



City of Chicago



O2021-4178

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 9/14/2021

Sponsor(s): Lightfoot (Mayor)

Type: Ordinance

Title: First Amendment to Intergovernmental agreement with Chicago Park District to provide increased tax incremental funding (TIF) in eligible allocations toward construction of recreation center with outdoor playing field at Addams/Medill Park, 1434 S Loomis St

Committee(s) Assignment: Committee on Finance

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OFFICE OF THE MAYOR
CITY OF CHICAGO

LORI E. LIGHTFOOT
MAYOR

September 14, 2021

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the execution of an intergovernmental agreement with the Chicago Park District to provide TIF funding for improvements at Addams Park.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in black ink that reads "Lori E. Lightfoot".

Mayor

ORDINANCE

WHEREAS, the City of Chicago (the "City"), is a home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois, and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the Chicago Park District (the "Park District"), is an Illinois municipal corporation and a unit of local government under Article VII, Section 1 of the 1970 Constitution of the State of Illinois, and as such is authorized to exercise control over and supervise the operation of all parks within the corporate limits of the City; and

WHEREAS, in accordance with the provisions of the Act, and pursuant to ordinances adopted on November 4, 1998, and published in the Journal of the Proceedings (the "Journal") of the City Council of the City (the "City Council"), for said date, and as subsequently amended, the City Council: (i) approved and adopted a redevelopment plan and project (the "Plan") for a portion of the City known as the "Roosevelt/Racine Redevelopment Project Area" (the "Area"); (ii) designated the Area as a "redevelopment project area"; and (iii) adopted tax increment allocation financing for the Area; as amended on January 28, 2004 and June 26, 2013; and

WHEREAS, under 65 ILCS 5/11-74.4-3(q)(7), such incremental ad valorem taxes which pursuant to the Act have been collected and are allocated to pay redevelopment project costs and obligations incurred in the payment thereof ("Increment") may be used to pay all or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs (Increment collected from the Area shall be known as the "Roosevelt/Racine Increment"); and

WHEREAS, in an ordinance adopted on October 31, 2018 and published at pages 86253 to 86271 of the Journal for that date, the City Council authorized the Department of Planning and Development of the City ("DPD") to use a portion of the Roosevelt/Racine Increment in an amount not to exceed \$7,000,000 for the purpose constructing a new 100,000 square foot recreation center with outdoor field at Addams/Medill Park, which is generally located at 1434 South Loomis Street, Chicago, Illinois (the "Project") in the Area, and authorized the making of an intergovernmental agreement; and

WHEREAS, on January 22, 2019, the City and the Park District entered into an Intergovernmental Agreement (the "Agreement") whereby the City agreed to pay for or reimburse the Park District for a portion of the Project; and

WHEREAS, the City, Park District, the Chicago Housing Authority ("the CHA"), an Illinois municipal corporation, and other corporate and not-for-profit funders, were expected to provide sources of funding to support completion of the Project; and

WHEREAS, due to unforeseen circumstances, the CHA was not able to make its original funding allocation for the Project; and

WHEREAS, DPD desires to reallocate to the Park District an additional \$3,500,000 from the Roosevelt/Racine Increment in order to cover a portion of the CHA's contribution to the Project; and

WHEREAS, the City and the Park District desire to enter into an amendment to the Agreement in substantially the form attached as Exhibit A (the "First Amendment") whereby the City shall increase the amount of assistance by \$3,500,000 for a total of \$10,350,000 to cover the aforementioned funding shortfall; now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. The Commissioner of DPD (the "Commissioner") and a designee are each hereby authorized, subject to the approval of the Corporation Counsel, to negotiate, execute and deliver the First Amendment in substantially the form attached hereto as Exhibit A and made a part hereof and such other documents as may be necessary to carry out and comply with the provisions of the First Amendment, with such changes, deletions and insertions as shall be approved by the persons executing the First Amendment on behalf of the City.

SECTION 3. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provisions of this ordinance.

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

EXHIBIT A
FIRST AMENDMENT

(see attached)

**FIRST AMENDMENT
TO INTERGOVERNMENTAL AGREEMENT**

This amendment (the "First Amendment") to that certain Intergovernmental Agreement by and between the City of Chicago ("City"), an Illinois municipal corporation, by and through its Department of Planning and Development ("DPD"), and the Chicago Park District (the "Park District"), a body politic and corporate, dated as of January 22, 2019 (the "Agreement"), is made and entered into as of _____, 2021, by and between the City and the Park District.

RECITALS

WHEREAS, an ordinance approved by the City Council of the City (the "City Council") on October 31, 2018, and published at pages 86253 -- 86271 of the *Journal of the Proceedings of the City Council of the City of Chicago* (the "Journal") of that date, authorized the Commissioner of DPD, to execute, subject to the approval of the Corporation Counsel of the City as to form and legality, and to the approval of the City Comptroller, an intergovernmental agreement with the Park District, to construct a state of the art recreation center at Addams/Medill Park (the "Project"), generally located at 1434 South Loomis Street in Chicago, Illinois (the "Property"), as legally described in Exhibit A of the Agreement; and

WHEREAS, the City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11—74.4-1 *et seq.*, as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, in accordance with the provisions of the Act, and pursuant to ordinances adopted on November 4, 1998, and published in the Journal for said date at pages 80527-80642, the City Council: (i) approved and adopted a Tax Increment Redevelopment Project and Plan (the "Plan") for a portion of the City known as the "Roosevelt/Racine Redevelopment Project Area" (the "Area"); (ii) designated the Area as a "redevelopment project area" and a Tax Increment Financing District; and (iii) adopted tax increment allocation financing for the Area, as amended on January 28, 2004 and June 26, 2013; and

WHEREAS, under 65 ILCS 5/11-74.4-3(q)(7), such incremental ad valorem taxes which pursuant to the Act have been collected and are allocated to pay redevelopment project costs and obligations incurred in the payment thereof ("Increment") may be used to pay all or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs (Increment collected from the shall be known as the "Roosevelt/Racine Increment"); and

WHEREAS, pursuant to the Agreement and in accordance with the Act, DPD agreed to provide to the Park District a portion of the Roosevelt/Racine Increment in an amount not to exceed \$7,000,000 for the purpose of funding certain Project costs to the extent and in the manner provided in the Agreement; and

WHEREAS, DPD and the Park District have determined that it is in the best interests of the City to provide additional financing to the Project to cover a portion of the Chicago Housing Authority's contribution to the Project; and

WHEREAS, the City desires to make available to the Park District an additional portion of the Roosevelt/Racine Increment in an amount not to exceed \$3,500,000 for the purpose of funding the Project; and

WHEREAS, the City and the Park District desire to amend the Agreement to increase the amount of Roosevelt/Racine Increment for the Project from an amount not to exceed \$7,000,000 to an amount not to exceed \$10,500,000; and

WHEREAS, on March 10, 2021, the Park District's Board of Commissioners (the "Board") adopted a resolution authorizing the execution of the Agreement and of this Amendment; and

WHEREAS, on _____, 2021, the City Council approved an ordinance which is published at pages _____ to _____ of the Journal that authorized the making of this First Amendment; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. RECITALS

The foregoing recitals are hereby incorporated into this Amendment by reference. All capitalized terms not defined herein shall have the meaning as set forth in the Agreement.

SECTION 2. TERMS AND CONDITIONS

Recital J of the Agreement is hereby amended by deleting the TIF Assistance amount of \$7,000,000 and replacing it with the amount of \$10,500,000.

SECTION 3. EXHIBITS

1. Exhibit C, Project Budget to the Agreement is hereby amended by deleting the numbers indicated by ~~strikeout~~ and adding the underlined numbers as indicated below:

EXHIBIT C

PROJECT BUDGET

Sources

Roosevelt/Racine TIF	\$7,000,000	<u>\$10,500,000</u>
Chicago Park District		<u>6,000,000</u>
Chicago Housing Authority	7,000,000	<u>3,500,000</u>
St. Ignatius College Preparatory High School		<u>5,000,000</u>
Exelon Oil Company		<u>3,000,000</u>
Total Sources		<u>\$28,000,000</u>

Uses

Site Work	\$4,000,000
Concrete	3,000,000
Metals	3,500,000
Doors/Windows/Thermal	3,000,000
Finishes	2,500,000
HVAC	4,000,000
Electrical	2,000,000
General Conditions	2,000,000
Contingency	4,000,000
Total Uses	<u>\$28,000,000</u>

2. If any of the provisions of the Agreement conflict with the provisions of this First Amendment, the provisions of this First Amendment shall prevail.

3. Except as modified by this First Amendment, the Agreement shall remain in full force and effect.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed and delivered as of the date first above written.

CITY OF CHICAGO

By: _____

Name: Maurice D. Cox
Its: Commissioner
Department of Planning Development

CHICAGO PARK DISTRICT

By: _____

Name: Michael P. Kelly
Its: General Superintendent and CEO