Legislation Details (With Text)

File #:	O2018-8860		
Type:	Ordinance	**Status:**	Passed
File created:	10/31/2018	**In control:**	City Council
		Final action:	11/14/2018
Title:	Service agreements with Hilton Management LLC or Hyde Park Hospitality LLC for renovation and operation of City-owned hotel at Chicago O'Hare International Airport		
Sponsors:	Emanuel, Rahm		
Indexes:	O'Hare		
Attachments:	1. O2018-8860.pdf, 2. O2018-8860 (V1).pdf		

Date	Ver.	Action By	Action	Result
12/4/2018	1	Office of the Mayor	Signed by Mayor	
11/14/2018	1	City Council	Passed	Pass
11/13/2018	1	Committee on Aviation	Recommended to Pass	
10/31/2018	1	City Council	Referred	

ORDINANCE

WHEREAS, The City of Chicago ("City") is a home rule unit of government as defined in Article VII, §6(a) of the Illinois Constitution, and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The City owns and operates Chicago O'Hare International Airport ("Airport") and possesses the power and authority to lease its premises and facilities and to grant other rights and privileges with respect thereto; and

WHEREAS, The City is vested with authority to provide for the needs of aviation, commerce, shipping, and traveling to and around the Airport to promote and develop the Airport, and, in the exercise of such power, to enter into agreements with entities to manage City-owned properties at the Airport, upon such terms and conditions as the corporate authorities of the City shall prescribe; and

WHEREAS, The City owns the only existing hotel ("Existing Hotel") located at the Airport; and

WHEREAS, The City desires to renovate the Existing Hotel to become a first-class "Upper Upscale" hotel (as defined by Smith Travel Research); and

WHEREAS, On April 19, 2017, the City issued a request for proposals ("RFP") for the management of, technical services relating to the development of, and pre-opening and related services in connection with the renovation of the Existing Hotel; and

WHEREAS, Hilton Management LLC ("Hilton") responded to the RFP with its proposal dated May 23, 2017; and

WHEREAS, The City has evaluated all of the proposals submitted in response to its RFP and selected Hilton to operate and manage the Existing Hotel pursuant to a management agreement ("Management Agreement"), to provide

technical services in connection with the renovation ofthe Existing Hotel pursuant to the terms and conditions set forth in a technical services agreement ("Technical Services Agreement") and to provide pre-opening and procurement services, and certain related services in connection with the Existing Hotel pursuant to a pre-opening and related services agreement ("Pre-Opening Agreement"); and

WHEREAS, The City desires to enter into a Management Agreement with Hilton to operate and manage the Existing Hotel pursuant to the terms and conditions set forth in the Management Agreement in substantially the form of Management Agreement attached hereto as Exhibit A; and

WHEREAS, The City desires to enter into a Technical Services Agreement with Hilton to provide technical services, including, but not limited to, planning, designing, equipping, decorating and furnishing in connection with the renovation of the Existing Hotel, pursuant to the terms and conditions set forth in the Technical Services Agreement in substantially the form of Technical Services Agreement attached hereto as Exhibit B; and

WHEREAS, The City desires to enter into a Pre-Opening Agreement with Hilton to perform

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pre-opening and related services, including, but not limited to, training of employees, developing sales, advertising, marketing and promotional programs, in connection with the Existing Hotel pursuant to the terms and conditions set forth in the Pre-Opening Agreement in substantially the form of Pre-Opening Agreement attached hereto as Exhibit C; and !

WHEREAS, The Existing Hotel will continue to provide food and beverage operations for its guests; and

WHEREAS, Hyde Park Hospitality LLC, a Delaware limited liability company ("Hyde Park") and its affiliates are engaged in the business of providing food and beverage services for third parties and providing operation and management services related to the same; and

WHEREAS, The City desires to retain Hyde Park to operate and manage the food and beverage operations at the Existing Hotel, including the (i) restaurants within the Existing Hotel, along with the kitchen, food storage areas, refrigerators, freezers and other back-of-house areas related to the restaurants, (ii) provision of food and beverage services to the banquet and second floor meeting spaces at the Existing Hotel, and (iii) grab-and-go retail outlet (collectively, the F & B Operations"); and <

WHEREAS, The City desires to enter into a Food and Beverage Agreement with Hyde Park to provide F & B Operations pursuant to the terms and conditions set forth in the Food and Beverage Agreement in substantially the form of Food and Beverage Agreement attached hereto as Exhibit D; now, therefore,

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

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

SECTION 2. The Mayor or the mayor's proxy is hereby authorized to execute, upon the recommendation of the Commissioner of the Chicago Department of Aviation ("Commissioner") and the approval of the Corporation Counsel as to form and legality, a Management Agreement, a Technical Services Agreement, and a Pre-Opening Agreement with Hilton substantially in the respective forms of such agreements ("collectively, the "Agreements") that are attached hereto.

SECTION 3. The Mayor or the mayor's proxy is hereby authorized to execute, upon the recommendation of the Commissioner and the approval of the Corporation Counsel as to form and legality, a Food and Beverage Agreement

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with Hyde Park substantially in the form of such Food and Beverage Agreement that is attached hereto.

SECTION 4. The Commissioner and such other City officials and employees as may be required are authorized to take such actions and execute such other documents as may be necessary or desirable to implement the objectives of this ordinance.

SECTION 5. This ordinance shall take effect immediately upon its passage and approval.

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OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

October 31, 2018

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

Ladies and Gentlemen:

At the request ofthe Commissioner of Aviation, I transmit herewith an ordinance authorizing the execution of agreements with Hilton Management and Hyde Park Hospitality.

Your favorable consideration of this ordinance will be appreciated.

Mayor

Very truly yours,

Approved Approved

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