

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 (the "Journal") for such date at pages 98,556 through 98,649: (1) approved and adopted a redevelopment 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, pursuant to an ordinance adopted by the City Council on April 10, 2019 and published in the Journal for such date at pages 98,319 through 98,404, the City entered into a redevelopment agreement dated as of May 15, 2019 (the "Original RDA") between the City, through its Department of Transportation and its Department of Planning and Development, and Roosevelt/Clark Partners, LLC, a Delaware limited liability company (the "Developer"); and

WHEREAS, pursuant to an ordinance adopted by the City Council on December 14, 2022, and published at pages 57,819 through 57,822 of the Journal for such date, as amended by an ordinance adopted by the City Council on July 19, 2023 and published at pages 1692 through 1696 of the Journal for such date, the City entered into the First Amendment to the 78 Redevelopment Agreement dated as of May 9, 2024 (the Original RDA, as so amended, the "RDA"); and

WHEREAS, the City and the Developer desire to amend and restate the RDA in its entirety to reflect changes to the scope of activities the Developer agreed to undertake pursuant to the RDA; 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 Commissioner of Planning and Development and the Commissioner of Transportation (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) an amended and restated redevelopment agreement between the Developer and the City in substantially the form attached hereto as Exhibit A and made a part hereof (the "Redevelopment Agreement") and (b) such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement.

SECTION 3. The Developer is hereby designated as the developer for the Project (as defined in the Redevelopment Agreement) pursuant to Section 5/11-74.4-4 of the Act.

SECTION 4. A note of the City ("City Note") in a maximum aggregate principal amount up to \$181,156,066 plus (i) costs of issuance of the City Note, (ii) capitalized interest on the City Note for a period not exceeding three years from the date of issuance, and (iii) deposits to a debt service reserve fund for the City Note in an amount not exceeding the lesser of (A) 10% of the principal amount of the City Note, (B) 125% of the average annual debt service on the City Note, or (C) the maximum annual debt service on the City Note (collectively, "Permitted Note Expenditures") is authorized to be issued for the payment of a portion of the eligible redevelopment project costs (as such term is defined under the Act) included within the Project (such costs shall be known herein and in the Redevelopment Agreement as "TIF-Funded Infrastructure Components") and shall be designated as follows: "Tax Increment Allocation Revenue Note (The 78 Redevelopment Project)."

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

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

The City Note shall mature as described in the Redevelopment Agreement, and shall bear interest at a fixed interest rate as described in the Redevelopment Agreement until the principal amount of the City Note is paid or until maturity, with the exact rate to be determined by the Authorized Officer, computed on the basis of a 360-day year of twelve 30-day months. The City Note shall be subject to such further terms as are set forth in the Redevelopment Agreement and this Ordinance, subject to such changes and additions as are set forth in any certificate of the City executed by the Authorized Officer and filed with the City Clerk at the time of issuance of the City Note (the "Note Order"),

setting forth the final terms of the Note. The provisions of any such Note Order shall be subject to the parameters set forth in the Redevelopment Agreement and this Ordinance.

The principal of and interest on the City Note shall be paid by check, draft or wire transfer of funds by the Authorized Officer of the City, as registrar and paying agent (the "Registrar"), payable in lawful money of the United States of America to the persons in whose names the City Note is registered at the close of business on the payment date, in any event no later than at the close of business on the 15th day of the month immediately after the applicable payment date; provided, that the final installment of the principal and accrued but unpaid interest of the City Note shall be payable in lawful money of the United States of America at the principal office of the Registrar or as otherwise directed by the City on or before the maturity date.

The seal of the City shall be affixed to or a facsimile thereof printed on the City Note, and the City Note shall be signed by the manual or facsimile signature of the Mayor of the City and attested by the manual or facsimile signature of the City Clerk or any Deputy Clerk of the City, and in case any officer whose signature shall appear on the City Note shall cease to be such officer before the delivery of the City Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

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

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

Upon surrender for a transfer of the City Note authorized under the Redevelopment Agreement at the principal office of the Registrar, duly endorsed by, or accompanied by (i) a written instrument or instruments of transfer in form satisfactory to the Registrar, (ii) an investment representation in form satisfactory to the City and duly executed by, the registered owner or his attorney duly authorized in writing, (iii) the written consent of the City evidenced by the signature of the Authorized Officer (or his or her designee) and the Commissioner on the instrument of transfer, and (iv) any deliveries required under the Redevelopment Agreement, the City shall execute and the Registrar shall authenticate, date and deliver in the name of any such authorized transferee or transferees a new fully registered City Note of the same maturity, of authorized denomination, for the authorized principal amount of the City Note less previous retirements. The execution by the City of a fully registered City Note shall constitute full and due authorization of the City Note and the Registrar shall thereby be

authorized to authenticate, date and deliver the City Note. The Registrar shall not be required to transfer or exchange a City Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of the City Note nor to transfer or exchange a City Note after notice calling a City Note for prepayment has been made, nor during a period of five (5) business days next preceding mailing of a notice of prepayment of principal or redemption of a City Note. No beneficial interests in a City Note shall be assigned, except in accordance with the procedures for transferring a City Note described above.

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

No service charge shall be made for any transfer of the City Note, but the City or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of the City Note.

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

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

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

There is hereby created within the Fund a special sub-account to be known as the "Roosevelt/Clark Debt Service Account" (the "Debt Service Account"). The City shall designate and deposit into the Debt Service Account the Available Incremental Taxes (as defined in the Redevelopment Agreement) and the Available Incremental Taxes from Transfer Rights (as those terms are defined in the Redevelopment Agreement). Notwithstanding the foregoing, "Available Incremental Taxes" for purposes of this ordinance and the Redevelopment Agreement shall not include ad valorem taxes generated by or attributable to such parcels as may hereafter be assigned by the Cook

County Assessor for the Podium Buildings (as defined in the Redevelopment Agreement) and associated air rights improvements within the Area (the "Excluded Podium PINs"). Taxes generated by or attributable to the Excluded Podium PINs shall not be deposited into the Debt Service Account and shall not be pledged to, or available for, payment of principal of or interest on the City Note.

The City hereby assigns, pledges and dedicates the Debt Service Account, together with all amounts on deposit therein, to the payment of the principal of and interest, if any, on the City Note when due under the terms of the Redevelopment Agreement and in accordance with the debt service schedule attached to the City Note. Upon deposit, the moneys on deposit in the Debt Service Account may be invested as hereinafter provided. Interest and income on any such investment shall be deposited in the Debt Service Account. All moneys on deposit in the Debt Service Account shall be used to pay the principal of and interest on, or redemption price of, the City Note, at maturity or upon payment or redemption prior to maturity, in accordance with the terms of such note, which payments from the Debt Service Account are hereby authorized and appropriated by the City. Upon payment of all amounts due under the City Note and the Redevelopment Agreement in accordance with their terms, the amounts on deposit in the Debt Service Account, as applicable, shall be deposited in the Fund and the Debt Service Account shall be closed.

Available Incremental Taxes shall be applied first to payment of principal and interest on the City Note prior to any disbursement for pay as you go obligations under any separate redevelopment agreement.

Notwithstanding any of the foregoing, payments on the City Note will be subject to the availability of Available Incremental Taxes in the Debt Service Account.

The City Note authorized hereby shall finance only the TIF-Funded Infrastructure Components described in the Redevelopment Agreement, and shall not finance, directly or indirectly, any other infrastructure governed by the separate Redevelopment Agreement anticipated to be entered into between the City and the Developer for the Area, including without limitation the Parking Facility and the River Wall Improvements, each as defined therein.

The Infrastructure Components financed pursuant to this Ordinance are public purpose improvements of independent utility, are not undertaken for the primary benefit of any private facility, and shall not be conditioned upon the development or operation of any stadium, parking facility or other private use. Proceeds of the City Note shall be used solely for publicly owned, publicly accessible infrastructure and not for any component governed by a separate parking redevelopment agreement.

SECTION 9. The City Note is a special limited obligation of the City, payable solely from Available Incremental Taxes, and shall be a valid claim of the registered owners thereof only against said sources. The City Note shall not be deemed to constitute an indebtedness or a loan against the general taxing powers or credit of the City, within the meaning of any constitutional or statutory provision. The registered owner(s) of the City Note shall not have the right to compel any exercise of the taxing power of the City, the State of Illinois or any political subdivision thereof to pay the principal of or interest on the City Note.

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

SECTION 11. Pursuant to the Redevelopment Agreement, the Developer has agreed to perform redevelopment work on the Property necessary to complete the Project. The eligible redevelopment project costs of the acquisition, construction, and redevelopment, up to the principal amount of \$181,156,066, shall be financed from proceeds of the City Note. The principal amount outstanding of the City Note shall be the amount of principal indicated in the City Note on its date of issuance. or the sum of advances made pursuant to Infrastructure Component Certificates of Expenditure, which shall be deemed to be a disbursement of the proceeds of the City Note. Upon issuance, the City Note shall have an initial principal balance equal to the costs of TIF-Funded Infrastructure Components that have been incurred and certified to the City in accordance with the Redevelopment Agreement, up to a maximum amount of \$181,156,066 plus Permitted Note Expenditures, as evidenced by Certificates of Expenditures delivered in accordance with the Redevelopment Agreement, and subject to the reductions described in the Redevelopment Agreement. After issuance, the principal amount outstanding under the City Note shall be the initial principal balance of the City Note, minus any principal amount and interest paid on the City Note and other reductions in principal as provided in the Redevelopment Agreement.

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

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

SECTION 14. The City Note is not a “private activity bond” as defined in Section 141(a) of the Internal Revenue Code of 1986, as amended (the “Code”). In support of such conclusion, the City certifies, represents and covenants as follows:

- (a) No direct or indirect payments are to be made on the City Note with respect to any private business use by any person other than a state or local governmental unit.
- (b) None of the proceeds of the City Note is to be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

SECTION 15. The City certifies and covenants as follows with respect to the requirements of Section 148(f) of the Code, relating to the rebate of “excess arbitrage profits” (the “Rebate Requirement”) to the United States:

- (a) Unless an applicable exception to the Rebate Requirement is available to the City, the City will meet the Rebate Requirement.
- (b) Relating to applicable exceptions, the Authorized Officer is hereby authorized to make such elections under the Code as such officer shall deem reasonable and in the best interests of the City. If such election may result in a "penalty in lieu of rebate" as provided in the Code, and such penalty is incurred (the "Penalty"), then the City shall pay such Penalty.
- (c) The officers of the City shall cause to be established at such time and in such manner as they may deem necessary or appropriate hereunder, a rebate fund, and such officers shall further, not less frequently than annually, cause to be transferred to the rebate fund the amount determined to be the accrued liability under the Rebate Requirement or the Penalty. Said officers shall cause to be paid to the United States, from time to time as required, amounts sufficient to meet the Rebate Requirement or to pay the Penalty.
- (d) Interest earnings in the Debt Service Account are hereby authorized to be transferred, without further order or direction from the Authorized Officer, from time to time as required, to the rebate fund for the purposes herein provided; and other funds of the City are also hereby authorized to be used to meet the Rebate Requirement or to pay the Penalty, but only if necessary after application of investment earnings as aforesaid and only if appropriated by the City Council.

SECTION 16. The City covenants that it: (i) will take those actions which are necessary to be taken (and avoid those actions which it is necessary to avoid taking) so that interest on the City Note will not be or become included in gross income for federal income tax purposes under existing law including, without limitation, the Code; (ii) will take those actions reasonably within its power to take which are necessary to be taken (and avoid taking those actions which are reasonably within its power to avoid taking and which it is necessary to avoid) so that interest on the City Note will not be or become included in gross income for federal income tax purposes under the federal income tax laws as in effect from time to time; and (iii) will take no action in the investment of any fund or account of the City which would result in making interest on the City Note subject to federal income taxes by reason of causing the City Note to be an "arbitrage bond" within the meaning of Section 148 of the Code. In furtherance of the foregoing provisions, but without limiting their generality, the City agrees: (a) through its officers, to make such further specific covenants, certifications and representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants and assurances contained in certificates or agreements as may be prepared by counsel approving the City Note; (c) to consult with such counsel and to comply with such advice as may be given; (d) to file such forms, statements and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys and other persons to assist the City in such compliance.

SECTION 17. The City recognizes that Section 149(a) of the Code requires that the City Note to be issued and to remain in fully registered form in order that interest thereon is exempt from federal income taxation under laws in force at the time the City

Note is delivered. In this connection, the City agrees that it will not take any action to permit the City Note to be issued in, or converted into, bearer or coupon form.

SECTION 18. The provisions of this ordinance shall constitute a contract between the City and the registered owner of the City Note. All covenants relating to the City Note are enforceable by the registered owners of the City Note.

SECTION 19. 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 20. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 21. This ordinance shall take effect upon its passage and approval.

EXHIBIT A

AMENDED AND RESTATED REDEVELOPMENT AGREEMENT

(attached)