

CHICAGO DEPARTMENT OF TRANSPORTATION
PROJECT DEVELOPMENT DIVISION

RELEASE OF COVENANT PROGRAM

2 North LaSalle Street, Suite 950
Chicago, IL 60602

Revised 5/31/2024

RELEASE OF COVENANT PROGRAM

A. 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 configured in order to allow for the expansion or redevelopment of those areas. This is the process of “vacation.” When the City vacates streets or alleys to a community-benefiting non for profit, or to an employment-supporting industrial company, it does so at no expense to the entity for the value of the land. Instead, the beneficiary of the vacation is then subject to a binding perpetual covenant with the City that limits the use of the vacated land. This ensures that the City’s investment in the success of the beneficiary entity is fully achieved across time.

In the event that a not for profit or industrial user decides to sell the vacated land to a non-qualifying user (one that is not solely not for profit or industrial), or utilize the vacated land for commercial or residential uses (subject to the applicable zoning), the City requires compensation to lift its rights on the land, and release the covenant. Upon recording the release, the land use restriction will be removed from the title and the land may be used for commercial or residential use/development.

B. ELIGIBILITY GUIDELINES

The applicant must be the original owner of the property adjacent to the vacated land, the new owner of the property adjacent to the vacated land, or the contract purchaser of the property (with a documented agreement with the existing owner).

C. PROGRAM REQUIREMENTS

The applicant must pay all fees associated with application, plat creation and review (if necessary to lift the restriction on something less than the entire originally vacated area), survey work, title work, land appraisals, recording, and any other associated expenses necessary to ensure the successful lifting of the restrictive covenant.

D. APPLICATIONS AND REVIEW

Applications will be reviewed in the order they are received. Application materials should be mailed to:

CDOT - Project Development Division
Attn: Public Way Unit

2 N. LaSalle St, Suite 950
Chicago, IL 60602

Projects are completed in four phases, as outlined below.

1. PHASE 1: INITIAL PROGRAM REVIEW

Initial review of application materials will be conducted by CDOT program managers to ensure that the proposed project qualifies under the program guidelines, based on review of the historical conveyance records associated with the past vacation. At this time you will be assigned a CDOT manager, a CDOT file number, and will receive an invoice for the \$2,000 non-refundable application fee. Please keep a copy of your submission in your files.

2. PHASE 2: APPRAISAL

If the proposal is deemed acceptable by the CDOT manager, an appraisal will be ordered by the Law Department (appraiser fee paid for by applicant) in order to establish the current value of the previously vacated land. In the event that the applicant is a contract purchaser, an additional 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. If the appraised value is deemed acceptable to the applicant, the applicant will be required to submit a letter consenting to pay the appraised value prior to introduction at City Council. If the appraised value is not acceptable to the applicant, CDOT will close the file, without further obligation to pay, and the restrictive covenant will remain on the land.

3. PHASE 3: LEGISLATION

In preparation for City Council review, CDOT will work with applicants to finalize the plat(s), submit their Electronic Disclosure Statement to the Law Department, and review and provide any comments on the draft ordinance. After introduction to City Council, projects are referred to the Transportation and Public Way Committee meeting, and applicants must (re)familiarize the local Alderman with the project and appear at the Transportation Committee to present the project. If passed by the Transportation Committee, the ordinance proceeds to full Council for the final vote and passage.

4. PHASE 4: RECORDING

30 days after the ordinance is passed by City Council, the legislation is published by the City Council Journal, making it law. Only legislation that has been published in the Journal can begin the recording process. Prior to recording the final documents, the appraised value must be paid by the

applicant, as well as any additional fees. Once payments are received, the CDOT manager will provide a certified copy of the ordinance to the applicant. The applicant will record the ordinance and the accompanying Release of Covenant (prepared by the City), with the Cook County Recorder's Office. The ordinance is valid for 180 days following the date of City Council passage, during which the applicant must complete any payments and record the required documents. Applicants can expect approximately 10 months from CDOT's receipt of a complete application package to final processing of the project.

**APPLICATION FORM
RELEASE OF COVENANT PROGRAM**

Main Contact

Name on Title (if a trust, list company name):

Company Contact:

Phone/Fax:

Address (City, State, Zip):

Email:

Secondary Contact (typically Applicant Representative or Counsel)

Name:

Company:

Phone/Fax:

Address (City, State, Zip):

Email:

Purchaser Contact (only required if land is being sold and buyer is leading application)

Name:

Company:

Phone/Fax:

Address (City, State, Zip):

Email:

Note: Full contact information for two project representatives is required. In the event that the applicant is a contract purchaser, a third representative is required.

Project Location:

General location with boundaries (ex: "S. Smith St between W. Riley St & W. George St" or "the north-south alley in the block bounded by S. Smith St, W. Riley St, S. Jane St, and W. George St")

Zoning:

Ward:

Description of Intended Use:

Signature below certifies that any zoning change or ownership change (that occurs on the applicant's property or any neighbor adjacent to the area to be vacated) will be promptly reported to the CDOT program manager prior to ordinance.

Owner Name:

Owner Signature:

Date:

Notary:

APPLICATION CHECKLIST RELEASE OF COVENANT PROGRAM

Note: Please submit the following in a single package. Original documents are not required. If the file is opened and subsequently closed due to inactivity (i.e.: after three attempts by CDOT to complete the file), a reapplication fee will be assessed.

Project Overview:

- Completed 2-Page Application Form for applicable program (2 copies)
- If applicable, a letter from the titleholder on letterhead, acknowledging and agreeing that contract purchaser may act on their behalf to begin the Release of Covenant process. (1 copy)
- \$2000 non-refundable application fee will be invoiced after receipt of application **(no fee payment shall be submitted with initial application materials)**

Ownership Documentation:

- Current title policy showing PINs, legal descriptions of land, and ownership to ALL lots contiguous to and involving the vacation. Title should be no more than 1 year old. Tract searches and pro-forma titles are not acceptable. (1 copy of each)
- If the land is held in trust, provide current certified copies of any land trusts naming the beneficiary. (1 copy of each document)
- If property is under contract, provide the signed purchase agreement. Numbers may be redacted. Purchaser name cannot be redacted and must match applicant information. The agreement must include the intended close date. (1 copy)
- Each previously recorded document related to the vacation (1 copy of each)
- The recorded restrictive covenant or redevelopment agreement (1 copy of each)

Note: any changes in ownership that occur during the release of covenant process must be reported to the CDOT Program Manager immediately or the ordinance will be nullified.

Design Proposal:

- If a plat is required (rarely), it must adhere to the [Plat Requirements](#) and be provided in three different sizes: 8.5x11 (1 copy), 11x17 (1 copy), and full-size (1 copy)
- If the proposal is part of a Planned Development project, or an amendment to a Planned Development, it must be reviewed by the CDOT Plan Review Committee (PRC) and meet applicable [PRC guidelines](#). Note a traffic study may be required. Provide PRC approval and proof of funding (1 copy)