

ORDINANCE

WHEREAS, as a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, the City of Chicago (the "City") has the power to regulate for the protection of the public health, safety, morals and welfare of its inhabitants, and pursuant thereto, has the power to encourage private development in order to enhance the local tax base, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals; and

WHEREAS, to induce redevelopment pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended, the City Council of the City (the "City Council") adopted the following ordinances on May 17, 2000: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Midwest Redevelopment Project Area" as amended pursuant to ordinances adopted on April 14, 2010, May 9, 2012 and December 9, 2015 (as amended, the "Midwest Redevelopment Plan"); (2) "An Ordinance of the City of Chicago, Illinois Designating the Midwest Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act" (the "Midwest Redevelopment Area"); and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Midwest Redevelopment Project Area;" and

WHEREAS, pursuant to an ordinance adopted on October 8, 2014, and published at pages 89048 through 89131 in the Journal of the Proceedings of the City Council (the "Journal") for such date, the City and Sinai Health System, an Illinois not-for-profit corporation ("Developer"), entered into that certain Redevelopment Agreement (the "Agreement"), dated as of August 1, 2015, and recorded in the Office of the Recorder of Deeds of Cook County, Illinois (the "Recorder's Office"), on August 28, 2015, as document no. 152402279, relating to Developer's multi-phase renovation project on multiple parcels of real property which are legally described on Exhibit A attached hereto (the "Original Property"); and

WHEREAS, subsequent to the execution of the Agreement, Developer encountered a number of challenges that have caused changes to the timing and payment schedule of the project. Developer and the City have agreed to an Amendment to the Agreement (the "Agreement Amendment"), attached hereto as Exhibit D, to memorialize adjusting the completion date and payment schedule, among other things; and

WHEREAS, under the Agreement, the City contemplated the conveyance of the real properties commonly known as known as 3100-58 W. Ogden Avenue and 3142 W. 16th Street, Chicago, Illinois, and which are legally described on Exhibit B attached hereto (the "City Property") (the City Property being a part of the Original Property) to the Developer, subject to the passage of an ordinance authorizing the City's conveyance of the City Property; and

WHEREAS, the City Property is located in the Midwest Redevelopment Area; and

WHEREAS, pursuant to an ordinance adopted on February 10, 2016, and published at pages 18408 through 18421 in the Journal for such date (the "2016 Ordinance"), the City conveyed the City Property to Developer pursuant to that certain quitclaim deed dated April 29, 2016, and recorded with the Recorder's Office on May 19, 2016, as document no. 1614041028 (the "City Deed"); and

WHEREAS, pursuant to the 2016 Ordinance, the City Deed contained covenants relating to Developer's rehabilitation and expansion of the existing one-story building on the City Property into a child development center, which was to include eight classrooms, administrative offices, a kitchen, ancillary facilities, outdoor playground equipment, landscaped open space, and a surface parking lot with twenty (20) parking spaces, with a total project cost of approximately \$3,475,940 (the "Gads Hill Project"); and

WHEREAS, the appraised fair market value of the City Property as set forth in the 2016 Ordinance was Two Hundred Fifty-Five Thousand and No/100 Dollars (\$255,000); and

WHEREAS, the City sold the City Property to Developer for the sum of One Dollar (\$1.00); and

WHEREAS, Developer conveyed the City Property to its affiliate, Sinai Community Institute ("SCI"), pursuant to that certain quitclaim deed dated April 29, 2016, and recorded with the Recorder's Office on May 24, 2016, as document no. 1614513031 (the "SCI Deed"); and

WHEREAS, the City Property remains encumbered by the covenants and conditions set forth in the City Deed; and

WHEREAS, Developer and SCI have proposed to amend the City Deed covenants and conditions for the purpose of permitting SCI to convey the City Property to One Lawndale Children's Discovery Center, an Illinois not-for-profit organization ("OLCDC"), which intends to develop a community center on the City Property; and

WHEREAS, the City desires to amend the City Deed covenants and conditions as set forth in the Amended City Deed Covenants described in Exhibit C hereto and, under the Agreement Amendment, release the City Property from the Original Property description, release the Developer and SCI from the obligation to complete the Gads Hill Project, and consent to the sale of the City Property to OLCDC subject to the Amended City Deed Covenants; and

WHEREAS, Developer has represented to the City that it has expended approximately Three Million Six Hundred One Thousand Six Hundred Forty-Six and 87/100s Dollars (\$3,601,646.87) on the Project (the "To Date Project Costs"); and

WHEREAS, SCI has represented to the City that it will sell the City Property to OLCDC for Seven Hundred Sixty Thousand Dollars (\$760,000.00), which is approximately Two Million Eight Hundred Forty-One Thousand Six Hundred Forty-Six and 87/100s Dollars (\$2,841,646.87) less than the To Date Project Costs;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The foregoing recitals are hereby adopted as the findings of the City Council.

SECTION 2. If, subject to the prior written approval of the Commissioner of the City's Department of Planning and Development (the "Commissioner") or the Commissioner's designee,

SCI sells the City Property to OLCDC, an affiliate or wholly owned subsidiary of OLCDC, or an entity with substantially the same management as OLCDC (each such entity, an "Affiliate"), for a dollar amount that is less than To Date Project Costs, then SCI shall not share any of its sales proceeds with the City. If SCI sells the City Property to OLCDC or an Affiliate for a dollar amount in excess of the To Date Project Costs, then SCI shall share the profits with the City in an amount determined by the City's Department of Planning and Development in its sole discretion.

SECTION 3. Subject to the approval of the Corporation Counsel of the City (the "Corporation Counsel"), the Commissioner and the Commissioner's designee are each authorized to execute an amendment (the "Deed Covenants Amendment") to the covenants set forth in the City Deed, which Deed Covenants Amendment shall be substantially in the form set forth in Exhibit C attached hereto.

SECTION 4. Subject to the approval of the Corporation Counsel, the Commissioner and the Commissioner's designee are each authorized to execute the Agreement Amendment, which shall be substantially in the form set forth in Exhibit D attached hereto, and, in furtherance of the Agreement Amendment and the Deed Covenants Amendment, are also authorized to take all actions and enter into all documents necessary to release the City Property from the Agreement, release the Developer and SCI from the obligation to complete the Gads Hill Project, and consent to the sale of the City Property to OLCDC.

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

SECTION 6. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 7. This ordinance shall take effect immediately upon its passage and approval.