

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, the Cook County Board of Commissioners has enacted the Cook County Tax Incentive Ordinance, Classification System for Assessment, as amended from time to time (the "County Ordinance"), which provides for, among other things, real estate tax incentives to property owners who build, rehabilitate, enhance and occupy property which is located within Cook County, Illinois ("Cook County") and which is used primarily for industrial and commercial purposes; and

WHEREAS, one of the real property assessment classifications created under the Classification Ordinance is a Class 8 classification (the "Class 8 Classification"); and

WHEREAS, the purpose of a Class 8 Classification is to encourage industrial and commercial development in severely blighted areas of Cook County; and

WHEREAS, the Assessor designated an area in the Avondale Community Area (Community Area 21) as severely blighted and granted it the Class 8 Classification on July 23, 2015, and such classification was subsequently renewed on July 24, 2020; and

WHEREAS, the City consistent with the County Ordinance, wishes to induce industry to locate and expand in the City by supporting financial incentives in the form of property tax relief; and

WHEREAS, KV 4000 Diversey Commercial LLC, a Delaware limited liability company, KV 4000 Diversey Industrial LLC, a Delaware limited liability company, and KV 4000 Diversey Land LLC, a Delaware limited liability company (collectively, the "Applicant") own certain real estate located generally at 4000 and 4049 West Diversey Avenue, and 4029 and 4141 West George Street, Chicago, Illinois and as further described on Exhibit A hereto (the "Subject Property"); and

WHEREAS, the Subject Property is located in the Community Area 21; and

WHEREAS, the Applicant previously purchased the Subject Property for value, at which time, the Subject Property had been abandoned for at least 12 continuous months; and

WHEREAS, the Applicant constructed and substantially rehabilitated an approximately 313,101 square foot industrial facility located on the Subject Property; and

WHEREAS, the redevelopment objective of the City in connection with the Subject Property is to create an environment that stimulates private investment in the upgrading and expansion of existing industries and the construction of new business and industrial facilities that will create jobs and increase the City's property tax base; and

WHEREAS, Fields Studios LLC, a Delaware limited liability company ("Tenant"), a related entity to the Applicant, leases the Subject Property from the Applicant and operates a

production studio for motion picture and television productions (the "Production Studio") on the Subject Property; and

WHEREAS, it is intended that the Tenant will continue to lease the Subject Property from the Applicant and continue to operate a Production Studio on the Subject Property; and

WHEREAS, the Applicant has filed an eligibility application for a Class 8 tax incentive under the County Ordinance with the Office of the Assessor of Cook County (the "Assessor"); and

WHEREAS, the Subject Property is located within (i) the City of Chicago Enterprise Zone No. 5 (created pursuant to the Illinois Enterprise Zone Act, 20 ILCS 665/1 et seq., as amended, and pursuant to an ordinance enacted by the City Council of the City, as amended), and (ii) the Pulaski Corridor Tax Increment Financing Redevelopment Project Area (created pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended, and pursuant to an ordinance enacted by the City Council of the City), and the purposes of Enterprise Zones and Redevelopment Project Areas are also to provide certain incentives in order to stimulate economic activity and to revitalize depressed areas; and

WHEREAS, it is the responsibility of the Assessor to determine that an application for a Class 8 classification or renewal of a Class 8 classification is eligible pursuant to the County Ordinance; and

WHEREAS, the County Ordinance requires that, in connection with the filing of a Class 8 eligibility application with the Assessor, the applicant must obtain from the municipality in which such real estate that is proposed for Class 8 classification is located an ordinance expressly stating, among other things, that the municipality has determined that the incentive provided by the Class 8 classification is necessary for development to occur on such real estate and that the municipality supports and consents to the Class 8 classification by the Assessor; and

WHEREAS, the intended use of the Subject Property will provide significant present and future employment; and

WHEREAS, notwithstanding the Class 8 classification of the Subject Property, the redevelopment and utilization thereof will generate significant new revenues to the City in the form of additional real estate taxes and other tax revenues; 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 incentive provided by the Class 8 classification is necessary for the development to occur on the Subject Property.

SECTION 3: The City supports and consents to the Class 8 classification by the Assessor with respect to the Subject Property.

SECTION 4: The Economic Disclosure Statement, as defined in the County Ordinance, has been received and filed by the City.

SECTION 5: The Clerk of the City of Chicago is authorized to and shall send a certified copy of this ordinance to the Assessor, and a certified copy of this ordinance may be included with the Class 8 eligibility application filed with the Assessor by the Applicant, as applicant, in accordance with the County Ordinance.

SECTION 6: The Commissioner of Planning and Development (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 a redevelopment agreement between the Applicant and the City substantially in the form attached hereto as Exhibit B and made a part hereof (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 7: This ordinance shall take effect upon its passage and approval.