



# Office of the City Clerk

City Hall  
121 N. LaSalle St.  
Room 107  
Chicago, IL 60602  
www.chicityclerk.com

## Legislation Details (With Text)

**File #:** SO2022-1706  
**Type:** Ordinance      **Status:** Passed  
**File created:** 5/23/2022      **In control:** City Council  
**Final action:** 7/20/2022

**Title:** First amendment to master intergovernmental agreement with Public Building Commission of Chicago authorizing use of Tax Incremental Financing (TIF) funds for various projects

**Sponsors:** Lightfoot, Lori E.

**Indexes:** Intergovernmental

**Attachments:** 1. SO2022-1706.pdf, 2. O2022-1706.pdf

Date	Ver.	Action By	Action	Result
7/20/2022	1	City Council	Passed as Substitute	Pass
6/22/2022	1	City Council	Deferred and Published	
6/16/2022	1	Committee on Finance	Substituted in Committee	
5/23/2022	1	City Council	Referred	

CHICAGO June 22, 2022

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

Your Committee on Finance having had under consideration a communication recommending a proposed ordinance concerning the authority to amend the master intergovernmental agreement with the Public Building Commission of Chicago regarding use of Tax Increment Financing (TIF) funds for various projects.

SO2022-1706

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

**This recommendation was concurred in by viva voce vote of members of the committee with 0 dissenting vote(s).  
Chairman**

**Respectfully submitted,**

### **SUBSTITUTE 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 as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, on March 18, 1956, the City Council of the City (the "City Council") created the Public Building Commission of Chicago (the "Commission"), an Illinois municipal corporation, pursuant to the Public Building Commission Act of the State of Illinois (the "Act") for the purpose of facilitating the funding, acquiring and constructing of public buildings, improvements and facilities for use by local public agencies in the furnishing of essential governmental services; and

WHEREAS, the Commission is authorized and empowered by the Act to acquire fee simple title to real property, including easements and reversionary interests in streets, alleys and other public places, by leasing, purchase or the exercise of eminent domain (collectively, the "Property Activities"), for public improvements in an area or areas that have been selected, located and approved by the governing bodies of the City and the Commission; and

WHEREAS, the Commission has undertaken the Property Activities, construction, alteration, repair, renovation, rehabilitation, demolition, maintenance and equipping of buildings and facilities (collectively, the "Work") for use by various public bodies including the City, the Board of Education of the City of Chicago, the Chicago Park District, and the Board of Trustees of Community College District No. 508, County of Cook and State of Illinois; 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 "TIF Act"), to finance projects that eradicate blight conditions through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, under the TIF Act, such incremental ad valorem taxes which pursuant to the TIF Act have been collected and are allocated to pay redevelopment project costs and obligations incurred in the payment thereof (such ad valorem taxes so allocated, collected, paid and deposited pursuant to the TIF Act are known generally as "Increment") may be used, among other purposes authorized by the TIF Act, to pay the cost of

public works and improvements, rehabilitation, reconstruction or repair or remodeling of existing public buildings, and to acquire and construct public facilities, as contemplated in a redevelopment plan, and obligations relating thereto; and

WHEREAS, pursuant to an ordinance adopted by the City Council on June 25, 2021 and published at pages 31680-31685 in the Journal of the Proceedings of the City Council ("Journal") for such date, the Commission agreed to undertake certain Work in connection with various City-owned buildings and facilities (the "Projects") as indicated on the project list attached thereto as Exhibit A (the "Project List"); and

WHEREAS, City and the Commission entered into an agreement for the Commission to implement the Projects (the "Agreement"); and

WHEREAS, the City and the Commission wish to enter into an amendment to the

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Agreement in substantially the form attached hereto as Exhibit A, whereby the City shall pay for or reimburse the Commission for the TIF-Funded Improvements, as hereinafter defined, related to the Projects (the "Amendment"); and

WHEREAS, certain City-owned buildings and facilities are identified in Exhibit A to the Amendment (each, a "Property"); and

WHEREAS, in accordance with the provisions of the TIF Act, the City Council: (i) approved and adopted a redevelopment plan and project (the "Plan") for a portion of the City identified in the Amendment (a "Redevelopment Area"); (ii) designated a Redevelopment Area as a "redevelopment project area"; and (iii) adopted tax increment allocation financing for a Redevelopment Area, pursuant to certain ordinances designating, adopting and approving a Plan and Redevelopment Area and published in the Journal; and

WHEREAS, all of the Property related to each Project lies wholly within the boundaries of a Redevelopment Area identified on Exhibit A to the Amendment; and

WHEREAS, Increment collected from a Redevelopment Area shall be known as the "Redevelopment Area Increment"; and

WHEREAS, the Department of Assets, Information and Services ("AIS") of the City desires to use a portion of each Redevelopment Area Increment in an amount not to exceed the amount identified in the Amendment (the "TIF Funds") for the purpose of wholly or partially funding certain TIF-eligible costs of each Project (the "TIF-Funded Improvements") to the extent and in the manner provided in this ordinance and the Amendment; and

WHEREAS, the maximum amount of TIF Funds related to each Project and authorized to be used for TIF-Funded Improvements are incorporated into the Amendment; and

WHEREAS, each Plan contemplates that tax increment financing assistance would be provided for public improvements, such as the Projects, within the boundaries of each Redevelopment Area; now, therefore,

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

SECTION 1. The above recitals, and the statements of fact and findings made therein, are incorporated herein and made a material part of this ordinance.

SECTION 2. The Commissioner of Assets, Information and Services and a designee thereof and the City Comptroller are each hereby authorized, subject to approval by the City's Corporation Counsel, to execute and deliver the Amendment and such other documents as may be necessary to carry out and comply with the provisions of the Amendment, which Amendment may contain such other terms as are deemed necessary or appropriate by the parties executing the same on the part of the City.

SECTION 3. 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

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ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 4. This ordinance takes effect upon passage and approval.

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EXHIBIT A to the Substitute Ordinance

Amendment

(see attached)

**FIRST AMENDMENT TO MASTER INTERGOVERNMENTAL AGREEMENT  
BETWEEN THE CITY OF CHICAGO, THROUGH ITS DEPARTMENT OF ASSETS,  
INFORMATION AND SERVICES AND THE PUBLIC BUILDING COMMISSION OF  
CHICAGO**

**This First Amendment to the Master Intergovernmental Agreement (the "First Amendment")**, dated as of \_\_\_\_\_, 2022, is made by and between the City of Chicago, an Illinois municipal corporation, having its principal office at City Hall, 121 North LaSalle Street, Chicago, Illinois 60602 (the "City"), by and through its Department of Assets, Information and Services ("AIS") and the Public Building Commission of Chicago ("PBC"), an Illinois municipal corporation, having its office located at the Richard J. Daley Center, Room 200, Chicago, Illinois 60602.

**RECITAL**

WHEREAS, AIS and PBC entered into a certain Master Intergovernmental Agreement dated April 1, 2021 (the "Agreement") for the PBC to undertake certain Projects on behalf of the City; and

WHEREAS, pursuant to the Agreement, the City agreed to provide City Funds, which includes proceeds of certain bonds issued by the City and Corporate Funds for the Projects; 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 "TIF Act"), to finance' projects that eradicate blight conditions through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, in accordance with the provisions of the TIF Act, the City Council: (i) approved and adopted a redevelopment plan and project (a "Redevelopment Plan") for a portion of the City identified on Exhibit A (a "Redevelopment Area"); (ii) designated a Redevelopment Area as a "redevelopment project area"; and (iii) adopted tax increment allocation financing for a Redevelopment Area, pursuant to certain ordinances designating, adopting and approving a Redevelopment Plan and Redevelopment Area; and

WHEREAS, all of the property related to each Project lies wholly within the boundaries of a Redevelopment Area; and

WHEREAS, under the TIF Act, such ad valorem taxes which pursuant to the TIF Act have been collected and are allocated to pay redevelopment project costs and obligations incurred in the payment thereof (such ad valorem taxes so allocated, collected, paid and deposited pursuant to the TIF Act are known generally as "Increment") may be used to pay all or a portion of, among other purposes authorized by the TIF Act, the cost of public works and improvements, rehabilitation, reconstruction or repair or remodeling of

existing public buildings, to acquire and construct public facilities, 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 a Redevelopment Area shall be known as "Redevelopment Area Increment"); and

WHEREAS, the City desires to allocate and use a portion of certain Redevelopment Area Increment in an amount not to exceed the amount identified in Exhibit A (the "City TIF Funds") for certain Projects; and

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WHEREAS, AIS and PBC have determined that it is necessary, desirable, and in the public interest to amend the Agreement to provide City TIF Funds to the Projects; and

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:

1. Recitals. The foregoing recitals are incorporated herein by reference.

2. Definitions. All capitalized terms used but not otherwise defined herein shall have the same meanings as set forth in the Agreement. The DEFINITIONS section of the Agreement is hereby amended by adding the following definitions:

City TIF Funds: A portion of Redevelopment Area Increment in an amount not to exceed the amount identified in Exhibit B attached hereto and made a part hereof.

Increment: such ad valorem taxes which pursuant to the TIF Act have been collected and are allocated to pay redevelopment project costs and obligations incurred in the payment thereof.

Redevelopment Area Increment: Increment collected from a Redevelopment Area.

TIF Act: Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time.

TIF-Funded Improvements: shall have the meaning provided in Section 9.3.3. hereof.

3. *The Agreement is hereby amended by adding the following Section 9.3.3. for the provision of City TIF Funds to PBC. '*

9.3.3. Notwithstanding anything herein to the contrary, this Section 9.3.3. shall apply to all City TIF Funds provided by the City to the PBC. The PBC shall provide AIS with a Requisition Form substantially in the form of Exhibit G hereto, along with: (i) a cost itemization of the applicable portions of the budget provided to the City in accordance with Section 9.3.3.4 herein; (ii) evidence of the expenditures upon TIF-Funded Improvements which the PBC has incurred; and (iii) all other documentation described in Exhibit G. The City shall review and, in the City's discretion, approve each Requisition Form and make the applicable requested and approved disbursement of City TIF Funds, subject to the availability thereof. The availability of the City TIF Funds is subject to the PBC's compliance with all applicable requirements regarding the use of such funds and the timing of such use. The PBC will only request disbursement of City TIF Funds, and the City will only disburse City TIF Funds for the costs of a Project, to the extent that such costs are TIF-Funded Improvements, as determined by the City in its sole discretion.

9.3.3.1. Delivery by the PBC to AIS 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:

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1. the total amount of the City TIF Funds disbursed in the previously made disbursement (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;

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

3. the PBC has approved all work and materials for the current Requisition Form, and such work and materials conform to the plans and specifications for the Project; and

4. the PBC 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 PBC, all as may be in effect from time to time, pertaining to or affecting the Project or the PBC as related thereto.

The City shall have the right, in its discretion, to require the PBC to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any approval of a 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 PBC.

2. The PBC's right to receive payments hereunder shall be subordinate to all prior obligations of the City to be paid from Redevelopment Area Increment.

3. The availability of City TIF Funds is subject to: (i) the City's annual retention of Redevelopment Area Increment in an amount necessary for the payment of expenses incurred by the City in the administration of the Redevelopment Area; and (ii) the City's compliance with all applicable requirements regarding the use of such funds and the timing of such use.

4. The current estimate of the cost of a Project is identified in Exhibit B (the "Estimated Project Cost"). The PBC shall deliver to the Commissioner of AIS, and the Commissioner may approve, a detailed project budget for a Project. If the PBC at any point does not have sufficient funds to complete the Project, the PBC and City will determine any future actions in accordance with Section 9.4 hereof.

5. PBC shall provide a preliminary list of Project costs, by line item, to the City for the City's determination that such costs are eligible redevelopment project costs under the TIF Act with respect to a Project, to be paid for out of City TIF Funds ("TIF-Funded Improvements"). Prior to the expenditure of City TIF Funds on a Project, the AIS Commissioner, based upon the detailed project budget provided in accordance with Section 9.3.3.4 above, shall make such modifications to such Project budget as he or she wishes in his or her discretion to account for all of the City TIF Funds to be expended under this Agreement; provided, however, that all TIF-Funded Improvements shall (i) qualify as redevelopment project costs under the TIF Act; (ii) qualify as eligible costs under the appropriate Redevelopment Plan; and (iii) be improvements that the AIS Commissioner has agreed to pay for out of City TIF Funds, subject to the terms of this Agreement.

6. If the aggregate cost of a Project is less than the amount of the City TIF Funds contemplated by this Agreement, PBC shall have no claim to the difference between the



amount of the City TIF Funds contemplated by this Agreement and the amount of the City TIF Funds actually paid by the City to the PBC and expended by the PBC on a Project.

9.3.3.7. In the event the PBC has acquired or leased property in connection with a Project with City TIF Funds (such property shall be included in the definition of a "Property"), PBC shall not sell, transfer, convey or otherwise dispose of all or any portion of a Project and/or a Property or any interest therein to a party other than the City (a "Transfer"), or otherwise effect or consent to a Transfer to a party other than the City, without the prior written consent of the City. The City's consent to any Transfer may, in the City's sole discretion, be conditioned upon (among other things) whether such a Transfer would conflict with the statutory basis for the grant of the City TIF Funds hereunder pursuant to the Act.

4. Exhibit B to the Agreement is hereby deleted in its entirety and replaced by Exhibit A to this First Amendment.

5. Exhibit G is hereby added to the Agreement and is attached as Exhibit B to this First Amendment.

6. Except as amended hereby, the terms and conditions of the Agreement shall remain in full force and effect.

7. In the event of a conflict between the Agreement and this First Amendment, this First Amendment shall control and govern.

8. This First Amendment is comprised of several identical counterparts, each to be fully signed by the Parties and each to be considered an original having identical legal effect.

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IN WITNESS WHEREOF, the parties hereto have executed or caused to be executed this First Amendment to Master Intergovernmental Agreement between the Public Building Commission of Chicago and the City of Chicago, all as of the date first written above.

**CITY OF CHICAGO**

Commissioner  
AIS of Assets, Information and Services

By:  
City Comptroller

**PUBLIC BUILDING COMMISSION OF CHICAGO**

By:  
Executive Director

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**EXHIBIT A (EXHIBIT B to the**

**Agreement)**

No.	Property Name	Property Address	User Dept	Estimated Project Cost	Redevelopment Area	City TIF Funds
1	16th & Canal Storage Yard - Replacement	1635 S Canal Street	DSS	\$ 10,000,000	Pilsen	\$ 9,180,465
2	25th District Police Station and Area 5 Garage	5555 W Grand Ave	CPD	\$ 2,050,000	Galewood Armitage Industrial	\$ 2,050,000
3	Avalon Branch Library	8148 S Stony Island Ave	CPL	\$ 200,000	Stony Island Commercial & Burnside Industrial Corridors	\$ 115,875
4.	Canaryville Library	642 W 43rd St	CPL	\$ 550,000	47th/Halsted	\$ 609,458
5	Central Hearing Facility	400 W Superior St	DOF	\$ 13,000,000	Chicago/Kingsbury	\$ 10,000,000
6	Chicago Center For Green Technology	445 N Sacramento Blvd	CDOT/DWM	\$ 2,500,000	Kinzie Industrial Conservation	\$ 1,875,000
7	Chinatown Library	2100SWentworth	CPL	\$ 1,750,000	24th / Michigan	\$ 2,000,000
8	Fire Engine Company 44	412 N Kedzie Ave	CFD	\$ 900,000	Chicago/Central Park	\$ 1,950,000
9	Fire Engine Company 45	4600 S Cottage Grove Ave	CFD	\$ 200,000	43rd Street / Cottage Grove Ave	\$ 200,000
10	Forestry & Rodent Control HQ	2352SAshland	DSS	\$ 1,100,000	Pilsen	\$ 2,500,000
11	Humboldt Park Library	1605 N Troy St	CPL	\$ 1,050,000	Humboldt Park Commercial	\$ 550,000
12	Lee Animal Control	2741S Western Ave	ACC	\$ 1,000,000	Pilsen	\$ 2,000,000
13	Legler Library	115 S Pulaski Rd	CPL	\$ 315,000	Madison / Austin Corridor	\$ 598,769
14	NW Fleet Maintenance	4233 W Ferdinand St	AIS	\$ 500,000	Northwest Industrial Corridor	\$ 450,066
15	Richard J Daley Library	3400 S Halsted St	CPL	\$ 3,500,000	35th /Halsted	\$ 2,276,033
16	Martin Luther King Jr Center	4314 S Cottage Grove Ave	DFSS/CD PH	\$ 1,000,000	43rd Street / Cottage Grove Ave	\$ 297,445
17	Chicago Public Safety Headquarters	3510 S Michigan Ave	CPD/PSA/CFD	\$ 7,000,000	Bronzeville	\$ 1,020,887
18	Fire Engine Company 117-District 4	4900 W Chicago Ave	CFD	\$ 200,000	Austin/Commercial	\$ 600,000
19	Fire Engine Company 26	10N Leavitt	CFD	\$ 3,000,000	Central West	\$ 1,638,403
20	Fire Engine Company 57	1244 N Western Ave	CFD	\$ 400,000	Humboldt Park Commercial	\$ 801,191
21	Fire Supply and Logistics	3015 W 31st St	CFD	\$ 1,000,000	Sanitary Drainages Ship Canal	\$ 1,476,182
22	Garfield Center	10 S Kedzie Ave	DFSS/CD PH	\$ 2,200,000	Midwest	\$ 2,200,000
23	Jefferson Park Library	5363 W Lawrence Ave	CPL	\$ 200,000	Jefferson Park Business District	\$ 290,931
24	Mable Manning Library	6S Hoyne St	CPL	\$ 1,000,000	Central West	\$ 1,482,505
25	Police Motor Maintenance Garage 4	3245 N Campbell	AIS	\$ 500,000	Addison South	\$ 3,000,000
26	Uptown Health Center	845 W Wilson Ave	DFSS/CD PH	\$ 1,100,000	Wilson Yard	\$ 1,260,556
					<b>Total</b>	<b>\$ 50,423,765</b>

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EXHIBIT B (EXHIBIT G  
to the Agreement)

REQUISITION FORM

Date: To:

From:

Company

Cj(y Qf Chicago Dept of A)S

Address:

30 N LaSalle, Ste 300

Subject:

Distribution

:

Via:  U.S. Mail  Overnight Service  Messenger  Other

Materials: [ $><$ ] Enclosed  Separate Cover  Other

For:  Approval  Information comment""  Per Request

he PBC is pleased to submit the following funding request for the AIS Capital Plan Projects as of 202\_

Invoice Number	Project Number	Project Name	Bank Funding Account	CPM#	Funding Source	Invoiced Amount
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Total Invoices

\$

With respect to any tax increment financing funds requested by the PBC in the chart below for the City to disburse pursuant to that certain Master Intergovernmental Agreement between the PBC and the City regarding certain Projects dated April 1, 2021, as amended from time to time (the "Agreement"), the PBC makes the following certifications regarding the following chart:

A. The chart contains the true and complete statement of all expenditures for the

project(s)

B. The following chart sets forth and is a true and complete statement of all costs of TIF-Funded Improvements paid for by the City to date for the project(s)

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C. The PBC 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 PBC hereby certifies to the City that, as of the date hereof:

1. Except as described in the attached certificate (if any), the representations and warranties contained in the Agreement are true and correct and to the best of its knowledge and belief the PBC 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 PBC 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 PBC, all as may be in effect from time to time, pertaining to or affecting the project(s) listed in the chart below or the PBC as related thereto.
4. If this is the final or only Requisition Form being submitted for the project(s) listed in the chart below, the PBC certifies to the City that it has completed the project(s) listed in the chart below in accordance with the terms of the Agreement.

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

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

Project	Property Address	Current PBC Project	Amount	Prorated	Redevelopment	Job	City/TIF	Tobacco	PBC	Tree	Project	CPU	Full	To	HTF	fu	TIF	TIF	Final
		Under	Budget	Share	Funds	Expended	(Prorated)	by	AM/	(Month-Year)	Number	Number	Number	Number	Number	Number	Number	Number	Number

TOTALS

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