



# City of Chicago



O2018-6122

Office of the City Clerk

## Document Tracking Sheet

**Meeting Date:** 7/25/2018

**Sponsor(s):** Emanuel (Mayor)

**Type:** Ordinance

**Title:** Intergovernmental agreement regarding city conveyance of 3938-3940 S Indiana Ave to Chicago Park District for construction of a dog park, open space and recreational facilities, assisted by Tax Increment Financing funding

**Committee(s) Assignment:** Committee on Finance



OFFICE OF THE MAYOR  
CITY OF CHICAGO

RAHM EMANUEL  
MAYOR

July 25, 2018

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 ordinances authorizing the execution of intergovernmental agreements with the Chicago Park District regarding TIF assistance, and associated conveyances.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

A handwritten signature in cursive script that reads "Rahm Emanuel".

Mayor

## ORDINANCE

WHEREAS, the City of Chicago (the "City"), is a 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, the Chicago Park District (the "Chicago Park District") is a unit of local government; and

WHEREAS, the City owns the parcels of land commonly known as 3938-3940 South Indiana Avenue and legally described in Exhibit A attached hereto and made a part hereof (the "Property"); and

WHEREAS, the Chicago Park District is interested in acquiring the Property from the City for the creation of a dog park to provide open space and recreational facilities for the benefit of the residents of the Grand Boulevard Community Area (the "Project"); and

WHEREAS, the City is authorized to convey City-owned real estate to other municipalities in accordance with the provisions of the Local Government Property Transfer Act, 50 ILCS 605/0.01 *et seq.*; and

WHEREAS, the Property lies wholly within the boundaries of the Bronzeville Redevelopment Area (as hereinafter defined); 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 and conservation factors that could lead to blight through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, in accordance with the provisions of the Act, and pursuant to ordinances adopted on November 4, 1998 and published in the Journal of the Proceedings of the City Council of the City of Chicago (the "Journal") for said date at pages 80642 - 80778, as amended by ordinances adopted on July 29, 2003, December 7, 2005, October 8, 2014 and June 28, 2017, the City Council: (i) approved and adopted a redevelopment plan and project (the "Plan") for a portion of the City known as the "Bronzeville Redevelopment Project Area" (the "Bronzeville Redevelopment Area"); (ii) designated the Bronzeville Redevelopment Area as a "redevelopment project area"; and (iii) adopted tax increment allocation financing for the Bronzeville Redevelopment Area; and

WHEREAS, under 65 ILCS 5/11-74.4-3(q)(4), such incremental 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 ("City 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; and

WHEREAS, the Department of Planning and Development of the City ("DPD") wishes to use a portion of the City Increment in an amount not to exceed \$600,000 for the purpose of partially funding the construction of the Project on the Property (the "TIF-Funded Improvements") in the Bronzeville Redevelopment Area to the extent and in the manner provided in the Agreement (as hereinafter defined); and

WHEREAS, the Chicago Park District is a taxing district under the Act; and

WHEREAS, in accordance with the Act, the TIF-Funded Improvements shall include such of the Chicago Park District's capital costs necessarily incurred or to be incurred in furtherance of the objectives of the Plan, and the City has found that the TIF-Funded Improvements consist of the cost of the Chicago Park District's capital improvements that are necessary and directly result from the redevelopment project constituting the Project and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-3(u) of the Act; and

WHEREAS, the City and the Chicago Park District have agreed to enter into an intergovernmental agreement in substantially the form attached hereto as Exhibit B (the "Agreement") whereby the City shall pay for or reimburse the Chicago Park District for a portion of the TIF-Funded Improvements; and

WHEREAS, the City is authorized under its home rule powers to regulate the use and development of land; and

WHEREAS, it is a reasonable condition of development approval to ensure that adequate open space and recreational facilities exist within the City; and

WHEREAS, on April 1, 1998, the City Council adopted the Open Space Impact Fee Ordinance codified at Chapter 18 of Title 16 (the "Open Space Ordinance") of the Municipal Code of Chicago (the "Code") to address the need for additional public space and recreational facilities for the benefit of the residents of newly created residential developments in the City; and

WHEREAS, the Open Space Ordinance authorizes, among other things, the collection of fees from residential developments that create new dwelling units without contributing a proportionate share of open space and recreational facilities for the benefit of their residents as part of the overall development (the "Fee-Paying Developments"); and

WHEREAS, pursuant to the Open Space Ordinance, the Department of Finance ("DOF") has collected fees derived from the Fee-Paying Developments (the "Open Space Fees") and has deposited those fees in separate funds, each fund corresponding to the Community Area (as defined in the Open Space Ordinance) in which each of the Fee-Paying Developments is located and from which the Open Space Fees were collected; and

WHEREAS, the Open Space Ordinance requires that the Open Space Fees be expended within the same or a contiguous Community Area from which they were collected after a legislative finding by the City Council that the expenditure of the Open Space Fees will directly and materially benefit the developments from which the Open Space Fees were collected; and

WHEREAS, the DPD has determined that the Fee-Paying Developments built in the Grand Boulevard Community Area have deepened the already significant deficit of open space in said Grand Boulevard Community Area, which deficit was documented in the comprehensive plan entitled "The CitySpace Plan," adopted by the Chicago Plan Commission on September 11, 1997 and adopted by the City Council on May 20, 1998 and appearing on pages 69309 to 69311 of the Journal of same date; and

WHEREAS, DPD wishes to make available to the Chicago Park District proceeds from

the Open Space Fees collected by DOF in an amount not to exceed \$92,253 (the "Open Space Assistance") for the purpose of partially funding the Project; and

WHEREAS, the Open Space Ordinance requires that the Open Space Fees be used for open space acquisition or capital improvements, or both, which provide a direct and material benefit to the new developments from which the fees are collected; and

WHEREAS, the Chicago Park District has agreed to use the Open Space Assistance for the Project subject to the terms and conditions specified in the Agreement; and

WHEREAS, DPD has determined that the use of the Open Space Fees to assist the Project will provide a direct and material benefit to each of the Fee-Paying Developments from which the Open Space Fees were collected in that the Open Spaces Fees to be used for the Project will come from the specific fund set up by DOF for the Grand Boulevard Community Area; and

WHEREAS, by ordinances adopted on January 10, 2018, and February 14, 2018, the Board of Commissioners of the Chicago Park District authorized the acceptance of the Property from the City and execution of the Agreement to accept the Open Space Assistance and City Increment as described herein; and

WHEREAS, by Resolution No. 18-CDC-6 adopted on March 13, 2018, the Community Development Commission of the City of Chicago recommended the transfer of the Property to the Chicago Park District; and

WHEREAS, DPD has recommended that the City Council (i) approve the use of the City Increment for the purposes set forth in this ordinance; (ii) approve the use of the Open Space Fees for the purposes set forth in this ordinance; (iii) make a finding that the expenditure of the Open Space Fees as described herein will directly and materially benefit the Fee-Paying Developments from which the Open Space Fees were collected; (iv) authorize the conveyance of the Property by the City to the Chicago Park District; and (v) authorize the City to enter into the Agreement; now, therefore,

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

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. The City hereby finds that the T.I.F.-Funded Improvements, among other eligible redevelopment project costs under the Act approved by the City, consist of the cost of the Park District's capital improvements that are necessary and directly result from the redevelopment project constituting the Project and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-3(u) of the Act.

SECTION 3. The City Council hereby finds that the expenditure of the Open Space Fees for the Project as described herein will directly and materially benefit the residents of those Fee-Paying Developments from which the Open Space Fees were collected and approves the use of the Open Space Fees for the Project.

SECTION 4. The Commissioner of DPD (the "Commissioner") is hereby authorized to provide Open Space Fee proceeds to the Chicago Park District in an amount not to exceed \$92,253 from the specific fund set up by DOF for the Grand Boulevard Community Area to pay

for expenses permitted under the Open Space Ordinance.

SECTION 5. Subject to the approval of the Corporation Counsel of the City as to form and legality, and to the approval of the City Comptroller, the Commissioner of DPD is authorized to execute and deliver the Agreement, and such other documents as are necessary, between the City and the Chicago Park District, which may contain such other terms as are deemed necessary or appropriate by the parties executing the same on the part of the City.

SECTION 6. Subject to the terms and conditions of the Agreement, the City is hereby authorized to sell and convey to the Chicago Park District the Property for the sum of \$1.00 per parcel. The Mayor or his proxy is authorized to execute, and the City Clerk is authorized to attest a quitclaim deed conveying the Property to the Chicago Park District.

SECTION 7. To the extent that any ordinance, resolution, rule, order or provision of the Code, 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 shall not affect any other provisions of this ordinance.

SECTION 8. This ordinance shall be in full force and effect from and after the date of its passage and approval.

Attached:      Exhibit A – Legal Description  
                  Exhibit B – Agreement

Exhibit A

Legal Description

LOT 9 AND THE SOUTH HALF OF LOT 8 IN BLOCK 1 IN PRYOR AND HOPKINS  
SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION  
3, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN,  
IN COOK COUNTY, ILLINOIS.

Address: 3938-40 South Indiana Avenue  
Chicago, Illinois 60653

PIN NOs. 20-03-102-019 (3938 S. Indiana)  
20-03-102-020 (3940 S. Indiana)

Exhibit B  
Form of Agreement  
See attached.

**AGREEMENT BETWEEN  
THE CITY OF CHICAGO  
AND THE CHICAGO PARK DISTRICT  
(3938-3940 SOUTH INDIANA AVENUE)**

This Agreement (the "**Agreement**") is made as of this \_\_\_\_ day of \_\_\_\_\_, 2018 (the "**Closing Date**"), under authority granted by Article VII, Section 10 of the 1970 Constitution of the State of Illinois, by and between the City of Chicago (the "**City**"), an Illinois municipal corporation, by and through its Department of Planning and Development or any successor thereto ("**DPD**"); and the Chicago Park District (the "**Park District**"), an Illinois municipal corporation. The Park District and the City are sometimes referred to herein as the "**Parties**."

**RECITALS**

A. The City is a 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.

B. The Park District is a unit of local government under Article VII, Section 1 of the 1970 Constitution of the State of Illinois, and as such, has the authority to exercise control over and supervise the operation of parks within the corporate limits of the City.

C. The City owns the parcel of land commonly known as 3938-3940 South Indiana Avenue and legally described in **Exhibit A** (the "**Property**") attached hereto and made a part hereof.

D. The City is authorized to convey City-owned real estate to other municipalities in accordance with the provisions of the Local Government Property Transfer Act, 50 ILCS 605/0.01 *et seq.*; and

E. The Property lies wholly within the boundaries of the Bronzeville Redevelopment Area (as hereinafter defined).

F. 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 and conservation factors that could lead to blight through the use of tax increment allocation financing for redevelopment projects.

G. In accordance with the provisions of the Act, and pursuant to ordinance (the "**Bronzeville Ordinances**") adopted on November 4, 1998 and published in the Journal of the Proceedings of the City Council of the City of Chicago (the "**Journal**") for said date at pages 80642 - 80778, as amended by ordinances adopted on July 29, 2003, December 7, 2005, October 8, 2014 and June 28, 2017, the City Council: (i) approved and adopted a redevelopment plan and project (the "**Plan**") for a portion of the City known as the "Bronzeville Redevelopment Project Area" (the "**Bronzeville Redevelopment Area**"); (ii) designated the Bronzeville Redevelopment Area as a "redevelopment project area"; and (iii) adopted tax increment allocation financing for the Bronzeville Redevelopment Area.

H. Under 65 ILCS 5/11-74.4-3(q)(2), such incremental 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 the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan and a redevelopment (Increment collected from the Bronzeville Redevelopment Area shall be known as the "**Bronzeville Increment**").

I. The Park District is a taxing district under the Act.

J. DPD wishes to make available to the Park District a portion of the Bronzeville Increment in an amount not to exceed a total of \$600,000 (the "**TIF Assistance**"), subject to Section 2.6, for the purpose of funding the Project on the Property (the "**TIF-Funded Improvements**") in the Bronzeville Redevelopment Area to the extent and in the manner provided in the Agreement.

K. In accordance with the Act, the TIF-Funded Improvements shall include such of the Park District's capital costs necessarily incurred or to be incurred in furtherance of the objectives of the Plan, and the City has found that the TIF-Funded Improvements consist of the cost of the Park District's capital improvements that are necessary and directly result from the redevelopment project constituting the Project and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-3(u) of the Act.

L. The City and the Park District wish to enter into this Agreement whereby the Park District shall undertake the Project and the City shall reimburse the Park District for the TIF-Funded Improvements made pursuant to the Project.

M. The City is authorized under its home rule powers to regulate the use and development of land.

N. It is a reasonable condition of development approval to ensure that adequate open space and recreational facilities exist within the City.

O. On April 1, 1998, the City Council adopted the Open Space Impact Fee Ordinance codified at Chapter 18 of Title 16 (the "**Open Space Ordinance**") of the Municipal Code of Chicago (the "**Code**") to address the need for additional public space and recreational facilities for the benefit of the residents of newly created residential developments in the City.

P. The Open Space Ordinance authorizes, among other things, the collection of fees from residential developments that create new dwelling units without contributing a proportionate share of open space and recreational facilities for the benefit of their residents as part of the overall development (the "**Fee-Paying Developments**").

Q. Pursuant to the Open Space Ordinance, the Department of Finance ("**DOF**") has collected fees derived from the Fee-Paying Developments (the "**Open Space Fees**") and has deposited those fees in separate funds, each fund corresponding to the Community Area (as defined in the Open Space Ordinance) in which each of the Fee-Paying Developments is located and from which the Open Space Fees were collected.

R. The Open Space Ordinance requires that the Open Space Fees be expended within the same or a contiguous Community Area from which they were collected after a legislative finding by the City Council that the expenditure of the Open Space Fees will directly and materially benefit the developments from which the Open Space Fees were collected.

S. DPD has determined that the Fee-Paying Developments built in the Grand Boulevard Community Area have deepened the already significant deficit of open space in said Grand Boulevard Community Area, which deficit was documented in the comprehensive plan entitled "The CitySpace Plan," adopted by the Chicago Plan Commission on September 11, 1997 and adopted by the City Council on May 20, 1998 and appearing on pages 69309 to 69311 of the Journal of same date.

T. DPD has collected Open Space Fees for new dwelling units built in the Grand Boulevard Community Area and contiguous communities and has deposited such funds in Fund No. PS19 131 22 5019 2604, and wishes to make available to the Chicago Park District a portion of those funds in an amount not to exceed \$92,253 (the "Open Space Assistance") for the purpose of partially funding the Project.

U. The Open Space Ordinance requires that the Open Space Fees be used for open space acquisition or capital improvements, or both, which provide a direct and material benefit to the new developments from which the fees are collected.

V. The Chicago Park District has agreed to use the Open Space Assistance for the Project subject to the terms and conditions specified in the Agreement and DPD has determined that the use of the Open Space Fees to assist the Project will provide a direct and material benefit to each of the Fee-Paying Developments from which the Open Space Fees were collected in that the Open Spaces Fees to be used for the Project will come from the specific fund set up by DOF for the Grand Boulevard Community Area.

W. By ordinances adopted on January 10, 2018, and February 14, 2018, the Board of Commissioners of the Chicago Park District authorized the acceptance of the Property from the City and execution of the Agreement to accept the Open Space Assistance and City Increment as described herein.

X. By Resolution No. 18-CDC-6 adopted on March 13, 2018, the Community Development Commission of the City of Chicago recommended the transfer of the Property to the Chicago Park District.

Y. On \_\_\_\_\_, 2018, the City Council adopted an ordinance published in the Journal for said date (the "Authorizing Ordinance"), among other things, authorizing the execution of 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:

## **TERMS AND CONDITIONS**

### **SECTION 1. THE PROJECT.**

1.1. No later than 18 months from the Closing Date, or later as the Commissioner of DPD (the "Commissioner") may agree in writing, the Park District shall let one or more contracts for the Project in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders, all as may be in effect from time to time, pertaining to or affecting the Project or the Park District as related thereto.

1.2. The plans and specifications for the Project (the "Plans and Specifications") shall at a minimum meet or shall have met the general requirements set forth in Exhibit B hereof and comply with plans and specifications which the Park District will have provided to, and be approved by, DPD prior to the disbursement of the TIF Assistance or Open Space Assistance. No material deviation from the Plans and Specifications may be made without the prior written approval of the City. The Park District shall comply with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders, all as may be in effect from time to time, pertaining to or affecting the Project or the Park District as related thereto.

1.3. The Park District shall also provide the City with copies of all governmental licenses and permits required to construct the Project and to use, occupy and operate the Property as a public park from all appropriate governmental authorities, including evidence that the Property is appropriately zoned to be used, occupied, and operated as a public park.

1.4. The Park District shall include a certification of compliance with the requirements of Sections 1.1, 1.2, and 1.3 hereof with the request for the TIF Assistance or Open Space Assistance hereunder at the time the Project is completed and prior to any disbursement of the TIF Assistance or Open Space Assistance. The City shall be entitled to rely on this certification without further inquiry. Upon the City's request, the Park District shall provide evidence satisfactory to the City of such compliance.

1.5. In all contracts relating to the Project until the Property is conveyed to the Park District, the Park District agrees to require its contractors to name the City as an additional insured on all insurance policies and to require its contractors 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 the construction for the Project by its contractors or contractors' suppliers, employees or agents.

1.6. The Park District agrees to carefully inspect the Property prior to commencement of any activity on the Property to ensure that such activity shall not damage surrounding property, structures, utility lines or any subsurface lines or cables. The Park District shall be solely responsible for the safety and protection of the public. The City reserves the right to inspect the work being done on the Property. The Park District agrees to keep the Property free from all liens and encumbrances arising out of any work performed, materials supplied or obligations incurred by or for the Park District.

1.7. The City shall be responsible for obtaining, at its own expense, any title commitment or title policy and survey with respect to the Property that the Park District deems necessary.

1.8. Subject to the terms and conditions set forth herein, the City hereby grants to the Park District a right of entry upon the Property for the sole purpose of carrying out the Project, and to conduct environmental testing. The right of entry granted hereunder extends to the Park District and its Contractees. The Park District shall be responsible for, its agents, employees, contractors, subcontractors, and consultants. Prior to entry, the Park District must provide prior

notice to the City of the exact nature of the activities to be conducted, expected dates of entry, and expected personnel conducting the activities if not already included herein. The Park District and its agents, employees, contractors, subcontractors, and consultants must abide by all rules and regulations set forth by the City.

1.9. Upon completion of the Project, the City shall convey the Property to the Park District by quitclaim deed. Without limiting the generality of the quitclaim nature of the City's deed, all such conveyances and title shall, in addition to the provisions of this Agreement, be subject to the express condition that the Property is used by the Park District as a public park in perpetuity. If the Park District uses, or permits the use, of the Property for any other purpose, the City may re-enter and take possession of the Property, terminate the estate conveyed to the Park District, and revert title to the Property in the City.

## **SECTION 2. FUNDING**

2.1. The City shall, subject to the Park District's satisfaction of the conditions precedent for disbursement described in this Section 2 and such other conditions contained in this Agreement, disburse the TIF Assistance and Open Space Assistance to the Park District.

2.2. The City shall establish a special account within the Bronzeville Redevelopment Project Area Special Tax Allocation Fund; such special account shall be known as the "3938-3940 South Indiana Avenue Account." Disbursement of TIF Assistance will be subject to the availability of Bronzeville Increment in the 3938-3940 South Indiana Avenue Account, subject to all restrictions on and obligations of the City contained in all Bronzeville Ordinances, or relating to the Bronzeville Increment and all agreements and other documents entered into by the City pursuant thereto.

2.3. Within 15 days after the Closing Date or such longer period of time as may be agreed to by the Commissioner, but in no event later than 90 days after the execution of this Agreement (the "**Satisfaction Period**"), the Park District must satisfy to the reasonable satisfaction of the Commissioner, the following conditions precedent for City's disbursement of the TIF Assistance and Open Space Assistance to the Park District:

2.3.1. the Park District has satisfied the conditions stated in this Section 2.3 within the Satisfaction Period. If the Park District is unable to satisfy said conditions, either Party may terminate this Agreement by providing written notice to the other Party;

2.3.2. the Park District may request payment from the City by submitting a Certificate of Expenditure in the form of **Exhibit D** hereto ("**Certificate of Expenditure**"), which may be processed and executed periodically. The City shall not execute and approve Certificates of Expenditure in the aggregate in excess of the actual costs of the Project, and in no event in an amount greater than the TIF Assistance and the Open Space Assistance. Prior to each execution of a Certificate of Expenditure by the City, the Park District shall submit documentation regarding the applicable expenditures to DPD. Delivery by the Park District to the City of any request for execution by the City of a Certificate of Expenditure hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for execution of a Certificate of Expenditure, that:

2.4.1. the total amount of the request for the Certificate of Expenditure represents the actual amount payable to (or 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;

2.4.2. all amounts shown as previous payments on the current request for a Certificate of Expenditure have been paid to the parties entitled to such payment;

2.4.3 the Park District has approved all work and materials for the current request for a Certificate of Expenditure, and such work and materials conform to the Plans and Specifications; and

2.4.4. the Park District is in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders, all as may be in effect from time to time, pertaining to or affecting the Project or the Park District as related thereto.

2.5. The City shall have the right, in its discretion, to require the Park District to submit further documentation as the City may require in order to verify that the matters certified to in Section 2.4 are true and correct, and any execution and approval of a Certificate of Expenditure 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 Park District.

2.6. The current estimated cost of the entire Project is \$692,253. The Park District has delivered to the Commissioner a budget for the Project attached as **Exhibit C**. The Park District certifies that it has identified sources of funds, including the TIF Assistance and Open Space Assistance, sufficient to complete its budgeted portion of the Project. The Park District agrees that the City will only contribute TIF Assistance and Open Space Assistance to reimburse the Park District for the costs of the Project and that all costs of completing the Project over the TIF Assistance and Open Space Assistance shall be the sole responsibility of the Park District. If the Park District at any point does not have sufficient funds to complete the Project, the Park District shall so notify the City immediately in writing and cease all work on the Project until the City and the Park District agree on how to proceed; the Park District may narrow the scope of the Project (the "Revised Project") as agreed to by the City prior to the restart of any work in order to complete the Revised Project with the approved funds. The City has the right, at its election, to withhold and refuse all reimbursement in the event that the Park District fails to so notify the City and/or the Park District and the City fail to reach agreement on a Revised Project as described above.

2.7. **Exhibit C** contains a preliminary list of capital improvements, equipment costs, general construction costs, and other costs, if any, recognized by the City as costs eligible to be paid for out of the TIF Assistance or Open Space Assistance. To the extent the TIF-Funded Improvements are included as taxing district capital costs under the Act, the Park District 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 Plan. Prior to the expenditure of TIF Assistance funds on the Project, the Commissioner, based upon the Project budget, may make such modifications to **Exhibit C** as he or she wishes in his or her discretion to account for all of the TIF Assistance 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

Plan; and (iii) be improvements that the Commissioner has agreed to pay for out of TIF Assistance funds, subject to the terms of this Agreement.

2.8. The Park District hereby acknowledges and agrees that the City's obligations hereunder with respect to the TIF Assistance and Open Space Assistance are subject in every respect to the availability of funds as described in and limited by this Section 2. If no funds or insufficient funds are appropriated and budgeted in any fiscal period of the City for disbursements of the TIF Assistance or Open Space Assistance, then the City will notify the Park District in writing of that occurrence, and the City may terminate this Agreement on the earlier of the last day of the fiscal period for which sufficient appropriation was made or whenever the funds appropriated for disbursement under this Agreement are exhausted.

2.9. If the aggregate cost of the Project is less than the amount of the TIF Assistance and Open Space Assistance contemplated by this Agreement, the Park District shall have no claim to the difference between the amount of the TIF Assistance and Open Space Assistance contemplated by this Agreement and the amount of the TIF Assistance and Open Space Assistance actually paid by the City to the Park District and expended by the Park District on the Project.

### **SECTION 3. TERM**

The term of this Agreement shall commence on the Closing Date and shall expire on the date on which the Bronzeville Redevelopment Area is no longer in effect, or on the date of termination of this Agreement according to its terms, whichever occurs first.

### **SECTION 4. ENVIRONMENTAL MATTERS**

4.1. It shall be the responsibility of the Park District, at its sole cost and expense, to investigate and determine the soil and environmental condition of the Property, including obtaining phase I and, if applicable, phase II environmental audits for the Property and (b) to determine if any environmental remediation is necessary with respect to the Property or the Project, and any such work that the Park District determines is required shall be performed at its sole cost and expense as the parties understand and agree that the City's financial obligation shall be limited to an amount not to exceed the TIF Assistance and Open Space Assistance which is provided solely for the items set forth on **Exhibit C**. The City makes no covenant, representation, or warranty as to the environmental condition of the Property or the suitability of the Property as a park or for any use whatsoever.

4.2. The Park District agrees to carefully inspect the Property prior to commencement of any activity related to the Project to ensure that such activity shall not damage surrounding property, structures, utility lines or any subsurface lines or cables. The City reserves the right to inspect the work being done on the Property. The Park District agrees to keep the Property free from all liens and encumbrances arising out of any work performed, materials supplied or obligations incurred by or for the Park District.

### **SECTION 5. INSURANCE**

5.1. The Park District shall provide and maintain at the Park District's own expense, or cause to be provided during the term of this Agreement, the insurance coverages and requirements specified below, insuring all operations related to this Agreement.

5.1.1. Workers Compensation and Employers Liability. Workers Compensation as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of not less than \$100,000 each accident or illness.

5.1.2. Commercial General Liability (Primary and Umbrella). Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages shall include the following: All premises and operations, products/completed operations, explosion, collapse, underground, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

5.1.3. Automobile Liability (Primary and Umbrella). When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Park District shall provide or cause to be provided, Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage.

5.1.4. Professional Liability. When any architects, engineers or professional consultants perform work in connection with this Agreement, the Park District shall cause to be provided, Professional Liability Insurance covering acts, errors, or omissions shall be maintained with limits of not less than \$1,000,000.

5.1.5. Self Insurance. To the extent permitted by applicable Law, the Park District may self insure for the insurance requirements specified above, it being expressly understood and agreed that, if the Park District does self insure for any such insurance requirements, the Park District must bear all risk of loss for any loss which would otherwise be covered by insurance policies, and the self insurance program must comply with at least such insurance requirements as stipulated above.

5.2. The Park District will furnish the City at the address stated in Section 8.13, original Certificates of Insurance evidencing the required coverage to be in force on the Closing Date, and renewal Certificates of Insurance, promptly as any requisite insurance is renewed. The Park District shall submit evidence of insurance on the City's Insurance Certificate Form or equivalent prior to the Closing Date. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in this Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence shall not be deemed to be a waiver by the City.

5.3. The Park District shall advise all insurers of the provisions of this Agreement regarding insurance. Non-conforming insurance shall not relieve the Park District of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of this Agreement, and the City retains the right to stop work until proper evidence of insurance is provided, or this Agreement may be terminated.

5.4. The required insurance shall provide for sixty (60) days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

5.5. Any and all deductibles or self insured retentions on referenced insurance coverages shall be borne by the Park District and its contractors.

5.6. The Park District agrees that insurers shall waive their rights of subrogation against the City, its employees, elected officials, agents, or representatives.

5.7. The Park District expressly understands and agrees that any coverage and limits furnished by the Park District shall in no way limit the Park District's liabilities and responsibilities specified by this Agreement or by law.

5.8. The Park District expressly understands and agrees that any insurance or self insurance programs maintained by the City shall not contribute with insurance provided by the Park District under this Agreement.

5.9. The required insurance shall not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.

5.10. The Park District shall require all subcontractors to provide the insurance required herein and insurance customarily required by the Park District or the Park District may provide the coverages for subcontractors. All subcontractors shall be subject to the same insurance requirements of the Park District unless otherwise specified herein. In all contracts relating to the Project, the Park District 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.

5.11. The City's Risk Management Department maintains the right to modify, delete, alter or change these requirements.

## **SECTION 6. INDEMNITY / NO PERSONAL LIABILITY.**

6.1. The Park District agrees to indemnify and hold the City, its officers and employees, harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses, including, without limitation, reasonable attorney's fees and court costs suffered or incurred by the City arising from or in connection with (i) the Park District's failure to comply with any of the terms, covenants and conditions contained in this Agreement; or (ii) the Park District's or any contractor's failure to pay general contractors, subcontractors or materialmen in connection with the Project. The defense and indemnification obligations in this **Section 6.1** shall survive any termination or expiration of this Agreement.

6.2. No elected or appointed official or member or employee or agent of the City or the Park District shall be individually or personally liable in connection with this Agreement.

## **SECTION 7. DEFAULT.**

7.1. If the Park District, without the City's written consent, fails to complete the Project within 36 months after the date of execution of this Agreement, then the City may terminate this Agreement by providing written notice to the Park District.

7.2. In the event the Park District fails to perform, keep or observe any of its covenants, conditions, promises, agreements or obligations under this Agreement not identified in **Section 7.1** and such default is not cured as described in **Section 7.3** hereof, the City may terminate this Agreement.

7.3. Prior to termination, the City shall give its notice of intent to terminate 30 days prior to termination at the address specified in **Section 8.13** hereof, and shall state the nature of the default. In the event the Park District does not cure such default within the 30-day notice period, such termination shall become effective at the end of such period; provided, however, with respect to those defaults which are not capable of being cured within such 30-day period, the Park District shall not be deemed to have committed such default and no termination shall occur if the Park District has commenced to cure the alleged default within such 30-day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

7.4. The City may, in any court of competent jurisdiction, by any proceeding at law or in equity, secure the specific performance of the agreements contained herein, or may be awarded damages for failure of performance, or both.

## **SECTION 8. GENERAL PROVISIONS.**

8.1. **Authority.** Execution of this Agreement by the City is authorized by the Authorizing Ordinance. Execution of this Agreement by the Park District is authorized by the Park District Ordinance. The Parties represent and warrant to each other that they have the authority to enter into this Agreement and perform their obligations hereunder.

8.2. **Assignment.** This Agreement, or any portion thereof, shall not be assigned by either Party without the prior written consent of the other.

8.3. **Compliance with Laws.** The Parties agree to comply with all federal, state and local laws, status, ordinances, rules, regulations, codes and executive orders relating to this Agreement.

8.4. Consents. Whenever the consent or approval of one or both Parties to this Agreement is required hereunder, such consent or approval will not be unreasonably withheld.

8.5. Construction of Words. As used in this Agreement, the singular of any word shall include the plural, and vice versa. Masculine, feminine and neuter pronouns shall be fully interchangeable, where the context so requires.

8.6. Counterparts. This Agreement may be executed in several counterparts and by a different Party in separate counterparts, with the same effect as if all Parties had signed the same document. All such counterparts shall be deemed an original, shall be construed together and shall constitute one and the same instrument.

8.7. Further Assurance. The Parties shall perform such acts, execute and deliver such instruments and documents, and do all such other things as may be reasonably necessary to accomplish the transactions contemplated in this Agreement.

8.8. Governing Law and Venue. This Agreement will be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to the principles of conflicts of law thereof. If there is a lawsuit under this Agreement, each Party hereto agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois.

8.9. Integration. This Agreement constitutes the entire agreement between the Parties, merges all discussions between them and supersedes and replaces any and every other prior or contemporaneous agreement, negotiation, understanding, commitments and writing with respect to such subject matter hereof.

8.10. Parties' Interest/No Third Party Beneficiaries. This Agreement shall be binding upon the Parties and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of the Parties, and their respective successors and permitted assigns (as provided herein). This Agreement shall not run to the benefit of, or be enforceable by, any person or entity other than a Party and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right. Nothing contained in this Agreement, nor any act of the Parties, shall be deemed or construed by any of the Parties hereto or by third parties, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving any of the Parties.

8.11. Modification or Amendment. This Agreement may not be altered, modified or amended except by a written instrument signed by both Parties.

8.12. No Implied Waivers. No waiver by either Party of any breach of any provision of this Agreement will be a waiver of any continuing or succeeding breach of the breached provision, a waiver of the breached provision itself, or a waiver of any right, power or remedy under this Agreement. No notice to, or demand on, either Party in any case will, of itself, entitle that Party to any further notice or demand in similar or other circumstances.

8.13. Notices. Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) facsimile (fax); (c) overnight courier; or (d) registered or certified first class mail, return receipt requested.

To the City:                      City of Chicago  
   Department of Planning and Development  
   Attention: Commissioner  
   City Hall, Room 1000  
   121 N. LaSalle Street  
   Chicago, Illinois 60602

(312) 744-4190  
(312) 744-2271 (Fax)

With copies to: City of Chicago  
Department of Law  
Attention: Finance and Economic Development  
Division  
City Hall, Room 600  
121 N. LaSalle Street  
Chicago, Illinois 60602  
(312) 744-0200  
(312) 744-8538 (Fax)

To the Park District: Chicago Park District  
Attention: General Superintendent  
541 North Fairbanks  
Chicago, Illinois 60611  
(312) 742-4200  
(312) 742-5276 (Fax)

With copies to: Chicago Park District  
General Counsel  
541 North Fairbanks, Room 300  
Chicago, Illinois 60611  
(312) 742-4602  
(312) 742-5316 (Fax)

Such addresses may be changed by notice to the other Party given in the same manner provided above. Any notice, demand or request sent pursuant to either clause (a) or (b) above shall be deemed received upon such personal service or dispatch. Any notice, demand or request sent pursuant to clause (c) above shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to clause (d) above shall be deemed received two business days following deposit in the mail.

8.14. Remedies Cumulative. The remedies of a Party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any other remedies of such Party unless specifically so provided herein.

8.15. 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 City: Nelson Chueng  
City of Chicago  
Department of Planning and Development  
City Hall, Room 1101  
121 N. LaSalle Street  
Chicago, Illinois 60602  
(312) 744-5756  
(312) 744-7996 (Fax)

For the Park District: Heather Gleason  
Chicago Park District  
Director of Planning and Construction  
541 North Fairbanks  
Chicago, Illinois 60611  
(312) 742-4685  
(312) 742-5347 (Fax)

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.

8.16. Severability. If any provision of this Agreement, or the application thereof, to any person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms shall provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth herein.

8.17. Survival of Agreements. Except as otherwise contemplated by this Agreement, all covenants and agreements of the Parties contained in this Agreement will survive the consummation of the transactions contemplated hereby.

8.18. Titles and Headings. Titles and headings to paragraphs contained in this Agreement are for convenience only and are not intended to limit, vary, define or expand the content of this Agreement.

8.19. Time. Time is of the essence in the performance of this Agreement.

***[The remainder of this page is intentionally blank—Signature page immediately follows]***

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, a municipal corporation, by and through its Department of Planning and Development

By: \_\_\_\_\_  
David L. Reifman  
Commissioner

CHICAGO PARK DISTRICT a body politic and corporate of the State of Illinois

By: \_\_\_\_\_  
Michael P. Kelly  
General Superintendent and CEO

ATTEST

By: \_\_\_\_\_  
Kantrice Ogletree  
Secretary

**EXHIBIT A**  
**THE PROPERTY**  
**Legal Description**

[SUBJECT TO FINAL SURVEY AND TITLE COMMITMENT]

LOT 9 AND THE SOUTH HALF OF LOT 8 IN BLOCK 1 IN PRYOR AND HOPKINS  
SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION  
3, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN,  
IN COOK COUNTY, ILLINOIS.

Address: 3938-3940 South Indiana Avenue  
Chicago, Illinois 60653

PIN NOs. 20-03-102-019  
20-03-102-020

**EXHIBIT B**

**General Requirements**

**[To Come]**

**EXHIBIT C**  
**PROJECT BUDGET**

|   |                   |
|---|-------------------|
| Excavation, demolition, grading, construction fencing | \$ 70,000         |
| Asphalt, pea gravel, artificial turf, mulch           | \$ 130,000        |
| Drinking fountains, water service                     | \$ 100,000        |
| Trees and landscape restoration                       | \$ 30,000         |
| Benches and furnishings                               | \$ 50,000         |
| Fencing   | \$ 50,000         |
| Lighting  | \$ 120,000        |
| Contingency   | <u>\$ 142,253</u> |
| Total Project Costs                                   | \$ 692,253        |
| <br>  |                   |
| Open Space Impact Fees                                | \$ 92,253         |
| <br>  |                   |
| Bronzeville TIF                                       | \$ 600,000        |
| <br>  |                   |
| Chicago Park District                                 | \$ 0              |
| <br>  |                   |
| Total Sources   | \$692,253         |



All capitalized terms which are not defined herein has the meanings given such terms in the Agreement.

Chicago Park District

By: \_\_\_\_\_  
Name

Title: \_\_\_\_\_

Subscribed and sworn before me this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
My commission expires: \_\_\_\_\_

Agreed and accepted:

\_\_\_\_\_  
Name  
Title: \_\_\_\_\_  
City of Chicago  
Department of Planning and Development