



City of Chicago



SO2019-9398

Office of the City Clerk

Document Tracking Sheet

| | |
|---------------------------------|--|
| Meeting Date: | 12/18/2019 |
| Sponsor(s): | Lightfoot (Mayor) |
| Type: | Ordinance |
| Title: | General Obligation Bond Ordinance (Series 2019A Bonds) and Trust Indenture - Amendments |
| Committee(s) Assignment: | Committee on Finance |

SUBSTITUTE ORDINANCE

AN ORDINANCE amending certain provisions of the ordinance adopted by the City Council on March 13, 2019 providing for the issuance of General Obligation Bonds of the City of Chicago, and authorizing the amendment to the Trust Indenture relating to the General Obligation Bonds issued, for the purpose of making a grant from the City of Chicago to the Board of Election Commissioners of the City of Chicago.

WHEREAS, pursuant to an ordinance duly adopted by the City Council (the "*City Council*") of the City of Chicago (the "*City*") on March 13, 2019 and published in the Journal of Council Proceedings for such date at pages 95531 through 95598, inclusive (the "*Original Bond Ordinance*") the City determined that it was advisable and necessary to authorize the borrowing of the sum necessary for any or all of the purposes of (i) paying the costs of refunding all or a portion of the City's Outstanding Indebtedness (as defined in the Original Ordinance), (ii) paying or reimbursing the City for its prior payment of costs of the projects described in Section 2 of the Original Bond Ordinance, including capitalizing or funding such interest on the bonds authorized for that purpose as may be necessary, and (iii) paying the expenses of issuing the bonds for the purposes described in the Original Bond Ordinance, and in evidence thereof authorizing the issuance of its Obligation Bonds, in one or more series and at one or more times; and

WHEREAS, Section 13(d) of the Original Bond Ordinance provides that the costs of the projects described in Section 2 thereof may be paid directly by the City or may be financed by the making of grants for the implementation of the Project (as defined in the Original Bond Ordinance) to (i) not-for-profit organizations, educational or cultural institutions or for-profit organizations, (ii) the State of Illinois, (iii) other units of local government, political subdivisions, municipal corporations or school districts in the State of Illinois, including any operating division thereof, or (iv) the United States government, all as determined by an Authorized Officer; and

WHEREAS, on April 10, 2019, pursuant to the Original Bond Ordinance, the City issued its General Obligation Bonds, Series 2019A (the "*Series 2019A Bonds*"), secured by a Trust Indenture dated as of April 1, 2019 (the "*Trust Indenture*"), from the City to Amalgamated Bank of Chicago, as trustee (the "*Trustee*"), in order to provide the funds, for the purposes of (i) paying a portion of the costs of the projects described in the Trust Indenture; (ii) retiring all currently outstanding commercial paper notes of the City; (iii) funding certain capitalized interest on the Series 2019A Bonds; and (iv) paying costs of issuance of the Series 2019A Bonds; and

WHEREAS, the City has determined that it is in the best interests of the inhabitants of the City and necessary for the welfare of the government and affairs of the City to make a grant to the Board of Election Commissioners of the City of Chicago ("*Board*") in an amount not to exceed \$19,000,000 (the "*Grant*") for the purchase of elections voting equipment; and

WHEREAS, the City has determined that it is in the best interests of the inhabitants of the City and necessary for the welfare of the government and affairs of the City to (i) amend Section 2 of the Original Bond Ordinance to revise the amounts authorized to be expended for certain of the projects described in Section 2 of the Original Bond Ordinance to take into account the Grant; (ii) to amend Section 13 of the Original Bond Ordinance, as necessary to take into account the Grant and add the Board to the list of entities to whom the City is authorized to make grants using proceeds of the Series 2019A Bonds, said amendments to Section 2 and Section 13 of the Original Bond Ordinance to be hereinafter referred to as the "*Original Bond Ordinance Amendments*"; (iii) to amend or otherwise modify all or any portion of the Trust Indenture to reflect the Original Bond Ordinance Amendments (the "*First Amendment to the Trust Indenture*"); and

(iv) to enter into the First Amendment to the Trust Indenture with the Trustee in a form as determined necessary by an Authorized Officer (as defined in the Original Bond Ordinance); now, therefore,

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

Section 1. The City Council, after a public hearing heretofore held on this Ordinance by the Committee on Finance of the City Council, pursuant to proper notice and in accordance with the findings and recommendations of such Committee, finds that all of the recitals contained in the preambles to this Ordinance are full, true and correct and are incorporated into this Ordinance by this reference. All terms not otherwise defined herein shall have the meanings set forth in the Original Bond Ordinance.

Section 2. All references in the Original Bond Ordinance to the “Ordinance” shall be deemed to refer to the Original Bond Ordinance as amended by this Ordinance.

Section 3. The first paragraph of Section 2 of the Original Bond Ordinance is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

“SECTION 2. There shall be borrowed on the credit of and for and on behalf of the City in one or more series and at one or more times for the following purposes: (i) 2018 and 2019 Aldermanic Menu Program, Design and Support (further provided that the aggregate principal amount of not to exceed \$110,000,000 of the Bonds may be issued for such purpose (plus the amount of any original issue discount as herein provided)), (ii) public right-of-way infrastructure improvements in City neighborhoods, including street, alley and viaduct construction and improvements, bridge and sidewalk improvements and replacement, and curb and gutter repairs and replacement and transportation improvements, including street resurfacing, freight tunnel rehabilitation, traffic signal modernization, new traffic signal installation, intersection safety improvements and transit facility improvements (further provided that the aggregate principal amount of not to exceed \$70,000,000 of the Bonds may be issued for such purpose (plus the amount of any original issue discount as herein provided)), (iii) infrastructure improvements to enhance the development of economic activity, including industrial street construction and improvements, streetscaping, median landscaping, demolition of hazardous, vacant or dilapidated buildings that pose a threat to public safety and welfare, shoreline reconstruction, riverbank stabilization, residential and commercial infrastructure redevelopment and noise mitigation projects (further provided that the aggregate principal amount of not to exceed \$70,000,000 of the Bonds may be issued for such purpose (plus the amount of any original issue discount as herein provided)), (iv) the acquisition of personal property, including, but not limited to, computer hardware and software, vehicles or other capital items useful or necessary for City purposes (further provided that the aggregate principal amount of not to exceed ~~\$55,000,000~~ \$74,000,000 of the Bonds may be issued for such purpose (plus the amount of any original issue discount as herein provided)), (v) constructing, equipping, altering and repairing various municipal facilities including fire stations, police stations, libraries, parks, schools, senior and health centers and other municipal facilities including the duly authorized acquisition of improved and unimproved real property within the City for municipal purposes, and the improvement, demolition and/or remediation of any such property but excluding those municipal facilities described in items (vi) through (xiii) below (further provided that the aggregate principal amount of not to exceed \$75,000,000 of the Bonds may be issued for such purpose (plus the amount of any original issue discount as herein provided)), (vi) financing of costs of construction and equipping of a new, state-of-the-art Public Safety Training Academy to be located at 4301 West Chicago Avenue in the City's West Garfield Park neighborhood.

as part of the City's continued efforts to provide the best tools, technology and training for its first responders (further provided that the aggregate principal amount of not to exceed \$65,000,000 of the Bonds may be issued for such purpose (plus the amount of any original issue discount as herein provided)), (vii) financing of costs of the Chicago Smart Lighting Program, including the replacement of outdated light fixtures, pole replacement and wiring repairs and creating a modern lighting management system to streamline maintenance and repairs and reduce electric costs (further provided that the aggregate principal amount of not to exceed ~~\$140,000,000~~ \$121,000,000 of the Bonds may be issued for such purpose (plus the amount of any original issue discount as herein provided)), (viii) financing of costs of interior improvements at the Copernicus Senior Center, located at 3160 North Milwaukee Avenue, including the replacement and repair of mechanical equipment and envelope work (further provided that the aggregate principal amount of not to exceed \$1,000,000 of the Bonds may be issued for such purpose (plus the amount of any original issue discount as herein provided)), (ix) financing of costs of renovations to Humboldt Park Library, located at 1605 North Troy Street, including the roof replacement, the replacement and repair of equipment and additional interior improvements (further provided that the aggregate principal amount of not to exceed \$1,000,000 of the Bonds may be issued for such purpose (plus the amount of any original issue discount as herein provided)), (x) financing of costs of renovations to West Belmont Library, located at 3104 North Narragansett Avenue, including interior improvements, the replacement and repair of mechanical equipment and envelope work (further provided that the aggregate principal amount of not to exceed \$1,000,000 of the Bonds may be issued for such purpose (plus the amount of any original issue discount as herein provided)), (xi) financing of costs of renovations to Legler Library at 115 South Pulaski Road in the City's West Garfield Park neighborhood to establish a West Side regional library (further provided that the aggregate principal amount of not to exceed \$5,000,000 of the Bonds may be issued for such purpose (plus the amount of any original issue discount as herein provided)), (xii) financing of costs of design and construction of a new Engine Company 115, including associated environmental remediation, site preparation, new building construction and site development, including utilities as required, in the City's West Pullman neighborhood (further provided that the aggregate principal amount not to exceed \$30,000,000 of the Bonds may be issued for such purpose (plus the amount of any original issue discount as herein provided)), (xiii) financing of costs of renovations to the 3rd District Police Station, serving Woodlawn and Greater Grand Crossing communities, including the replacement and repair of mechanical equipment and interior and exterior improvements (further provided that the aggregate principal amount of not to exceed \$5,000,000 of the Bonds may be issued for such purpose (plus the amount of any original issue discount as herein provided)), (xiv) Refunding Purposes (further provided that the aggregate principal amount of not to exceed \$155,000,000 of the Bonds may be issued for such purpose (plus the amount of any original issue discount as herein provided)) and (xv) costs of issuance, including underwriters' discount, and capitalized interest (further provided that the aggregate principal amount of not to exceed \$67,000,000 of the Bonds may be issued for such purpose (plus the amount of any original issue discount as herein provided)), the sum of not to exceed \$850,000,000 plus an amount equal to the amount of any net original issue discount used in the marketing of such Bonds (not to exceed 15 percent of the principal amount of any such series of Bonds). The Bonds shall be issued from time to time in one or more series for the purposes described in this section in an aggregate principal amount not exceeding the amount specified above, or such lesser amounts as may be determined by the City's Chief Financial Officer or the City Comptroller (each such officer is referred to as an "Authorized Officer")."

Section 4. Section 13(d) of the Original Bond Ordinance is hereby amended by inserting the language underscored as follows:

“(d) The City will not transfer or reallocate sales proceeds of the Bonds in any manner that deviates from the limitations and allocations of the not to exceed aggregate principal amounts pertaining to each purchase for which the Bonds may be issued, as set forth in Section 2 hereof, unless otherwise approved by the City Council.”

Section 5. The sixth paragraph of Section 13 of the Original Bond Ordinance is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

“The costs of the projects described in Section 2 hereof may be paid directly by the City or may be financed by the making of grants for the implementation of the Project to (i) not-for-profit organizations, educational or cultural institutions or for-profit organizations, (ii) the State of Illinois, (iii) other units of local government, political subdivisions, municipal corporations, or school districts in the State of Illinois, including operating divisions thereof, (iv) the Board of Election Commissioners of the City of Chicago, or ~~(iv)~~ (v) the United States Government, all as determined by an Authorized Officer.”

Section 6. The Mayor or an Authorized Officer is hereby authorized to negotiate and enter into an amendment to the Trust Indenture in a form as the Mayor or Authorized Officer executing the same shall determine is necessary and desirable to effect the provisions of this Ordinance, the execution thereof by the Mayor or an Authorized Officer to evidence the City Council’s approval of such revisions.

Section 7. The Mayor or an Authorized Officer is hereby authorized to take all actions necessary and enter into and execute any other documents or agreements necessary to effect the provisions of this Ordinance.

Section 8. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code, or part thereof, is in conflict with the provisions of this Ordinance, the provisions of this Ordinance shall be controlling. If any section, paragraph, clause or provision of this Ordinance is held invalid, the invalidity of such section, paragraph, clause or shall not affect any of the other provisions of this Ordinance. No provision of the Municipal Code or violation of any provisions of the Municipal Code shall be deemed to render voidable at the option of the City any document, instrument or agreement authorized hereunder or to impair the validity of this Ordinance or the instruments authorized by this Ordinance or to impair the rights of the owners of the Series 2019A Bonds to receive payment of the principal of or interest on the Series 2019A Bonds or to impair the security for the Series 2019A Bonds; provided further that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for any violation of any provision of the Municipal Code.

Section 9. This Ordinance shall be published by the City Clerk, by causing it to be printed in special pamphlet form at least five copies hereof, which copies are to be made available in her office for public inspection and distribution to members of the public who may wish to avail themselves of a copy of this Ordinance.

Section 10. Except as amended by this Ordinance, the Original Bond Ordinance shall continue in full force and effect.

Section 11. This Ordinance shall be in full force and effect from and after its adoption, approval by the Mayor and publication as provided herein.

CHICAGO January 15, 2020

To the President and Members of the City Council:

Your Committee on Finance having had under consideration a substitute ordinance amending the General Obligation Bond Ordinance (Series 2019A Bonds) and Trust Indenture regarding the expenditure of previously approved bonds.

SO2019-9398

Having had the same under advisement, begs leave to report and recommend that your Honorable Body pass the proposed

This recommendation was concurred in by _____ a viva voce vote of members of the committee with Ø dissenting vote(s).

Respectfully submitted,

(signed) 

Chairman