ORDINANCE

WHEREAS, The City of Chicago ("**City**") is a home rule unit of government by virtue of the provisions of the Constitution of the State of Illinois of 1970, and as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The City, through the foreclosure of demolition liens, tax sales and other methods of acquisition, has acquired title to thousands of parcels of vacant land which are costly to clean up and maintain, do not generate property taxes, and are a detriment to the community; and

WHEREAS, The City has traditionally sold much of its land directly to purchasers after receiving property inquiries, a method which is inefficient, labor-intensive and also lacks transparency; and

WHEREAS, In an effort to attract and reach potential buyers and create a more competitive process, the Department of Planning and Development (the "**Department**") created chiblockbuilder.com ("**ChiBlockBuilder**"), a website-based platform for selling vacant City-owned property with predetermined purchase prices and online application materials; and

WHEREAS, City lots sold through ChiBlockBuilder are offered for sale in different categories of use, such as affordable housing, market rate sales, missing middle-density housing, neighborhood side yards, community open space, and urban agriculture; and

WHEREAS, ChiBlockBuilder allows prospective buyers to view a map of available properties and their associated land use categories online, and apply to purchase lots for targeted purposes; and

WHEREAS, The Department retained the services of CBRE Group, Inc. to provide market value assessments of the available City-owned properties based on comparable sales, and these market value assessments are posted on the ChiBlockBuilder website to establish purchase prices for all properties marketed for sale; and

WHEREAS, The Department offered the properties identified on Exhibit A attached hereto (the "**City Lots**") for sale on the ChiBlockBuilder website for community open space, with the goal of attracting residents, non-profit organizations, and businesses to fence and manage vacant property for local neighborhood activities; and

WHEREAS, The Department accepted applications for the City Lots beginning on November 17, 2022, and ending on February 3, 2023 (the "**Application Period**"); and

WHEREAS, A public notice directing prospective applicants to ChiBlockBuilder for listings of City-owned properties for sale during the Application Period was published in the Chicago Tribune on January 20, 2023, January 27, 2023, and February 3, 2023; and

WHEREAS, Eligible buyers of the City Lots had to meet the following qualifications: (1) be residents, non-profit organizations or next-door business owners, (2) submit a site plan, budget, and program for the project, (3) show support from the nearby community for the project, (4) be able to maintain and care for the lot, (5) be able to pay property taxes on the land, and (6) complete projects within one year from closing; and

WHEREAS, The Department evaluated the applications from eligible open space buyers based on the following criteria: the detail and quality of the project description and site plan, the project budget, the impact on next door neighbors and the surrounding community, and proof of support for the project from neighbors, such as letters of support, presentations at community meetings, or consistency with neighborhood plans; and

WHEREAS, The Department selected the buyers for the City Lots identified on Exhibit A (each, a "**Buyer**") for the projects described on Exhibit A; and

WHEREAS, there were no competing proposals; and

WHEREAS, The Department desires to convey each City Lot to the respective Buyer subject to a deed restriction requiring the Buyer to improve the City Lot with an open space project and own the property for a minimum period of five years after closing; and

WHEREAS, The Buyers have agreed to purchase the City Lots for the purchase prices listed on Exhibit A (each, a "**Purchase Price**"), which represent 10% of the market value assessment for the applicable City Lots; now, therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The foregoing recitals, findings and statements of fact are incorporated herein and made a material part of this ordinance.

SECTION 2. The City Council hereby approves the sale of each City Lot in its "as is" condition to the Buyers identified on Exhibit A for the Purchase Prices listed on Exhibit A.

SECTION 3. The Mayor or the Mayor's proxy is authorized to execute, and the City Clerk or the Deputy City Clerk is authorized to attest, quitclaim deeds (each, a "**Deed**") conveying the City Lots to the respective Buyers, or to a land trust of which the Buyer is the sole beneficiary, or to an entity of which the Buyer is the sole controlling party or which is comprised of the same principal parties. Without limiting the quitclaim nature of each Deed, the conveyance of each City Lot shall be subject to the following: the standard exceptions in an ALTA title insurance policy; general real estate taxes and any special assessments or other taxes; easements, encroachments, covenants, restrictions and liens of record and not shown of record; such other title defects as may exist; and any and all exceptions caused by the acts of the Buyer or the Buyer's agents. In addition, the Deed shall include the following terms, covenants and conditions, in substantially the form set forth below, which are a part of the consideration for each City Lot and which shall run with the land and be binding upon and enforceable against the Buyer and the Buyer's heirs, successors and assigns, in perpetuity (unless a shorter period is expressly stated below):

1. **Covenant to Improve City Lot with Open Space Project; Restriction on Conveyance.** Buyer shall (a) improve the City Lot with the open space project described in Buyer's ChiBlockBuilder application and approved by the City's Department of Planning and Development within one (1) year from the date of this Deed; (b) maintain the City Lot in accordance with the provisions of the Municipal Code of Chicago; and (c) not convey, assign, or otherwise transfer the City Lot. These conditions shall run with the land and be in full force and effect for a period of five (5) years from the date of this Deed. If any of these conditions are not met, the City may record a notice of default against the City Lot and shall have the right to exercise any and all remedies available to it at law or in equity, including the right to re-enter the City Lot and revest title in the City. Buyer, at the request of the City, covenants to execute and deliver to the City a reconveyance deed to the City Lot to further evidence such revesting of title. This right of reverter in favor of the City shall terminate five (5) years following the date of this Deed.

2. **Environmental Documents Review**. The City, acting through its Bureau of Environmental, Health and Safety Management in the Department of Fleet and Facility Management ("**Bureau**"), has conducted a limited review ("**Limited Review**") of certain City records and other information ("**Review Documents**") in an effort to identify potential environmental concerns associated with the City Lot. Buyer acknowledges and agrees that Buyer has previously received a summary of the Bureau's Limited Review, and that the City has made all Review Documents available to Buyer for inspection and copying upon request.

3. **Limited Nature of City's Limited Review**. Buyer acknowledges and agrees that the City does not represent or warrant that the Bureau's methodology for or findings from its Limited Review are accurate or complete or that the environmental condition of or risks to the City Lot are consistent with the Bureau's summary of its Limited Review. Buyer acknowledges and agrees that the City did not perform a Phase I Environmental Site Assessment or conduct a thorough environmental investigation of the City Lot, and that the City's review of the Review Documents was limited. Buyer acknowledges and agrees that the Bureau's Limited Review may not have located all City, publicly available, or other documents or information relating to the condition of the City Lot, and that there may be other conditions, uses, and sources or types of contamination affecting the City Lot. Buyer acknowledges and agrees that the City is not obligated to locate all such documentation or information or to perform any environmental investigation or evaluation of the City Lot.

4. **Historic Contamination of Urban Land**. Buyer acknowledges and agrees that properties in urban areas, including Chicago, are frequently impacted by historical conditions and uses that may not be documented in the Review Documents, such as (a) buried demolition debris containing lead-based paint or asbestos, (b) underground heating oil tanks, (c) off-site migration of chemicals from existing or former gas stations, dry cleaners, metal finishing operations, lumber treatment facilities, and other commercial, industrial or manufacturing land uses, (d) illegal dumping, (e) nearby railroad operations, and (f) airborne deposit of lead and other contaminants from historical use of lead gasoline and surrounding industries. Buyer acknowledges receipt of a fact sheet prepared by the United States Environmental Protection Agency

about urban gardening best management practices to prevent or reduce exposure to contaminants that may be present in soils, "*Reusing Potentially Contaminated Landscapes: Growing Gardens in Urban Soils,*" EPA 542/F-10/011 (Spring 2011).

5. **"As Is," "Where Is" and "With All Faults" Conveyance**. Buyer acknowledges and agrees that Buyer has had an opportunity to inspect the City Lot and is relying solely upon Buyer's own inspection and other due diligence activities that Buyer may have conducted in determining whether to acquire the City Lot, and not upon any information provided by or on behalf of the City with respect thereto, including without limitation, the Limited Review, the Review Documents and any summary thereof. Buyer acknowledges and agrees that the City Lot is being conveyed, and Buyer accepts the City Lot, in its "AS IS," "WHERE IS" and "WITH ALL FAULTS" condition without any covenant, representation, or warranty, express or implied, of any kind, regarding the physical or environmental condition of the City Lot or the suitability of the City Lot for any purpose whatsoever. Buyer acknowledges and agrees that Buyer is solely responsible for any investigation and remediation work necessary to put the City Lot in a condition which is suitable for its intended use.

6. **Release of City**. Buyer, on behalf of Buyer and Buyer's heirs, transferees, successors and assigns, and anyone claiming by, through or under any of them, hereby releases, relinquishes and forever discharges Grantor and its officers, employees, agencies, departments, officials, agents, representatives, contractors and consultants, from and against any and all claims, demands, losses, damages, liabilities, costs and expenses (including, without limitation, reasonable attorney's fees and court costs) based upon, arising out of or in any way connected with, directly or indirectly, the environmental or physical condition of the City Lot.

7. **Affordable Housing and Municipal Code Requirements**. Buyer acknowledges and agrees that the sale of City-owned land may trigger Section 2-44-085 of the Municipal Code of Chicago (currently and as hereafter amended, supplemented or replaced, the "**Affordable Requirements Ordinance**"), and therefore, that a future residential project on the City Lot may be subject to the requirements of the Affordable Requirements Ordinance. Buyer also acknowledges and agrees that other provisions of the Municipal Code of Chicago (currently and as hereafter amended, supplemented or replaced) apply to the City Lot and Buyer's use, maintenance, and transfer of the City Lot.

SECTION 4. The Commissioner of the Department ("**Commissioner**"), or a designee of the Commissioner, is each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver such documents as may be necessary or appropriate to carry out and comply with the provisions of this ordinance, with such changes, deletions and insertions as shall be approved by the Commissioner or the Commissioner's designee. Such documents may contain terms and provisions that the Commissioner or the Commissioner's designee deems appropriate, including indemnification, releases, affidavits and other documents as may be reasonably necessary to remove exceptions from title with respect to the City Lot or otherwise may be reasonably necessary or appropriate to consummate the transaction contemplated hereby.

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

SECTION 6. This ordinance shall take effect upon its passage and approval.