



# Chicago Park District

## Legislation Text

---

File #: 15-2417-1014, Version: 1

---

### **AUTHORITY TO ENTER INTO A GROUND LEASE WITH THE LUCAS MUSEUM OF NARRATIVE ART TO DEVELOP A NEW MUSEUM IN BURNHAM PARK**

To: The Honorable Board of Commissioners of the Chicago Park District

#### **I. Recommendation**

It is recommended that the Board of Commissioners of the Chicago Park District adopt a resolution authorizing a ground lease between the Chicago Park District and the Lucas Museum of Narrative Art. It is further recommended that the Board authorize the General Superintendent, or his designee, to negotiate, enter into, and execute such agreements, amendments, indemnities, and instruments and perform any and all acts as shall be necessary or advisable in connection with the transaction described herein.

#### **II. Agreement Information**

Lessor: Chicago Park District

Transaction Type: Ground Lease pursuant to the Park District Aquarium and Museum Act in accordance with 70ILCS 1290/0.01 *et seq.* of the Park District Aquarium and Museum Act

Lessee: Lucas Museum of Narrative Art  
P.O. Box 29137  
San Francisco, CA 94129

Granting Instrument: Ground Lease

Authorization: Authorize the General Superintendent to negotiate, enter into, the ground and perform any and all acts as shall be necessary or advisable in connection with the transaction described herein, including compliance with existing easements, if any, filing of street and alley vacation or dedication applications, plats of dedication, and other applicable requirements. Authorize the General Counsel to include other relevant terms and conditions in the written agreements, amendments and other instruments. Authorize the Secretary to attest as to the signing of the Agreements and keep an original copy of the Agreement on file.

#### **III. Explanation**

The Chicago Park District owns property generally bounded by East Waldron, South Burnham Harbor, McCormick Place East and South Lake Shore Drive, more commonly referred to as the south lot in Burnham Park. The Park District proposes to ground lease a portion of this property (7 acres) to the Lucas Museum of Narrative Art, a California not-for-profit corporation, for purposes of developing, operating and maintaining a public museum. The Lucas Museum of Narrative Art will also redevelop Park District property adjacent to the proposed museum. This development does not include any Park District funding.

This proposed privately funded museum is made possible by a 99 year ground lease with two renewal options. The Lucas Museum will pay the Park District a Ten-dollar (\$10.00) rental payment. The District would retain ownership of the land and can exercise

termination with cause in the event that the Lucas Museum ceases to operate the Museum in accordance with its mission and educational purposes or otherwise causes an event of default under the ground lease.

On April 23, 2015, the General Assembly passed, and on May 1, 2015, the Governor signed, an amendment to the Park District Aquarium and Museum Act providing that the Park District may enter into 99 year leases like the aforementioned lease.

No public funds would be used in the construction or operation of the museum. A construction account would be established to ensure completion of the project. The Park District would apply the customary MBE/WBE standards to the project. The Lucas Museum would have indemnification obligations to the Park District against claims by reason of the construction, operation, maintenance, use or occupation of the museum or museum site.

The Lucas Museum would establish an endowment for the ongoing operation, maintenance, and capital improvements of the museum. All admission fees would be used solely for the use; maintenance and management of the museum and the museum site or contribute to the endowment.

The Lucas Museum would not avail itself to the annual Museum in the Parks funding. However, it shall provide the same number of free days and educational opportunities (in the form of free admission for school children) as is currently required of Museums in the Park.

#### **IV. General Conditions**

1) *Conflicts*: The Agreement shall not be legally binding on the Chicago Park District if entered into in violation of the provisions of 50 ILCS 105, the Public Officer Prohibited Activities Act.

2) *Ethics*: The Chicago Park District's Ethics Code, Chapter III of the Code of the Chicago Park District, shall be incorporated into and made part of the agreement.

3) *Contingent Liability*: Any agreement lawfully entered into for a period of more than one year shall be executory only for the amounts for which the Park District may become liable in succeeding fiscal years pursuant to 70 ILCS 17(i).