

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, pursuant to an ordinance adopted by the City Council of the City (the "City Council"), the City established "Enterprise Zone Chicago IV" in accordance with the Illinois Enterprise Zone Act, 20 ILCS 665/1 *et seq.*, finding, among other things, that Enterprise Zone Chicago IV is a depressed area; and

WHEREAS, certain real estate generally located at 1931-35 W. Madison Street, Chicago, IL, 60612; 1950-56 and 1830-59 W. Adams Street, Chicago, IL, 60612; 121 S. Damen Avenue, Chicago, IL, 60612; and 1728, 1859, and 1925 W. Monroe Street, Chicago, IL, 60612 in the City, as more precisely described on Exhibit A attached hereto and hereby made a part hereof (the "Project Site"), is located within the boundaries of Enterprise Zone Chicago IV; and

WHEREAS, United Center Joint Venture, an Illinois general partnership (the "Applicant"), proposes to construct a new approximately 800,000 square-foot mixed-use development on the 535,779 square-foot Project Site that will feature hotel, retail, parking, and entertainment uses (the "Project"); and

WHEREAS, the Applicant purchased the Project Site for value; and

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

WHEREAS, the redevelopment objective of the City in connection with the Project Site is to redevelop underutilized properties, attract new businesses and retain and encourage the expansion of existing viable businesses, increase employment opportunities, increase economic activity in the area and growth in the real property tax base; and

WHEREAS, the intended use by the Applicant of the Project Site is to construct a new mixed-use development that will feature hotel, retail, parking, and entertainment uses; and

WHEREAS, Section 74-65(b) of the Cook County Tax Incentive Ordinance, Classification System for Assessment, as amended from time to time (the "County Ordinance"), provides that in connection with filing an eligibility application with the Office of the Assessor of Cook County, Illinois (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, among other things, that (a) the municipality has determined that eligibility factors (1) through (5) under Section 74-65(a) of the County Ordinance are present, and (b) the municipality supports and consents to the Class 7b application to the Assessor; and

WHEREAS, the City's Department of Planning and Development has reviewed the Project and has determined that it meets the necessary eligibility requirements for Class 7b designation, and hereby recommends to the City Council that the City expressly determine, among other things, 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. The City hereby determines that the Project meets eligibility factor (1) under Section 74-65(a) of the County Ordinance in that the Project Site is located in an area in need of commercial development and designated by the City as Enterprise Zone Chicago IV.

SECTION 3. The City hereby determines that the Project meets eligibility factor (2) under Section 74-65(a) of the County 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, and/or the Project Site, or property values as determined by the assessed value ("AV") or equalized assessed value ("EAV") for the Project Site have declined over the last six years, or property values as determined by the AV or EAV are increasing at a rate that is less than the balance of the City's AV or EAV for the last six years; or property values as determined by the AV or EAV for the Project Site are increasing at a rate that is less than Consumer Price Index (CPI) for All Urban Consumers as published by the US Department of Labor for the last six years.

SECTION 4. The City hereby determines that the Project meets eligibility factor (3) under Section 74-65(a) of the County 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 5. The City hereby determines that the Project meets eligibility factor (4) under Section 74-65(a) of the County Ordinance in that certification of the Project for 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 6. The City hereby determines that the Project meets eligibility factor (5) under Section 74-65(a) of the County 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 7. The City hereby expressly determines that eligibility factors (1) through (5) under Section 74-65(a) of the County Ordinance are present for the 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.

SECTION 8. The City has received and filed the Applicant's Economic Disclosure Statement, as defined in the County Ordinance.

SECTION 9. The Commissioner of Planning and Development (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: The Commissioner or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel, to negotiate, execute and deliver a redevelopment agreement between the Applicant and the City substantially in the form attached hereto as Exhibit B and made a part hereof (the "Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement.

SECTION 11. To the extent that any ordinance, resolution, rule, 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 control. If any section, paragraph, clause or provision of this ordinance 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 12. This ordinance shall be effective from and after its passage and approval.