ORDINANCE

WHEREAS, business improvement districts, as defined in the Business Improvement District Law, 65 ILCS 125/1 et seq., as amended from time to time (the "BID Law"), may be established pursuant to the provisions of the BID Law; and

WHEREAS, The Magnificent Mile Association, an Illinois not-for-profit corporation, filed with the City Clerk of the City of Chicago (the "City Clerk") a written petition in accordance with the BID Law (the "Petition") proposing the establishment of a business improvement district within the City of Chicago (the "City") to be known and designated as The Magnificent Mile Business Improvement District (the "District") and the levy of district charges, as defined in the BID Law (the "District Charges") upon assessed property owners, as defined in the BID Law, within the District, which Petition contains a summary of a district plan, as defined in the BID Law, for the District (the "District Plan"); and

WHEREAS, the City Clerk has received the Petition, concluded that such Petition meets the requirements of Section 75 of the BID Law, and submitted such Petition to the City Council of the City (the "City Council") in accordance with the BID Law; and

WHEREAS, a public hearing was held by the Committee on Economic, Capital and Technology Development of the City Council at 12:00 p.m., on November 12, 2026, at the City Hall, 121 North LaSalle Street, 2nd Floor, Chicago, Illinois to consider the establishment of the District and the authorization of the levy of the District Charges in accordance with the BID Law (the "Hearing"), and the Hearing was finally adjourned on [November 12, 2026]; and

WHEREAS, the City Council finds that each item in the District Plan satisfies all applicable legal requirements and that it is in the public interest to establish the District and to authorize the levy of the District Charges for a period of five (5) years within the District for the purposes set forth herein; that the District is contiguous in accordance with the BID Law; and that the activities and improvements, as defined in the BID Law, set forth in the Petition are to be provided in addition to base services, as defined in the BID Law, provided by and to the City generally, and it is, therefore, in the best interests of the City that the District be established and the levy of the District Charges within the District be authorized for the activities and improvements to be provided; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The preambles of this ordinance are hereby incorporated herein as if set out herein in full.

SECTION 2. The District is hereby established. The District Charges are hereby authorized to be levied upon assessed property owners owning real property within the District in amounts sufficient to produce revenues required to provide the activities and improvements specified in the District Plan.

(a) Boundaries of the District. The District shall consist of territory described on Exhibit 1 hereto and hereby incorporated herein. The approximate street location of said territory consists of Michigan Avenue between Oak Street to the north and the northern edge of

the Chicago River to the south, Grand Avenue between Michigan Avenue to the east and State Street to the west, and Chicago Avenue between Michigan Avenue to the east and State Street to the west. To encompass the Chicago Transit Authority Red Line stations at the intersections of Grand Avenue and State Street and Chicago Avenue and State Street, all property index numbers ("PINs") abutting Grand Avenue and Chicago Avenue and PINs on the corners of the west side of State Street are also included in the District boundaries.

(b) Proposed Activities and Improvements and Estimated Amount of Annual Funding Required. The activities and improvements to be provided include, but are not limited to: customer attraction, public way aesthetics, sustainability and public place enhancements, economic/business development, public health and safety programs, and other activities to promote commercial and economic development, all as further described in the District Plan and which will be hereinafter referred to collectively as the "Activities and Improvements." The Activities and Improvements may include new construction or maintenance. Some or all of the proceeds of the District Charges are anticipated to be used by an entity other than the City to provide the Activities and Improvements to the District, which such entity may be a "district management association" or subcontractor thereof as defined in the BID Law. The Activities and Improvements shall be provided in addition to base services provided by and to the City generally. The Activities and Improvements to be conferred upon property owners will be funded by the levy of the District Charges.

The District Charges authorized herein are to be levied in the years 2027 through and including 2031 in annual amounts not to exceed the amounts set forth below. The proposed amount of the District Charges for the Activities and Improvements for the initial year of the District in year 2027 is $1,998,359.85. The estimated amount of approximate annual funding required is set forth below, as further discussed in the District Plan.

Year	Total Annual District Charge
Year One (2027)	$1,998,359.85
Year Two (2028)	$2,058,310.65
Year Three (2029)	$2,120,059.97
Year Four (2030)	$2,183,661.77
Year Five (2031)	$2,249,171.62

(c) Method of Assessment. The District Charges shall be levied on the basis of the estimated benefit to the real property located within the District. The assessment methodology, as set forth in the District Plan, applies a tiered rate to the equalized assessed value ("EAV") of each assessed parcel within the District, with tiers assigned to each such parcel based on the proximity of such parcel to Michigan Avenue. Tier 1 properties (adjacent to Michigan Avenue) are charged at a rate not to exceed ninety-seven thousandths of a percent (0.097%) of EAV, and Tier 2 properties (not adjacent to Michigan Avenue) are charged at a rate not to exceed sixty-four thousandths of a percent (0.064%) of EAV. Following the assignment of tiers, a specialty class is assigned to each PIN that identifies a hotel or commercial multifamily property. Class 1

properties (hotels) are charged at a rate not to exceed forty-six thousandths of a percent (0.046%) of EAV, and Class 2 properties (commercial multifamily) are charged at a rate of zero percent (0%) of EAV. Each PIN assigned to Class 1 or Class 2 is assessed using the applicable specialty class rate rather than the tier rate. All rates set forth herein are subject to a three percent (3%) annual cost-of-living adjustment applied in years two through five of the term of the District. Additional details of the assessment methodology, including the tier and specialty class assignments by PIN and the parcels not subject to assessment, are set forth in the District Plan.

(d) Governance Structure. The governing body of the District shall be the board of directors (the "Board") of The Magnificent Mile Business Improvement District, Inc., an Illinois not-for-profit corporation. The Board shall consist of approximately seven to eleven members. The Board shall adopt bylaws consistent with the BID Law that shall provide for the voting representation of owners whose real property is located within the District. For the initial year of the term of the District, all members serving on the Board shall be property owners, their property-management agents, or tenant designees whose real property is located in the District. After such initial year, at least 25% of the Board shall consist of tenant designees of property owners whose real property is located within the District. Additional governance details are set forth in the District Plan.

(e) Amount of District Charges for the Initial Term. The total amount of the District Charges for the initial term of the District shall not exceed $10,609,563.86.

SECTION 3. The District Plan, as may be modified pursuant to Section 40(a) of the BID Law, including each item set forth in Section 15 of the BID Law, is hereby adopted.

SECTION 4. The county collector of Cook County shall be responsible for administering the District Charges, including the functions of billing, collecting and enforcement, pursuant to Section 20 of the BID Law. The City is hereby authorized to remit the District Charges to the Board for the provision of the Activities and Improvements. The annual report required by Section 65 of the BID Law shall be submitted to the City Council by filing it with the City Clerk, with a copy to the City's Department of Planning and Development, no later than March 31 of each year following the first year of operation of the District.

SECTION 5. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 6. This ordinance shall control over any provision of any other resolution, ordinance, motion or order in conflict with this ordinance, to the extent of such conflict.

SECTION 7. This ordinance shall become effective from its passage and approval.

EXHIBIT 1

Legal Description and Property Index Numbers

See attached pages.