



Office of the Chicago City  
Clerk



O2011-8820

Office of the City Clerk

City Council Document Tracking Sheet

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|---------------------------------|--|
| <b>Meeting Date:</b>            | 11/2/2011  |
| <b>Sponsor(s):</b>              | Emanuel, Rahm (Mayor)  |
| <b>Type:</b>                    | Ordinance  |
| <b>Title:</b>                   | Intergovernmental agreement with Board of Education for<br>TIF funding for Salmon P. Chase Elementary School |
| <b>Committee(s) Assignment:</b> | Committee on Finance   |

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CHICAGO November 16, 2011

**To the President and Members of the City Council:**

**Your Committee on Finance having had under consideration**

An ordinance authorizing the Commissioner of the Department of Housing and Economic Development to enter into and execute an Intergovernmental Agreement with the Chicago Board of Education for the redevelopment of Salmon P. Chase Elementary School.

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

Ordinance Transmitted Herewith

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

**Respectfully submitted**

(signed) \_\_\_\_\_

**Chairman**



FIN.

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OFFICE OF THE MAYOR  
CITY OF CHICAGO

RAHM EMANUEL  
MAYOR

November 2, 2011

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

Ladies and Gentlemen:

At the request of the Commissioner of Housing and Economic Development, I transmit herewith ordinances authorizing the execution of intergovernmental agreements with the Board of Education for TIF funding.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

A handwritten signature in cursive script that reads "Rahm Emanuel".

Mayor

## ORDINANCE

WHEREAS, the City of Chicago (the "City") is a municipal corporation and home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois; and

WHEREAS, the Board of Education of the City of Chicago (the "Board") is a body corporate and politic, organized under and existing pursuant to Article 34 of the School Code of the State of Illinois; and

WHEREAS, pursuant to the provisions of an act to authorize the creation of public building commissions and to define their rights, powers and duties under the Public Building Commission Act (50 ILCS 20/1 et seq.), the City Council of the City (the "City Council") created the Public Building Commission of Chicago (the "Commission") to facilitate the acquisition and construction of public buildings and facilities; and

WHEREAS, the Commission owns in trust for the Board certain real property located at 2021 North Point Street in Chicago, Illinois (the "Chase Property"); and

WHEREAS, the Board has rehabilitated an elementary school (the "Chase Facility") known as Salmon P. Chase Elementary School on the Chase Property (the rehabilitation of the Chase Facility shall be known as the "Chase Project"); 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 blight conditions and conservation factors that could lead to blight through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, to induce certain redevelopment pursuant to the Act, the City Council adopted the following ordinances on February 16, 2000, published at pages 25064 to 25205 of the Journal of Proceedings of the City Council (the "Journal") for said date: "Authorization for Approval of Tax Increment Redevelopment Plan for Fullerton/Milwaukee Redevelopment Project Area" (as amended on May 11, 2005 (Journal pages 47331 to 47471), and July 6, 2011 (Journal pages 2076 to 2084)); "Designation of Fullerton/Milwaukee Redevelopment Project Area as Tax Increment Financing District"; and "Adoption of Tax Increment Allocation Financing for Fullerton/Milwaukee redevelopment Project Area" (the aforesaid Ordinances, as the same may have heretofore been or hereinafter may be amended, are collectively referred to herein as the "Fullerton/Milwaukee TIF Ordinances", the Redevelopment Plan approved by the Fullerton/Milwaukee TIF Ordinances is referred to herein as the "Fullerton/Milwaukee Redevelopment Plan" and the redevelopment project area created by the Fullerton/Milwaukee TIF Ordinances is referred to herein as the "Fullerton/Milwaukee Redevelopment Area"); and

WHEREAS, all of the Chase Property lies wholly within the boundaries of the Fullerton/Milwaukee Redevelopment Area; 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 Fullerton/Milwaukee Redevelopment Area shall be known as the "Fullerton/Milwaukee Increment"); and

WHEREAS, the Board is a taxing district under the Act; and

WHEREAS, the Fullerton/Milwaukee Redevelopment Plan contemplates that tax increment financing assistance would be provided for public improvements, such as the Chase Project, within the boundaries of the Fullerton/Milwaukee Redevelopment Area; and

WHEREAS, the City desires to use a portion of the Fullerton/Milwaukee Increment (the "Chase City Funds") for the Chase Project; and

WHEREAS, the City agrees to use the Chase City Funds in an amount not to exceed \$3,600,000 to reimburse the Board for a portion of the costs of the Chase TIF-Funded Improvements (as defined in Article Three, Section 3 of the proposed agreement attached as Exhibit A hereto) for the Chase Project, pursuant to the terms and conditions of this Agreement; and

WHEREAS, in accordance with the Act, the Chase TIF-Funded Improvements shall include such of the Board's capital costs necessarily incurred or to be incurred in furtherance of the objectives of the Fullerton/Milwaukee Redevelopment Plan, and the City has found that the Chase TIF-Funded Improvements consist of the cost of the Board's capital improvements for the Chase Facility that are necessary and directly result from the redevelopment project constituting the Chase Project and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-03(u) of the Act; and

WHEREAS, the City and the Board now desire to enter into an agreement in substantially the form attached hereto as Exhibit A (the "Agreement"), now, therefore,

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

SECTION 1. The above recitals are incorporated here by this reference.

SECTION 2. The City hereby finds that the TIF-Funded Improvements, among other eligible redevelopment project costs under the Act approved by the City, consist of the cost of the Board's capital improvements that are necessary and directly result from the redevelopment project constituting the Chase Project and, therefore, constitute "taxing district's capital costs" as defined in Section 5/11-74.4-3(u) of the Act.

SECTION 3. Subject to the approval of the Corporation Counsel as to form and legality, the Commissioner of the Department of Housing and Economic Development or his designee is authorized to execute the Agreement and such other documents as are necessary, between the City and the Board in substantially the form attached as Exhibit A. The Agreement shall contain such other terms as are necessary or appropriate.

SECTION 4. 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 of the other provisions of this ordinance.

SECTION 5. This ordinance takes effect upon passage and approval.

Exhibit A

INTERGOVERNMENTAL AGREEMENT BETWEEN  
THE CITY OF CHICAGO, BY AND THROUGH  
ITS DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT,  
AND THE BOARD OF EDUCATION OF THE CITY OF CHICAGO  
REGARDING SALMON P. CHASE ELEMENTARY SCHOOL

This Intergovernmental Agreement (this "Agreement") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2011 by and between the City of Chicago (the "City"), a municipal corporation and home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois, by and through its Department of Housing and Economic Development (the "Department"), and the Board of Education of the City of Chicago (the "Board"), a body corporate and politic, organized under and existing pursuant to Article 34 of the School Code of the State of Illinois.

RECITALS

WHEREAS, pursuant to the provisions of an act to authorize the creation of public building commissions and to define their rights, powers and duties under the Public Building Commission Act (50 ILCS 20/1 et seq.), the City Council of the City (the "City Council") created the Public Building Commission of Chicago (the "Commission") to facilitate the acquisition and construction of public buildings and facilities; and

WHEREAS, the Commission owns in trust for the Board certain real property located at 2021 North Point Street in Chicago, Illinois (the "Chase Property"); and

WHEREAS, the Board has rehabilitated an elementary school (the "Chase Facility") known as Salmon P. Chase Elementary School on the Chase Property (the Chase Facility has those general features described in Exhibit 1 attached hereto and incorporated herein, and the rehabilitation of the Chase Facility shall be known as the "Chase Project"); 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 blight conditions and conservation factors that could lead to blight through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, to induce certain redevelopment pursuant to the Act, the City Council adopted the following ordinances on February 16, 2000, published at pages 25064 to 25205 of the Journal of Proceedings of the City Council (the "Journal") for said date: "Authorization for Approval of Tax Increment Redevelopment Plan for Fullerton/Milwaukee Redevelopment Project Area" (as amended on May 11, 2005 (Journal pages 47331 to 47471), and July 6, 2011 (Journal pages 2076 to 2084)); "Designation of Fullerton/Milwaukee Redevelopment Project Area as Tax Increment Financing District"; and "Adoption of Tax Increment Allocation Financing for Fullerton/Milwaukee redevelopment Project Area" (the aforesaid Ordinances, as the same may have heretofore been or hereinafter may be amended, are collectively referred to herein as the "Fullerton/Milwaukee TIF Ordinances", the Redevelopment Plan approved by the Fullerton/Milwaukee TIF Ordinances is referred to herein as the "Fullerton/Milwaukee Redevelopment Plan" and the redevelopment project area created by the Fullerton/Milwaukee TIF Ordinances is referred to herein as the "Fullerton/Milwaukee Redevelopment Area"); and

WHEREAS, all of the Chase Property lies wholly within the boundaries of the Fullerton/Milwaukee Redevelopment Area; 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 Fullerton/Milwaukee Redevelopment Area shall be known as the "Fullerton/Milwaukee Increment"); and

WHEREAS, the Board is a taxing district under the Act; and

WHEREAS, the Fullerton/Milwaukee Redevelopment Plan contemplates that tax increment financing assistance would be provided for public improvements, such as the Chase Project, within the boundaries of the Fullerton/Milwaukee Redevelopment Area; and

WHEREAS, the City desires to use a portion of the Fullerton/Milwaukee Increment (the "Chase City Funds") for the Chase Project; and

WHEREAS, the City agrees to use the Chase City Funds in an amount not to exceed \$3,600,000 to reimburse the Board for a portion of the costs of the Chase TIF-Funded Improvements (as defined in Article Three, Section 3 below) for the Chase Project, pursuant to the terms and conditions of this Agreement; and

WHEREAS, in accordance with the Act, the Chase TIF-Funded Improvements shall include such of the Board's capital costs necessarily incurred or to be incurred in furtherance of the objectives of the Fullerton/Milwaukee Redevelopment Plan, and the City has found that the Chase TIF-Funded Improvements consist of the cost of the Board's capital improvements for the Chase Facility that are necessary and directly result from the redevelopment project constituting the Chase Project and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-03(u) of the Act.

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:

#### Article One: Incorporation of Recitals

The recitals set forth above are incorporated herein by reference and made a part hereof.

#### Article Two: The Chase Project

The Board covenants, represents and warrants that the plans and specifications for the Chase Project at a minimum meet the general requirements for the Chase Facility as set forth in Exhibit 1 hereof. The Board covenants, represents and warrants that it has complied and shall comply with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders; as well as all policies, programs and procedures of the Board, all as may be in effect or as amended from time to time, pertaining to or affecting the Chase Project or the Board as related thereto. The Board shall include a certification of such compliance with each request for City Funds hereunder. The City shall be entitled to rely on this certification without further inquiry. Upon the City's request, the Board shall provide evidence satisfactory to the City of such compliance.

### Article Three: Funding

1. Upon the execution hereof, the Board shall provide the Department with a Requisition Form, in the form of Exhibit 2 hereto, along with: (i) a cost itemization of the applicable portions of the budget attached as Exhibit 3 hereto; (ii) evidence of the expenditures upon Chase TIF-Funded Improvements for which the Board seeks reimbursement; and (iii) all other documentation described in Exhibit 2. Requisition for reimbursement of Chase TIF-Funded Improvements out of the Chase City Funds shall be made not more than four (4) times per year (or as otherwise permitted by the Department). The City shall disburse the Chase City Funds to the Board within fifteen (15) days after the City's approval of a Requisition Form. The Board will only request disbursement of City Funds and the City will only disburse City Funds for the costs of the Chase Project, to the extent that such costs are TIF-Funded Improvements. Subject to the foregoing, the parties anticipate that the Chase City Funds shall be disbursed pursuant to the schedule attached hereto as Exhibit 5, subject in all events to the availability of applicable Increment as identified in the recitals hereof.

2. The cost of the Chase Project is \$3,600,000. The Board has delivered to the Commissioner, and the Commissioner hereby approves, a detailed project budget for the Chase Project, attached hereto and incorporated herein as Exhibit 3. The Board agrees that the City will only contribute the Chase City Funds to the Chase Project and that all costs of completing the Chase Project over the Chase City Funds shall be the sole responsibility of the Board.

3. Attached as Exhibit 4 and incorporated herein is a list of capital improvements, land assembly costs, relocation costs and other costs, if any, recognized by the City as being eligible redevelopment project costs under the Act with respect to the Chase Project, to be paid for out of Chase City Funds ("Chase TIF-Funded Improvements"); and to the extent the Chase TIF-Funded Improvements are included as taxing district capital costs under the Act, the Board acknowledges that the Chase TIF-Funded Improvements are costs for capital improvements and the City acknowledges it has determined that these Chase TIF-Funded Improvements are necessary and directly result from the Fullerton/Milwaukee Redevelopment Plan. All Chase TIF-Funded Improvements shall (a) qualify as redevelopment project costs under the Act, (b) qualify as eligible costs under the Fullerton/Milwaukee Redevelopment Plan; and (c) be improvements that the Commissioner has agreed to pay for out of Fullerton/Milwaukee Increment, subject to the terms of this Agreement.

4. [intentionally omitted]

5. If requested by the City, the Board shall provide to the City reasonable access to its books and records relating to the Chase Project.

6. [intentionally omitted]

7. During the Term hereof the Board shall not sell, transfer, convey, lease or otherwise dispose (or cause or permit the sale, transfer, conveyance, lease or other disposal) of all or any portion of (a) the Chase Property or any interest therein, or (b) the Chase Facility or any interest therein (each a "Transfer"), or otherwise effect or consent to a Transfer, without the prior written consent of the City. The City's consent to any Transfer may, in the City's sole discretion, be conditioned upon (among other things) whether such a Transfer would conflict with the statutory basis for the provision of the Chase City Funds hereunder pursuant to the Act. Nothing contained in this Article Three, Section 7 shall be construed as prohibiting the Commission from holding title to the Chase Property or the Chase Facility for the benefit of the Board as may be permitted or required by law or the City from holding title to the Chase Property or the Chase Facility in trust for the use of schools as may be permitted or required by law.

8. The Board's right to receive payments hereunder shall be subordinate to the now existing obligations of the City to be paid from Fullerton/Milwaukee Increment, including but not limited to the City's \$7,040,000 City of Chicago General Obligation Bonds, Series 2007K (Modern

Schools Across Chicago Program) and \$92,280,000 aggregate principal amount General Obligation Bonds, Series 2010A (Modern Schools Across Chicago Program) (Tax-Exempt) and its \$57,835,000 aggregate principal amount General Obligation Bonds, Taxable Series 2010B (Modern Schools Across Chicago Program) (Build America Bonds – Direct Payment).

9. The City, subject to the terms of this Section 9, may, until the earlier to occur of (1) the expiration of the Term of this Agreement or (2) the date that the City has paid directly or the Board has been reimbursed in the full amount of the City Funds under this Agreement, exclude up to 95% of the Increment generated from the construction value of a new assisted development project and pledge that Increment to a developer on a basis superior to that of the Board. For purposes of this subsection, "a new assisted development project" shall not include any development project that is or will be exempt from the payment of ad valorem property taxes. Further, for purposes of this subsection, "Increment generated from the construction value of a new assisted development project" shall be the amount of Increment generated by the equalized assessed value ("EAV") of such affected parcels over and above the EAV of such affected parcels for the year immediately preceding the year in which the new assisted development project commences (the "Base Year"). Except for the foregoing, the Board shall retain its initial status relative to Fullerton/Milwaukee Increment.

In the event that the City elects to avail itself of the provisions of this Section 9, it shall, at least seven (7) days prior to executing a binding commitment pledging the Increment described above, certify, in a letter to the Board, the affected parcels and the EAV thereof for the Base Year.

#### Article Four: Term

The Term of the Agreement shall commence on the date of its execution and shall expire on the date on which the Fullerton/Milwaukee Redevelopment Area is no longer in effect (through and including December 31, 2024).

#### Article Five: Indemnity; Default

1. The Board agrees to indemnify, defend and hold the City, its officers, officials, members, employees and agents harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with (i) the Board's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) the Board's or any contractor's failure to pay general contractors, subcontractors or materialmen in connection with the Chase Project.

2. The failure of the Board to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Board under this Agreement or any other agreement directly related to this Agreement shall constitute an "Event of Default" by the Board hereunder. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreement directly related to this Agreement, and may suspend disbursement of the City Increment Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein.

In the event the Board shall fail to perform a covenant which the Board is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Board has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those defaults which are not capable of being cured within such thirty (30) day period, the Board shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the

same has been cured.

3. The failure of the City to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the City under this Agreement or any other agreement directly related to this Agreement shall constitute an "Event of Default" by the City hereunder. Upon the occurrence of an Event of Default, the Board may terminate this Agreement and any other agreement directly related to this Agreement. The Board may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure injunctive relief or the specific performance of the agreements contained herein.

In the event the City shall fail to perform a covenant which the City is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the City has failed to cure such default within thirty (30) days of its receipt of a written notice from the Board specifying the nature of the default; provided, however, with respect to those defaults which are not capable of being cured within such thirty (30) day period, the City shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

#### Article Six: Consent

Whenever the consent or approval of one or both parties to this Agreement is required hereunder, such consent or approval shall not be unreasonably withheld.

#### Article Seven: Notice

Notice to Board shall be addressed to:

Chief Financial Officer  
Board of Education of the City of Chicago  
125 South Clark Street, 14<sup>th</sup> Floor  
Chicago, Illinois 60603  
FAX: (773) 553-2701

and

General Counsel  
Board of Education of the City of Chicago  
125 South Clark Street, 7<sup>th</sup> Floor  
Chicago, Illinois 60603  
FAX: (773) 553-1702

Notice to the City shall be addressed to:

Commissioner  
City of Chicago  
Department of Housing and Economic Development  
121 North LaSalle Street, Room 1000  
Chicago, Illinois 60602  
FAX: (312) 744-2271

and

Corporation Counsel  
City of Chicago

Department of Law  
121 North LaSalle Street, Room 600  
Chicago, Illinois 60602  
Attention: Finance and Economic Development Division  
FAX: (312) 744-8538

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth above, by any of the following means: (a) personal service; (b) electric communications, whether by telex, telegram, telecopy or facsimile (FAX) machine; (c) overnight courier; or (d) registered or certified mail, return receipt requested.

Such addresses may be changed when notice is given to the other party in the same manner as provided above. Any notice, demand or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch by electronic means. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and, if sent pursuant to subsection (d) shall be deemed received two (2) days following deposit in the mail.

#### Article Eight: Assignment; Binding Effect

This Agreement, or any portion thereof, shall not be assigned by either party without the prior written consent of the other.

This Agreement shall inure to the benefit of and shall be binding upon the City, the Board and their respective successors and permitted assigns. This Agreement is intended to be and is for the sole and exclusive benefit of the parties hereto and such successors and permitted assigns.

#### Article Nine: Modification

This Agreement may not be altered, modified or amended except by written instrument signed by all of the parties hereto.

#### Article Ten: Compliance With Laws

The parties hereto shall comply with all federal, state and municipal laws, ordinances, rules and regulations relating to this Agreement.

#### Article Eleven: Governing Law And Severability

This Agreement shall be governed by the laws of the State of Illinois. If any provision of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, ordinance, rule of law or public policy, or for any reason, such circumstance shall not have the effect of rendering any other provision or provisions contained herein invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part hereof.

#### Article Twelve: Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original.

#### Article Thirteen: Entire Agreement

This Agreement constitutes the entire agreement between the parties.

#### Article Fourteen: Authority

Execution of this Agreement by the City is authorized by an ordinance passed by the City Council of the City on \_\_\_\_\_, 2011. Execution of this Agreement by the Board is authorized by Board Resolution 01-0725-RS2. The parties represent and warrant to each other that they have the authority to enter into this Agreement and perform their obligations hereunder.

#### Article Fifteen: Headings

The headings and titles of this Agreement are for convenience only and shall not influence the construction or interpretation of this Agreement.

#### Article Sixteen: Disclaimer of Relationship

Nothing contained in this Agreement, nor any act of the City or the Board shall be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City and the Board.

#### Article Seventeen: Construction of Words

The use of the singular form of any word herein shall also include the plural, and vice versa. The use of the neuter form of any word herein shall also include the masculine and feminine forms, the masculine form shall include feminine and neuter, and the feminine form shall include masculine and neuter.

#### Article Eighteen: No Personal Liability

No officer, member, official, employee or agent of the City or the Board shall be individually or personally liable in connection with this Agreement.

#### Article Nineteen: Representatives

Immediately upon execution of this Agreement, the following individuals will represent the parties as a primary contact in all matters under this Agreement.

For the Board: Patricia L. Taylor, Chief Operating Officer  
Board of Education of the City of Chicago  
125 South Clark Street, 17<sup>th</sup> Floor  
Chicago, Illinois 60603  
Phone: 773-553-2900  
Fax: 773-553-2912

For the City: Robert McKenna, Assistant Commissioner  
City of Chicago  
Department of Housing and Economic Development  
121 North LaSalle Street, Room 1003  
Chicago, Illinois 60602  
Phone: 312-744-9463  
Fax: 312-744-5892

Each party agrees to promptly notify the other party of any change in its designated representative, which notice shall include the name, address, telephone number and fax number of the representative for such party for the purpose hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed and delivered as of the date first above written.

CITY OF CHICAGO, ILLINOIS, by and through the  
Department of Housing and Economic Development

By: \_\_\_\_\_  
Commissioner  
Department of Housing and Economic Development

THE BOARD OF EDUCATION  
OF THE CITY OF CHICAGO

By: \_\_\_\_\_  
President

Attest By: \_\_\_\_\_  
Secretary

Board Resolution No.: 01-0725-RS2

Approved as to legal form:

\_\_\_\_\_  
General Counsel

## EXHIBIT 1

### FEATURES OF THE CHASE FACILITY

Address: 2021 N. Point St.

Project Description:

The ADA project provides new interior 4-stop elevator, stage lifts at the gymnasium, and two new ramps at the basement. It also includes ADA compliant accessible stalls in toilet rooms, ADA compliant lavatories, replacement lighting in toilet rooms, and new plumbing in toilet rooms in main building and conversion of the Teacher Toilet Room into unisex toilet rooms in 4 locations. Existing classroom entry doors, frames and door hardware with new doors and frames were replaced, an automatic door entry system was installed as was ADA compliant door hardware at main building. Emergency lighting revisions, replacement of the existing fire alarm system, new AI phone entry system, a new trash enclosure and tree grates were also included. New ADA compliant interior and exterior signage was also installed.

Additional improvements to address educational and exterior enhancements are planned, including a play lot, artificial turf field, an improved drainage system, an ADA curb cut and new concrete path of travel, a marquee sign, a science room upgrade, improvements to the gym/auditorium, and web-based DDC HVAC temperature controls in the main building.

Capacity: The current enrollment is 1067 students.

EXHIBIT 2

REQUISITION FORM

State of Illinois        )  
                                  ) SS  
County of Cook        )

The affiant, \_\_\_\_\_ of the Board of Education of the City of Chicago, a body corporate and politic (the "Board"), hereby certifies that with respect to that certain Intergovernmental Agreement between the Board and the City of Chicago dated \_\_\_\_\_, 2011 regarding Salmon P. Chase Elementary School (the "Agreement"):

A. The following is a true and complete statement of all expenditures for the Chase Project to date:

TOTAL:       \$ \_\_\_\_\_

B. This paragraph B sets forth and is a true and complete statement of all costs of Chase TIF-Funded Improvements for the Chase Project reimbursed by the City to date:

\$ \_\_\_\_\_

C. The Board requests reimbursement for the following cost of Chase TIF-Funded Improvements:

\$ \_\_\_\_\_

D. None of the costs referenced in paragraph C above have been previously reimbursed by the City.

E. The Board hereby certifies to the City that, as of the date hereof:

1. Except as described in the attached certificate, the representations and warranties contained in the Agreement are true and correct and the Board is in compliance with all applicable covenants contained therein.

2. No Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default, exists or has occurred.

3. The Board is in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders, as well as all policies, programs and procedures of the Board, all as may be in effect or as amended from time to time, pertaining to or affecting the Chase Project or the Board as related thereto.

F. Attached hereto are: (1) a cost itemization of the applicable portions of the budget attached as Exhibit 3 to the Agreement; and (2) evidence of the expenditures upon TIF-Funded Improvements for which the Board hereby seeks reimbursement

All capitalized terms which are not defined herein have the meanings given such terms in the Agreement.

THE BOARD OF EDUCATION  
OF THE CITY OF CHICAGO, a body corporate and politic

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Subscribed and sworn before me this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
My commission expires: \_\_\_\_\_

Agreed and accepted:

CITY OF CHICAGO

DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT

\_\_\_\_\_  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

### EXHIBIT 3

#### CHASE PROJECT BUDGET

|                                    | <u>Budget<br/>Estimate</u> |
|------------------------------------|----------------------------|
| ADA Improvements<br>Design         | \$125,000                  |
| Construction                       | \$1,850,000                |
| Environmental Remediation          | \$23,000                   |
| Allowances                         | \$120,000                  |
| Subtotal                           | <u>\$2,118,000</u>         |
| Exterior and Interior Improvements |                            |
| Installation of Artificial Turf    | \$510,000                  |
| New Curb Cut and Path of Travel    | \$54,000                   |
| New Marquee Sign                   | \$40,000                   |
| Gym/ Auditorium Improvements       | \$250,000                  |
| Science Room Upgrade               | \$8,000                    |
| Temperature Controls               | \$620,000                  |
| Subtotal                           | <u>\$1,482,000</u>         |
| Project Total                      | \$3,600,000                |

# EXHIBIT 4

## CHASE PROJECT TIF-FUNDED IMPROVEMENTS

|                                    | <u>Budget<br/>Estimate</u> |
|------------------------------------|----------------------------|
| ADA Improvements                   |                            |
| Design                             | \$125,000                  |
| Construction                       | \$1,850,000                |
| Environmental Remediation          | \$23,000                   |
| Allowances                         | \$120,000                  |
| Subtotal                           | <u>\$2,118,000</u>         |
| Exterior and Interior Improvements |                            |
| Installation of Artificial Turf    | \$510,000                  |
| New Curb Cut and Path of Travel    | \$54,000                   |
| New Marquee Sign                   | \$40,000                   |
| Gym/ Auditorium Improvements       | \$250,000                  |
| Science Room Upgrade               | \$8,000                    |
| Temperature Controls               | \$620,000                  |
| Subtotal                           | <u>\$1,482,000</u>         |
| Project Total                      | \$3,600,000                |

EXHIBIT 5

ANTICIPATED DISBURSEMENT SCHEDULE

[NOT ATTACHED FOR PURPOSES OF ORDINANCE –  
TO BE ATTACHED AT EXECUTION]

APPROVED  
Stephen R. Patton  
CORPORATION COUNSEL

APPROVED  
Ruben E. Emanuel by SRP  
12/12/11 Mayor