



Office of the City Clerk

City Hall
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Legislation Details (With Text)

File #: O2014-860
Type: Ordinance **Status:** Passed
File created: 2/5/2014 **In control:** City Council
Final action: 3/5/2014

Title: Intergovernmental agreement with Chicago Board of Education for provision of Tax Increment Financing (TIF) assistance for rehabilitation and improvements to Coonley School

Sponsors: Emanuel, Rahm, Pawar, Ameya

Indexes: Intergovernmental

Attachments: 1. O2014-860.pdf

Date	Ver.	Action By	Action	Result
3/5/2014	1	City Council	Passed	Pass
3/4/2014	1	Committee on Finance	Recommended to Pass	Pass
2/5/2014	1	City Council	Referred	

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 Planning and Development, I transmit herewith, together with Alderman Pawar, an ordinance authorizing an intergovernmental agreement with the Board of Education regarding TIF assistance for Coonley School.

Your favorable consideration of this ordinance will be appreciated.

Mayor

Very truly yours,

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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, the Board owns or otherwise controls certain real property generally located at 4046 North Leavitt Street, Chicago, Illinois 60618 (the "Property"); and

WHEREAS, the Board is improving an elementary school on the Property known as the Coonley School; and

WHEREAS, the improvement of the elementary school requires the Board to rehabilitate the buildings and related improvements which will house and serve the School (the "Facility") on the Property (all such activities referred to herein shall be known as the "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 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 January 12, 2000: "An Ordinance of the City of Chicago, Illinois Approving and Adopting a Tax Increment Redevelopment Project and Plan for the Western Avenue South Redevelopment Project Area" (as amended pursuant to an ordinance adopted by the City Council on May 17, 2000, the "Approval Ordinance"); "An Ordinance of the City of Chicago, Illinois Designating the Western Avenue South Redevelopment Project Area as a Tax Increment Financing District" (the Designation Ordinance"); and "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Financing for the Western Avenue South Redevelopment Project Area" (the "Adoption Ordinance") (the aforesaid Approval, Designation and Adoption Ordinances are collectively referred to herein as the "TIF Ordinances", the Redevelopment Plan approved by the TIF Ordinances is referred to herein as the "Redevelopment Plan" and the redevelopment project area created by the TIF Ordinances, as has been or may be amended from time to time, is referred to herein as the "Redevelopment Area"); and

WHEREAS, all of the Property lies wholly within the boundaries of the Redevelopment Area; and

WHEREAS, under 65 ILCS 5/11-74.4-3(q)(7), such 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 Redevelopment Area shall be known as the "Redevelopment Area Increment"), and

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

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WHEREAS, under 65 ILCS 5/11-74.4-3(q)(4), Increment may also be used to pay costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and

WHEREAS, the Redevelopment Plan contemplates that tax increment financing assistance would be provided

for public improvements within the boundaries of the Redevelopment Area; and

WHEREAS, the City desires to use a portion of the Redevelopment Area Increment for the Project on the Property, all of which lies wholly within the boundaries of the Redevelopment Area; and

WHEREAS, the City agrees to use a portion of the Redevelopment Area Increment (the "City Increment Funds") in an amount not to exceed \$16,500,000 to pay for or reimburse the Board for the costs of improving the Facility on the Property, to the extent that such costs constitute TIF-Funded Improvements (as such term is defined in Article Three, Section 3 of the Agreement, as such term is defined below in this ordinance and the form of which is attached hereto as Exhibit 1); and

WHEREAS, in accordance with the Act, certain of the TIF-Funded Improvements funded under the Agreement (as such term is defined below in this ordinance), among other eligible redevelopment project costs under the Act approved by the City pursuant to the Agreement, are and shall be such of the Board's capital costs necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan, and certain of the TIF-Funded Improvements consist of the cost of the Board's capital improvements for the Facility that are necessary and directly result from the redevelopment project constituting the 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 (the "Agreement") whereby the City shall use the City Increment Funds in an amount not to exceed \$16,500,000 to pay for or reimburse the Board for the costs of improving the Facility on the Property to the extent that such costs constitute TIF-Funded Improvements; 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 certain of the TIF-Funded Improvements funded under the Agreement, among other eligible redevelopment project costs under the Act approved by the City, consist of the cost of the Board's capital improvements for the Facility that are necessary and directly result from the redevelopment project constituting the Project and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-03 (u) of the Act.

SECTION 3. The Commissioner of the Department of Planning and 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 1. 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

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shall not affect any of the other provisions of this ordinance.

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

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EXHIBIT 1

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INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF CHICAGO, BY AND THROUGH ITS
DEPARTMENT OF PLANNING AND DEVELOPMENT, AND THE BOARD OF EDUCATION OF THE
CITY OF CHICAGO REGARDING COONLEY SCHOOL

This Intergovernmental Agreement regarding Coonley School (this "Agreement") is made and entered into as of the _____ day of _____, 2014 (the "Agreement Date") 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 Planning and 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, the Board owns or otherwise controls certain real property generally located at 4046 North Leavitt Street, Chicago, Illinois 60618 (the "Property", as defined or otherwise depicted in Exhibit A attached hereto); and

WHEREAS, the Board is improving an elementary school on the Property known as the Coonley School; and

WHEREAS, the improvement of the elementary school requires the Board to rehabilitate the buildings and related improvements which will house and serve the Coonley School (the "Facility") on the Property (all such activities referred to herein shall be known as the "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 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 January 12, 2000, published at pages 22278 through 22373 of the Journal of Proceedings of the City Council of the City for said date: "An Ordinance of the City of Chicago, Illinois Approving and Adopting a Tax Increment Redevelopment Project and Plan for the Western Avenue South Redevelopment Project Area" (as amended pursuant to an ordinance adopted by the City Council on May 17, 2000, published at pages 31520 through 31609 of the Journal of Proceedings of the City Council of the City for said date, the "Approval Ordinance"); "An Ordinance of the City of Chicago, Illinois Designating the Western Avenue South Redevelopment Project Area as a Tax Increment Financing District" (the Designation Ordinance"); and "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Financing for the Western Avenue South Redevelopment Project Area" (the "Adoption Ordinance") (the aforesaid Approval, Designation and Adoption Ordinances are collectively referred to herein as the "TIF Ordinances", the Redevelopment Plan approved by the TIF Ordinances is referred to herein as the "Redevelopment Plan" and the redevelopment project area created by the TIF Ordinances, as has been or may be amended from time to time, is referred to herein as the "Redevelopment Area"); and

WHEREAS, all of the Property lies wholly within the boundaries of the Redevelopment Area; and

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WHEREAS, under 65 ILCS 5/11-74.4-3(q)(7), such 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 Redevelopment Area shall be known as the "Redevelopment Area Increment"); and

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

WHEREAS, under 65 ILCS 5/11-74.4-3(q)(4), Increment may also be used to pay costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and

WHEREAS, the Redevelopment Plan contemplates that tax increment financing assistance would be provided for public improvements within the boundaries of the Redevelopment Area; and

WHEREAS, the City desires to use a portion of the Redevelopment Area Increment for the Project on the Property, all of which lies wholly within the boundaries of the Redevelopment Area; and

WHEREAS, the City agrees to use a portion of the Redevelopment Area Increment (the "City Increment Funds") in an amount not to exceed \$16,500,000 to pay for or reimburse the Board for the costs of improving the Facility on the Property to the extent that such costs constitute TIF-Funded Improvements (as defined in Article Three, Section 3 of this Agreement) (the City Increment Funds disbursed pursuant to this Agreement shall be known as the "City Funds"); and

WHEREAS, in accordance with the Act, certain of the TIF-Funded Improvements, among other eligible redevelopment project costs under the Act approved by the City pursuant to this Agreement, are and shall be such of the Board's capital costs necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan, and the City has found, pursuant to the Agreement Ordinance (as such term is defined in Article Fourteen hereof) that certain of the TIF-Funded Improvements consist of the cost of the Board's capital improvements for the Facility that are necessary and directly result from the redevelopment project constituting the 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 this Agreement.

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 PROJECT

1. The plans and specifications for the Project shall: (a) at a minimum meet the general requirements for the Facility as set forth in Exhibit B hereof, (b) be provided to the City by the Board, and (c) approved by the City in the City's discretion. The Board shall comply with

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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 from time to time, pertaining to or affecting the Project or the Board as related thereto. The Board shall include a certification of such compliance with each request for City Funds hereunder and at the time the Project is completed. 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.

2. In all contracts relating to the Project, the Board agrees to require the contractor to name the City as an additional insured on insurance coverages and to require the contractor to indemnify the City from all claims, damages, demands, losses, suits, actions, judgments and expenses including but not limited to attorney's fees arising out of or resulting from work on the Project by the contractor or contractor's suppliers, employees, or agents.

ARTICLE THREE: FUNDING

1. (a) Upon completion of the Project (or, subject to the availability of City Funds and in the City's discretion, at intervals during the Project acceptable to the City), the Board shall provide the Department with a Requisition Form, in the form of Exhibit E hereto, along with: (i) a cost itemization of the applicable portions of the budget attached as Exhibit G hereto; (ii) evidence of the expenditures upon TIF-Funded Improvements which the Board has paid; and (iii) all other documentation described in Exhibit E. The City shall review and, in the City's discretion, approve the Requisition Form and make the requested and approved disbursement of City Funds. The availability of the City Funds is subject to the City's compliance with all applicable requirements regarding the use of such funds and the timing of such use.

b) Delivery by the Board to the Department of a Requisition Form hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such Requisition Form, that:

i) the total amount of the City Funds previously disbursed (if any) represents the actual amount paid to the general contractor, subcontractors, and other parties who have performed work on or otherwise provided goods or services in connection with the Project, and/or their payees;

ii) all amounts shown as previous payments on the current Requisition Form have been paid to the parties entitled to such payment;

iii) the Board has approved all work and materials for the Requisition Form, and such work and materials conform to the plans and specifications for the Project; and

iv) 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 from time to time, pertaining to or affecting the Project or the Board as related thereto.

The City shall have the right, in its discretion, to require the Board to submit further documentation as the City

may require in order to verify that the matters certified to above are true and correct, and the approval of the Requisition Form by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Board.

c) [intentionally omitted]

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d) Payments of City Increment Funds will be subject to the availability of Redevelopment Area Increment in the Tax Increment Financing Redevelopment Project Area Special Tax Allocation Fund created pursuant to the Adoption Ordinance (the "Special Tax Allocation Fund"), subject to all applicable restrictions on and obligations of the City contained in all City ordinances relating to the Redevelopment Area Increment and all agreements and other documents entered into by the City pursuant thereto.

e) (i) The Board's right to receive payments hereunder shall be subordinate to the obligations of the City to be paid from Redevelopment Area Increment and the commitments by the City to pay Redevelopment Area Increment pursuant to: (1) that certain Tax Increment Allocation Revenue Note (Western Avenue South Redevelopment Project) Taxable Series 2003, dated August 12, 2003, in the amount of \$3,000,000 from the City to Banco Popular North America; (2) that certain North Center Redevelopment Agreement made as of the 1st day of June, 2004, by and between the City and North Center Senior Housing L.P., an Illinois limited partnership; and (3) that certain North Center Associates LLC Redevelopment Agreement dated on or about August 31, 2007, by and between the City and North Center Associates LLC, an Illinois limited liability company.

(ii) The City, subject to the terms of this subsection 1(e)(ii), 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 90% 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 lien status relative to Redevelopment Area Increment.

In the event that the City elects to avail itself of the provisions of this subsection, 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.

f) [intentionally omitted]

g) The availability of City Increment Funds is subject to the City's compliance with all applicable requirements regarding the use of the Redevelopment Area Increment deposited annually into the Special Tax Allocation Fund and the timing of such use.

h) The Board shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds in connection with the Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment for, the TIF-Funded Improvements ("Bonds"); provided, however, that any such amendments shall not have a material adverse effect on the Board or the Project. The Board shall, at the Board's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial

condition and assisting the City in preparing an offering statement with respect thereto. The City may, in its sole discretion, use all or a portion of the proceeds of such Bonds if issued to pay for all or a portion of the TIF-Funded Improvements.

2. The current estimate of the cost of the Project is \$16,615,000. The Board has delivered to the Commissioner, and the Commissioner hereby approves, a detailed project budget for the Project, attached hereto and incorporated herein as Exhibit G. The Board certifies that it has identified sources of funds (including the City Funds) sufficient to complete the Project. The Board agrees that the City will only contribute the City Funds to the Project and that all costs of completing the Project over the City Funds shall be the sole responsibility of the Board. If the Board at any point does not have sufficient funds to complete the Project, the Board shall so notify the City in writing, and the Board may narrow the scope of the Project as agreed with the City in order to construct and rehabilitate the Facility with the available funds.

3. Attached as Exhibit H and incorporated herein is a preliminary 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 Project, to be paid for out of City Funds ("TIF-Funded Improvements"); and to the extent the TIF-Funded Improvements are included as taxing district capital costs under the Act, the Board acknowledges that the TIF-Funded Improvements are costs for capital improvements and the City acknowledges it has determined that these TIF-Funded Improvements are necessary and directly result from the Redevelopment Plan. Prior to the expenditure of City Funds on the Project, the Commissioner, based upon the detailed project budget, shall make such modifications to Exhibit H as he or she wishes in his or her discretion to account for all of the City Funds to be expended under this Agreement; provided, however, that all TIF-Funded Improvements shall (i) qualify as redevelopment project costs under the Act, (ii) qualify as eligible costs under the Redevelopment Plan; and (iii) be improvements that the Commissioner has agreed to pay for out of City Funds, subject to the terms of this Agreement.

4. If the aggregate cost of the Project is less than the amount of the City Funds contemplated by this Agreement, the Board shall have no claim to the difference between the amount of the City Funds contemplated by this Agreement and the amount of the City Funds actually paid by the City to the Board and expended by the Board on the Project.

5. If requested by the City, the Board shall provide to the City quarterly reports on the progress of the Project and reasonable access to its books and records relating to the Project.

6. Commencing with the first State fiscal year (July 1 - June 30) beginning after the execution of this Agreement and for each State fiscal year thereafter until and including State fiscal year 2025, the Board shall annually notify the City of (i) the amount of the actual, final award that it receives from the Illinois Capital Development Board pursuant to the Illinois School Construction Law (5 ILCS 230/5-1), and (ii) any available "Excess Amount" (as defined in the following sentence). In the event that such an award in any particular State fiscal year exceeds 130% of \$114,914,131, as adjusted every January 31, beginning January 31, 2005, by the Consumer Price Index for All Urban Consumers for all items published by the United States Department of Labor for the preceding calendar year period (the "Base Amount"), the Board shall provide the City with value equivalent to an amount that is equal to 50% of the grant amount that the Board receives that is in excess of 130% of the Base Amount (the "Excess Amount"). For example, if the Base Amount was \$100.00 and if the Board was awarded a grant of \$150.00 in a particular State fiscal year, \$20.00 of this award would qualify as Excess Amount; therefore, the Board would provide the City with value equivalent to \$10.00, which is 50% of the Excess Amount. After receipt by the City of the notice required under this paragraph and if an Excess Amount exists in any particular fiscal year, the Board and the City shall

determine, by mutual agreement, what the equivalent value should be, if any, and the City shall inform the Board whether it wishes to receive such value by (i) having the Board pay the City, for its application, as determined by the City, an amount equal to the Excess Amount, or (ii) applying a reduction or credit (equal to the Excess Amount), in whole or in part, to some future assistance that the City is providing to the Board through one or more tax increment financing agreements. The City and the Board shall cooperate to establish a mutually agreeable process under which the Board will provide the requisite value to the City. It is acknowledged between the Board and City that a similar undertaking of the Board may be contained in other agreements between the City and the Board pursuant to which the City provides tax increment financing assistance for capital projects of the Board. Accordingly, the City shall have the sole and exclusive right to determine how to deal with the Excess Amount within the context of the several agreements that may be

outstanding or contemplated from time to time that address the City's rights regarding any such Excess Amount.

ARTICLE FOUR: TERM

The Term of the Agreement shall be deemed to have commenced as of the Agreement Date set forth above and shall expire on the date on which the 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 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 related 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 all related agreements, and may suspend disbursement of the City 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

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secure any available remedy, including but not limited to 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, 14th Floor
Chicago, Illinois 60603
FAX: (773) 553-2701

and

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

Notice to the City shall be addressed to:

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

and

Corporation Counsel
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

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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 and, as of the date hereof, replaces the Original Agreement in its entirety.

ARTICLE FOURTEEN: AUTHORITY

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Execution of this Agreement by the City is authorized by an ordinance passed by the City Council of the City on _____, 2014 (the "Agreement Ordinance"). 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,
17th Floor Chicago, Illinois 60603 Phone: 773-553-2900

For the City: Christopher Jang, Assistant Commissioner
City of Chicago, Department of Planning and Development 121 North LaSalle Street,
Room 1006 Chicago, Illinois 60602 Phone: 312-744-9463

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]

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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:

Commissioner
Department of Planning and 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

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EXHIBIT A
THE PROPERTY

School	Section	Township	Range	folio	Source date
COONLEY	18	40	14		SEPT 1, 1965

SUB LOTS 1 TO 18 & 29 TO 46 IN SAM BROWN JR'S SUBDIVISION OF LOTS 2 & 3 BLOCK 9 IN W. B. OGDEN'S SUBDIVISION OF SOUTH WEST ¼ OF SECTION 18, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS & VACATED ALLEY.

118,980
FT.
ACRES

SQ.
2.73

EXHIBIT B

FEATURES OF THE FACILITY

Address: John C. Coonley School 4046 N. Leavitt St. Chicago,
IL 60618

Project Description: John C. Coonley School Addition

This project will design and build a new 3-story linked addition to provide twelve additional classrooms and a new mobile hot food service cafeteria. Classrooms in the existing facility will be reconfigured at the connection to the new building. The existing kitchen and cafeteria will be re-purposed into classrooms. Site work to integrate the new addition is also included.

Capacity: Coonley Elementary School accommodates 700 students in Grades Pre-Kindergarten through 8th grade. The twelve additional classrooms will increase programmatic capacity.

EXHIBIT C [intentionally omitted]

16

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i

EXHIBIT D [intentionally omitted]

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EXHIBIT E
REQUISITION FORM

State of Illinois)
County of Cook)

)SS

The affiant, _____, of the Board of Education of the City of Chicago, a body corporate and politic (the "Board"), hereby certifies to the City of Chicago (the "City") that with respect to that certain Intergovernmental Agreement between the Board and the City regarding Coonley School dated _____, 2014 (the "Agreement"):

A. The following is a true and complete statement Of all expenditures for the Project by the Board to date:

TOTAL: \$

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

\$

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

\$

D. None of the costs referenced in paragraph C above has 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 that, 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 from time to time, pertaining to or affecting the 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 G to the Agreement; and (2) evidence of the expenditures upon TIF-Funded Improvements for which the Board hereby seeks reimbursement.

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

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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 PLANNING AND DEVELOPMENT

Name: Title:

EXHIBIT F [intentionally omitted]

EXHIBIT G PROJECT BUDGET

Uses of Funds	Project Estimate
Legal Fees	
Land Acquisition	-
Relocation	-
Fees and Reimburse	\$50,000
Abatement, Demolition, Site Preparation Remediation	\$1,345,092
Design and Management	\$1,269,026
Furniture, Fixtures and Equipment	\$115,000
Construction Expenditures	
General Construction	\$12,498,082
Project Implementati	\$1,337,800
Project Total	\$16,615,000

EXHIBIT H

PROJECT TIF-FUNDED IMPROVEMENTS

Uses of Funds Project Cost Improvements	TIF Funded	
Legal Fees		
Land Acquisition	-	-
Relocation	-	-
Fees and Reimbursable Cos	\$50,000	\$50,000
Abatement, Demolition, Site Preparation & Remediation	\$1,345,092	\$1,345,092
Design and Management	\$1,269,026	\$1,269,026
Furniture, Fixtures and Equipment	\$115,000	\$0

Construction Expenditures	General Construction	\$12,498,082	\$12,498,082
Project Implementation		\$1,337,800	\$1,337,800
Project Total			
\$16,615,000	\$16,500,000		