

1769 WEST PERSHING ROAD  
REQUEST FOR PROPOSALS

**ADDENDUM NO. 2:  
Questions and Answers from 8/10/22 Pre-Submission Meeting**

On Wednesday, August 10, 2022, at 1:00 p.m., the Department of Planning and Development (DPD) hosted an informational webinar where interested parties could ask questions and receive answers related to the Request for Proposals (RFP) for City-owned property located at 1769 W. Pershing Road. The webinar was also joined by representatives from various City agencies, including: Department of Assets & Information Systems; Public Health; Transportation; DPD Financial Incentives Division; DPD Landmarks & Historic Preservation Division; and the City's Law Department.

Below is a summary of the questions and answers discussed during the webinar. Additional questions will be accepted until October 7 and will be posted as an additional Addendum by October 14.

**How did the City gain ownership of the CMD buildings / 1769 W. Pershing Road?**

1717 W. Pershing Road was acquired by the City of Chicago in 1985 from the Fruehauf Corporation. Please see the deed that is available on the RFP webpage at [www.chicago.gov/rfps](http://www.chicago.gov/rfps). 1769 W. Pershing Road was acquired by the City of Chicago in 1999 from the Board of Education, which was leasing it from the Federal government. Please see the deed that is available on the RFP webpage at [www.chicago.gov/rfps](http://www.chicago.gov/rfps).

**Can you clarify how taxes are calculated by the City of Chicago?**

Property taxes in Cook County are calculated based on the following formula:  
Fair Market Value x Assessment Rate x Equalization Factor x Tax Rate = Property Taxes

For example, the formula for a commercial property valued at \$100,000 and without an incentive in place would be:  $\$100,000 \times 0.25 \times 3.2234 \times 0.06911 = \$5,569.23$

It should also be noted:

- The Assessment Rate varies for commercial and industrial property (25 percent) and residential or properties with a property tax abatement in place (10 percent).
- The Equalization Factor is set annually by the Illinois Department of Revenue. The most recent Equalization Factor is 3.2234. (Current as of July 2022.)
- The tax rate is set annually by each of the various taxing bodies. The most recent tax rate for properties in this area was 6.911 percent. (Current as of July 2022.)

**Would it be possible to include 1819 W. Pershing Road in the offer?**

1819 W. Pershing Road is currently being renovated to house the Board of Elections and is not currently available for sale or redevelopment.

**Would it be possible to include all the City-owned properties?**

1819 W. Pershing Road is currently being renovated to house the Board of Elections and is not currently available for sale or redevelopment. Likewise, 1869 W. Pershing Road is currently fully occupied by the Department of Assets and Information Systems and is not available for sale or redevelopment.

**When will the City's appraisal be completed? Does the City have a target range for the purchase price?**

The City has ordered an appraisal and expects it to be completed within the next month. Once received, it will be posted as an addendum to the RFP. There is not currently a target range for the purchase price.

**Do you have to bid on both sites? Can either site be bid on separately?**

You do not have to bid on both sites, but proposals must include the redevelopment of 1769 W. Pershing Road.

**You mentioned a change of zoning from M2-3; suppose we have a legitimate production user interested who can meet a net zero environmental impact review?**

A zoning change is not required to bid on the property, and the City will consider proposals that are permitted under the current zoning. That said, the City will also consider proposals that require a zoning change in order to allow a creative or catalytic reuse of the RFP Site.

**Will the City consider just selling Site B by itself?**

No, proposals must include the redevelopment of 1769 W. Pershing Road.

**Will Board of Elections occupy the entirety of 1819 W. Pershing Road?**

Yes, the current plans are for Board of Elections to fully occupy 1819 W. Pershing Road.

**Is it understood that seeking to landmark 1769 W. Pershing Road will result in landmarking the two companion buildings to the west? Will the same hold true for implementation of any historic restoration of the same?**

The City expects the successful respondent to pursue Landmark status for the existing building at 1769 W. Pershing Road independently. For the purposes of local Landmark designation, 1769 W. Pershing Road can be treated as separate. As far as historic tax credits (HTCs): the successful proposal, if seeking HTCs, will need to engage the National Park Service in that conversation, as they may have requirements that go beyond what the City requires.

**Are there as-built drawings available (floor plans, sections, elevations, etc.)?**

The City has technical drawings of the building and a building assessment conducted by the Department of Assets and Information Systems that will be available on the RFP webpage at [www.chicago.gov/rfps](http://www.chicago.gov/rfps).

**You mentioned some environmental concerns on the site. Can you provide more information on how [applicants] should handle [environmental concerns on site] in our response?**

Please see the language in the original RFP, as well as Addendum No. 3, to amend that language. This is reiterated below:

A Phase I Environmental Site Assessment (ESA) conducted in conformance with American Society for Testing and Materials (ASTM) E- 1527-13 is required and must be performed within 180 days prior to acquisition and include a reliance letter naming the City.

Based on the results of the Phase I ESA, a Phase II ESA may be required. If the Phase II ESA identifies contamination above applicable remediation objectives as determined by Title 35 of the Illinois Administrative Code Part 742, Site A, or both Sites A and B, as applicable, must be enrolled in the Illinois Environmental Protection Agency's (IEPA) Site Remediation Program (SRP) and a comprehensive No Further Remediation letter obtained.

Developer will conduct a Hazardous Building Material Survey of the Site prior to conducting any building rehabilitation work. The Hazardous Building Material Survey shall include (but is not limited to) asbestos and lead-based paint survey, visually inspecting the Site to determine the presence and location of polychlorinated-biphenyl (PCB)-containing equipment and materials (such as lighting ballasts, switchgears, transformers, and hydraulic fluids), mercury-containing equipment and materials (mercury lamps, thermostats, switches, thermometers, regulators, and gauges), radioactive material-containing equipment and/or waste, medical wastes (such as biological or infectious wastes, hazardous chemicals, and/or wastes), refrigerants such as chlorofluorocarbons (CFCs), large appliances or equipment, mold, or any other materials that may require special handling or disposal. A report documenting the Hazardous Building Material Survey results and an abatement plan shall be submitted to the City for review prior to beginning any rehabilitation work.

The Developer will incorporate the results of Hazardous Building Material Survey into rehabilitation documents and perform abatement and/or removal as part of the rehabilitation of the Site in accordance with all local, state and federal regulations. A report documenting the completion of the abatement and/or removal shall be submitted to the City prior to occupancy. If removal activities are not deemed sufficient by AIS, the Developer shall continue work at their own expense.

Any underground storage tanks (USTs) discovered during the redevelopment activities must be removed and closed in accordance with applicable regulations including Title 41 of IAC Part 175, and any identified leaking USTs must be properly addressed in accordance with 35 IAC Part 734. City shall have the right to review in advance and approve all SRP documents for any lots prior to submittal to IEPA and any changes

thereto. In addition, for developments that will include residential use, an environmental performance deposit may be required.

The Developer shall cooperate and consult with the City at all relevant times (and in all cases upon the City's request) with respect to environmental matters. The City shall have the right to review and approve the sufficiency of any reports. If assessments are to be performed by others, a reliance letter naming the City of Chicago as an authorized user must be provided by the environmental professional."

**What is the City's expectation as to the maintenance and use of the sky bridge?**

The "skybridge" that connects 1769 to 1819 is considered integral to the historic character of the building and the successful respondent will be expected to work with the City to determine how the skybridge will be divided and maintained.

**How does the City participate, if at all, in the process of securing New Markets Tax Credits allocation(s) to support a priority project such as this?**

The City of Chicago has an allocation of New Markets Tax Credits (NMTC) through the Chicago Developer Fund. Financial Incentives Division will evaluate the successful proposal to see if it fits within the portfolio and could potentially either make a direct allocation to the project or structure its terms for sale and other financial incentives to accommodate some of the specific terms required under the NMTC program.

For all City financial incentives, the developer will be expected to follow the appropriate process to apply for those incentives and in some instances the granting of incentives is subject to City Council approval.

**Is it the opinion of the Landmarks Division that these three buildings will not be considered as one structure by State Historic Preservation (SHPO) / National Park Service (NPS)?**

The successful respondent will need to clarify this with the National Park Service (NPS) and will be encouraged to confirm with a Part 1 application when appropriate. For the purposes of local Landmark designation, 1769 W. Pershing Road can be treated as separate. Any proposed demolition will also need to be evaluated with Landmarks and NPS to determine what effect it may have on historic tax credits applicability.

**When is the building tour?**

The site visit / building tour is tentatively scheduled for the first week of September. Details should be finalized the week of 8/22 and anyone who has registered for the RFP will receive notice.

**Will you post a list of the individuals who attended the Zoom today?**

Yes, the list of individuals will be posted to [www.chicago.org/rfps](http://www.chicago.org/rfps)