



City of Chicago



SO2017-2868

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	3/29/2017
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	First amendment to redevelopment agreement with Swedish Covenant Hospital
Committee(s) Assignment:	Committee on Finance

SUBSTITUTE

ORDINANCE

WHEREAS, the City of Chicago (the “**City**”) is a home rule municipality as described in Section 6 (a), Article VII 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, on October 1, 2014, (the Original Agreement Closing Date), the City, acting through its Department of Planning and Development (“**DPD**”) and Swedish Covenant Hospital, an Illinois Not-For-Profit Corporation (“**Developer**”) entered into that certain Swedish Covenant Hospital Redevelopment Agreement, recorded on October 1, 2014 in the Office of the Cook County, Illinois Recorder of Deeds as Document No. 1427416059 (the “**Original Agreement**”) as authorized by ordinance approved by the City Council of the City (“**City Council**”) on July 30, 2014 at pp 84900-84996 of the City Council Journal of Proceedings for that date, pertaining to property located in the Foster and California Redevelopment Project Area in the vicinity of 5140 North California Avenue; and

WHEREAS, the Original Agreement contemplated, among other things, the rehabilitation of the Women’s Health Center (the “**WHC**”) and the renovation of the Emergency Department, more particularly described and defined in the Original Agreement, collectively, as the “**Project**”. In the Original Agreement, the Project work was further defined to be the “**ER Phase**” and the “**WHC Phase**”; and

WHEREAS, in the Original Agreement at Section 4.03(b), the City agreed to provide financial support for each of the WHC Phase and the ER Phase subject to certain conditions, and in the case of the ER Phase, subject to the issuance of the Final Certificate (as defined in the Original Agreement) for the Project; and

WHEREAS, the City issued a Certificate of Completion effective as of July 10, 2015 for the WHC Phase of the Project, and has made 2 payments to Developer under the requirements of Original Agreement Section 4.03(c), applicable to the WHC Phase. The final payment applicable to the WHC Phase is due to be made on or about July 10, 2017, the second anniversary of the Certificate of Completion; and

WHEREAS, Original Agreement Section 4.03(c) contemplated payments totaling \$2,200,000 for the ER Phase beginning after the issuance of the Final Certificate and then occurring on the 1-year anniversary and 2-year anniversary of the ER Phase first payment; and

WHEREAS, Developer has requested an extension of time to complete the ER Phase and Developer has further requested a revision of the payment schedule to provide for payments to Developer at agreed upon construction phase benchmarks rather than on anniversaries of the issuance date of the Final Certificate; and

WHEREAS, DPD desires to grant Developer's request subject to the terms and conditions of a First Amendment to the Original Agreement, and approval by City Council; now therefore

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

Section 1. Recitals. The above recitals are incorporated by reference as if fully set forth herein.

Section 2. Authority. Subject to the approval of the Corporation Counsel, the Commissioner of DPD (the "**Commissioner**") or a designee of the Commissioner are each hereby authorized to execute and deliver the First Amendment to the Original Agreement (the "**First Amendment**") in substantially the form attached hereto as Exhibit A, with such changes, deletions and insertions thereto as the Commissioner or the Commissioner's designee shall approve (execution of the First Amendment by the Commissioner or the Commissioner's designee constituting conclusive evidence of such approval), and to enter into and execute all such other agreements and instruments, and to perform any and all acts as shall be necessary or advisable in connection with implementation of the First Amendment.

Section 3. Invalidity of Any Section. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, then the invalidity or unenforceability of such provision will not affect any of the remaining provisions of this ordinance.

Section 4. Superseder. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 5. Effective Date. This ordinance shall be in full force and effect immediately upon its passage and approval.



This document was prepared by and after recording return to:

William A. Nyberg, Esq.
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

This space reserved for Recorder's use only

Draft 13 Mar 2017

**FIRST AMENDMENT
TO THE SWEDISH COVENANT HOSPITAL
REDEVELOPMENT AGREEMENT**

This First Amendment to the Swedish Covenant Hospital Redevelopment Agreement (the "**First Amendment**") is made and entered into as of this ____ day of _____, 2017 (the "**Effective Date**") by and between the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Planning and Development ("**DPD**"), and Swedish Covenant Hospital, an Illinois not-for-profit corporation (the "**Developer**" or the "**Hospital**").

RECITALS:

A. On October 1, 2014, (the Original Agreement Closing Date), the City and Developer entered into that certain Swedish Covenant Hospital Redevelopment Agreement, recorded on October 1, 2014 in the Office of the Cook County, Illinois Recorder of Deeds as Document No. 1427416059 (the "**Original Agreement**") as authorized by ordinance approved by the City Council of the City on July 30, 2014 at pp 84900-84996 of the City Council Journal of Proceedings for that date, pertaining to property located in the Foster and California Redevelopment Project Area in the vicinity of 5140 North California Avenue (the "**Property**"). A legal description of the Property is attached to this First Amendment as Exhibit A.

B. The Original Agreement contemplated, among other things, the rehabilitation of the Women's Health Center (the "WHC") and the renovation of the Emergency Department (the "ER Department"), more particularly described and defined in the Original Agreement, collectively, as the "Project". In the Original Agreement, the Project work was further defined to be the "ER Phase" and the "WHC Phase".

C. In the Original Agreement at Section 4.03(b), the City agreed to provide financial support for each of the WHC Phase and the ER Phase subject to certain conditions, and in the case of the ER Phase, subject to the issuance of the Final Certificate for the Project.

D. The City issued a Certificate of Completion (the "Certificate of Completion") effective as of July 10, 2015 for the WHC Phase of the Project, and has made 2 payments to Developer under the requirements of Original Agreement Section 4.03(c), applicable to the WHC Phase. The final payment applicable to the WHC Phase is due to be made on or about July 10, 2017, the second anniversary of the Certificate of Completion.

E. Original Agreement Section 4.03(c) contemplated payments totaling \$2,200,000 for the ER Phase beginning after the issuance of the Final Certificate (as defined in the Original Agreement) and then occurring on the 1-year anniversary and 2-year anniversary of the ER Phase first payment.

F. Developer has requested an extension of time to complete the ER Phase and Developer has further requested a revision of the City Funds payment schedule to provide for payments to Developer at agreed upon construction phase benchmarks rather than on anniversaries of the issuance date of the Final Certificate.

G. Developer has submitted a revised ER Phase timeline, a request for material changes to the Original Agreement terms within the scope of Original Agreement Section 18.01 to DPD for review and consent.

H. DPD has completed its review and is willing to grant its consent subject to the terms and conditions of this First Amendment and approval by City Council.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained in this First Amendment, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Developer and the City hereby agree as follows:

AGREEMENT:

ARTICLE 1: INCORPORATION OF RECITALS AND EXHIBITS

The recitals stated above and the exhibits attached hereto are an integral part of this First Amendment and are hereby incorporated into this First Amendment by reference and made a part of this First Amendment.

ARTICLE 2: CAPITALIZED TERMS

Capitalized terms used in this First Amendment shall have the meanings set forth herein. Capitalized terms used in this First Amendment not defined herein shall have the meanings given in the Original Agreement.

ARTICLE 3: AMENDMENT TO ORIGINAL AGREEMENT

3.01 The Original Agreement is hereby amended as follows:

(a) **Section 3.01 The Project** – that part of Section 3.01 applicable to the ER Phase is amended as follows: “. . . and (ii) commence construction of the ER Phase no later than November 30, 2016, and complete construction and conduct business operations no later than September 30, 2018.

[There are no other amendments to Original Agreement Section 3.01]

(b) **Section 4.03(c) Payment Amount** The chart appearing at P. 16 of the Original Agreement applicable to the ER Phase is amended and replaced as follows:

INSTALLMENT	PAYMENT TRIGGER	MAXIMUM PAYMENT AMOUNT
ER PHASE Payment 1	First of 4 contemplated DPD Certificates of Completion for the ER Phase; but no earlier than July, 2017	\$366,666
ER PHASE Payment 2	Second of 4 DPD Certificates of Completion for the ER Phase; but no earlier than June, 2018	\$366,666

ER PHASE Payment 3	Third of 4 DPD Certificates of Completion for the ER Phase; but no earlier than December, 2018	\$366,668
ER Phase Payment 4	1-Year Anniversary of Issuance of the Final Certificate for the ER Phase; but no earlier than September, 2019	\$1,100,000
TOTAL		\$2,200,000

Each payment will be made after receipt by DPD of a Requisition Form, issuance of a Certificate of Completion and a determination by DPD that Developer is otherwise in compliance with all other terms and conditions of the Original Agreement.

[There are no other amendments to Original Agreement Section 4.03(c).]

(c) (New Subsection) 7.01(a)-(A) – Phase Completion Certificates

- (i) When Developer completes each of Phase 1, Phase 2 and Phase 3 of the ER Phase of the Project, Developer shall submit a request in writing to DPD to issue a Phase Completion Certificate, together with a Requisition Form for respectively, Payment 1, 2, or 3.
- (ii) DPD shall issue to Developer a Phase Completion Certificate upon satisfaction of the following conditions:
 - (t) Developer has completed construction of the relevant Phase of the ER Phase of the Project; and
 - (u) DPD has certified the expenditures for the relevant Phase; and
 - (v) The Illinois Department of Public Health has completed its inspection of the relevant Phase to ensure that such Phase complies with all hospital and safety standards; and
 - (w) The Illinois Department of Public Health has issued to Developer the State of Illinois Certificate of Occupancy for the relevant Phase and DPD has received a copy; and

(x) There exists neither an Event of Default which is continuing nor a condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

ARTICLE 4: ADDITIONAL PROVISIONS

4.01 Authority of Developer. Developer represents, warrants, and covenants, as of the date of this First Amendment that:

- (a) Developer has the right, power and authority to enter into, execute and deliver this First Amendment, and to perform the Original Agreement, as amended by this First Amendment.
- (b) The execution and delivery of this First Amendment, and the performance of the Original Agreement, as amended by this First Amendment, have been duly authorized by all necessary not-for-profit corporation action, and does not and will not violate its Articles of Organization as amended and supplemented, its operating agreement, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which Developer is now a party or by which Developer or any of its assets is now or may become bound;

4.02 Authority of City. The City represents that it is authorized as a home rule unit of local government and pursuant to Section 18.01 and Section 18.13 of the Original Agreement, to execute and deliver this First Amendment and to perform its obligations under the Original Agreement, as amended by this First Amendment.

4.03 Full Force and Effect. Except as amended hereby, the Original Agreement shall remain in full force and effect, and the terms of such Original Agreement, are incorporated by reference, as if fully set forth herein.

4.04 Miscellaneous. In the event of any inconsistency between the terms of this First Amendment and the Original Agreement, this First Amendment shall govern and control in all instances.

4.05 Counterparts. This First Amendment may be executed in counterparts, each of which shall be deemed as original and all of which, taken together, shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, this First Amendment is effective as of the date first written above.

SWEDISH COVENANT HOSPITAL,
an Illinois not-for-profit corporation

By: _____

Printed
Name: _____

Title: _____

CITY OF CHICAGO

By: _____

Title: _____
Commissioner
Department of Planning and
Development

STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Anthony Guacicio, personally known to me to be the President and CEO of Swedish Covenant Hospital, an Illinois not-for-profit corporation (“Developer”), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the members of Developer, as his free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this _____ day of _____, 2017.

Notary Public

My Commission Expires _____

(SEAL)

STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

I, William A. Nyberg, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that David L. Reifman, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago (the “City”), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument pursuant to the authority given to him by the City, as his free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, 2017.

Notary Public

My Commission Expires _____

(SEAL)

**FIRST AMENDMENT
to the
SWEDISH COVENANT HOSPITAL
REDEVELOPMENT AGREEMENT**

Schedule of Exhibits

<u>Exhibit Description</u>	<u>First Amendment Exhibit Designation</u>
Legal Description of Property	A

EXHIBIT ~~B~~ A

PROPERTY

PINs: 13-12-306-012
13-12-400-001

Legal Description and addresses:

PARCEL 1 (COMMONLY KNOWN AS MAIN BUILDING - 5145 N. CALIFORNIA, EAST WING - 2740 W. WINONA, AND NELSON HALL - 2745 W. FOSTER):

LOTS 9, 10 AND LOT 11 (EXCEPT THE WEST 33 FEET OF SAID LOT 11)(AND EXCEPT THAT PART OF SAID LOTS 9, 10, AND 11 TAKEN FOR ROAD PURPOSES) IN THAT PART OF THE TOWN OF BOWMANVILLE WHICH IS INCLUDED WITHIN THE BOUNDARIES OF THE NORTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 12, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID TOWN OF BOWMANVILLE BEING A SUBDIVISION BY JESSE B. BOWMAN OF THE EAST HALF OF THE SOUTHEAST QUARTER AND OF THE NORTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 12, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE MAP THEREOF RECORDED IN BOOK 98 OF MAPS, PAGE 20, IN COOK COUNTY, ILLINOIS.

PARCEL 2 (COMMONLY KNOWN AS GALTER MEDICAL PAVILION - 5140 N. CALIFORNIA:

THAT PART OF BLOCK 1 LYING NORTH OF THE NORTH LINE OF VACATED WINONA STREET, EXCEPT (A) THE WEST 284.90 FEET OF THE SOUTH 171 FEET, (B) THOSE PARTS FALLING IN FOSTER AND FRANCISCO AVENUES AND (C) THE WEST 298.12 FEET LYING NORTH OF THE SOUTH 171 FEET) AND (D) THE FOLLOWING DESCRIBED PARCEL: BEGINNING AT A POINT 151.48 FEET NORTH OF THE NORTH LINE OF VACATED WINONA STREET AND 284.90 FEET EAST OF THE WEST LINE OF BLOCK 1 AFORESAID; THENCE NORTH, ALONG THE EAST LINE OF THE WEST 284.90 FEET OF BLOCK 1, A DISTANCE OF 19.52 FEET TO THE NORTH LINE OF THE SOUTH 171.00 FEET NORTH OF THE NORTH LINE OF VACATED WINONA STREET; THENCE EAST, ALONG THE NORTH LINE OF THE SOUTH 171.00 FEET NORTH OF THE NORTH LINE OF VACATED WINONA STREET, A DISTANCE OF 13.23 FEET TO THE EAST LINE OF THE WEST 298.12 FEET OF BLOCK 1; THENCE NORTH, ALONG THE EAST LINE OF THE WEST 298.12 FEET OF BLOCK 1, A DISTANCE OF 161.48 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF WEST FOSTER AVENUE; THENCE EAST, ALONG THE SOUTH RIGHT-OF-WAY LINE OF WEST FOSTER AVENUE, A DISTANCE OF 27.98 FEET TO THE EAST LINE OF THE WEST 326.12 FEET OF BLOCK 1; THENCE SOUTH, ALONG THE EAST LINE OF THE WEST 326.12 FEET OF BLOCK 1 A DISTANCE OF 85.02 FEET TO THE NORTH LINE OF THE SOUTH 247.48 FEET NORTH OF THE NORTH LINE OF VACATED WINONA STREET; THENCE EAST, ALONG THE NORTH LINE OF THE SOUTH 247.48 FEET NORTH OF THE NORTH LINE OF VACATED WINONA STREET, A DISTANCE OF 40.88 FEET TO THE EAST LINE OF THE WEST 367.00 FEET OF BLOCK 1; THENCE SOUTH, ALONG THE EAST LINE OF THE WEST 367.00 FEET OF BLOCK 1 A DISTANCE OF 96.0 FEET TO THE NORTH LINE OF THE SOUTH 151.48 FEET NORTH OF THE NORTH LINE OF VACATED WINONA STREET; THENCE WEST, ALONG THE NORTH LINE OF THE SOUTH 151.48 FEET OF THE SOUTH 171.00 FEET NORTH OF THE NORTH LINE OF VACATED

WINONA STREET, A DISTANCE OF 82.10 FEET TO THE POINT OF BEGINNING AND (E) THE FOLLOWING DESCRIBED PARCEL: BEGINNING AT A POINT 151.48 FEET NORTH OF THE NORTH LINE OF VACATED WINONA STREET AND 284.90 FEET EAST OF THE WEST LINE OF BLOCK 1 AFORESAID; THENCE EAST, ALONG THE NORTH LINE OF THE SOUTH 151.48 FEET OF THE SOUTH 171.00 FEET NORTH OF THE NORTH LINE OF VACATED WINONA STREET, A DISTANCE OF 82.10 FEET TO THE EAST LINE OF THE WEST 367.00 FEET OF BLOCK 1; THENCE SOUTH, ALONG THE EAST LINE OF THE WEST 367.00 FEET OF BLOCK 1, A DISTANCE OF 81.48 FEET TO THE NORTH LINE OF THE SOUTH 70.00 FEET NORTH OF THE NORTH LINE OF VACATED WINONA STREET; THENCE EAST, ALONG THE NORTH LINE OF THE SOUTH 70.00 FEET NORTH OF THE NORTH LINE OF VACATED WINONA STREET, A DISTANCE OF 62.00 FEET TO THE EAST LINE OF THE WEST 429.00 FEET OF BLOCK 1; THENCE SOUTH, ALONG THE EAST LINE OF THE WEST 429.00 FEET OF BLOCK 1, A DISTANCE OF 70.00 FEET TO THE NORTH LINE OF VACATED WINONA STREET; THENCE WEST, ALONG THE NORTH LINE OF VACATED WINONA STREET, A DISTANCE OF 144.10 FEET TO THE EAST LINE OF THE WEST 284.90 FEET OF BLOCK 1; THENCE NORTH, ALONG THE EAST LINE OF THE WEST 284.90 FEET OF BLOCK 1, A DISTANCE OF 151.48 FEET TO THE POINT OF BEGINNING, ALL IN JACKSON'S SUBDIVISION OF THE SOUTHEAST QUARTER OF SECTION 11 AND THE SOUTHWEST QUARTER OF SECTION 12, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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CHICAGO April 19, 2017

To the President and Members of the City Council:

Your Committee on Finance having had under consideration

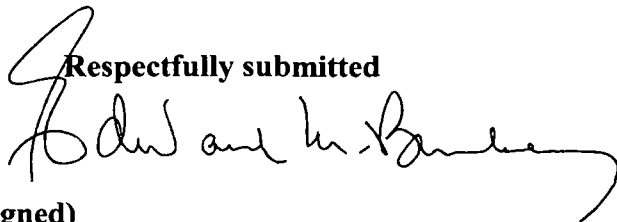
A substitute ordinance authorizing the Commissioner of the Department of Planning and Development to enter into and execute a First Amendment to a Redevelopment Agreement with Swedish Covenant Hospital.

SO2017-2868

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

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

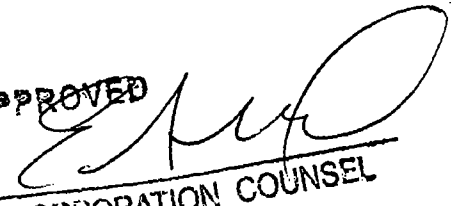
Respectfully submitted



(signed) _____

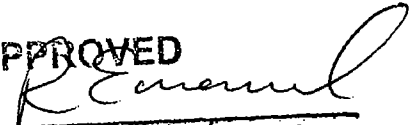
Chairman

APPROVED



CORPORATION COUNSEL

APPROVED



ES

4/24/17

Mayor