

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 on May 17, 2000 by the City Council of the City (the "City Council"), the City established the "Midwest Redevelopment Project Area" in accordance with the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, *et seq.*, finding, among other thing, that the Midwest Redevelopment Project Area is a depressed area; and

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

WHEREAS, certain real estate generally located at 2640-2646 West Madison Street, Chicago, Illinois 60612, as more precisely described on Exhibit A attached hereto and hereby made a part hereof (the "Project Site"), is located within the boundaries of (i) the Midwest Redevelopment Project Area and (ii) Enterprise Zone IV; and

WHEREAS, Axiom Flame LLC, an Illinois limited liability company (the "Applicant"), proposes to rehabilitate the approximately 12,500 square foot Project Site and redevelop it into commercial space including an approximate total of 7,093 square foot production studio, including but not limited to creative office, media production, collaborative workspace, workforce development, event and community programming, and related creative commercial uses (the "Project"); and

WHEREAS, the Applicant has entered into a leasehold agreement for the Project Site with Aeternum Hereditas LLC, a Delaware limited liability company (the "Property Owner"), which purchased the Project Site for value; and

WHEREAS, the Project Site has been abandoned for approximately twenty-seven (27) months; and

WHEREAS, the City's Department of Planning and Development (the "DPD") has determined that the property contains numerous depressed conditions that continue to impede the development of the property, including but not limited to functionally and economically obsolete buildings and site improvements, deteriorated structures, inadequate utilities, excessive site coverage and deleterious land use and layout (the "Special Circumstances") which DPD has determined justify a finding that the Project Site is abandoned for the purpose of the Class 7b designation; 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 redevelop it into commercial space including an approximate total of 7,093 square foot production studio, including but not limited to creative office, media production, collaborative workspace, workforce development, event and community programming, and related creative commercial uses; and

WHEREAS, the Applicant and Property Owner intend to enter into a redevelopment agreement with the City in substantially the form attached hereto as Exhibit B and made a part hereof (the "Redevelopment Agreement"); 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, DPD has reviewed the proposed Project and has determined that it meets the necessary eligibility requirements for Class 7b designation, and hereby recommends to 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 (i) the Midwest Redevelopment Project Area and (ii) Enterprise Zone 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 redevelopment area or 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 redevelopment area/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 hereby determines that the Special Circumstances justify finding that the Project Site is deemed "abandoned" for the purpose of the Class 7b designation.

SECTION 9. The City has received and filed the Applicant's Economic Disclosure Statement, as defined in the County Ordinance.

SECTION 10. The Applicant has provided to the City an affidavit stating that the Applicant will comply with the prevailing wage requirements of Section 74-71(b) of the County Ordinance.

SECTION 11. 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 12. 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 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 13. 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 14. This ordinance shall take effect upon its passage and approval.