (the "Classification Ordinance"), provides that prior to filing an eligibility application with the Assessor, an applicant for Class 7b classification must obtain an ordinance or resolution from the municipality in which the real estate is located expressly stating that (a) the municipality has determined that eligibility factors (1) through (5) under Section 74-65(a) of the Classification Ordinance are present, and (b) the municipality supports and consents to the Class 7b application to the Assessor; and

WHEREAS, DPD has reviewed the proposed Project, has determined that it meets the necessary eligibility requirements for Class 7b designation, and hereby recommends to City Council that the City expressly determine by ordinance that (a) the required eligibility factors are present, and (b) the City supports and consents to the Class 7b application to the Assessor by the Applicant for the Project; 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. Conditioned upon the adoption by the City Council of the City of the Blight Designation Ordinance, the City hereby determines that:

- A. The Project Site is a blighted area;
- B. Unless corrected, the blighted condition of the Project Site will persist and continue to delay any future economic development of the Project Site; and
- C. The Project Site is therefore in need of development and renewal to prevent the spread of blight.

SECTION 3. The City hereby determines that the Project meets eligibility factor (1) under Section 74-65(a) of the Classification Ordinance in that the Project Site is blighted and is located in an area in need of commercial development.

SECTION 4. The City hereby determines that the Project meets eligibility factor (2) under Section 74-65(a) of the Classification Ordinance in that real estate taxes in the area during the last six years have either declined, remained stagnant and/or potential real estate taxes are not being fully realized due to the depressed condition of the area.

SECTION 5. The City hereby determines that the Project meets eligibility factor (3) under Section 74-65(a) of the Classification Ordinance in that there is a reasonable expectation that the Project is viable and

likely to go forward on a reasonably timely basis if granted Class 7b designation and will therefore result in the economic enhancement of the area.

SECTION 6. The City hereby determines that the Project meets eligibility factor (4) under Section 74-65(a) of the Classification Ordinance in that certification of the Project for

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Class 7b designation will materially assist development, redevelopment or rehabilitation of the area and the Project would not go forward without the full incentive offered under Class 7b.

SECTION 7. The City hereby determines that the Project meets eligibility factor (5) under Section 74-65(a) of the Classification Ordinance in that .certification of the Project for Class 7b designation is reasonably expected to ultimately result in an increase in real property tax revenue and employment opportunities within the area. -

SECTION 8. The City hereby expressly determines that eligibility factors (1) through (5) under Section 74-65(a) of the Classification Ordinance are present forUhe Project, and hereby expressly supports and consents to the Class 7b application of the Applicant to the Assessor for Class 7b designation of the Project and the Project Site. , ""j ; ' ;* |

SECTION 9. The Commissioner of DPD (the "Commissioner")',, or a designee of the Commissioner, are each 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 Applicant with the Assessor for Class 7b designation of the Project.

SECTION 10. This ordinance shall be effective from and after its passage and approval. If the Blight Designation Ordinance is not passed by the City Council of the City on or prior to September 30, 2016, this ordinance shall be deemed to be null and void.

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Pat Dowell Alderman, 3rd
Ward

Exhibit A

Legal Description and Project Site Map LEGAL

DESCRIPTION

Within Michigan/Cermak TIF

Lots 2 and 3 (except the North 4 feet of said Lot 2) in Assessors Division of the West part of Block 4 in Canal Trustees' Subdivision of the West 1/2 of Section 27, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

The South 25 feet of the North 50 feet (except the East 10 feet taken for alley) of the Southwest 1/4 of Block 4 in Canal Trustees' Subdivision of the West 1/2 of Section 27, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

That part of a North-South 20 foot wide public alley lying South of and adjoining the South line of East-22nd Street (Cermak Road) as widened by ordinance passed April 12, 1922, Order of Possession County Court February 2, 1927 General Number 47729; lying West of and adjoining that part of the East 1/2 of Block 4 (except that part taken for 22nd Street and for alley) in Canal Trustee's Subdivision of the West 1/2 of Section 27, Township 39 North, Range 14 East, Recorded September 4, 1848 Ante-Fire and Rerecorded September 24, 1877 as Document Number 151615; Lying East of and adjoining Lots 2, 3 and that part of Lot 4 in Assessor's Division, of other lands and including, the West part of Block 4 in the West 1/2 of Section 27, Township 39 North, Range 14 East, Recorded December 16, 1865 as Document Number 106483, Ante-Fire; and lying North of and adjoining the Westerly Extension of the North line of the South 20 feet of the North 99.58 feet of said East 1/2 of Block 4 (except that part taken for 22nd Street and for alley) in Canal Trustee's Subdivision of the West 1/2 of Section 27, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

PINs: 17-27-102-024-0000 17-27-102-
001-0000

Within 24' Michigan TIF

Lot 5 in Assessor's Division of the North 1/3 of the West Part of Block 4 of the West 1/2 of Section 27, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

The East 1/2 of Block 4 (except that part taken for 22nd Street and for alley) in Canal Trustees' Subdivision of the West 1/2 of Section 27, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PINs: 17-27-102-002-0000

17-27-102-013-0000 (partial)

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Project Site Map:

PROCO JOE MORENO

CITY COUNCIL
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June 22, 2016

To the President and Members of the City Council:

Your committee on Economic, Capital & Technology Development, for which a meeting was held June 14, 2016, having had under consideration four (4) items, including the direct introduction of an ordinance finding that certain portions of a property at 111 E Cermak Road are blighted. This ordinance was introduced by Mayor Emmanuel. This direct ordinance was in relation to the second item on the agenda, which was an ordinance for a Class 7(b) tax incentive for the property located at 111 E Cermak Road. This ordinance was introduced by Alderman Dowell at the May 18, 2016 City Council Meeting. During the Committee meeting, a substitute ordinance for the Class 7 (b) tax incentive for the property located at 111 E Cermak Road was accepted and passed. The third item was a Class 6(b) resolution introduced by Alderman Taliaferro at the May 18, 2016 City Council meeting for the property located 6460 W Cortland. The fourth item on the agenda was a Class 6(b) resolution introduced by Alderman Sposato at the November 18, 2015 City Council meeting for the property located at 4351 N. Normandy Avenue. There was also a substitute ordinance for this committee item. These recommendations were concurred in a voice vote of all committee members present with no dissenting votes.

Proco Joe Moreno, Chairman

Committee on Economic, Capital & Technology Development

Respectfully submitted,