

ORDINANCE

WHEREAS, by virtue of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois (the “**State**”), the City of Chicago (the “**City**”) is a home rule unit of government and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City has determined that the continuance of a shortage of affordable rental housing is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, as a home rule unit and pursuant to the Constitution, the City is authorized and empowered to issue multi-family housing revenue bonds for the purpose of financing costs of the acquisition, construction, renovation, rehabilitation, development, and equipping of affordable multi-family housing facilities for low- and moderate-income families located in the City; and

WHEREAS, by this ordinance, the City Council of the City (the “**City Council**”) has determined that it is necessary and in the best interests of the City to provide financing to (i) 208 LaSalle Affordable LP, an Illinois limited partnership (the “**Affordable Borrower**”), the general partner of which is 208 LaSalle AH GP, LLC, an Illinois limited liability company (the “**Affordable General Partner**”), whose indirect owners are affiliated entities of The Prime Group, Inc., an Illinois corporation (“**The Prime Group**”), and (ii) 208 LaSalle Market Landlord, LLC, an Illinois limited liability company (the “**Market Rate Borrower**”), the managing member of which is 208 LaSalle Residences, LLC, an Illinois limited liability company (the “**Market Rate Managing Member**”) whose indirect owners are affiliated entities of The Prime Group, (the Affordable Borrower and the Market Rate Borrower being collectively referred to as the “**Borrowers**”); and

WHEREAS, the City proposes to assist the Borrowers in financing a portion of the costs of acquiring, constructing, rehabilitating and equipping of a portion of the existing building located at 208 S. LaSalle Street, Chicago, Illinois, as more particularly described in Exhibit F hereto (the “**Project Site**”), in a vertical separation comprising a portion of the ground floor and portions of floors 13 through 16, in order to create (i) approximately 51-units of affordable residential rental housing therein to be owned by the Affordable Borrower and which units are expected to be leased to individuals or families whose annual income does not exceed 80% of Chicago-area median income, of which at least 40% of such units are expected to be leased to individuals or families whose annual income does not exceed 60% of Chicago-area median income (the “**Affordable Units**” and, together with an allocable share of certain residential amenities, the “**Affordable Project**”), and (ii) approximately 117-units of market rate residential rental housing therein to be owned by the Market Rate Borrower (the “**Market Rate Units**” and, together with an allocable share of the residential amenities, the “**Market Rate Project**”) (the Affordable Project and the Market Rate Project being referred to collectively, as the “**Project**”); and

WHEREAS, the portion of the Project Site on which the Affordable Project will be situated shall be known as the “**Affordable Property**” and the portion of Project Site on which the Market Rate Project will be-situated shall be known as the “**Market Rate Property**”; and

WHEREAS, the Market Rate Units will be leased by the Market Rate Borrower to 208 LaSalle Market Master Tenant, LP, an Illinois limited partnership, whose general partner is 208 LaSalle Residences Master Tenant GP, LLC, an Illinois limited liability company, whose sole member is 208 LaSalle Owner, LLC, an Illinois limited liability company ("**208 LaSalle Owner**"); and

WHEREAS, the Project Site will also be subdivided into a hotel portion and a retail portion which will be owned by separate entities and will not be the subject of the financings described in this ordinance; and

WHEREAS, the Borrowers desire to (i) acquire the Project Site and (ii) obtain financing from the City for the purpose of financing a portion of the costs of acquisition, construction, renovation, rehabilitation and equipping of the Affordable Project and to pay a portion of the costs of issuance and other costs incurred in connection therewith; and

WHEREAS, by this ordinance, the City Council has determined that it is necessary and in the best interests of the City to issue its Multifamily Housing Revenue Bonds (208 S. LaSalle Project), Series 2025 (the "**Bonds**") to finance costs of the Affordable Project (which shall be special limited obligations of the City); and

WHEREAS, in connection with the issuance of the Bonds, the City Council has determined by this ordinance that it is necessary and in the best interests of the City to enter into (i) a Bond Indenture (the "**Bond Indenture**") between the City and a trustee (the "**Bond Trustee**") to be selected by the Chief Financial Officer, providing for the security for and terms and conditions of the Bonds to be issued; (ii) a Loan Agreement (the "**Loan Agreement**") among the City, the Bond Trustee, and the Affordable Borrower providing for the use of the proceeds of the Bonds to make a loan to the Affordable Borrower, the proceeds of which will finance a portion of the costs of the Affordable Project; (iii) a Bond Purchase Agreement (the "**Bond Purchase Agreement**" among the City, the Affordable Borrower and Stifel, Nicolaus & Company, Incorporated (together with any additional or substitute underwriters for the Bonds, the "**Underwriter**") providing for the sale of the Bonds and the preparation and circulation, if necessary, of a preliminary official statement for the Bonds or, alternatively, another type of disclosure document prepared in connection with the offer and sale of the Bonds (in either case, a "**Preliminary Official Statement**") and a final official statement or alternative disclosure document prepared in connection with the offer and sale of the Bonds (the "**Official Statement**"); and (iv) an arbitrage certificate, tax regulatory agreement and/or tax certificate (a "**Tax Agreement**") between the City and the Affordable Borrower; and

WHEREAS, the principal and interest on the Bonds will be secured by, among other things, Eligible Funds (as defined in the Bond Indenture), which, in the aggregate, will not exceed the amount set forth in the Bond Indenture; and

WHEREAS, in connection with the issuance of the Bonds and the financing of the Affordable Project with the proceeds thereof, the City Council has determined by this ordinance that it is necessary and in the best interests of the City to enter into a Land Use Restriction Agreement between the City and the Affordable Borrower (the "**Land Use Restriction Agreement**"); and

WHEREAS, the Bonds and the obligation to pay interest thereon do not now and shall never constitute an indebtedness of or an obligation of the City, the State of Illinois (the "**State**") or any political subdivision thereof, within the purview of any Constitutional limitation or statutory provision, or a charge against the general credit or taxing powers of any of them. No owner of the Bonds shall have the right to compel the taxing power of the City, the State or any political subdivision thereof to pay any principal installment of, prepayment premium, if any, or interest on the Bonds; and

WHEREAS, pursuant to ordinances adopted by the City Council on November 15, 2006 and published at pages 92019 to 92114 of the Journal of the Proceedings of the City Council (the "**Journal**") for such date (as amended, the "**TIF Ordinances**"), 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 a redevelopment plan and project (the "**Original Plan**") for a portion of the City known as the "LaSalle Central Redevelopment Project Area" (the "**Area**") (the "**Original Plan Ordinance**"); (ii) designated the Area as a "redevelopment project area" within the requirements of the Act; and (iii) adopted tax increment financing for the Area; and

WHEREAS, the Original Plan Ordinance was amended on February 7, 2007 and published at pages 97850 to 97855 of the Journal ("**Amendment No. 1**"); and on May 9, 2007 and published at pages 104253 to 104259 of the Journal ("**Amendment No. 2**"), and published in the Journal for such respective dates; and

WHEREAS, the Original Plan as amended by Amendment No. 1 and Amendment No. 2 is hereinafter referred to as the "**Plan**"; and

WHEREAS, the Project is necessary for the redevelopment of the Area; and

WHEREAS, pursuant to Resolution 24-CDC-26 adopted by the Community Development Commission of the City (the "**Commission**") on June 11, 2024, the Commission has recommended that 208 LaSalle Owner (and the related entities ultimately formed and referenced in the following paragraph), be designated as the Developer (as hereinafter defined) for the Project described herein, and that the City be authorized to negotiate, execute and deliver a redevelopment agreement with the Developer; and

WHEREAS, the Affordable Borrower, the Market Rate Borrower and LaSalle Development Partners NFP, an Illinois not-for-profit corporation (the "**LaSalle NFP**"), or a to-be-formed entity of which LaSalle NFP is the sole member (the "**TIF Recipient Entity**" and, together with the Affordable Borrower and the Market Rate Borrower, the "**Developer**") will be obligated to undertake the Project in accordance with the Plan and the terms and conditions of a proposed redevelopment agreement (the "**Redevelopment Agreement**") to be executed by the Developer and the City, with the Project to be financed in part by certain pledged incremental taxes deposited from time to time in the Special Tax Allocation Fund for the Area (the "**TIF Fund**") pursuant to Section 5/11-74.4-8(b) of the Act (the "**Incremental Taxes**"); and

WHEREAS, there has been presented to this meeting of the City Council forms of the following documents in connection with the Bonds:

(a) the form of Bond Indenture, which includes a form of the Bonds to be issued by the City (attached as **Exhibit B** hereto); and

(b) the form of Loan Agreement (attached as **Exhibit C** hereto); and

(c) the form of Land Use Restriction Agreement (attached as **Exhibit D** hereto); and

WHEREAS, the Borrowers now desire to obtain financing from various sources including, but not limited to, the proceeds from the sale of the Bonds loaned to the Affordable Borrower, all such financing as described in **Exhibits A-1 and A-2**; now therefore,

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

SECTION 1. Incorporation of Recitals. The recitals contained in the preambles to this ordinance are hereby incorporated into this ordinance by this reference.

SECTION 2. Findings and Determinations. The City Council hereby finds and determines that the delegations of authority that are contained in this ordinance, including the authority to make the specific determinations described herein, are necessary and desirable. Thus, authority is granted to the Chief Financial Officer or the City Comptroller (each such officer being referred to herein as the "**Authorized Officer**") to determine to sell the Bonds on such terms as and to the extent such officer determines that such sale or sales is desirable and in the best financial interest of the City. Any such designation and determination by the Authorized Officer shall be signed in writing by the Authorized Officer and filed with the City Clerk and shall remain in full force and effect for all purposes of this ordinance unless and until revoked, such revocation to be signed in writing by the Authorized Officer and filed with the City Clerk.

SECTION 3. Authorization of Bonds. Upon the approval and availability of the additional financing as shown in **Exhibit A-1** (with respect to the Affordable Project) and **Exhibit A-2** (with respect to the Market Rate Project) (the "**Additional Financing**"), the issuance of the Bonds in an aggregate principal amount of not to exceed Twenty-Five Million Dollars (\$25,000,000) is hereby authorized.

The Bonds shall contain a provision that they are issued under authority of this ordinance. The Bonds shall not mature later than seven (7) years after the date of issuance thereof. The Bonds shall bear interest at a rate or rates not to exceed seven and one-half percent (7.50%) per annum, payable on the interest payment dates as set forth in the Bond Indenture. The Bonds shall be dated, shall be subject to redemption and/or tender prior to maturity, shall be payable in such places and in such manner and shall have such other details and provisions as prescribed by the Bond Indenture and the form of the Bonds therein.

The provisions for execution, signatures, authentication, payment and prepayment, with respect to the Bonds shall be as set forth in the Bond Indenture and the form of the Bonds therein.

The Authorized Officer is hereby authorized to execute and deliver the Bond Indenture on behalf of the City, such Bond Indenture to be in substantially the form attached hereto as **Exhibit B** and made a part hereof and hereby approved with such changes therein as shall be approved

by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval of any changes or revisions from the form of the Bond Indenture attached to this ordinance.

The Authorized Officer is hereby authorized to execute and deliver the Loan Agreement on behalf of the City, such Loan Agreement to be in substantially the form attached hereto as **Exhibit C** and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval of any changes or revisions from the form of the Loan Agreement attached to this ordinance.

The Authorized Officer is hereby authorized to execute and deliver the Land Use Restriction Agreement on behalf of the City, such Land Use Restriction Agreement to be in substantially the form attached hereto as **Exhibit D** and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval of any changes or revisions from the form of the Land Use Restriction Agreement attached to this ordinance.

The Authorized Officer is hereby authorized to execute and deliver a Tax Agreement on behalf of the City, in substantially the form of tax regulatory agreements used in previous issuances of tax-exempt bonds pursuant to programs similar to the Bonds, with appropriate revisions to reflect the terms and provisions of the Bonds and the applicable provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), and the regulations promulgated thereunder, and with such other revisions in text as the Authorized Officer executing the same shall determine are necessary or desirable in connection with the exclusion from gross income for federal income tax purposes of interest on the Bonds.

The City Clerk or the Deputy City Clerk is hereby authorized to attest the signature of the Authorized Officer to any document referenced herein and to affix the seal of the City to any such document.

SECTION 4. Security for the Bonds. The Bonds shall be limited obligations of the City, payable solely from (i) all right, title and interest of the City in and to all revenues, derived or to be derived by the City under the terms of the Bond Indenture and the Loan Agreement (other than certain reserved rights of the City); (ii) the proceeds of the Bonds and income from the temporary investment thereof, as provided in the Bond Indenture; and (iii) all funds, monies and securities and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Bonds by the City or by anyone on its behalf. In order to secure the payment of the principal of, premium, if any, and interest on the Bonds, such rights, proceeds and investment income are hereby pledged to the extent and for the purposes as provided in the Bond Indenture and are hereby appropriated for the purposes set forth in the Bond Indenture. The Bond Indenture shall set forth such covenants with respect to the application of such rights, proceeds and investment income as shall be deemed necessary by the Authorized Officer in connection with the sale of the Bonds.

SECTION 5. Sale and Delivery of Bonds. The Bonds shall be sold and delivered to, or upon the direction of, the Underwriter to be selected by the Authorized Officer, subject to the terms and conditions of the Bond Purchase Agreement. The Authorized Officer is authorized to execute and deliver on behalf of the City, with the concurrence of the Chairman of the Committee on Finance of the City Council, the Bond Purchase Agreement in substantially the form of bond purchase agreements used in previous sales of bonds pursuant to programs similar to the Bonds, with appropriate revisions to reflect the terms and provisions of the Bonds and which may include the fact that the Bonds may be sold to certain institutional investors at a premium or discount, and with such other revisions in text as the Authorized Officer shall determine are necessary or desirable in connection with the sale of the Bonds. The distribution of the Preliminary Official Statement and the Official Statement to prospective purchasers of the Bonds and the use thereof by the Underwriter in connection with the offering and sale of the Bonds are hereby authorized, provided that the City shall not be responsible for the content of the Preliminary Official Statement or the Official Statement except as specifically provided in the Bond Purchase Agreement, and provided further that, if the Bonds are sold directly to institutional investors, the City may forgo the use of a Preliminary Official Statement or Official Statement, but only if such institutional investors execute and deliver to the City "sophisticated investor" letters satisfactory to the Authorized Officer. The compensation paid to the Underwriter in connection with the sale of the Bonds shall not exceed three-quarters of one percent (0.75%) of the aggregate principal purchase price of the Bonds, exclusive of legal costs in connection therewith. In connection with the offer and delivery of the Bonds, the Authorized Officer, and such other officers of the City as may be necessary, are authorized to execute and deliver such instruments and documents as may be necessary to implement the transaction and to effect the issuance and delivery of the Bonds. Any limitation on the amount of Bonds issued pursuant to this ordinance as set forth herein shall be exclusive of any original issue discount or premium.

SECTION 6. Notification of Sale. Subsequent to the sale of the Bonds, the Authorized Officer shall file in the Office of the City Clerk a Notification of Sale for the Bonds directed to the City Council setting forth (i) the aggregate original principal amount of, sale price, maturity schedule, redemption provisions for and nature of the Bonds sold, (ii) the extent of any tender rights to be granted to the holders of the Bonds, (iii) the identity of the Bond Trustee, (iv) the interest rates on the Bonds, (v) the identity of the Underwriter, and (vi) the compensation paid to the Underwriter in connection with such sale. There shall be attached to such notification the final form of the Bond Indenture.

SECTION 7. Use of Proceeds. The proceeds from the sale of the Bonds shall be deposited as provided in the Bond Indenture and used for the purposes set forth in the fifth paragraph of the recitals of this ordinance.

SECTION 8. Additional Authorization. The Mayor, the Authorized Officer, the City Treasurer and, upon the approval and availability of the Additional Financing, the City's Commissioner of Planning and Development or a designee or successor thereof (the "Authorized DPD Officer") and the City's Commissioner of Housing or a designee or successor thereof (the "Authorized DOH Officer") are each hereby authorized to execute and deliver and the City Clerk and the Deputy City Clerk are each hereby authorized to enter into, execute and deliver such other documents and agreements and perform such other acts as may be necessary or desirable in connection with the Bonds, including, but not limited to,

the exercise following the delivery date of the Bonds of any power or authority delegated to such official under this ordinance with respect to the Bonds upon original issuance, but subject to any limitations on or restrictions of such power or authority as herein set forth.

SECTION 9. Proxies. The Mayor and the Authorized Officer may each designate another to act as their respective proxy and to affix their respective signatures to each of the Bonds, whether in temporary or definitive form, and to any other instrument, certificate or document required to be signed by the Mayor or the Authorized Officer pursuant to this ordinance or the Bond Indenture. In each case, each shall send to the City Council written notice of the person so designated by each, such notice stating the name of the person so selected and identifying the instruments, certificates and documents which such person shall be authorized to sign as proxy for the Mayor and the Authorized Officer, respectively. A written signature of the Mayor or the Authorized Officer, respectively, executed by the person so designated underneath, shall be attached to each notice. Each notice, with signatures attached, shall be recorded in the Journal and filed with the City Clerk. When the signature of the Mayor is placed on an instrument, certificate or document at the direction of the Mayor in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Mayor in person. When the signature of the Authorized Officer is so affixed to an instrument, certificate or document at the direction of the Authorized Officer in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Authorized Officer in person.

SECTION 10. Volume Cap. The Bonds are obligations taken into account under Section 146 of the Code in the allocation of the City's volume cap.

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

SECTION 12. Public Hearing; Public Approval. The City Council directs that the Bonds shall not be issued unless and until the requirements of Section 147(f) of the Code, including particularly the approval requirement following any required public hearing, have been fully satisfied. To the extent that the hearing and notice requirements of Section 147(f) of the Code have occurred prior to the passage of this ordinance, this ordinance constitutes approval for purposes of Section 147(f) of the Code. All such actions taken prior to the enactment of this ordinance are ratified and confirmed.

SECTION 13. Authorization of Fees and Expenses. Subject only to any maximum limits which may be imposed by the Code in order to preserve the tax exemption of the Bonds and subject to approval by the Department of Housing, the following fees and expenses are hereby authorized in connection with the Bonds: (i) an Issuer Fee in an amount equal to 1.5 percent of the par amount of the Bonds, payable to the City on the date of issuance of the Bonds, (ii) a Bond Legal Reserve Fee in the amount of 0.1 percent of the par amount of the Bonds, payable to the City on the date of issuance of the Bonds (such fee to be used to pay for other legal and other fees incurred by the City in connection with private activity bonds issued by the City), and (iii) a City Administrative Fee in an amount equal to 0.15 percent of the outstanding principal of the Bonds, accruing monthly but payable to the City on a semi-annual basis.

SECTION 14. Authorization of Redevelopment Agreement. Upon the approval and availability of the Additional Financing, the Authorized DPD Officer is each hereby authorized, with the approval of the City's Corporation Counsel, to negotiate, execute and deliver the Redevelopment Agreement between the Developer and the City in connection with payment of the Redevelopment Project Costs (as defined in the Redevelopment Agreement) with the tax increment financing ("TIF") funds, substantially in the form attached hereto as **Exhibit E** and made a part hereof, 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, with such execution to constitute conclusive evidence of the Authorized DPD Officer's approval of any changes or revisions from the form of Redevelopment Agreement attached to this Ordinance.

SECTION 15. Payment of Incremental Taxes. The City Council hereby finds that the City is authorized to pay an aggregate amount not exceeding \$26,000,000 ("**City Funds**") from Incremental Taxes deposited in the general account of the TIF Fund, to the TIF Recipient Entity to finance a portion of costs included within the Project and eligible under the Act, including securing any portion of the Additional Financing. The proceeds of the City Funds are hereby appropriated for the purposes set forth in this Section 15.

SECTION 16. Maintenance and Use of TIF Fund. Pursuant to the TIF Ordinances, the City has created the TIF Fund. The Authorized Officer (or his or her designee) is hereby directed to maintain the TIF Fund as a segregated interest-bearing account, separate and apart from the City's Corporate Fund or any other fund of the City. Pursuant to the TIF Ordinances, all Incremental Taxes received by the City for the Area shall be deposited into the TIF Fund. The City shall use the funds in the TIF Fund to make payments pursuant to the terms of the Redevelopment Agreement.

SECTION 17. Separability. 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 remaining provisions of this ordinance.

SECTION 18. Inconsistent Provisions. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 19. No Impairment. No provision of the Municipal Code of Chicago (the "**Municipal Code**") or violation of any provision of the Municipal Code shall be deemed to impair the validity of this ordinance or the instruments authorized by this ordinance or to render any agreement or instrument authorized hereby voidable at the option of the City or to impair the rights of the owners of the Bonds to receive payment of the principal of, premium, if any, or interest on the Bonds or to impair the security for the Bonds; provided further, however, that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for any violation of any provision under the Municipal Code.

SECTION 20. Affordable Housing. The Affordable Project shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code.

SECTION 21. Effective Date. This ordinance shall be in full force and effect immediately upon its passage and approval.

Exhibits "A," "B," "C," "D," "E" and "F" referred to in this ordinance read as follows: