



# Chicago Park District

## Legislation Text

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### **ADOPTION OF AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE) FOR THE PURPOSE OF FINANCING HARBOR AND MARINA IMPROVEMENTS AND FOR THE REIMBURSEMENT OF EXPENDITURES RELATED TO THE 2018 CAPITAL IMPROVEMENT PROGRAM**

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 "Park District") adopt an ordinance authorizing the issuance of General Obligation Alternate Bonds in an aggregate maximum amount of \$8,000,000 for the purpose of financing the improvement of the Park District's recreational harbor system to meet the estimated cost of the projects: (1) improvement of the Park District's existing harbor facilities including the construction of boat slips, floating washrooms and boat storage facilities and the acquisition of tender boats, including for the foregoing harbor and marina improvements: breakwaters, seawalls, piers, docks, boat launching, mooring, docking, storing and repairing facilities, parking facilities for motor vehicles, access roads and walkways, food service facilities, administrative office space, related park improvements, equipment, appurtenances and all other costs related to the harbor and marina improvements including improvements to facilitate the movement and navigation of boats and ships, and costs of the permitting, planning, design and engineering of the foregoing harbor and marina improvements and (2) costs associated with issuing the bonds including capitalized interest.

#### **II. Explanation**

The ordinance authorizes the Park District to issue alternate revenue bonds in an amount not to exceed \$8,000,000 for the purpose of undertaking improvements within its recreational harbor system. The bonds shall be direct and general obligations of the Park District and the Park District shall be obligated to levy ad valorem taxes upon all taxable property in the Park District for the payment of the bonds and the interest thereon, without limitation as to rate or amount. The bonds shall be payable from revenues and fees derived from the operations of the Park District's recreation harbor system and will be issued pursuant to the Chicago Park District Act, 70 ILCS 1501/0.01 *et seq.*, as amended and the Local Government Debt Reform Act, 30 ILCS 350/1 *et seq.*, as amended.

The Park District is authorized to issue alternate revenue source bonds pursuant to Section 15 of the Local Government Debt Reform Act. Upon adoption of the ordinance by the Board, an Executive Order will be issued by the President of the Board pursuant to the Bond Issue Notification Act, 30 ILCS 352/1 *et seq.*, as amended. The order shall give notice of a public hearing concerning the Park District's intent to sell bonds. The ordinance along with the notice will be published in a newspaper of general circulation initiating a 30-day waiting period. If at the end of the waiting period, a petition, signed by 7.5% of the registered voters in the Park District requesting the issuance of the alternate revenue bonds be submitted to referendum is not filed with the Secretary of the Park District, then the alternate revenue bonds shall be authorized to be issued. After the expiration of the waiting period, a subsequent ordinance detailing the terms and conditions of the proposed alternate revenue bonds will be submitted to the Board for approval.

#### **III. Explanation Part II**

This ordinance also authorizes the Park District to reimburse itself for capital expenses associated with the 2018 CIP and in accordance with federal tax law. The authorization permits the Park District to recapture funds that paid for costs of the projects and expenses in an amount not to exceed \$7.25 million (in addition to \$750,000 previously approved by resolution by the Board on February 14, 2018 for harbor facilities) from bonds which are reasonably expected to be issued in 2018. When the bonds are issued, they will be secured by ad valorem taxes and harbor facilities revenues and issued pursuant to the Chicago Park District Act, 70 ILCS 1505/0.01 *et seq.*, as amended and the Local Government Debt Reform Act, 30 ILCS 350/15 *et seq.*, as amended.

#### **IV. Budget and Financial Information**

##### **Use of Proceeds**

Budget Classification:	Capital Funds
Fiscal Year:	2018 Capital Budget
Source of Funds:	Bond Proceeds

##### **Repayment Information**

Budget Classification:	Operating Funds
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#### **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.