



# Chicago Park District

## Legislation Text

File #: 21-1293-0512, Version: 4

### **ORDINANCE AUTHORIZING THE ISSUANCE OF BOND ANTICIPATION NOTES IN AN AMOUNT NOT TO EXCEED \$45,000,000 UNDER A LINE OF CREDIT**

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 authorizing the District to issue Bond Anticipation Notes (the “BANs”) in an amount not to exceed \$45,000,000 under a line of credit for the purpose of paying and reimbursing a part of the cost of building, maintaining, and improving parks as part of the District’s Park 596 project and the payment of capitalized interest and the costs of issuing the notes.

The portion of the construction of Park 596 to be located at 48th Street and Western Avenue will be funded from the proceeds of BANs includes the following three separate components: 1) an approximately 58,000 square foot multi story administrative headquarters with related site improvements including parking, walkways and site lighting; 2) an approximately 20,000 square foot field house that will share a footprint with the new administrative office building and includes indoor recreational amenities such as a gymnasium, fitness center, bathrooms and locker rooms, multi-purpose rooms, staff offices, a teen center and lobby; and 3) a park for outdoor recreational activities that will include two artificial turf athletic fields, athletic field lighting, grand lawn, walkways, a playground, nature play areas and a splash pad.

The ordinance also authorizes the execution of a line of credit agreement and other documents in connection with the issuance of BANs as well as the general funds of the District as the source of payment and security for the BANs. The General Superintendent and authorized officers of the District are delegated the authority to do, or cause to be done, all things necessary for the execution and establishment of a line of credit program

#### **A. Background**

On March 12, 2021, the District issued a Request for Proposal for a Construction Loan Facility (the “RFP”), which was forwarded to 31 banks and/or financial institutions with a response due date of April 19, 2021.

#### **I. Recommendation (continued)**

The District received four proposals. After analysis of the proposals by the District’s financial advisor, the District’s Chief Financial Officer and the Treasurer recommend the District select PNC Bank, National Association based on competitive pricing on rates as well as the risks associated with bond ratings.

#### **B. Key Terms and Conditions**

PNC Bank National Association

<b>Maximum Amount</b>	\$45,000,000

<b>Term</b>	One year and no Note shall mature more than two years from the closing date of the Line of Credit.
<b>Tax-Exempt Rate - Used /Unused</b>	79% LIBOR* + 0.45% 0.20%
<b>Minimum Draw</b>	\$2,000,000
<b>Governing Law</b>	Illinois

\*LIBOR or any successor index

## **II. Transaction Team**

### **Special Tax Counsel:**

**Katten Muchin Rosemann LLP**

525 West Monroe Street  
Chicago, Illinois 60661

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

**Hardwick Law Firm, LLC**

77 W Washington Street, Suite 1704  
Chicago, Illinois 60602

## **II. Transaction Team (continued)**

### **Financial Advisor for the District:**

**Meristem Advisors LLC**

2400 N. Lakeview Avenue, Suite 1201  
Chicago, Illinois 60614

### **Bank and/or Financial Institution:**

**PNC Bank, National Association**

PNC Centre, One North Franklin Street, Suite 2800  
Chicago, Illinois 60606

### **PNC Bank National Association's Counsel(s):**

**Thompson Colburn LLP**

55 E. Monroe Street, 37<sup>th</sup> Floor  
Chicago, Illinois 60603

### **Paying Agent:**

**Zions Bancorporation, National Association Corporate Trust**

111 West Washington Street, Suite 1860  
Chicago, IL 60602

## **III. Budget and Financial Information**

**A. Use of Proceeds**

Budget Classification: General Funds

Fiscal Year(s): 2022 and 2023 Budget Appropriations ~ Construction of Park 596

Source of Funds: Draw-downs from Line of Credit

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

**B. Repayment Information**

Budget Classification: General Funds (Appropriation)

Fiscal Year(s): NA

Note Interest Payments: Capitalized Interest

Source of Funds for

Payment at Maturity: The Notes are payable as a general obligation of the District from General Funds.

**IV. Explanation**

**A. Authorization**

The District is authorized to issue BANs under and pursuant to Section 20b of the Chicago Park District Act, 70 ILCS 1505 and the Local Government Debt Reform Act, 30 ILCS 350.

**B. Utilization of the BANs Under the Line of Credit**

- Interest only until maturity;
- Modest costs of issuance and related time management savings; and
- Meets the timeline needs of District's construction of Park 596.

**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.