

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 ordinances adopted by the City Council (the "City Council") of the City, published in the Journal of the Proceedings of the City Council (the "Journal") for such date identified on Exhibit A attached hereto, and under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4.1 *et seq.*, as amended (the "Act"), the City Council: (i) approved and adopted a redevelopment plan and project (the "Plan") for a portion of the City identified on Exhibit A (the "Redevelopment Area"); (ii) designated the Redevelopment Area as a "redevelopment project area" within the requirements of the Act; and (iii) adopted tax increment allocation financing for the Redevelopment Area (items (i)-(iii), each as amended from time to time, collectively the "TIF Ordinance"); and

WHEREAS, Double Down Development, LLC ("DDD"), an Illinois limited liability company, owns certain real estate generally located at 1050-1052 West Wilson Avenue in the City, as more precisely described on Exhibit B attached hereto and hereby made a part hereof (the "Project Site"), which is located within the boundaries of the Redevelopment Area; and

WHEREAS, the Department of Planning and Development ("DPD") desires to make a grant (the "Grant") to DDD and Double Door Liquors 2.5, LLC ("DDL 2.5"), an Illinois limited liability company (DDD and DDL 2.5 referred to herein collectively as the "Grantee") as named in Exhibit A for the purpose of wholly or partially funding certain costs (the "TIF-Funded Improvements") of the Project described in Exhibit A (the "TIF Project"), in the amount and under the terms and conditions set forth in Exhibit A; and

WHEREAS, a budget for the TIF Project and a description of the TIF-Funded Improvements are each incorporated into Exhibit A; and

WHEREAS, the TIF Project lies wholly within the boundaries of the Redevelopment Area; and

WHEREAS, the Grantee will be obligated to undertake the TIF Project in accordance with the Plan and the terms and conditions set forth in Exhibit A, with the TIF Project to be financed in part by a Grant consisting of certain incremental taxes deposited from time to time in the Special Tax Allocation Fund for the Redevelopment Area (as defined in the TIF Ordinance) pursuant to Section 5/11-74.4-8(b) of the Act; and

WHEREAS, pursuant to Resolution 24-CDC-27 adopted by the Community Development Commission of the City (the "Commission") on July 9, 2024, the Commission has recommended that the Grantee and/or its affiliated entities be designated as the developer for the TIF Project and that DPD be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with Grantee for the TIF Project; and

WHEREAS, DDD proposes to rehabilitate the approximately 15,000 square foot Project Site and redevelop it into commercial space including a venue for live music entertainment and a tuition-free after school program (the "Class 7 Project"); and

WHEREAS, in 2021, DDD filed a Class 7a eligibility application with the Office of the Assessor of Cook County, Illinois (the "Assessor") in connection with the Class 7 Project and Project Site; and

WHEREAS, pursuant to an ordinance (the "7a Ordinance") adopted by the City Council on December 15, 2021 and published in the Journal on such date at pages 42362 to 42395, DDD was granted the Class 7a tax classification status for the Class 7 Project and Project Site; and

WHEREAS, subsequent to the Council's approval of the 7a Ordinance, DDD's estimated budget for the Class 7 Project grew beyond the \$2,000,000 threshold designated by Section 74-63(9) of the County Tax Incentive Ordinance, Classification System for Assessment, as amended from time to time (the "County Ordinance"); and

WHEREAS, the City has determined the appropriate tax classification for the Class 7 Project is now a Class 7b; and

WHEREAS, DDD has filed a Class 7b eligibility application with the Assessor in connection with the Class 7 Project and Project Site; and

WHEREAS, DDD purchased the Project Site for value; and

WHEREAS, the Class 7 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, retain and encourage the expansion of existing viable businesses, increase employment opportunities, increase economic activity in the area, increase growth in the real property tax base, and provide a venue for people to watch live music; and

WHEREAS, the intended use by DDD of the Project Site is to redevelop it into commercial space including a live music venue and a space for tuition-free after school music programs; and

WHEREAS, Section 74-65(b) of the County Ordinance provides that in connection with filing an eligibility application with 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 Class 7 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, (b) the City supports and consents to the repeal of the 7a Ordinance, and (c) the City supports and consents to the Class 7b application to the Assessor by DDD for the Class 7 Project; 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 a part of this ordinance as though fully set forth herein.

SECTION 2. The Grantee is hereby collectively designated as the "Developer" for the TIF Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 3. The Commissioner of DPD (the "Commissioner") and a designee of the Commissioner (collectively, the "Authorized DPD Officer") are each hereby authorized, subject to approval by the City's Corporation Counsel, to negotiate, execute and deliver a redevelopment agreement (the "TIF Redevelopment Agreement") with the Grantee and to execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Grant. The execution of such agreements and instruments and the performance of such acts shall be conclusive evidence of such approval. The Authorized DPD Officer is hereby authorized, subject to the approval of the Corporation Counsel as to form and legality, to negotiate any and all terms and provisions in connection with the Grant which do not substantially modify the terms described in the form of TIF Redevelopment Agreement attached as Exhibit A hereto. Upon the execution and receipt of proper documentation, the Authorized DPD Officer is hereby authorized to disburse the proceeds of the Grant to the Grantee.

SECTION 4. The City hereby repeals the 7a Ordinance.

SECITON 5. The City hereby determines that the Class 7 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 the Wilson Yard Redevelopment Project Area.

SECTION 6. The City hereby determines that the Class 7 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 Redevelopment 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 7. The City hereby determines that the Class 7 Project meets eligibility factor (3) under Section 74-65(a) of the County Ordinance in that there is a reasonable expectation that

the Class 7 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 8. The City hereby determines that the Class 7 Project meets eligibility factor (4) under Section 74-65(a) of the County Ordinance in that certification of the Class 7 Project for Class 7b designation will materially assist development, redevelopment or rehabilitation of the area and the Class 7 Project would not go forward without the full incentive offered under Class 7b.

SECTION 9. The City hereby determines that the Class 7 Project meets eligibility factor (5) under Section 74-65(a) of the County Ordinance in that certification of the Class 7 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 10. The City hereby expressly determines that eligibility factors (1) through (5) under Section 74-65(a) of the County Ordinance are present for the Class 7 Project, and hereby expressly supports and consents to the Class 7b application of DDD to the Assessor for Class 7b designation of the Class 7 Project and the Project Site.

SECTION 11. The City has received and filed DDD's Economic Disclosure Statement, as defined in the County Ordinance.

SECTION 12. The Authorized DPD Officer is 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 DDD with the Assessor for Class 7b designation of the Class 7 Project.

SECTION 13. The Authorized DPD Officer is hereby authorized, with the approval of the City's Corporation Counsel, to negotiate, execute and deliver a redevelopment agreement between DDD and the City substantially in the form attached hereto as Exhibit C and made a part hereof (the "Tax Incentive Classification Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Tax Incentive Classification Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Tax Incentive Classification Redevelopment Agreement.

SECTION 14. 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 15. This ordinance shall be effective as of the date of its passage and approval.