



# City of Chicago



O2014-1144

Office of the City Clerk

## Document Tracking Sheet

**Meeting Date:** 2/5/2014

**Sponsor(s):** Emanuel (Mayor)

**Type:** Ordinance

**Title:** Lease agreement with Metropolitan Pier and Exposition  
Authority for access to City-owned land at 3050 S. Cottage  
Grove Ave

**Committee(s) Assignment:** Committee on Housing and Real Estate





OFFICE OF THE MAYOR  
CITY OF CHICAGO

RAHM EMANUEL  
MAYOR

February 5, 2014

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

Ladies and Gentlemen:

At the request of the Commissioner of Fleet and Facility Management, I transmit herewith ordinances authorizing the execution of lease and license agreements.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

Mayor

## ORDINANCE

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

**SECTION 1:** The Commissioner of the Department of Fleet and Facility Management is authorized to execute on behalf of the City of Chicago, as Landlord, a Lease with the Metropolitan Pier and Exposition Authority, as Tenant, governing the Metropolitan Pier and Exposition Authority's access to vacant City-owned land located at 3050 South Cottage Grove Avenue for use as outdoor bus storage; such Lease to be approved as to form and legality by the Corporation Counsel in substantially the following form:

3050 South Cottage Grove Avenue  
Metropolitan Pier and Exposition Authority  
Lease No. 20307

**SECTION 2:** This Ordinance shall be effective from and after the date of its passage and approval.

**LEASE AGREEMENT**

**THIS LEASE AGREEMENT** (the "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2014 (the "Commencement Date"), by and between the **CITY OF CHICAGO**, an Illinois Municipal Corporation and Home Rule of Government (the "City") and **METROPOLITAN PIER AND EXPOSITION AUTHORITY**, a political subdivision of the State of Illinois, unit of local government, body politic and municipal corporation (the "MPEA").

**RECITALS**

**WHEREAS**, City is the owner of a vacant parking lot of approximately 79,000 square feet located at 3050 South Cottage Grove Avenue, Chicago, Cook County, Illinois (the "Premises"); and

**WHEREAS**, the Premises have no present municipal use; and

**WHEREAS**, MPEA owns McCormick Place®, a premier facility for tradeshows, conventions, and other gatherings; and

**WHEREAS**, patrons and visitors use various coach buses (the "MPEA Buses") to attend tradeshows, conventions and other gatherings at McCormick Place; and

**WHEREAS**, the MPEA Buses are occasionally staged at a parking lot similar to the Premises (the "IDOT Parking Lot") presently located under the outbound ramp owned by the Illinois Department of Transportation ("IDOT"); and

**WHEREAS**, IDOT has informed MPEA that IDOT will be performing improvements to the outbound ramp and that said improvements will render the IDOT Parking Lot inaccessible for an undisclosed period of time; and

**WHEREAS**, MPEA has requested access to the Premises strictly for the purpose of allowing MPEA to stage MPEA Buses on the Premises during certain events being held at McCormick Place; and

**WHEREAS**, MPEA's proposed access to the Premises shall not interfere with the City's future development of the Premises; and

**WHEREAS**, the Illinois Intergovernmental Cooperation Act (5 ILCS 220 *et. seq.*) authorizes municipalities and other branches of government to collaborate jointly in the effective delivery of public services.

**WHEREAS**, City has agreed to provide MPEA with access to the Premises.

**NOW THEREFORE**, in consideration of the covenants, terms and conditions set forth herein, the parties hereto agree and covenant as follows:

**SECTION 1. GRANT**

1.1 Grant. City hereby provides MPEA with access to the following described Premises situated in the City of Chicago, County of Cook, State of Illinois, to wit:

Approximately 79,000 square feet of land located at 3050 South Cottage Grove Avenue, Chicago, Cook County, Illinois (PIN 17-27-407-063).

**SECTION 2. TERM**

2.2 Term. The term of this Agreement ("Term") shall commence on the Commencement Date and shall end on February 28, 2015, unless sooner terminated as set forth in this Agreement.

**SECTION 3. RENT, TAXES, AND UTILITIES**

3.1 Rent. MPEA shall pay rent for access to the Premises in the amount of:

One Dollar (\$1.00) for the entire Term the receipt and sufficiency of said sum being herewith acknowledged by both parties.

3.2 Taxes and Other Levies. MPEA shall pay when due any leasehold taxes, duties, assessments, water and sewer charges, and other levies, if any, assessed against the Premises as a result of this Agreement for use by MPEA during the Term.

3.3 Utilities. MPEA shall pay when due all charges, if any, for electricity, light, and telephone or other communication service, and all other utility services used in or supplied to the Premises for MPEA's benefit.

3.4 Accord and Satisfaction. No payment by MPEA or receipt by City of a lesser amount than any installment or payment of any amounts due hereunder shall be deemed to be other than on account of the amount due, and no endorsement of statement or any check or any letter accompanying any check or payment of rent shall be deemed an accord and satisfaction. City may accept such check or payment without prejudice as to City's right to recover the balance of such installment or payment to pursue any other remedies available to City.

**SECTION 4. CONDITION AND ENJOYMENT OF PREMISES, ALTERATIONS AND ADDITIONS, AND SURRENDER**

4.1 Covenant of Quiet Enjoyment. City represents that it is the owner of the Premises and further covenants and agrees that MPEA, upon paying the rent and upon observing and keeping the covenants, agreements, and conditions of this Agreement on its part to be kept, observed, and performed, shall lawfully and quietly hold, occupy, and enjoy the Premises (subject to the provisions of this Agreement) during the Term without hindrance or molestation by City or by any person or persons claiming under City.

4.2 Right of Access. City shall have the right of unrestricted access to the Premises in order to further any possible future development of the Premises. City shall schedule its entry so as to minimize any interference with MPEA's use of Premises.

4.3 Use of the Premises. MPEA covenants not to do or suffer any waste or damage, comply in all respects with the laws, ordinances, orders, rules, regulations, and requirements of all federal, state and municipal governmental departments (collectively the "Laws") which may be applicable to the Premises or to the use or manner of use of the Premises. MPEA shall not use the Premises in a manner that would violate any then-existing Laws in effect as of the Commencement Date of the Agreement. Any activities on the Premises must be limited to MPEA's staging of MPEA Buses for McCormick Place operations (the "Use"). MPEA agrees that in utilizing said Premises that MPEA shall not discriminate against any member of the public because of race, creed, color, sexual orientation, political perspective, immigration status, or national origin. MPEA shall not charge a fee for Use of the Premises.

4.4 Alterations and Additions. MPEA may not make any alterations, additions, and improvements to the Premises without the express written consent of the Commissioner of the Department of Fleet and Facility Management.

## **SECTION 5. ASSIGNMENT, SUBAGREEMENT, AND LIENS**

5.1 Assignment and Sublease. MPEA shall not assign this Agreement in whole or in part, or sublet the Premises or any part thereof without the express written consent of the Commissioner of the Department of Fleet and Facility Management in each instance.

5.2 MPEA's Covenant against Liens. MPEA, MPEA's contractors, or MPEA's subcontractors, shall not cause or permit any lien or encumbrance, whether created by act of MPEA (or MPEA's contractors or subcontractors), operation of law or otherwise, to attach to or be placed upon City's title or interest in the Premises. All liens and encumbrances created by MPEA shall attach to MPEA's interest only.

## **SECTION 6. INSURANCE AND INDEMNIFICATION**

6.1 Insurance. MPEA shall procure and maintain, or cause MPEA's contractors, subcontractors or consultants that are undertaking the Use to procure and maintain, at MPEA's sole expense (or the expense of its contractors or subcontractors as applicable), during the entire term of this Agreement, the types and amounts of insurance set forth below with insurance companies authorized to do business in the State of Illinois, covering any work under this Agreement, whether performed by or on behalf of MPEA.

(a) Worker's Compensation and Employer's Liability Insurance. MPEA and its contractors and subcontractors shall procure and maintain Worker's Compensation Insurance, as prescribed by applicable law, covering all employees who are to provide a service under this Agreement, and Employer's Liability Insurance with limits of not less than \$100,000 each accident or illness.



(b) Commercial General Liability Insurance (Primary and Umbrella). MPEA and its contractors and subcontractors shall procure and maintain Commercial General Liability Insurance, or equivalent, with limits of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage liability; provided, however, subcontractors performing work in connection with this Agreement may maintain limits of \$1,000,000 if the subcontract amount is less than \$100,000. Coverage shall include, at a minimum, all premises and operations, products/completed operations, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago shall be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the Activity.

(c) Automobile Liability Insurance (Primary and Umbrella). When any motor vehicles (owned, non-owned and hired) are used in connection with the Activity, MPEA and its contractors and subcontractors shall procure and maintain Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage; provided, however, subcontractors performing work in connection with this Agreement may maintain limits of \$1,000,000 if the subcontract amount is less than \$100,000. The City of Chicago shall be named as an additional insured with respect to such coverage on a primary, non-contributory basis.

(d) Professional Liability Insurance. When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, such parties shall procure and maintain Professional Liability Insurance covering acts, errors, or omissions with limits of not less than \$1,000,000, with coverage including contractual liability. When a policy is renewed or replaced, the policy retroactive date must coincide with, or precede, the start of work under this Agreement. A claims-made policy that is not renewed or replaced must have an extended reporting period of two (2) years. The City of Chicago shall be named as an additional insured with respect to such coverage on a primary, non-contributory basis.

(e) All Risk Property. MPEA and its contractors and subcontractors shall be responsible for all loss or damage to personal property (including, without limitation, material, equipment, tools and supplies), owned, rented or used by MPEA or its contractors and subcontractors.

MPEA shall deliver, or cause its contractors or subcontractors to deliver, to City certificates of insurance required hereunder. The receipt of any certificate does not constitute agreement by City that the insurance requirements in this Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements set forth herein. The failure of City to obtain certificates or other evidence of insurance from MPEA (or its contractors or subcontractors as applicable) shall not be deemed to be a waiver by City of the insurance requirements set forth herein. MPEA shall advise all insurers of the insurance requirements set forth herein and the nature of its Use of the Premises. Non-conforming insurance, or failure to submit a Certificate of Insurance evidencing such coverages, shall not relieve MPEA of the obligation to provide insurance as specified herein. City may terminate this

Agreement for non-fulfillment of the insurance conditions, and retains the right to temporarily suspend the Use until proper evidence of insurance is provided.

MPEA (or its contractors or subcontractors as applicable) shall be responsible for any and all deductibles or self-insured retentions. MPEA agrees that insurers shall waive their rights of subrogation against City, its employees, elected officials, agents, and representatives. MPEA expressly understands and agrees that any coverages and limits furnished by it (or its contractors or subcontractors as applicable) shall in no way limit MPEA's liabilities and responsibilities specified in this Agreement or by law. MPEA expressly understands and agrees that its insurance (or that of its contractors or subcontractors as applicable) is primary and any insurance or self-insurance programs maintained by City shall not contribute with insurance provided by MPEA (or its contractors or subcontractors as applicable) under this Agreement. The required insurance shall not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.

MPEA shall require all contractors and subcontractors to maintain the above-described coverage, or MPEA may provide such coverage for its contractors and subcontractors. If MPEA or any contractor or subcontractor wants additional coverage, such party shall be responsible for the acquisition and cost of such additional protection. City shall have no responsibility to provide insurance or security for the Premises, material, supplies, or equipment to be used by MPEA or any of its contractors or subcontractors in connection with the Use.

The City of Chicago, Department of Finance, Office of Risk Management, maintains the right to modify, delete, alter or change these requirements, provided that MPEA is provided with thirty (30) days' prior written notice of such amendment.

6.2 MPEA's Indemnification. MPEA shall indemnify, defend, and hold City harmless against all third-party liabilities, judgments, amounts paid in settlement, arbitration or mediation awards, costs, damages, and expenses (including reasonable attorney's fees, expenses, and court costs), and loss or damage to personal property suffered by MPEA, its agents, employees, invitees, contractors, subcontractors, and consultants, whether such claim is related to or arises from personal injury, property damage, or property loss which may be expended by or accrue against, be charged to, or be recovered from City or MPEA by reason of MPEA's performance of or failure to perform any of MPEA's obligations under this Agreement, or MPEA's grossly negligent acts or failure to act, or resulting from the acts or failure to act of MPEA's or any of MPEA's contractors, subcontractors, respective officers, directors, agents, employees, or invitees.

## **SECTION 7. CONFLICT OF INTEREST AND GOVERNMENTAL ETHICS**

7.1 Conflict of Interest. No official or employee of the City of Chicago, nor any member of any board, commission or agency of the City of Chicago, shall have any financial interest (as directed in Chapter 2-156 of the Municipal Code), either direct or indirect, in the Premises. Nor shall any such official, employee, or member participate in making or in any way attempt to use his or her position to influence any City governmental decision or action with respect to this Agreement.

7.2 Duty to Comply with Governmental Ethics Ordinance. City and MPEA shall comply with Chapter 2-156 of the Municipal Code of Chicago, "Governmental Ethics," including but not limited to section 2-156-120, which states that no payment, gratuity or offer of employment shall be made in connection with any City of Chicago contract, as an inducement for the award of a contract or order. Any contract or Agreement negotiated, entered into, or performed in violation of any of the provisions of Chapter 2-156 shall be voidable as to the City of Chicago.

## **SECTION 8. HOLDING OVER**

8.1 Holding Over. Any holding over by MPEA shall be construed to be a tenancy from month to month beginning on March 1, 2015 and the rent shall be the same as listed in Section 3.1 of this Agreement. During such holding over all other provisions of this Agreement shall remain in full force and effect.

## **SECTION 9. MISCELLANEOUS**

9.1 Notice. All notices, demands and requests which may be or are required to be given, demanded or requested by either party to the other shall be in writing. All notices, demands and requests by MPEA to City shall be delivered by national overnight courier or shall be sent by United States registered or certified mail, return receipt requested, postage prepaid addressed to City as follows:

City of Chicago  
Department of Fleet and Facility Management  
Office of Real Estate Management  
30 North LaSalle Street - Suite 300  
Chicago, Illinois 60602

or at such other place as City may from time to time designate by written notice to MPEA. All notices, demands, and requests by City to MPEA shall be delivered by a national overnight courier or shall be sent by United States registered or certified mail, return receipt requested, postage prepaid, addressed to MPEA as follows:

Metropolitan Pier and Exposition Authority  
301 East Cermak Road  
Chicago, Illinois 60616  
Attention: General Counsel

or at such other place as MPEA may from time to time designate by written notice to City. Any notice, demand or request which shall be served upon MPEA by City, or upon City by MPEA, in the manner aforesaid, shall be deemed to be sufficiently served or given for all purposes hereunder at the time such notice, demand or request shall be mailed.

## LEASE NO. 20307

9.2 Partial Invalidity. If any covenant, condition, provision, term or agreement of this Agreement shall, to any extent, be held invalid or unenforceable, the remaining covenants, conditions, provisions, terms, and agreements of this Agreement shall not be affected thereby, but each covenant, condition, provision, term, or agreement of this Agreement shall be valid and in force to the fullest extent permitted by law.

9.3 Governing Law. This Agreement shall be construed and be enforceable in accordance with the laws of the State of Illinois.

9.4 Entire Agreement. All preliminary and contemporaneous negotiations are merged into and incorporated in this Agreement. This Agreement contains the entire agreement between the parties and shall not be modified or amended in any manner except by an instrument in writing executed by the parties hereto.

9.5 Captions and Section Numbers. The captions and section numbers appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections of this Agreement nor in any way affect this Agreement.

9.6 Binding Effect of Agreement. The covenants, agreements, and obligations contained in this Agreement shall extend to, bind, and inure to the benefit of the parties hereto and their legal representatives, heirs, successors, and assigns.

9.7 Time is of the Essence. Time is of the essence of this Agreement and of each and every provision hereof.

9.8 No Principal/Agent or Partnership Relationship. Nothing contained in this Agreement shall be deemed or construed by the parties hereto nor by any third party as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto.

9.9 Authorization to Execute Agreement. The parties executing this Agreement hereby represent and warrant that they are the duly authorized and acting representatives of City and MPEA respectively and that by their execution of this Agreement, it became the binding obligation of City and MPEA respectively, subject to no contingencies or conditions except as specifically provided herein.

9.10 Termination of Agreement. City and MPEA shall have the right to terminate this Agreement for any reason without prepayment or penalty by providing thirty (30) days prior written notice at any time after the Commencement Date.

9.11 Force Majeure. When a period of time is provided in this Agreement for either party to do or perform any act or thing, the party shall not be liable or responsible for any delays due to strikes, lockouts, casualties, acts of God, wars, governmental regulation or control, and other causes beyond the reasonable control of the party, and in any such event the time period shall be extended for the amount of time the party is so delayed.

9.12 Amendments. From time to time, the parties hereto may administratively amend this Agreement with respect to any provisions reasonably related to MPEA's use of the Premises and/or City's administration of said Agreement. Provided, however, that such amendment(s) shall not serve to extend the Agreement term hereof nor serve to otherwise materially alter the essential provisions contained herein. Such amendment(s) shall be in writing, shall establish the factual background necessitating such alteration, shall set forth the terms and conditions of such modification, and shall be duly executed by both City and MPEA. Such amendment(s) shall only take effect upon execution by both parties. Upon execution, such amendment(s) shall become a part of this Agreement and all other provisions of this Agreement shall otherwise remain in full force and effect.

#### **SECTION 10. ADDITIONAL RESPONSIBILITIES OF MPEA**

10.1 Condition upon Termination. Upon the termination of this Agreement, MPEA shall surrender the Premises to City in a comparable condition to the condition of the Premises as of the Commencement Date, with normal wear and tear taken into consideration.

10.2 Satisfaction with Condition. MPEA agrees that MPEA has inspected the Premises and all related areas and grounds and that MPEA is satisfied with the physical condition thereof. MPEA accepts the Premises in "as-is" condition and the MPEA shall undertake the Use of the Premises at MPEA's sole risk.

10.3 Maintenance. MPEA shall provide any maintenance services required for its Use of the Premises. MPEA shall keep the Premises clean and free of debris. MPEA acknowledges that City has no maintenance or custodial obligations with respect to the Premises.

10.4 Illegal Activity. MPEA, or any of its agents and employees, shall not perform or permit any practice that is injurious to the Premises or increases the rate of any applicable insurance on the Premises.

10.5 Hazardous Materials. MPEA shall keep out of Premises materials which cause a fire hazard or safety hazard. MPEA shall not destroy, deface, damage, impair, nor remove any part of the Premises or facilities, equipment or appurtenances thereto.

10.6 Alcohol and Drugs. MPEA agrees that no alcoholic beverages of any kind or illegal drugs be sold, given away, or consumed on the Premises.

10.7 Security. MPEA shall be responsible for properly securing and safeguarding the MPEA Buses, MPEA's equipment, other vehicles, or materials placed on the Premises under this Agreement. MPEA acknowledges that City shall not have any security responsibilities relative to the MPEA's Buses, MPEA's equipment, other vehicles, or materials.

10.8 Snow Removal. MPEA shall promptly remove any snow and ice from the Premises and from the sidewalks adjacent to the Premises. MPEA acknowledges that City shall not have any snow removal responsibilities to the Premises and from the sidewalks adjacent to the Premises.

**LEASE NO. 20307**

10.9 No Substitute for Required Permitting. MPEA must secure all permits and approvals, if any, that may be required to undertake the Use. MPEA understands that this Agreement shall not act as a substitute for any other permitting or approvals that may be required to undertake the Use.

10.10 Repairs. MPEA shall be responsible for any damage to the Premises caused by the negligence of MPEA and its agents, employees, invitees, contractors, subcontractors, and consultants.

10.11 Usage Restrictions. MPEA shall not charge a fee for use of the Premises. MPEA shall not create excessive noise, disruptions, or otherwise interfere or conflict with the residential nature of the adjacent area. MPEA shall coordinate any access issues to the Premises with City's Department of Fleet and Facility Management and with any contractors hired by City's Department of Fleet and Facility Management.

10.12 No Other Rights. This Agreement does not give MPEA any other right with respect to the Premises. Any rights not specifically granted to MPEA by and through this Agreement are reserved exclusively to City. Execution of this Agreement does not obligate City in any manner and City shall not undertake any additional duties or services.

10.13 Future Site Development. MPEA acknowledges that City's Department of Housing and Economic Development and/or its successor department(s) is actively marketing the Premises for development opportunity. MPEA understands that the development of the Premises is critical to the continued economic vibrancy of the area. In the event of such disposition, MPEA's sole remedy is to vacate the Premises within thirty (30) days of such disposition. City is under no obligation to provide MPEA with alternative locations for MPEA's operations.

**[SIGNATURES APPEAR ON THE FOLLOWING PAGE]**

LEASE NO. 20307

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Commencement Date.

**CITY:**

**CITY OF CHICAGO,**  
an Illinois Municipal Corporation and Home Rule Unit of Government  
**DEPARTMENT OF FLEET AND FACILITY MANAGEMENT**

By: \_\_\_\_\_  
**Commissioner**

APPROVED AS TO FORM AND LEGALITY:  
BY: THE DEPARTMENT OF LAW

By: \_\_\_\_\_  
Deputy Corporation Counsel  
Real Estate Division

**MPEA:**

**METROPOLITAN PIER AND EXPOSITION AUTHORITY,**  
an Illinois Municipal Corporation

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

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

Its: \_\_\_\_\_

APPROVED AS TO FORM AND LEGALITY:

By: \_\_\_\_\_  
MPEA Assistant General Counsel