

ORDINANCE NO. 003-49

AN ORDINANCE AUTHORIZING A
GROUND LEASE FOR CERTAIN CTA
GREEN LINE RIGHT-OF-WAY
PROPERTY, LOCATED ON THE NORTH
SIDE OF EAST PERSHING ROAD, EAST
OF SOUTH STATE STREET, CHICAGO,
ILLINOIS

WHEREAS, The Chicago Transit Authority ("Authority") owns certain vacant right-of-way property along the Green Line located on the north side of East Pershing Road, east of South State Street, Chicago, Illinois ("Property"); and

WHEREAS, The Authority's Property is an irregularly shaped parcel of property with 31 feet of frontage on East Pershing Road, includes 7,755 square feet, and is legally described on Exhibit A and depicted on Exhibit B; and

WHEREAS, The City of Chicago is currently working on a Redevelopment Agreement for a five-story, eighty-unit affordable rental apartment building with Pershing and State, L.P., an Illinois limited partnership ("Developer"), owner of property at the northeast corner of East Pershing Road and South State Street, Chicago, Illinois ("Affordable Housing Development"); and

WHEREAS, One third of the rental units at the Affordable Housing Development will be leased to the Chicago Housing Authority for use as public housing replacement units; and

WHEREAS, The Affordable Housing Development is located immediately adjacent to the Authority's Property; and

WHEREAS, In conjunction with the Affordable Housing Development, the Developer has requested use of the Authority's Property for vehicular parking purposes to comply with City Planning and Zoning regulations; and

WHEREAS, Staff has negotiated a long-term ground lease with the Developer which would permit use of the Authority's Property for vehicular parking and driveway purposes, and would also permit the Developer to aesthetically improve the Property by landscaping and fencing the premises; and

WHEREAS, The ground lease shall extend for a term of thirty-five (35) years, with two successive fifteen-year option terms at Developer's option with the Authority's consent, for the initial annual rental fee of six thousand dollars (\$6,000.00), subject to increase each year based on increases in the Consumer Price Index and further subject to reappraisal during year 20 of the Lease and for each option term; and

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WHEREAS, The ground lease will also permit the Authority 24-hour access to the Property for operations and maintenance and may be terminated by the Authority on one hundred eighty days' notice for transportation or operational purposes or for safety reasons; and

WHEREAS, The Developer will be responsible to provide the Authority with appropriate insurance coverage and indemnification during the term of the ground lease; and

WHEREAS, Engineering, Operations, Maintenance and Safety staff have reviewed this request and confirmed that the proposed lease would not impact Authority operations; and

WHEREAS, The Authority desires to support affordable housing projects which do not impact Authority operations; and

WHEREAS, Section 54.3-5 of the Regulations Governing Purchase and Sales Transactions provides for the award of contracts in those situations where the Transit Board determines that competitive bidding would be disadvantageous; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. That the Chicago Transit Board of the Chicago Transit Authority hereby declares that competitive bidding for the lease of certain Authority Green Line right-of-way property located on the north side of East Pershing Road, east of South State Street, Chicago, Illinois, would be disadvantageous to the Authority.

SECTION 2. That the Chairman of the Chicago Transit Board, or her designee, is hereby authorized to execute all documents necessary to effectuate a Ground Lease between the Chicago Transit Authority, as Lessor, and Pershing and State, L.P., an Illinois Limited Partnership, as Lessee, for certain Authority Property located on the north side of East Pershing Road, east of South State Street, legally described on Exhibit A and depicted on Exhibit B, attached hereto.

SECTION 3. That the Ground Lease will extend for a term of thirty-five (35) years, with two successive fifteen-year option terms to be exercised at Developer's option with the Authority's consent, for the initial annual rental amount of six thousand dollars (\$6,000.00), subject to increase each year based on increases in the Consumer Price Index and further subject to reappraisal for each option term. The Ground Lease will also require that the Developer provide the Authority with appropriate insurance coverage and indemnification and provide the Authority with 24-hour access to the Property for operations and maintenance purposes, and it

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permits the Authority to terminate on one hundred eighty days' notice for transportation or operational purposes or for safety reasons, and such other terms as are substantially in conformance with those set forth in the Ground Lease attached hereto as Exhibit C.

SECTION 4. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

April 2, 2003

Assistant Secretary

April 2, 2003