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OFFICE OF THE MAYOR
CITY OF CHICAGO

BRANDON JOHNSON
MAYOR

June 21, 2023

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the negotiated sale of a City-owned property located at 5339 to 5345 South State Street.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "Brandon Johnson".

Mayor

ORDINANCE

WHEREAS, the City of Chicago (the "City") is a home rule unit of government under Article VII, Section 6(a) of the Constitution of the State of Illinois, and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, pursuant to ordinances adopted by the City Council of the City (the "City Council") on July 21, 2004, the City Council: (i) approved a certain redevelopment plan and project (the "Redevelopment Plan") for the 47th and State Redevelopment Project Area (the "Redevelopment Area"), pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended, 65 ILCS 5/11-74.4-1 *et seq.* (the "TIF Act"), (ii) designated the Redevelopment Area as a redevelopment project area pursuant to the TIF Act; and (iii) adopted tax increment allocation financing pursuant to the TIF Act as a means of financing certain Redevelopment Area redevelopment project costs (as defined in the TIF Act) incurred pursuant to the Redevelopment Plan; and

WHEREAS, the City owns two (2) vacant parcels of real property located at 5339-5345 South State Street, Chicago, Illinois, which are located in the Redevelopment Area and are legally described in Exhibit A attached hereto (the "Property"); and

WHEREAS, the Property consists of approximately .54 acres and is located in the Washington Park Community Area; and

WHEREAS, the Property has a market value of \$260,000 based on an appraisal dated October 21, 2021; and

WHEREAS, Deeply Rooted Dance Center NFP, an Illinois not-for-profit corporation (the "Grantee"), a subsidiary of Deeply Rooted Productions, Inc., an Illinois not-for-profit corporation (the "Sponsor"), has submitted a proposal to the Department of Planning and Development ("DPD") to purchase the Property for \$1.00 per tax parcel (the "Purchase Price") for the construction of a 2-story dance center with a ground floor lobby, dance studios, back-of-house production spaces, a performance venue, and office, classroom and conference spaces, as further depicted in Exhibit B, to be leased to the Sponsor, and/or other tenants (the "Project"); and

WHEREAS, the Property is contaminated from past uses and Grantee has agreed to complete the remediation necessary to obtain a comprehensive "No Further Remediation" letter from the Illinois Environmental Protection Agency approving the use of the Property for the construction, development, and operation of the Project; and

WHEREAS, the City desires to convey the Property to Grantee for the Purchase Price for the development of the Project; and

WHEREAS, the Project is consistent with the Redevelopment Plan; and

WHEREAS, public notices advertising DPD's intent to sell the Property to Grantee and requesting alternative proposals appeared in the *Chicago Tribune* on February 15, February 21, and March 1, 2023; and

WHEREAS, no other proposals were received by the deadline indicated in the aforesaid notices; and

WHEREAS, by Resolution No. 23-020-21 adopted on May 18, 2023, the Chicago Plan Commission approved the disposition of the Property; and

WHEREAS, by Resolution No. 23-CDC-22 adopted on April 11, 2023, the Community Development Commission recommended the sale of the Property to Grantee if no responsive alternative proposals were received at the conclusion of the advertising period, or, if alternative proposals were received, if DPD determined in its sole discretion that it was in the best interest of the City to proceed with Grantee's proposal; and

WHEREAS, the estimated budget for the Project is \$15,649,518; and

WHEREAS, Sponsor applied for a grant for the construction of the Project from the Chicago Recovery Plan Community Development Grant Program, and received a conditional commitment from DPD in the amount of \$5 million (the "Grant"); and

WHEREAS, as a condition of the Grant, Grantee and Sponsor will be required to enter into a Redevelopment Agreement with DPD (the "Redevelopment Agreement"); now, therefore

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

SECTION 1. The above recitals are expressly incorporated in and made part of this ordinance as though fully set forth herein.

SECTION 2. The sale of the Property to Grantee for the Purchase Price is hereby approved, subject to Grantee's satisfaction of each of the following conditions precedent to closing (unless waived by DPD in its sole discretion):

(a) Grantee and Sponsor must enter into the Redevelopment Agreement; and

(b) Grantee must submit a Phase I Environmental Site Assessment performed and prepared in compliance with the most recent ASTM standard referenced by regulation in the United States Environmental Protection Agency's All Appropriate Inquiries Rule (currently ASTM E-1527-21), dated no more than 180 days prior to the closing.

If Grantee fails to close on the acquisition of the Property in accordance with the timelines set forth in the Redevelopment Agreement, then this ordinance will be rendered null and void and of no further effect, unless the Commissioner of DPD, in the Commissioner's sole discretion, extends the closing date. Grantee shall pay all escrow fees and other title insurance fees and closing costs associated with the conveyance of the Property.

SECTION 3. The Commissioner of DPD, 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 agreements and instruments and take such other actions 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 or otherwise may be reasonably necessary or appropriate to consummate the transaction contemplated hereby.

SECTION 4. The Mayor or the Mayor's proxy is each hereby authorized to execute, and the City Clerk or the Deputy City Clerk is each hereby authorized to attest, a quitclaim deed ("Deed") conveying the Property to Grantee, or to a land trust of which Grantee is the sole beneficiary, or to an entity of which Grantee is the sole controlling party, or to an entity which is comprised of the same principal parties. Without limiting the quitclaim nature of the Deed, the conveyance shall be subject to: (a) the standard exceptions in an ALTA title insurance policy; (b) general real estate taxes and any special assessments or other taxes; (c) all easements, encroachments, covenants and restrictions of record and not shown of record; (d) such other title defects that may exist; and (e) any and all exceptions caused by the acts of Grantee or its agents. In addition, the conveyance shall be subject to the following terms, covenants and conditions which are a part of the consideration for the Property and which shall run with the land and be binding upon and enforceable against Grantee and Grantee's successors and assigns, in perpetuity (unless a shorter period is expressly stated below):

1. Compliance with Redevelopment Agreement. Grantee shall comply with the terms, covenants and conditions set forth in that certain Deeply Rooted Dance Center Redevelopment Agreement by and between the City and Grantee dated of even date herewith, and recorded in the Cook County Clerk's Office, the terms of which are incorporated herein by reference as if fully set forth herein, and which are a part of the consideration for the Property and are to be taken and construed as running with the land for the applicable periods set forth in the Redevelopment Agreement and binding on Grantee and Grantee's successors and assigns.

2. "As Is," "Where Is" and "With All Faults" Conveyance. Grantee acknowledges that Grantee has had an opportunity to inspect the Property, and is relying solely upon Grantee's own inspection and other due diligence activities in determining whether to acquire the Property, and not upon any information provided by or on behalf of the City with respect thereto. Grantee accepts the risk that any inspection may not disclose all material matters affecting the Property (and any improvements thereon). Grantee acknowledges and agrees that the Property is being conveyed, and Grantee accepts the Property, 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 Property (or any improvements thereon), its compliance with any Laws (as defined in Section 3(a) below), or the suitability or merchantability of the Property for any purpose whatsoever. Grantee acknowledges and agrees that Grantee is solely responsible for any investigation and remediation work necessary to put the Property in a condition which is suitable for its intended use.

3. Environmental Requirements. Grantee shall satisfy the following environmental requirements:

(a) Definitions. As used herein, the following terms shall have the following meanings:

"AIS" means the Department of Assets, Information and Services, or any successor department thereto.

"Contaminant" means any of those materials set forth in 415 ILCS 5/3.165 and 35 Ill. Adm. Code Part 742.305, as amended from time to time, that are subject to regulation under any Environmental Laws.

"Environmental Documents" means all reports, surveys, field data, correspondence and analytical results prepared by or for Grantee (or otherwise obtained by Grantee) regarding the condition of the Property or any portion thereof, including, without limitation, the SRP Documents.

"Environmental Laws" means all Laws pertaining to health, safety, Hazardous Substances or Other Regulated Material, or the environment (including, but not limited to, ground, air, water or noise pollution or contamination, and underground or above-ground tanks), now or hereafter in effect, as amended or supplemented from time to time, including, without limitation, the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 *et seq.*; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 *et seq.*, as amended by the Hazardous and Solid Waste Amendments of 1984; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 *et seq.* ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"); the Occupational Safety and Health Act, 29 U.S.C. § 651 *et seq.*; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 *et seq.*; the Clean Air Act, 42 U.S.C. § 7401 *et seq.*; the Illinois Environmental Protection Act, 415 ILCS 5/1 *et seq.*; the Gasoline Storage Act, 430 ILCS 15/0.01 *et seq.*; the Sewage and Waste Control Ordinance of the Metropolitan Water Reclamation District of Greater Chicago; the Municipal Code of the City of Chicago; and all rules, regulations, orders, and decrees now or hereafter promulgated under any of the foregoing Laws, as any of the foregoing Laws now exist or may be changed or amended or come into effect in the future.

"Final Comprehensive Residential NFR Letter" means a final comprehensive residential "No Further Remediation" letter issued by the IEPA approving the use of the Property for the construction, development and operation of the Project in accordance with the site plan approved by the City and the terms and conditions of the SRP Documents, as amended or supplemented from time to time. The Final Comprehensive Residential NFR Letter shall state that the Property meets remediation objectives for residential properties and the construction worker exposure route as set forth in 35 Ill. Adm. Code Part 742, but may be reasonably conditioned upon use and maintenance of engineered barriers and other institutional or engineering controls acceptable to the IEPA.

"Hazardous Substance(s)" has the meaning set forth in 415 ILCS 5/3.215, as amended from time to time.

"IEPA" means the Illinois Environmental Protection Agency, or any successor agency.

"Laws" means any and all applicable federal, state, county, municipal or other laws (including common law), statutes, codes, ordinances, rules, regulations, permits, executive orders or other requirements, now or hereafter in

effect, as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative orders, consent decrees or judgments.

“Losses” means any and all debts, liens (including, without limitation, lien removal and bonding costs), claims, actions, suits, demands, complaints, legal or administrative proceedings, losses, damages, obligations, liabilities, judgments, amounts paid in settlement, arbitration or mediation awards, interest, fines, penalties, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable attorneys’ fees and expenses, consultants’ fees and expenses, costs of investigation, and court costs).

“Other Regulated Material” means any Waste, Contaminant, or any other material, not otherwise specifically listed or designated as a Hazardous Substance, that (a) is or contains: petroleum, including crude oil or any fraction thereof, motor fuel, jet fuel, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixtures of natural gas and such synthetic gas, asbestos, radon, any polychlorinated biphenyl, urea, formaldehyde foam insulation, explosive or radioactive material, materials known to contain per- and polyfluoroalkyl substances, i.e. PFAS, or (b) is a hazard to the environment or to the health or safety of persons.

“RACR” means the Remedial Action Completion Report required by the IEPA in order to receive a Final Comprehensive Residential NFR Letter.

“RAP” means the Remedial Action Plan required by the IEPA in order to receive a Final Comprehensive Residential NFR Letter.

“RAP Approval Letter” means written approval from the IEPA of a RAP in order to obtain a Final Comprehensive Residential NFR Letter.

“Remediation Work” means all investigation, sampling, monitoring, testing, removal, response, disposal, storage, remediation, treatment and other activities necessary to obtain a Final Comprehensive Residential NFR Letter for the Property, or any portion thereof, in accordance with the terms and conditions of the RAP Approval Letter for the Property, or the applicable portion thereof, issued by the IEPA, the SRP Documents, all requirements of the IEPA and all applicable Laws, including, without limitation, all applicable Environmental Laws.

“SRP” means the IEPA’s Site Remediation Program as set forth in Title XVII of the Illinois Environmental Protection Act, 415 ILCS 5/58 et seq., and the regulations promulgated thereunder.

“SRP Documents” means all documents submitted to the IEPA under the SRP program, as amended or supplemented from time to time, including, without limitation, the Comprehensive Site Investigation and Remediation Objectives Report, the RAP, the RACR, and any and all related correspondence, data and other information.

“Waste” means those materials defined in the Illinois Environmental Protection Act, 415 ILCS 5/1 *et seq.* as waste and identified subcategories

thereof, including but not limited to, construction or demolition debris, garbage, household waste, industrial process waste, landfill waste, landscape waste, municipal waste, pollution control waste, potentially infectious medical waste, refuse, or special waste.

(b) Remediation Requirements. Grantee has obtained a Phase I Environmental Site Assessment of the Property dated August 27, 2021, and a follow-up Phase II Environmental Site Assessment dated January 27, 2023. The Phase II Environmental Site Assessment disclosed the presence of contamination exceeding residential remediation objectives as set forth in 35 Ill. Adm. Code Part 742, and Grantee has agreed to enroll the Property (or the applicable portion thereof) in the SRP and take all necessary and proper steps to obtain a RAP Approval Letter. Grantee acknowledges and agrees that it may not commence construction on the Property until the IEPA issues the RAP Approval Letter for the Property. Upon receipt of the RAP Approval Letter, Grantee covenants and agrees to complete all Remediation Work necessary to obtain a Final Comprehensive Residential NFR Letter for the Property. AIS shall have the right to review in advance and approve all documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the SRP Documents and any changes thereto, and Grantee's estimate of the cost to perform the Remediation Work. The City must be named in a reliance letter for all environmental assessments prepared for the Property. Grantee shall bear sole responsibility for all costs of the Remediation Work necessary to obtain the Final Comprehensive Residential NFR Letter, and any other investigative and cleanup costs associated with the Property, including, but not limited to, the removal of pre-existing building foundations, demolition debris, and soil or soil gas not meeting the requirements of 35 Ill. Adm. Code Part 742. In addition, Grantee shall remove and close any identified underground storage tanks ("USTs") in accordance with applicable regulations, including 41 Ill. Adm. Code Part 175, and shall properly address any identified leaking USTs in accordance with 35 Ill. Adm. Code Part 734. Grantee shall promptly transmit to the City copies of all Environmental Documents prepared or received with respect to the Remediation Work, including, without limitation, any written communications delivered to or received from the IEPA or other regulatory agencies. Grantee acknowledges and agrees that it may not seek a certificate of occupancy or otherwise permit occupancy of the Project until the IEPA has issued, AIS has approved (which approval will not be unreasonably withheld), and Grantee has recorded a Final Comprehensive Residential NFR Letter for the Property with the Cook County Clerk's Office. If Grantee fails to obtain the Final Comprehensive Residential NFR Letter within six (6) months of the submission of the RACR to the IEPA, then the City shall have the right to record a notice of default against the Property. Grantee must abide by the terms and conditions of the Final Comprehensive Residential NFR Letter.

(c) Release. Grantee, on behalf of itself and its officers, directors, employees, successors, assigns and anyone claiming by, through or under any of them, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through Grantee following the date of this Deed (collectively, the "Grantee Parties"), hereby releases, relinquishes and forever discharges the City, its officers, agents and employees (collectively, the "City Parties"), from and against any and all Losses which Grantee Parties ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of whatever kind or nature, whether known or unknown, foreseen

or unforeseen, now existing or occurring after the date of the Deed, based upon, arising out of or in any way connected with, directly or indirectly: (i) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Substances, or threatened release, emission or discharge of Hazardous Substances; (ii) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Substances in, on, under or about the Property or the migration of Hazardous Substances from or to other property; (iii) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any governmental or regulatory body response costs, natural resource damages or Losses arising under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 6901 et seq; and (iv) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon. Grantee Parties waive their rights of contribution and subrogation against the City Parties. The covenant of release in this Section 3(c) shall run with the Property, and shall be binding upon all successors and assigns of Grantee with respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through Grantee following the date of this Deed. Grantee acknowledges and agrees that the foregoing covenant of release constitutes a material inducement to the City to convey the Property, and that, but for such release, the City would not have agreed to convey the Property to Grantee. It is expressly agreed and understood by and between Grantee and the City that, should any future obligation of Grantee or Grantee Parties arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, neither Grantee nor any other Grantee Parties shall assert that those obligations must be satisfied in whole or in part by the City, because this covenant contains a full, complete and final release of all such claims

4. Affordable Housing. Grantee acknowledges that the sale of City-owned land may trigger the Affordable Requirements Ordinance, codified at Section 2-44-085 of the Municipal Code of Chicago (as hereafter amended, supplemented or replaced), if such land is later improved with a residential project.

SECTION 5. To the extent that any ordinance, resolution, rule, order, or provision of the Code 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 other provisions of this ordinance.

SECTION 6. This ordinance shall be in full force and effect from and after the date of its passage and approval.

EXHIBIT A

LEGAL DESCRIPTION

(SUBJECT TO FINAL SURVEY AND TITLE COMMITMENT)

PARCEL 1:

LOT 10 IN THE ASSESSORS DIVISION OF THAT PART OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: COMMENCING AT A POINT IN THE WEST LINE OF SAID SOUTHWEST QUARTER 7.50 CHAINS NORTH OF THE SOUTH WEST CORNER THEREOF, THENCE NORTH 7.50 CHAINS THENCE EAST 6.67 CHAINS THENCE SOUTH 7.50 CHAINS THENCE WEST TO POINT OF BEGINNING, IN COOK COUNTY, ILLINIOS

PIN: 20-10-307-012-0000

PARCEL 2:

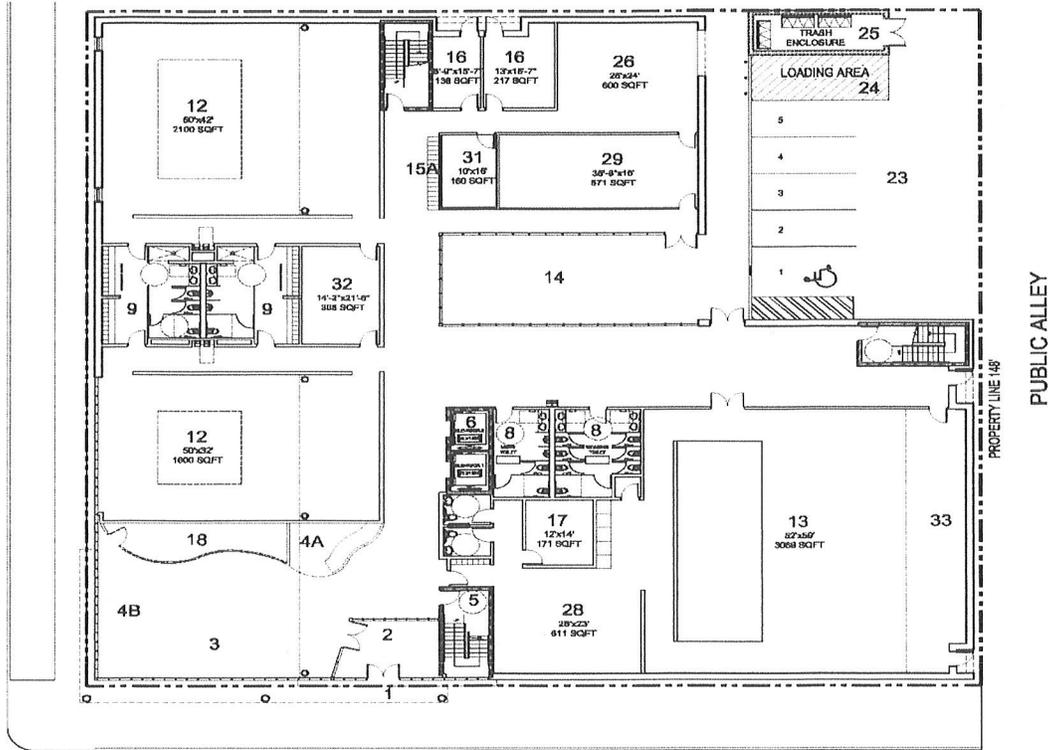
LOTS 1, 2, 3 AND 4 IN THE SUBDIVISION OF LOTS 6 AND 9 IN ASSESSOR'S DIVISION OF THE NORTH 5 ACRES OF THE SOUTH 10 ACRES OF THE WEST ONE-THIRD OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN.

PIN: 20-10-307-013-0000

Commonly Known As: 5339-5345 South State Street, Chicago, IL

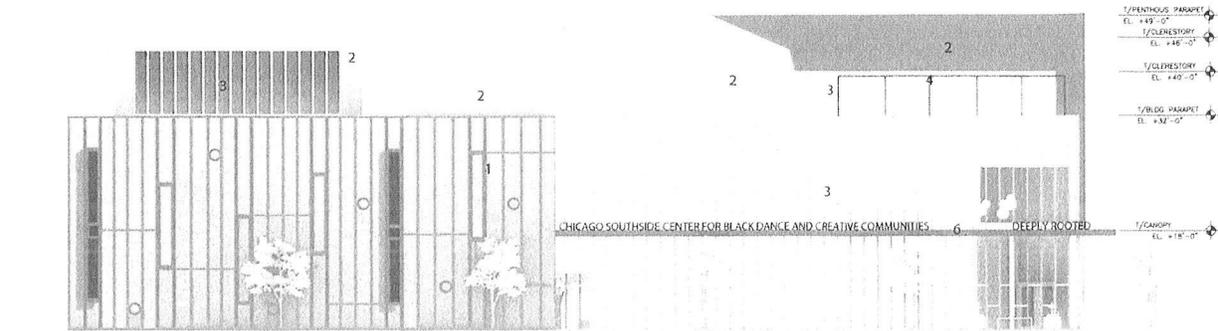
EXHIBIT B
ELEVATIONS
 (ATTACHED)

Site Plan



West Elevation

- 1. PRECAST CONCRETE
- 2. METAL PANEL
- 3. GLASS W/ VARIOUS TRANSPARENCY
- 4. METAL ROOF TRELLIS
- 5. MECH. EQUIPMENT SCREEN WALL
- 6. METAL CANOPY



South Elevation

- 1. PRECAST CONCRETE
- 2. METAL PANEL
- 3. GLASS W/ VARIOUS TRANSPARENCY
- 4. METAL ROOF TRELLIS
- 5. MECH. EQUIPMENT SCREEN WALL
- 6. METAL CANOPY

