

ORDINANCE NO. 001-90

AMENDMENT TO GROUND LEASE WITH
AMERICAN STORES PROPERTIES, INC., TO
ADD PORTION OF PUBLIC ALLEY TO BE
VACATED, WHICH IS ADJACENT TO
AUTHORITY'S RIGHT-OF-WAY AT EAST
ROOSEVELT ROAD AND EAST 13TH
STREET, CHICAGO, TO THE LEASE, AND
TO UNDERTAKE ROOSEVELT ROAD
RENOVATIONS TO THE ADJACENT
STATION

WHEREAS, Pursuant to Ordinance No. 99-182, dated December 15, 1999, the Authority entered into a twenty (20) year ground lease, with three ten (10) year option terms, effective August 10, 2000, ("Ground Lease") with American Stores Properties, Inc. ("ASPI") for parking and pedestrian access to the Jewel/Osco store currently under construction on the adjacent land owned by ASPI ("site"); and

WHEREAS, The Authority's Right-of-Way ("Leased Premises") and the public alley bisect the Jewel/Osco's parking lot on East Roosevelt Road; and

WHEREAS, In order to assure continued access to both parking lots for its patrons and to improve a portion of the public alley for parking and driveway purposes, ASPI has requested that the Authority file the necessary documents with the City of Chicago to vacate that portion of the public alley adjacent to the Leased Premises ("Public Alley"), depicted on Exhibit A, attached hereto; and

WHEREAS, Under State law, title to a vacated public way vests in the abutting property owners; and

WHEREAS, ASPI has agreed to transfer title to its share of the vacated Public Alley to the Authority so that the Authority would take title to the entire vacated Public Alley and the parties would amend the Ground Lease to include the Public Alley in the definition of Leased Premises thereunder for which ASPI will pay rent to the Authority; and

WHEREAS, Under the Ground Lease, the Authority at all times retains the right to access to the Leased Premises for operations or transportation purposes or in the event of an emergency and this right of access would apply to the Public Alley as well; and

WHEREAS, The Public Alley is approximately 3,851 square feet in size; and

WHEREAS, The fair market value for the Leased Property was determined by an appraisal prepared at the Authority's request by an MAI-certified real estate appraiser, as confirmed by a review appraisal; and

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WHEREAS, ASPI will pay rent for the Public Alley to the Authority in the sum of sixteen thousand five hundred fifty-nine dollars (\$16,559.00) per annum during the term of the Ground Lease, with the rental amount subject to yearly increases based on the increase in the Consumer Price Index and subject to reappraisal for each option term; and

WHEREAS, When the rent for the Public Alley is added to current rent, ASPI will pay monthly rent to the Authority under the First Amendment to Ground Lease in the sum of three thousand forty-six dollars and fifty-eight cents (\$3,046.58) or a total rent of thirty-six thousand five hundred fifty-nine dollars (\$36,559.00) per annum; and

WHEREAS, Entry into the First Amendment to Ground Lease is contingent upon the Authority filing a request with the City of Chicago to vacate the Public Alley and the City approving the request; and

WHEREAS, ASPI has requested that improvements be made to the south exit of the Roosevelt Road Green/Orange Line station so that the station will be more integrated visually with the Jewel/Osco store to be built on the Leased Premises; and

WHEREAS, The Authority has agreed to undertake the requested improvements which will also provide amenities and added security for its customers; and

WHEREAS, ASPI has agreed to pay a sum not to exceed one hundred thousand dollars (\$100,000) toward the cost of said improvements; and

WHEREAS, The Authority will be responsible for any costs for the improvements in excess of one hundred thousand dollars (\$100,000); 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 Transit Board hereby consents to the requested vacation of that portion of the public alley depicted in Exhibit A by the City of Chicago, with ownership of said property to be taken by the Authority after vacation.

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SECTION 2. That the Transit Board hereby finds that, by virtue of its current Ground Lease with American Stores Properties, Inc. for lease of the adjacent Authority Right-of-Way property, the lease of the public alley, after vacation, is disadvantageous for public bidding.

SECTION 3. That the Transit Board hereby authorizes entry into a First Amendment to Ground Lease with ASPI, substantially in the form of Exhibit B attached hereto, to cause said lease:

(1) to include the land encompassed by the vacated public alley, for which the Authority will receive total annual rent in the sum of thirty-six thousand five hundred fifty-nine dollars (\$36,559.00) for first year of the Ground Lease, payable monthly in advance, and subject to increase each year based on increases in the Consumer Price Index and further subject to reappraisal for each option term; and

(2) to include improvements to the Roosevelt Road station as identified on Exhibit C to the First Amendment to Ground Lease to be completed by the Authority, for which ASPI agrees to pay to the Authority a sum not exceed one hundred thousand dollars (\$100,000); and

(3) the Authority agrees to pay all costs for the improvements in excess of one hundred thousand dollars (\$100,000).

SECTION 4. That the Chairman of the Board, or her designee, is hereby authorized to execute and deliver the First Amendment to Ground Lease and any and all other documents required to vacate the public alley and convey an additional leasehold interest to ASPI in accordance with the terms of the Ground Lease, as amended.

SECTION 5. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

Assistant Secretary

June 6, 2001

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