



Chicago Park District

Legislation Text

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ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOT-TO-EXCEED \$50,000,000 GENERAL OBLIGATION LIMITED TAX PARK BONDS, SERIES 2015, NOT-TO-EXCEED \$130,000,000 GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS, SERIES 2015, AND NOT-TO-EXCEED \$53,000,000 UNLIMITED TAX REFUNDING BONDS (PERSONAL PROPERTY REPLACEMENT TAX ALTERNATE REVENUE SOURCE), SERIES 2015, EACH IN ONE OR MORE SERIES

To the Honorable Board of Commissioners of the Chicago Park District

I. Recommendation

It is recommended that the Board of Commissioners (the “Board”) of the Chicago Park District (the “District”) adopt an ordinance to authorize and provide for the issuance and delivery of bonds in amounts not to exceed the following sums (collectively, the “Bonds”): (i) \$50,000,000 General Obligation Limited Tax Park Bonds, Series 2015A for the purpose of financing the cost of payment of land condemned or, purchased for parks, and for building, maintaining and improving parks and for the payment of the expenses incident thereto, including the reimbursement of costs already incurred by the District and the repayment of draws on existing bond anticipation notes, which may be outstanding in a maximum principal amount of \$40,000,000 issued to fund a portion of the District’s Capital Improvement Plan; and (ii) \$130,000,000 General Obligation Limited Tax Refunding Bonds, Series 2015, in one more or series for the purpose of refunding certain outstanding debt obligations of the District; and (iii) not-to-exceed \$53,000,000 Unlimited Tax Refunding Bonds (Personal Property Replacement Tax Alternate Revenue Source), Series 2015, in one more or series for the purpose of refunding certain outstanding debt obligations of the District. The ordinance also authorizes the execution of one or more bond orders prescribing the details of the Bonds (including the designation of series of the General Obligation Limited Tax Refunding Bonds and General Obligation Unlimited Tax Refunding Bonds), the execution of a Bond Purchase Agreement with the underwriters identified below, the execution of a Continuing Disclosure Undertaking to effect compliance with Rule 15c2-12 of the Securities and Exchange Commission, payment of capitalized interest on certain series of the Bonds, payment of costs of issuance, and the collection of direct annual taxes for the payment of the principal and interest on the Bonds. The General Superintendent and other officers of the District are authorized to do, or cause to be done, all things necessary to accomplish the issuance of the Bonds.

II. Transaction Team

Co-Bond Counsel:

Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, Illinois 60661

Charity & Associates, P.C.
20 North Clark Street
Suite 1150
Chicago, Illinois 60602

Co-Underwriters’ Counsel:

Burke Burns & Pinelli, Ltd.
70 West Madison
Suite 4300
Chicago, Illinois 60602

Quintairos, Prieto, Wood & Boyer, P.A.

Two Prudential Plaza
180 North Stetson Avenue
Suite 4425
Chicago, Illinois 60601

Issuer's Counsel:

Hardwick Law Firm, LLC

100 North LaSalle Street
Suite 501
Chicago, Illinois 60602

II. Transaction Team (continued)

Underwriters:

BMO Capital Markets GKST Inc

115 S. LaSalle Street, 18W
Chicago, Illinois 60603

Loop Capital Markets LLC

111 West Jackson Blvd
Suite 1901
Chicago, Illinois 60604

William Blair & Company, L.L.C.

222 West Adams Street
Chicago, Illinois 60606

Cabrera Capital Markets LLC

222 West Adams Street
Chicago, Illinois 60606

Morgan Stanley & Co. LLC

440 South LaSalle St.
One Financial Place, 37th Floor
Chicago, Illinois 60605

PNC Capital Markets LLC

One North Franklin - 29th Floor
Chicago, Illinois 60606

Financial Advisor:

Acacia Financial Group, Inc.

221 N. LaSalle St.
Suite 1500
Chicago, Illinois 60601

II. Transaction Team (continued)

**Bond Registrar/Paying Agent/
Escrow Agent and Depository:**

Zions First National Bank
111 W. Washington Street, Suite 1860
Chicago, IL 60602

Verification Agent:

Robert Thomas, CPA, LLC
8029 Manor Road
Shawnee Mission, Kansas 66206

Printer:

ImageMaster
203 N. LaSalle Street, Suite 2100
Chicago, Illinois 60601

III. Budget and Financial Information

A. Use of Proceeds

Budget Classification: Capital Funds
Fiscal Year(s): 2013, 2014 and 2015 Capital Improvement Plans
Source of Funds: Bond Proceeds

B. Repayment Information

Budget Classification: Operating Funds
Fiscal Year(s): 2016-2041 (25 years)
Source of Funds: Debt Service Expense-Property Tax Levy/Personal Property Replacement Tax

III. Budget and Financial Information (continued)

C. Refunding Information

If market conditions allow on the day of pricing, the District will refund currently callable bonds to achieve annual debt service savings. As described below, the bonds to be refunded will be selected at the time of pricing to achieve annual debt service.

IV. Explanation

The Bonds will be sold through a negotiated sale with the underwriters and are expected to be issued on a tax-exempt basis. The interest rate on the Bonds shall not exceed 6.50% and the maximum maturity date shall not be later than January 1, 2042. The proposed ordinance authorizes the following:

General Obligation Limited Tax Park Bonds, Series 2015A (the “Capital Project Bonds”): (i) issue not to exceed \$50,000,000 in bonds to finance the cost of payment of land condemned or, purchased for parks, and for the building, maintaining, improving and protecting of park facilities, (ii) execute a bond order prescribing the details of the Capital Project Bonds, (iii) pay capitalized interest and costs of issuance, (iv) repayment of draws on existing bond anticipation notes and (v) provide for levy and collection of taxes to pay interest and principal on the Capital Project Bonds.

General Obligation Limited Tax Refunding Bonds, Series 2015B (the “Series 2015B Refunding Bonds”): (i) issue not to exceed \$80,000,000 in bonds to refund all or a portion of certain maturities of the District’s currently callable General Obligation Limited Tax Park Bonds, Series 2005A, General Obligation Limited Tax Park Bonds, Series 2006A and General Obligation Limited Tax Refunding Bonds, Series 2006B; (ii) execute a bond order prescribing the details

IV. Explanation (continued)

of the Series 2015B Refunding Bonds, (iii) pay costs of issuance and refunding, and (iv) provide for levy and collection of taxes to pay interest and principal on the Series 2015B Refunding Bonds. The Series 2015B Refunding Bonds will be of a similar maturity as the Series 2005A, Series 2006A and Series 2006B bonds being refunded and result in debt service savings in each of the levy years 2015 through 2029.

General Obligation Limited Tax Refunding Bonds, Series 2015C (the “Series 2015C Refunding Bonds”): (i) issue not to exceed \$50,000,000 in bonds to refund some or all of the District’s General Obligation Unlimited Tax Refunding Bonds, Series, 2006D (Personal Property Replacement Tax Alternate Revenue Source) (the “Series 2006D ARS Bonds”), (ii) execute a bond order prescribing the details of the Series 2015C Refunding Bonds, (iii) pay capitalized interest and costs of issuance and refunding and (iv) provide for levy and collection of taxes to pay interest and principal on the Series 2015C Refunding Bonds.

A portion of the prior Series 2006D ARS Bonds will be refunded as Limited Tax 2015C Refunding Bonds, and will be paid with a direct property tax levy of the District. Consistent with the recent Public Act 98-0622, the refunding plan will enable the District to redirect certain PPRT monies previously required for debt service on the 2006D ARS Bonds, instead, toward funding the increased annual Employer Contributions to the pension system.

The 2015C Refunding Bonds will be amortized (as LTGO bonds) in a manner that maintains a long term downward sloping debt profile along with all other outstanding LTGO bonds of the District, and in furtherance of the District’s long-term access to bonding for continued new capital purposes. The average maturity of the 2015C Refunding Bonds will extend not more than two years longer than the remaining average life of the 2006D ARS Bonds, with a final maturity of

IV. Explanation (continued)

2025 (levy year 2023) and depending on market conditions. The 2015C Refunding Bonds will further remain in compliance with the provisions of the Internal Revenue Code, which govern the length of bond maturity relative to the economic life of the capital projects originally funded.

General Obligation Unlimited Tax Refunding Bonds, Series 2015D (Personal Property Replacement Tax Alternate Revenue Source) (the “Series 2015D Refunding Bonds”): (i) issue not to exceed \$53,000,000 in bonds to currently refund all or a portion of certain maturities of the District’s General Obligation Unlimited Tax Refunding Bonds, Series 2006D Alternate Revenue Source Bonds,

(ii) execute a bond order prescribing the details of the Series 2015D Refunding Bonds, (iii) pay costs of issuance and refunding and (iv) provide for collection of levy and collection of taxes to pay interest and principal on the Series 2015D Refunding Bonds. The Series 2015D Refunding Bonds will be of a similar maturity as the Series 2006D ARS Bonds being refunded and result in debt service savings in each of the levy years 2015 through 2027.

As described above, the Bonds will be sold to the underwriters pursuant to Bond Purchase Agreements approved by the ordinance. The Series 2015A Bonds, Series 2015B Refunding Bonds, Series 2015C Refunding Bonds and Series 2015D Refunding Bonds will be sold pursuant to a Bond Purchase Agreement providing for an expected sale of the Bonds in August (subject to market conditions).

V. General Conditions

1. *Conflicts*: No agreement authorized herein shall be legally binding on the Chicago Park District if entered into in violation of the provisions of the Public Officer Prohibited Activities Act, 50 ILCS 105/0.01 *et seq.*

V. General Conditions (continued)

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 all agreements authorized herein.