



# Chicago Park District

## Legislation Text

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### **ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$95,000,000 OF 2018 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 an aggregate amount not to exceed \$95,000,000 and allocated among the series of bonds as follows (collectively, the "Bonds"): (i) \$30,000,000 General Obligation Limited Tax Park Bonds, Series 2018A 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 a portion or all of draws on the existing bond anticipation notes (the "BANs"), which may be outstanding in a maximum principal amount of \$50,000,000, which were issued to fund a portion of the District's Capital Improvement Plan; (ii) \$15,000,000 General Obligation Limited Tax Refunding Bonds, Series 2018B, for the purpose of refunding certain outstanding debt obligations of the District; (iii) not-to-exceed \$15,000,000 General Obligation Limited Tax Refunding Bonds, Taxable Series 2018C, for the purpose of refunding certain outstanding debt obligations of the District; (iv) \$30,000,000 General Obligation Unlimited Tax Park Bonds, Series 2018D (Personal Replacement Property Tax Alternate Revenue Source); and (iv) \$5,000,000 General Obligation Unlimited Tax Refunding Bonds, Series 2018E (Special Recreation Activity Alternate Revenue Source), 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 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:**

**Foley & Lardner LLP**  
321 North Clark Street, Suite 2800  
Chicago, IL 60654

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

##### **Underwriters' Counsel:**

**Burke, Warren, MacKay & Serritella, P.C.\***  
330 North Wabash Avenue, 21<sup>st</sup> Floor  
Chicago, IL 60611  
\*Underwriters' Counsel is chosen directly by the Underwriters

##### **Issuer's Counsel:**

**Hardwick Law Firm, LLC**  
20 South Clark Street, Suite 2120

Chicago, Illinois 60603

**Disclosure Counsel:**

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

**Underwriters: UBS Financial Services Inc.**  
One North Wacker Drive, 26<sup>th</sup> Floor  
Chicago, IL 60606

**II. Transaction Team (continued)**

**Williams Capital Group, L.P.**  
625 North Michigan Avenue, Suite 1740  
Chicago, Illinois 60611

**Backstrom McCarley Berry & Co., LLC**  
203 North LaSalle Street, Suite 2100  
Chicago, IL 60601

**Estrada Hinojosa & Company, Inc.**  
161 North Clark Street, Suite 1600  
Chicago, IL 60601

**Janney Montgomery Scott**  
30 South Wacker Drive, Suite 1760  
Chicago, IL 60606

**Podesta & Co.**  
208 South LaSalle Street, Suite 1460  
Chicago, IL 60604

**Financial Advisor: Columbia Capital Management, LLC**  
150 North Michigan Avenue, Suite 2800  
Chicago, IL 60601

**Independent Registered  
Municipal Advisor (IRMA):**  
One N. LaSalle Street, Suite 4100  
Chicago, IL 60602

**Speer Financial, Inc.**

**II. Transaction Team (continued)**

Bond Registrar/Paying Agent/  
Escrow Agent and Depository: ZB, National Bank dba Zions Bank  
111 West Washington Street, Suite 1860  
Chicago, IL 60602

**Verification Agent: Robert Thomas CPA, LLC**  
8221 Ensley Lane  
Shawnee Mission, KS 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): 2016 and 2017 Capital Improvement Plans  
Source of Funds: Bond Proceeds

### **III. Budget and Financial Information (continued)**

#### **B. Repayment Information**

Budget Classification: Operating Funds  
Fiscal Year(s): 2019-2041 (22 years)  
Source of Funds: Debt Service Expense-Property Tax Levy/Personal Property Replacement Tax/Special Recreation Activity

#### **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, 2041. The proposed ordinance authorizes the following:

**General Obligation Limited Tax Park Bonds, Series 2018A (the “Capital Project Bonds”):** (i) issue not to exceed \$30,000,000 in the Capital Project Bonds to finance a portion of 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 BANs; and (v) provide for levy and collection of taxes to pay interest and principal on the Capital Project Bonds.

### **IV. Explanation (continued)**

**General Obligation Limited Tax Refunding Bonds, Series 2018B (the “Series 2018B Refunding Bonds”):** (i) issue not to exceed \$15,000,000 in 2018B Refunding Bonds to refund all or a portion of certain maturities of the District’s currently callable General Obligation Unlimited Tax Refunding Bonds, Series 2008A (Personal Replacement Property Tax Alternate Revenue Source), General Obligation Limited Park Bonds, Series 2008F, General Obligation Limited Tax Refunding Bonds, Series 2008G, General Obligation Unlimited Tax Refunding Bonds, Series 2008I (Personal Replacement Property Tax Alternate Revenue Source) collectively, the “Refunded Bonds”, (ii) execute a bond order prescribing the details of the Series 2018B 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 2018B Refunding Bonds. The Series 2018B Refunding Bonds will be of similar maturities of the Refunded Bonds being refunded and result in debt service savings.

**General Obligation Limited Tax Refunding Bonds, Taxable Series 2018C (the “Taxable Series 2018C Refunding Bonds”):** (i) issue not to exceed \$15,000,000 in Taxable Series 2018C Refunding Bonds to advance refund all or a portion of certain maturities of the District’s General Obligation Unlimited Tax Refunding Bonds, Series 2010B (Personal Replacement Property Tax Alternate Revenue Source) the “Series 2010B PPRT ARS Bonds”, (ii) execute a bond order prescribing the details of the Taxable Series 2018C 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 Taxable Series 2018C Refunding Bonds. The Taxable Series 2018C Refunding Bonds will be of a similar maturity as the Series 2010B PPRT ARS Bonds being refunded.

#### IV. Explanation (continued)

**General Obligation Unlimited Tax Park Bonds, Series 2018D (Personal Property Replacement Tax Alternate Revenue Source) (the “Series 2018D PPRT ARS Bonds”):** (i) issue not to exceed \$30,000,000 in the Capital Project Bonds to finance a portion of 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 costs of issuance; (iv) repayment of draws on existing BANs; and (v) provide for levy and collection of taxes to pay interest and principal on the Capital Project Bonds.

**General Obligation Unlimited Tax Refunding Bonds, Series 2018E (Special Recreation Activity Alternate Revenue Source) (the “Series 2018E Refunding Bonds”):** (i) issue not to exceed \$5,000,000 in Series 2018E Refunding Bonds to refund all or a portion of certain maturities of the District’s currently callable 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 2018E 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 2018E Refunding Bonds. The Series 2018E Refunding Bonds will be of the same maturity as the Series 2008E SRA ARS Bonds being refunded and result in debt service savings.

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 September (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.