



Office of the City Clerk

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Legislation Details (With Text)

File #: SO2019-2574
Type: Ordinance **Status:** Passed
File created: 3/13/2019 **In control:** City Council
Final action: 4/10/2019

Title: Redevelopment agreement with Roosevelt/Clark Partners LLC on vacant land bounded by S Clark St, W Roosevelt Rd, Chicago River and W 18th St for infrastructure and mixed use development project to be known as "The 78"

Sponsors: Emanuel, Rahm

Indexes: Redevelopment

Attachments: 1. SO2019-2574.pdf, 2. SO2019-2574 (V1).pdf, 3. O2019-2574.pdf

Date	Ver.	Action By	Action	Result
4/12/2019	1	Office of the Mayor	Signed by Mayor	
4/10/2019	1	City Council	Passed as Substitute	Pass
4/10/2019	1	Committee on Finance	Recommended to Pass	
4/10/2019	1	Committee on Finance	Substituted in Committee	
4/8/2019	1	Committee on Finance	Recommended to Pass	
3/13/2019	1	City Council	Referred	

SUBSTITUTE ORDINANCE AS AMENDED

WHEREAS, pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") in April 2019 a certain redevelopment plan and project (the "Plan") for the Roosevelt/Clark Redevelopment Project Area (the "Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"); and

WHEREAS, pursuant to an ordinance adopted by the City Council in April 2019, the Area will have been designated as a redevelopment project area pursuant to the Act; and

WHEREAS, pursuant to an ordinance (the "TIF Ordinance") adopted by the City Council in April 2019, tax increment allocation financing will have been adopted pursuant to the Act as a means of financing certain Area redevelopment project costs (as defined in the Act) incurred pursuant to the Plan; and

WHEREAS, Roosevelt/Clark Partners, LLC, a Delaware limited liability company (the "Developer") has acquired and intends to develop the vacant land located west of Clark Street, south of Roosevelt Road, east of the Chicago River, and north of 18th Street into a mixed use development to be known as The 78. In connection with its implementation of The 78 mixed use development, Developer plans to undertake substantial infrastructure improvements. The implementation of the mixed use development and these related infrastructure improvements are referred to as the "Project"; and

WHEREAS, the Developer proposes to undertake the Project in accordance with the Plan and pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by the Developer and the City, including but not limited to the completion of the Project, to be financed in part by

Incremental Taxes, if any; and

WHEREAS, pursuant to Resolution 19-CDC-5 (the "Resolution") adopted by the Community Development Commission of the City (the "Commission") on February 5, 2019, the Commission recommended that the Developer be designated as the developer for the Project and that the City's Department of Planning and Development ("DPD") be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Developer for the Project; now therefore,

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

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Developer is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 3. The Commissioner of DPD (the "Commissioner") or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver: (a) a

redevelopment agreement between the Developer and the City in substantially the form ■ attached hereto as Exhibit A and made a part hereof (the "Redevelopment Agreement") and (b) such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement. >

SECTION 4. Notes of the City ("City Notes") in a maximum aggregate principal amount up to \$551,200,000 plus financing costs are authorized to be issued for the payment of a portion of the eligible redevelopment project costs (as such term is defined under the Act) included within the Project (such costs shall be known herein and in the Redevelopment Agreement as "TIF-Funded Infrastructure Components") and shall be designated as follows: "Tax Increment Allocation Revenue Note (The 78 Redevelopment Project)."

City Notes shall be substantially in the form attached to the Redevelopment Agreement as Exhibit M, and made a part hereof, with such additions or modifications as shall be determined to be necessary by the Authorized Officer (the person duly appointed and serving as the Chief Financial Officer of the City, or if no such person has been appointed, then the City Comptroller, being each referred to herein as an "Authorized Officer") of the City, at the time of issuance to reflect the purpose of the issue, as well as to reflect whether interest payable on the City Notes shall be exempt from federal income taxation or shall be subject to federal income taxation.

City Notes shall be dated the date of delivery thereof, and shall also bear the date of authentication, shall be in fully registered form, shall be in the denomination of the outstanding principal amount thereof and shall become due and payable as provided therein. The proceeds of the City Notes are hereby appropriated for the purposes set forth in this Section 4.

Each City Note shall mature as described in the Redevelopment Agreement, and shall bear interest at a fixed interest rate as described in the Redevelopment Agreement until the principal amount of each City Note is paid or until maturity, with the exact rate to be determined by the Authorized Officer, computed on the basis of a 360-day year of twelve 30-day months.

The principal of and interest on the City Notes shall be paid by check, draft or wire transfer of funds by the Authorized Officer of the City, as registrar and paying agent (the "Registrar"), payable in lawful money of

the United States of America to the persons in whose names the City Notes are registered at the close of business on the payment date, in any event no later than at the close of business on the 15th day of the month immediately after the applicable payment date; provided, that the final installment of the principal and accrued but unpaid interest of the City Notes shall be payable in lawful money of the United States of America at the principal office of the Registrar or as otherwise directed by the City on or before the maturity date.

The seal of the City shall be affixed to or a facsimile thereof printed on the City Notes, and the City Notes shall be signed by the manual or facsimile signature of the Mayor of the City and attested by the manual or facsimile signature of the City Clerk or any Deputy Clerk of the City, and in case any officer whose signature shall appear on the City Notes shall cease to be such officer before the delivery of the City Notes, such

signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The City Notes shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Registrar, as authenticating agent of the City for the City Notes, and showing the date of authentication. The City Notes shall not be valid or obligatory for any purpose or be entitled to any security or benefit under this ordinance unless and until such certificate of authentication shall have been duly executed by the Registrar by manual signature, and such certificate of authentication upon the City Notes shall be conclusive evidence that the City Notes have been authenticated and delivered under this Ordinance.

SECTION 5. The City shall cause books (the "Register") for the registration and for the transfer of the City Notes (to the extent such transfer is permitted under the Redevelopment Agreement) as provided in this ordinance to be kept at the principal office of the Registrar, which is hereby constituted and appointed the registrar of the City for the City Notes. The City is authorized to prepare, and the Registrar shall keep custody of, multiple City Note blanks executed by the City for use in the transfer of the City Notes.

Upon surrender for a transfer of a City Note authorized under the Redevelopment Agreement at the principal office of the Registrar, duly endorsed by, or accompanied by (i) a written instrument or instruments of transfer in form satisfactory to the Registrar, (ii) an investment representation in form satisfactory to the City and duly executed by, the registered owner or his attorney duly authorized in writing, (iii) the written consent of the City evidenced by the signature of the Authorized Officer (or his or her designee) and the Commissioner on the instrument of transfer, and (iv) any deliveries required under the Redevelopment Agreement, the City shall execute and the Registrar shall authenticate, date and deliver in the name of any such authorized transferee or transferees a new fully registered City Note of the same maturity, of authorized denomination, for the authorized principal amount of the City Note less previous retirements. The execution by the City of a fully registered City Note shall constitute full and due authorization of the City Note and the Registrar shall thereby be authorized to authenticate, date and deliver the City Note. The Registrar shall not be required to transfer or exchange a City Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of the City Note nor to transfer or exchange a City Note after notice calling a City Note for prepayment has been made, nor during a period of five (5) business days next preceding mailing of a notice of prepayment of principal of a City Note. No beneficial interests in a City Note shall be assigned, except in accordance with the procedures for transferring a City Note described above.

The person in whose name each City Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of a City Note shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the City Notes to the extent of the sum or sums so paid.

fNo service charge shall be made for any transfer of the City Notes, but the City or the Registrar may require payment of a sum sufficient to cover any tax or other

governmental charge that may be imposed in connection with any transfer of the City Notes.

SECTION 6. Subject to the limitations set forth herein, the Authorized Officer is authorized to determine the terms of the City Notes and to issue the City Notes on such terms as the Authorized Officer may deem to be in the best interest of the City. The principal of the City Notes shall be subject to prepayment as provided in the form of City Notes attached to the Redevelopment Agreement as Exhibit M. As directed by the Authorized Officer, the Registrar shall proceed with prepayment without further notice or direction from the City.

SECTION 7. The City Notes hereby authorized shall be executed as in this ordinance and the Redevelopment Agreement provided as soon after the passage hereof as may be practicable and consistent with the terms of the Redevelopment Agreement, and thereupon, said City Notes shall be deposited with the Commissioner, and delivered by the Commissioner to the Developer.

SECTION 8. Pursuant to the TIF Ordinance, the City has created or will create the Roosevelt/Clark TIF Fund (the "Fund"). The Authorized Officer is hereby directed to maintain the Fund as a segregated interest-bearing account, separate and apart from any other fund of the City, with a bank that is insured by the Federal Deposit Insurance Corporation or its successor. Pursuant to the TIF Ordinance, all Incremental Taxes received by the City for the Area are to be deposited into the Fund.

There is hereby created within the Fund a special sub-account to be known as the "Roosevelt/Clark Project Account" (the "Project Account"). The City shall designate and deposit into the Project Account the Available Incremental Taxes (as defined in the Redevelopment Agreement). The City hereby assigns, pledges and dedicates the Project Account, together with all amounts on deposit therein, to the payment of the principal of and interest, if any, on the City Notes when due under the terms of the Redevelopment Agreement and in accordance with the debt service schedule attached to the City Note. Upon deposit, the moneys on deposit in the Project Account may be invested as hereinafter provided. Interest and income on any such investment shall be deposited in the Project Account. All moneys on deposit in the Project Account shall be used to pay the principal of and interest on the City Notes, at maturity or upon payment or redemption prior to maturity, in accordance with the terms of such note, which payments from the Project Account are hereby authorized and appropriated by the City. Upon payment of all amounts due under the City Notes and the Redevelopment Agreement in accordance with their terms, the amounts on deposit in the Project Account, as applicable, shall be deposited in the Fund and the Project Account shall be closed.

Notwithstanding any of the foregoing, payments on the City Notes will be subject to the-availability of Incremental Taxes in the Project Account.

SECTION 9. The City Notes are special limited obligations of the City, payable solely from Available Incremental Taxes, and shall be a valid claim of the registered owners thereof only against said sources. The City Notes shall not be deemed to constitute an indebtedness or a loan against the general taxing powers or credit of the City, within the meaning of any constitutional or statutory provision. The registered owner(s) of the City Notes shall not have the right to compel any exercise of the taxing

power of the City, the State of Illinois or any political subdivision thereof to pay the • principal of or interest on the City Notes.

SECTION 10. Moneys on deposit in the Fund or the Project Account, as the case may be, may be invested as allowed under Section 2-32-520 of the Municipal Code of the City of Chicago (the "Municipal Code"). Each such investment shall mature on a date prior to the date on which said amounts are needed to pay the principal of or interest on the City Notes.

SECTION 11. Pursuant to the Redevelopment Agreement, the Developer shall complete the Project. The eligible redevelopment project costs of the Project constituting TIF-Funded Improvements up to the principal amount of \$551,200,000, when evidenced by Infrastructure Component Certificates of Expenditure shall be deemed to be a disbursement of the proceeds of the City Notes. Upon issuance, the City Notes shall have in the aggregate an initial principal balance equal to the Developer's prior expenditures for TIF-Funded Improvements up to a maximum amount of \$551,200,000 plus financing costs, as evidenced by Infrastructure Component Certificates of Expenditures delivered in accordance with the Redevelopment Agreement, and subject to the reductions described in the Redevelopment Agreement. After issuance, the principal amount outstanding under the City Notes shall be the initial principal balance of the City Notes, minus any principal amount and interest paid on the City Notes and other reductions in principal as provided in the Redevelopment Agreement.

SECTION 12. The Mayor, the Authorized Officer, the City Clerk or any Deputy Clerk, the Commissioner (or his or her designee) and the other officers of the City are authorized to executed and deliver on behalf of the City such other documents, agreements and certificates and to do such other things consistent with the terms of this Ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this Ordinance.

SECTION 13. The Registrar shall maintain a list of the names and address of the registered owners from time to time of the City Notes and upon any transfer shall add the name and address of the new registered owner and eliminate the name and address of the transferor.

SECTION 14. The provisions of this Ordinance shall constitute a contract between the City and the registered owners of the City Notes. All covenants relating to the City Notes are enforceable by the registered owners of the City Notes.

SECTION 15. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 16. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 17. This ordinance shall be in full force and effect immediately upon its passage.

CHICAGO April 10,2019

To the President and Members of the City Council:

Your Committee on Finance having had under consideration a proposed substitute ordinance as amended concerning the authority to enter into and execute a Redevelopment Agreement with Roosevelt/Clark Partners, LLC.

02019-2574

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

**This recommendation was concurred in by (awiva voce vote)
of members of the committee with dissenting vote(s)7**

loll UXL 14-^

Respectfully submitted

(signed)

Chairman

Approved Approved

Mayor