

SUBSTITUTE ORDINANCE

WHEREAS, to induce certain redevelopment pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the "Act"), in accordance with the provisions of the Act, pursuant to ordinances adopted on April 10, 2019, the City Council ("City Council") of the City of Chicago (the "City") and published in the Journal of Proceedings for the City Council for such date at pages 98,556 through 98,649: (1) approved and adopted a redevelopment plan (the "Plan") for the Roosevelt/Clark Redevelopment Project Area (the "Roosevelt/Clark Redevelopment Area") of the City; (2) designated the Roosevelt/Clark Redevelopment Area as a "redevelopment project area" pursuant to the Act; and (3) adopted tax increment allocation financing for the Roosevelt/Clark Redevelopment Area (such ordinance, the "TIF Ordinance"); and

WHEREAS, to induce redevelopment pursuant to the Act, the City Council: (i) approved and adopted a redevelopment plan and project for the Canal/Congress redevelopment project area (the "Canal/Congress Redevelopment Area"); (ii) designed the Canal/Congress Redevelopment Area as a "redevelopment project area"; (iii) adopted tax increment allocation financing for the Canal/Congress Redevelopment Area, pursuant to ordinances adopted on November 2, 1998 (item 3, the "Canal/Congress TIF Adoption Ordinance" and items (1) – (3) collectively and as amended on July 10, 2002 and on July 2, 2022, the "Canal/Congress TIF Ordinances"); and

WHEREAS, the Canal/Congress Redevelopment Area is either contiguous to, or is separated only by a public right of way from, the Roosevelt/Clark Redevelopment Area; 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 (the "Redevelopment Site"); and

WHEREAS, the Chicago Fire Football Club, LLC, a Delaware limited liability company (the "Team") has already commenced construction for the 22,000 seat stadium ("Stadium") to host the Team and other sporting events, shows, concerts, civic and other events on property adjacent to the Redevelopment Site; and

WHEREAS, in connection with the construction of the Stadium, the Developer intends to build a two-story public parking structure with approximately 1,220 parking spaces (the "Parking Facility") on a portion of the Redevelopment Site generally bounded by Roosevelt Road, the Stadium, the Metra Rock Island tracks and a proposed surface parking lot on the easterly side of Wells Street (the "Stadium Adjacent Property"), as generally depicted on the conceptual site plan attached hereto as Exhibit A (the "Site Plan"); and

WHEREAS, the Parking Facility is intended to include public parking, pedestrian access, circulation, open-space, utility, support, and related site improvements serving redevelopment within the Area; and

WHEREAS, the Parking Facility will be located immediately adjacent to the Stadium and will be physically connected to it, including at the roof deck level, which will be approximately 40 feet above Chicago City Datum ("CCD"), the same elevation as Roosevelt Road, and will provide approximately 2.75 acres of publicly accessible open space, including a community plaza and

direct pedestrian access from Roosevelt Road to the Stadium's main "North Gate" entry, along with extensions of LaSalle and 13th Streets, as depicted on the Site Plan; and

WHEREAS, it is anticipated one or more elevators, escalators and/or staircases will be constructed as part of the Parking Facility within the Parking Parcel (as defined below) and will provide access from ground level on the east and west sides of the Parking Facility to the rooftop plaza and North Gate entry to the Stadium (the "Vertical Access Elements"); and

WHEREAS, the Parking Facility, including the Vertical Access Elements, is intended to provide public access from ground level to the rooftop plaza, Roosevelt Road, and the Stadium's North Gate, and to support pedestrian circulation and public access within the Area; and

WHEREAS, following completion of construction of the Parking Facility, the Developer will vertically subdivide the Stadium Adjacent Property and transfer a fee interest in the Parking Facility and the real property below approximately 40' CCD (collectively, the "Parking Parcel") to the City for \$1.00, while retaining the air rights above the Parking Parcel (excluding the air rights above LaSalle and 13th Streets, which will be dedicated to the City), which retained air rights may be further subdivided into multiple air rights parcels for vertical development (the "Air Rights Parcels"), subject to the City's approval of the terms of a master declaration of covenants, conditions and restrictions, reciprocal easement agreement, and/or comparable recorded instrument to govern the vertical subdivision (the "Master Declaration"); and

WHEREAS, the Parking Facility will serve as a podium for the construction of restaurants, retail, residential towers, hotels and/or other mixed-use commercial buildings allowed by Planned Development 1434 (the "Podium Buildings"), and these separately-owned improvements within the Air Rights Parcels will share certain structural and system components with the Parking Facility ("Shared Structure and System Components"); and

WHEREAS, in addition to the Shared Structure and System Components, the Master Declaration will (i) address matters related to permitted uses for the Podium Buildings (including operational matters that are of benefit to the City, Developer, Stadium, and Stadium Adjacent Property) and shared use of vehicular and pedestrian access ways, elevators, escalators and stairs, and (ii) provide for subjacent and lateral support easements, easements for utility lines and other reciprocal rights and easements; and

WHEREAS, as the owner of the Parking Parcel, the City will enter into an agreement with the Developer (the "Parking O&M Agreement") for the use, operation, and maintenance of the Parking Facility either through self-management or through a third party manager reasonably acceptable to the City (whether the Developer or a third-party, the "Parking Operator"), upon terms and conditions reasonably acceptable to the City; and

WHEREAS, the Parking Operator will control and will be solely responsible for all day-to-day operations and all expenses for the use, maintenance repair and replacement, operation and management of the Parking Facility ("Operating Expenses"), but specifically excluding expenses incurred in connection with the Shared Structure and System Components and other shared expenses to be governed by the Master Declaration; and

WHEREAS, all Operating Expenses, including all fees and expenses owed to the Parking Operator, shall be paid out of the gross revenue from the Parking Facility, and the Parking O&M Agreement will provide that any expenses that exceed revenue are the Parking Operator's sole responsibility; and

WHEREAS, the Parking Facility has the potential to generate non-parking revenue from sponsorships, signage, advertising and other activations; and

WHEREAS, subject to ambush marketing protections in favor of the Team, the City reserves the right to negotiate approval and limitations on advertising and signage on, around and within the Parking Parcel; and

WHEREAS, the City shall have the sole and exclusive right to retain net revenue from the operation of the Parking Parcel (i.e., gross revenue less all Operating Expenses incurred in compliance with the Parking O&M Agreement and capital reserves for ongoing repairs and maintenance), including, without limitation, all revenues from sponsorships, signage, advertising and other activations; and

WHEREAS, it is anticipated the City will enter into one or more agreements with the Team and/or Chicago Fire Stadium, LLC, a Delaware limited liability company, the Developer and/or the Parking Operator (collectively, the "Team Agreements"), including (i) an agreement allowing the Team to buy out all parking spaces within the Parking Facility on event days, (ii) a party wall or similar agreement to address underground footing and support rights, and the maintenance and repair of the Stadium and Parking Facility at points of connection and temporary easements, rights of entry and coordination agreements related to the ownership, maintenance and operation of the Parking Facility and the Stadium and temporary easements, rights of entry and coordination agreements related to the ownership, maintenance and operation of the Parking Parcel; (iii) access easements to allow pedestrians to use the Vertical Access Elements on the Parking Parcel to access the Stadium through the North Gate; (iv) one or more agreements requiring the Team to complete construction of the Stadium and continuously occupy and play all home games at the Stadium for a period not less than the term of the Redevelopment Agreement (as defined below); and (v) an agreement providing the City with the right to require the Team to purchase the Parking Facility under certain conditions, subject to a subsequent ordinance duly adopted by the City Council; and

WHEREAS, the term of the Parking O&M Agreement will be co-extensive with any future transfer or disposition of the Parking Parcel, or the City's economic interest therein, and shall be subject to the prior written approval of the City, in its sole discretion, and compliance with all applicable Laws; and

WHEREAS, the Developer intends to reconstruct the river wall along the South Branch of the Chicago River between West Roosevelt Road and unimproved right-of-way of West 16th Street ("River Wall Improvements"); and

WHEREAS, the planning, design, construction, and related activities necessary to build the Parking Facility and the River Wall Improvements and the conveyance of the Parking Parcel to the City are collectively referred to herein as the "Project"; and

WHEREAS, the City desires to enter into an agreement ("Consulting Agreement") with Walker Consultants Inc., a Michigan corporation, d/b/a Walker Consultants Engineering, Inc. (the "Consultant") for professional services relating to construction management, consulting and owners representation which shall include, among other things, providing advice to the Department of Planning and Development on the progress of the construction undertaken by the Developer of the Parking Facility, with an initial term of up to three years with two extension options of up to one year each, with such further extensions as required to provide for continuation

of the construction management services through completion of the Parking Facility construction project, and a maximum compensation of \$350,000, to be paid using incremental taxes deposited from time to time in the special tax allocation fund for the Area pursuant to Section 5/11-74.4-8(b) of the Act ("Incremental Taxes"); and

WHEREAS, the City Council hereby finds that the Project, including the Parking Facility and River Wall Improvements, is necessary to implement the Plan, will further the redevelopment objectives of the Area, will assist in eliminating or mitigating conditions that caused the Area to qualify as a redevelopment project area, and would not reasonably be expected to be undertaken in the manner, scope, timing, or public ownership structure contemplated by this ordinance and the proposed Redevelopment Agreement without the use of Incremental Taxes; and

WHEREAS, the City Council further finds that the Project, including the Parking Facility, Vertical Access Elements, publicly accessible open space, community plaza, pedestrian circulation improvements, street extensions, access improvements, utility and support improvements, River Wall Improvements, conveyance of the Parking Parcel to the City, and related public infrastructure and site improvements, will substantially benefit the Area as a whole by supporting redevelopment contemplated by the Plan and improving public parking, access, circulation, connectivity, open space, and infrastructure within the Area; 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; 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 Planning and Development (the "DPD Commissioner") and the Commissioner of Transportation (together with the DPD Commissioner, each, a "Commissioner") or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel, to negotiate, execute and deliver: (a) a redevelopment agreement between the Developer and the City in substantially the form attached hereto as Exhibit B 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. The City's acquisition of the Parking Parcel from the Developer upon completion of the Parking Facility is hereby approved. The DPD Commissioner is hereby authorized to accept on behalf of the City a warranty deed for the Parking Parcel from the Developer in form and substance reasonably satisfactory to the City's Corporation Counsel, free and clear of all liens and encumbrances other than the Master Declaration, Parking O&M Agreement and such permitted exceptions contained in title reports and surveys that are reasonably approved by the City. The DPD Commissioner is hereby authorized, subject to the review and approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver such instruments and agreements and take such other actions as may be necessary

or appropriate to accept title to the Parking Parcel on behalf of the City. The acceptance of the Parking Parcel is hereby found and determined to further the public purposes of the Act, the Plan, and this ordinance by securing City ownership or control of the Parking Facility and related public access, parking, circulation, open-space, and infrastructure improvements serving the Area.

SECTION 5. The DPD Commissioner is hereby authorized, subject to the review and approval of the Corporation Counsel, to negotiate, execute and deliver, on behalf of the City, the Master Declaration, the Parking O&M Agreement, the Team Agreements and the Consulting Agreement (collectively, the "Transaction Documents"), all in such form as shall be approved by the persons executing the Transaction Documents on behalf of the City and all of which may include provisions requiring the City to indemnify other parties and persons, and to execute such other documents and take such other actions as may be necessary or appropriate for the City to carry out and comply with the provisions of the Transaction Documents.

SECTION 6. Pursuant to the TIF Ordinance, the City has created the Roosevelt/Clark TIF Fund (the "Fund"). 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 (each, an "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 and Section 11-74.4-8(b) of the Act, all Incremental Taxes received by the City for the Area and the Available Incremental Taxes from Transfer Rights (as both phrases are defined in the Redevelopment Agreement) shall be deposited into the Fund and used in accordance with the Act, the TIF Ordinance, the Plan, and the Redevelopment Agreement.

The City Council hereby finds and determines that the planning, design, engineering, acquisition, construction, installation, and related costs of the Project, including the Parking Facility, Vertical Access Elements, publicly accessible open space, community plaza, pedestrian circulation improvements, street extensions, access improvements, utility and support improvements, River Wall Improvements, conveyance of the Parking Parcel to the City, and related public infrastructure and site improvements, are necessary or incidental to the implementation of the Plan and constitute redevelopment project costs eligible for payment or reimbursement under the Act to the extent such costs are eligible under the Act and payable under the Redevelopment Agreement.

The City Council hereby authorizes the payment to the Developer of an aggregate amount not to exceed \$243,757,472 from Incremental Taxes deposited in the General Account of the Fund (the "City Funds") solely for costs of the Project that are eligible redevelopment project costs under the Act and that are approved, documented, certified, and payable pursuant to the Redevelopment Agreement. The City Council hereby authorizes the payment to the Consultant of an aggregate amount not to exceed \$350,000 in City Funds solely for costs described in the Consulting Agreement that are eligible redevelopment project costs under the Act and that are approved, documented, certified, and payable pursuant to the Consulting Agreement. The City Funds are hereby appropriated for the purposes set forth in this Section 6. No City Funds shall be paid or reimbursed for costs that are not eligible under the Act or that are not payable under the Redevelopment Agreement or the Consulting Agreement, as applicable. Payments of City Funds to the Developer under the Redevelopment Agreement will be made after payments to other parties, as described in the Redevelopment Agreement.

Nothing in this Ordinance, the Redevelopment Agreement or any payment of Incremental Taxes hereunder shall secure, support, or otherwise be available for payment of any City note

issued in connection with separate public infrastructure financing. This Ordinance authorizes only a taxable pay-as-you-go financing.

SECTION 7. 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 execute 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 8. 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 9. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 10. This ordinance shall take effect upon its passage and approval.

EXHIBIT A

CONCEPTUAL SITE PLAN

(attached)

EXHIBIT B

REDEVELOPMENT AGREEMENT

(attached)