

**DEPARTMENT OF TRANSPORTATION
CITY OF CHICAGO**

**RELEASE OF COVENANT
PROGRAM**

2 NORTH LASALLE STREET, SUITE 950, CHICAGO, ILLINOIS 60602

Effective 11/25/2022

I. Program Intent

The City of Chicago is comprised of a colorful mix of land uses, which together create a vibrant urban landscape. Occasionally public streets and alleys must be reconfigured in order to allow for the expansion or redevelopment of those uses. This is the process of “vacation.” When the City vacates streets or alleys to a community-benefitting not-for-profit, or to an employment-supporting manufacturing company, it does so at no expense to the entity for the value of the land. The beneficiary of the vacation is then subject to a binding perpetual covenant with the City that limits the use of the vacated area. This ensures that the City’s investment in the success of the beneficiary company is fully achieved across time. In the event that a not-for-profit or manufacturing user decides to sell vacated land to a nonqualifying user (one that does not fall into the same land use category), the City will require compensation to lift its rights in the land and release the covenant. Upon recording the release, the land use restriction will no longer appear in the title and the land may be used for commercial or residential development, subject to applicable zoning.

II. Eligibility Guidelines

The Applicant may be either the original owner of the property adjacent to the vacated area, the new owner of the property adjacent to the vacated area, or the contract purchaser of the property with documented agreement by the owner.

III. Applicant Responsibilities

- A. The Applicant must pay all fees associated with application, plat creation (if necessary to lift the restriction on something less than the entire originally vacated area), title work, appraisal, recording and other associated expenses necessary to assure the successful lifting of the restrictive covenant.
- B. Any plat submitted by the Applicant must adhere to the most current plat requirements as available in the following city link (or search “Chicago Maps and Plats” and see Plat Standards):
https://www.chicago.gov/city/en/depts/cdot/supp_info/maps_and_plats_kiosk.html

IV Application and Review

- A. Completed applications can be sent/ brought to:
- CDOT / Division of Project Development
Public Way / Vacations Program
2 N. LaSalle Street, Suite 950
Chicago, IL 60602
- B. Each application will be reviewed by the Department of Transportation, Division of Project Development to ensure that it qualifies under the above program guidelines based upon review of the historical conveyance records associated with the past vacation.
- C. The application package will then go for appraisal, in order to establish the current value of the previously vacated land. This work is done as part of the application process, by an appraiser selected by the Law Department at the Applicant's expense. In the event that the Applicant is a contract purchaser, the appraisal may be completed before purchase at the request of the purchaser, but an updated appraisal must be completed after full ownership to ensure that an accurate and current valuation is secured.
- D. If the appraised value is acceptable to the Applicant, an ordinance will be prepared by the Department of Transportation and forwarded to the Law Dept for City Council introduction, referred to the Committee on Transportation and the Public Way for public hearing, and ultimately voted on by the City Council. If City Council passes the ordinance, we will advise the applicant of same and provide follow-up instructions. If the appraised value is not acceptable to the Applicant, the Department of Transportation will close the Applicant's file, without further obligation to either party.
- E. The applicant has 180 days from the date of City Council passage of the ordinance to pay the appraised value, and record a certified copy of the ordinance, along with a Release of Covenant prepared by the City, with the Cook County Clerk, Recordings Division.
- F. Expect a processing time of approximately 6-8 months from CDOT's receipt of a complete application package.

PLEASE KEEP A COPY OF YOUR APPLICATION FOR YOUR FILES

**PROGRAM APPLICATION
RELEASE OF RESTRICTIVE COVENANT**

(A nonrefundable application fee of \$2,000.00 will be invoiced to you)

1. Titleholder (if in trust, list business name): _____

Company Contact: _____ Phone/Fax: _____

Address: _____ Zip: _____

E-mail: _____

2. Other contact:

Contact: _____ Phone/Fax: _____

Address: _____ Zip: _____

E-mail: _____

3. Other contact:

Contact: _____ Phone/Fax: _____

Address: _____ Zip: _____

4. E-mail: _____

Note: We must have contact information for a minimum of two representatives. Usually this is the lawyer and the owner or company rep. In the event that the applicant is a contract purchaser, one contact should be the owner.

5. Describe the general location (include boundaries) and approximate number of square feet to be released (ex: "S. Smith St. between W. Riley St. & W. George Street" or "the north-south alley in the block bounded by S. Smith St, W. Riley St., S. Jane St., W. George St."):

Zoning: _____ Ward: _____

6. Description of the intended use of the area: _____

Owner Name (Printed): _____ Signed: _____

Owner Signature: _____ Date: _____

NOTARY:

A reapplication fee will be assessed if the file is closed due to inactivity (i.e., after three attempts by CDOT to complete the file).

FINAL APPLICATION CHECKLIST
RELEASE OF COVENANT

Please submit the following in a single package with the correct number of copies.

Original documents are not required. Substantially incomplete packages will be returned.

- Completed program application (2 copies).
- An invoice for the nonrefundable application fee of \$2,000.00 will be sent to you.
- Letter on Applicant's letterhead stating its agreement to pay the Law Department's designated appraiser to complete the appraisal (2 copies). If the Applicant is a contract purchaser, the letter must also acknowledge and agree to pay for the followup appraisal after full ownership is secured.
- Signed purchase agreement (if applicable). Numbers may be redacted. Purchaser name cannot be redacted and must agree with applicant. The agreement must include intended close date.
- Letter from title holder on letterhead, acknowledging and agreeing that a contract purchaser may act on their behalf to begin the vacation process.
- Current title policy (all pages) showing legals, PINs, and ownership for ALL lots contiguous to and involving the vacation. Title should be no older than 1 year. No tract searches or proforma titles will be accepted. (2 copies)
- Be aware that Economic Disclosure forms will be requested electronically by the Law Department prior to legislation. Send no documents now.
- Recently certified hard copy of any land trusts if applicable (if adjacent property is held this way) (2 copies)
- If a plat is required (rarely) it must adhere to the Plat Requirements in 8.5x11, 11x17 and oversized if necessary (1 of each). Find current plat requirements by searching "Chicago Maps and Plats" then Plat Requirements.
- 2 copies of the recorded vacating document.
- 2 copies of the recorded restrictive covenant or redevelopment agreement, if applicable.

*Note: appraisals are completed by MAI certified appraisers and may range in cost from approximately \$2000 for simple projects to several thousand for more complex projects.