



Chicago Park District

Legislation Text

File #: 16-2594-1019, Version: 1

ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF 2016 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) \$75,000,000 General Obligation Limited Tax Park Bonds, Series 2016A 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; (ii) \$25,000,000 General Obligation Limited Tax Refunding Bonds, in one or more series, for the purpose of refunding certain outstanding debt obligations of the District; (iii) not-to-exceed \$4,000,000 Unlimited Tax Refunding Bonds (Personal Property Replacement Tax Alternate Revenue Source), Series 2015D, for the purpose of refunding certain outstanding debt obligations of the District; and (iv) not-to-exceed \$15,000,000 Unlimited Tax Refunding Bonds (Special Recreation Activity), Series 2015E, for the purpose of refunding certain outstanding debt obligations of the District. The ordinance also authorizes the execution of a 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

Tristan & Cervantes
33 West Monroe Street, Suite 630
Chicago, IL 60603

Underwriters' Counsel:

Del Galdo Law Group, LLC
1441 South Harlem Avenue
Berwyn, IL 60402

*Underwriters' Counsel chosen directly by the Underwriters

Disclosure/Issuer's Counsel:

Hardwick Law Firm, LLC
321 North Clark Street
Suite 501

Chicago, Illinois 60654

Underwriters:

Cabrera Capital Markets, LLC
10 South LaSalle Street, Suite 1050
Chicago, IL 60603

II. Transaction Team (continued)

PNC Capital Markets LLC
One North Franklin - 29th Floor
Chicago, Illinois 60606

Blaylock Beal Van, LLC
180 N. LaSalle Street, Suite 1825
Chicago, IL 60601

J.J.B. Hilliard, W.L. Lyons, LLC
211 West Wacker Drive, Suite 1800
Chicago, IL 60606

North South Capital LLC
200 W. Adams Street, Suite 2230
Chicago, IL 60606

Financial Advisor:

Sycamore Advisors, LLC
111 W. Jackson Blvd., Suite 1700
Chicago, IL 60604

**Independent Registered
Municipal Advisor (IRMA):**

Speer Financial, Inc.
One N. LaSalle Street, Suite 4100
Chicago, IL 60602

II. Transaction Team (continued)

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

Amalgamated Bank of Chicago
30 North LaSalle Street, 38th Floor
Chicago, IL 60602

Verification Agent:

8221 Ensley Lane
Shawnee Mission, KS 66206

Robert Thomas CPA, LLC

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):	2014, 2015 and 2016 Capital Improvement Plans
Source of Funds:	Bond Proceeds

III. Budget and Financial Information (continued)

B. Repayment Information

Budget Classification:	Operating Funds
Fiscal Year(s):	2017-2040 (23 years)
Source of Funds:	Debt Service Expense-Property Tax Levy/Personal Property Replacement Tax/Special Recreation Activity

III. Budget and Financial Information (continued)

C. Refunding Information

If market conditions allow on the day of pricing, the District will currently and advance refund 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, 2040. The proposed ordinance authorizes the following:

General Obligation Limited Tax Park Bonds, Series 2016A (the “Capital Project Bonds”): (i) issue not to exceed \$75,000,000 in the Capital Project 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 2016B (the “Series 2016B Refunding Bonds”): (i) issue not to exceed \$8,000,000 in 2016B Refunding Bonds to refund all or a portion of certain maturities of the District’s currently callable General Obligation Limited Tax Park Bonds, Series

2006A, (ii) execute a bond order prescribing the details of the Series 2016B 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 2016B Refunding Bonds. The Series 2016B Refunding Bonds will be of a similar maturity as the Series 2006A bonds being refunded and result in debt service savings.

General Obligation Limited Tax Refunding Bonds, Series 2016C (the “Series 2016C Refunding Bonds”): (i) issue not to exceed \$17,000,000 in Series 2016C Refunding Bonds to advance refund all or a portion of certain maturities of the District’s General Obligation Limited Tax Park Bonds, Series 2008F and General Obligation Limited Tax Refunding Bonds, Series 2008G (the “Series 2008F and Series 2008G Bonds, respectively”), (ii) execute a bond order prescribing the details of the Series 2016C 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 2016C Refunding Bonds. The Series 2016C Refunding Bonds will be of a similar maturity as the Series 2008F and Series 2008G Bonds being refunded and result in debt service savings.

General Obligation Unlimited Tax Refunding Bonds, Series 2016D (Personal Property Replacement Tax Alternate Revenue Source) (the “Series 2016D Refunding Bonds”): (i) issue not to exceed \$4,000,000 in Series 2016D Refunding Bonds to advance refund all or a portion of certain maturities of the District’s General Obligation Unlimited Tax Refunding Bonds, Series 2008A Alternate Revenue Source Bonds, (ii) execute a bond order prescribing the details of the Series 2016D Refunding Bonds, (iii) pay costs of

IV. Explanation (continued)

issuance and refunding and (iv) provide for collection of levy and collection of taxes to pay interest and principal on the Series 2016D Refunding Bonds. The Series 2016D Refunding Bonds will be the same maturity as the Series 2008A ARS Bonds being refunded and result in debt service savings.

General Obligation Unlimited Tax Refunding Bonds, Series 2016E (Special Recreation Activity Alternate Revenue Source) (the “Series 2016E Refunding Bonds”): (i) issue not to exceed \$15,000,000 in Series 2016E Refunding Bonds to advance refund all or a portion of certain maturities of the District’s General Obligation Unlimited Tax Refunding Bonds, Series 2008E (Special Recreation Activity Alternate Revenue Source) (the “Series 2008E SRA ARS Bonds”), (ii) execute a bond order prescribing the details of the Series 2016E 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 2016E Refunding Bonds. The Series 2016E Refunding Bonds will be of the same maturity as the Series 2008E SRA ARS Bonds being refunded and result in debt service.

As described above, the Bonds will be sold to the underwriters pursuant to Bond Purchase Agreement approved by the ordinance. The expected sale of the Bonds will occur in October (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.*

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.