

SUBSTITUTE ORDINANCE

WHEREAS, the City of Chicago (the “City”) is a home rule unit of government by virtue of the provisions of the Constitution of the State of Illinois of 1970 and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the Chicago Cubs Baseball Club, LLC (the “Team”) operates six parking lots near Wrigley Field: the RAV4 Lot, the Highlander Lot, the Irving Park Lot, the Prius Lot, the Corolla Lot and the Camry Lot; and

WHEREAS, the Highlander Lot (the “Property”) is located at 1088 W. Waveland Avenue and consists of a 60’ wide parcel of land between Waveland Avenue on the south, Grace Street on the north, a 10’ alley (the “Adjoining Alley”) on the west, and improved Seminary Avenue on the east, as legally described on Exhibit A and depicted on Exhibit B attached hereto; and

WHEREAS, the narrow width of the Adjoining Alley has made it difficult for residents of Clifton Avenue, the block west of the Property, to get in and out of their garages, and for City trucks to access the alley to provide municipal services; and

WHEREAS, the Team’s immediate predecessor in title, The Tribune Company, obtained a Quitclaim Deed to the Property in 1982 (the “1982 Deed”) from the bankruptcy trustee for the Chicago, Milwaukee, St. Paul and Pacific Railroad Company; and

WHEREAS, the Team maintains its continuous use of the Property, and the facts and circumstances relating to the chain of title, including the 1982 Deed, result in fee simple title to the Property being held by Team; and

WHEREAS, the City disputes the Team’s ownership claim and contends that (i) the Property was and remains a dedicated portion of Seminary Avenue (formerly Stella Place), (ii) the railroad possessed an easement interest in the Property, not fee simple title, and (iii) the railroad’s easement interest terminated when the railroad ceased operations in Seminary Avenue; and

WHEREAS, resolution of the ownership dispute would depend on a court’s interpretation of plats dating to the late 1800s and the scope of railroad deeds, among other historic issues and common law principles, and both the City and the Team prefer to avoid expensive litigation with an uncertain outcome; and

WHEREAS, the City’s appraised value of the Property is \$5,300,000, based on a 2024 appraisal; and

WHEREAS, professional sports teams and venues have many public benefits to cities, and Wrigley Field is one of the nation’s most iconic public gathering places; and

WHEREAS, the City, the State of Illinois (“State”) and the Team wish to enhance public safety at Wrigley Field, and to this end the Team has submitted a proposal to install anti-terrorism rated security bollards in the public way and other areas surrounding the ballpark and associated

security enhancements (the “Public Safety Improvements” and, together with all work associated with the installation of the Public Safety Improvements, the “Security Enhancement Project”); and

WHEREAS, the Security Enhancement Project will provide enhanced security for all events at Wrigley Field and Gallagher Way, and will likely result in savings to the City through a reduction of mobilized police forces for traffic management for such events; and

WHEREAS, the Team has estimated that the Security Enhancement Project will cost approximately \$32.1 million (excluding design fees); and

WHEREAS, the State has expressed to the City a commitment to support the Security Enhancement Project by providing to the City a grant (the “State Grant”) in the amount of \$12 million to fund certain City infrastructure costs, which may include the Security Enhancement Project; and if the State Grant is not used directly for the Security Enhancement Project, the City will provide \$12 million of City funds for the Security Enhancement Project in recognition of the State Grant (such City funds or the State Grant being referred to as the “State Contribution”); and

WHEREAS, the scope of work for the Security Enhancement Project includes demolition, earthwork, bollard installation, sidewalk widening on Addison Street, light pole relocation, and associated utility work; and

WHEREAS, the Team and the City wish to fully and finally resolve the Property ownership dispute and cooperate on enhancing the security around Wrigley Field for the benefit of Chicago and its residents, and to that end the City and the Team have agreed as follows:

(a) The Team will submit to the Chicago Department of Transportation (the “Department”) for the Department’s review and approval a site plan, phasing plan, cost estimate, perimeter protection plan, and any other studies and documents the Department deems necessary to review and approve the Security Enhancement Project (upon approval by the Department, the “Approved Plans and Specifications”).

(b) The Team will be responsible for soliciting bids for the Security Enhancement Project, hiring third-party contractors, acquiring all necessary governmental permits and approvals, coordinating phasing with the City, and completing the Security Enhancement Project consistent with the Approved Plans and Specifications (together with development of the Approved Plans and Specifications, the “Team Performance Obligation”).

(c) The Team and the City will enter into an agreement outlining the terms and conditions of the construction and financing of the Security Enhancement Project and the respective roles and responsibilities of each party (the “Safety Improvements Agreement”). The Safety Improvements Agreement will require the Team to complete the Security Enhancement Project in a manner consistent with a schedule, budget, design and guaranteed maximum price (“GMP”) contract approved by the Department. The Safety Improvements Agreement will also require the Team to comply with the requirements set forth in Section 2-92-650 *et seq.*, of the Municipal Code of Chicago (the “Municipal”).

Code”) relating to the Minority-and-Women-Owned Business Enterprise Construction Program, the city resident hiring requirements set forth in Section 2-92-330 of the Municipal Code, and prevailing wage requirements.

(d) The City will pay (i) one-third of the costs of the GMP contract for the Security Enhancement Project, or (ii) \$10 million, whichever is less (the “City Contribution”), which may be funded in part with the remaining money in a fund referred to as the “CubFund,” which was created pursuant to a 2004 agreement between the City and the Team, as amended and restated in 2013 (as amended and restated, the “Team Agreement”). The City will also contribute the State Contribution (the State Contribution together with the City Contribution, the “Government Contribution”). The Team will pay the balance of the costs of the Security Enhancement Project, an expected minimum of \$8 million based on the current cost estimate, including any overruns (the “Team Contribution”). The Government Contribution and the Team Contribution will be placed in escrow and the Team (or its contractors) will be paid for eligible costs incurred in completing the Security Enhancement Project on a reimbursement basis in accordance with an escrow agreement acceptable to the Department (the “Escrow Agreement”).

(e) The Team will be responsible for, and will pay all costs of, the long-term maintenance and repair of the Public Safety Improvements in accordance with agreed standards (“Team Maintenance and Repair Obligation”), and the City will, at no cost to the Team, grant permission to the Team to occupy the public ways as necessary for this purpose. The City and the Team will enter into a Public Way Use and Maintenance Agreement governing the Team’s repair and maintenance obligations.

(f) The Team shall release and indemnify the City from and against any claims and losses arising out of the design, construction, maintenance, condition and use of the Public Safety Improvements in accordance with customary and equitable provisions in similar public way use agreements or as otherwise agreed between the City and the Team.

(g) In exchange for the Team Contribution, the Team Performance Obligation, the Team Maintenance and Repair Obligation, and the Property Settlement Terms (as hereafter defined), the City will vacate and quitclaim to the Team, for no additional compensation, any and all City interests in and to the easternmost 56’ of the Property, excluding the Alley Access Easement Area (as defined below), and including all areas up to the western curb of Seminary Avenue as shown on Exhibit C (the “Team Parcel”). The vacation and quitclaim deed shall each reserve (i) an easement to the City over the Team Parcel for continued maintenance and reconstruction of any existing utility or public service facilities located on the Team Parcel on the date of such vacation and transfer, including curb and gutter, catch basins, and sewer and water facilities, and (ii) an easement to the applicable owners of any and all electric or telephone facilities located on the Team Parcel on the date of such vacation and transfer for maintenance and reconstruction. Each of the reserved easements shall be terminable at the election of the Team effective upon the removal or relocation of such facilities to a location outside the Team Parcel which is reasonably acceptable to the owner of such facilities, at the sole expense of the Team.

(h) The Team will acknowledge in a recordable instrument reasonably acceptable to the City (the “Acknowledgement of Dedication”) the dedication to the City of the westernmost 4’ of the Property excluding a portion at the south end adjacent to a Team-owned building at 3701 N. Clifton Avenue (such 4’ strip, the “Alley Adjacent Strip”), and grant a permanent easement to the City at the north end off Grace Street to accommodate garbage trucks and larger vehicles (the “Alley Access Easement Area”). The Alley Adjacent Strip and the Alley Access Easement Area are depicted on Exhibit C and are collectively referred to herein as the “City Parcel.”

(i) The Team will remove or relocate any and all Team improvements and equipment within the City Parcel, and will be responsible, as a one-time occurrence upon transfer of the City Parcel to the City (i.e., not in perpetuity), for all costs of paving and utility relocations or adjustments deemed necessary or appropriate to assemble the City Parcel with the Adjoining Alley (collectively, the “Alley Construction Work”).

(j) The Team will release any claim to ownership of any portion of improved Seminary Avenue lying immediately east of the Team Parcel (the “Release”).

(k) The Team will acknowledge and record an instrument in a form reasonably acceptable to the City reserving and/or imposing a minimum 2’ building setback from the easterly curb line of improved Seminary Avenue and requiring the Team to maintain the existing trees within such setback area and maintain or replace existing shrubs and other landscaping in the setback area (the “Setback Restriction,” and together with the Acknowledgement of Dedication, the Alley Construction Work, and the Release, the “Property Settlement Terms”).

(l) The Team will take all actions necessary and appropriate to comply with the Chicago Zoning Ordinance including obtaining a special use for their uses and activities on the Team Parcel in accordance with Section 17-10-0603-B of the Chicago Zoning Ordinance; and

WHEREAS, the City recognizes that Wrigley Field generates substantial economic benefits for the City, its residents and businesses, including job creation and increased tax revenue; *now, therefore*,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The foregoing recitals, findings and statements of fact are hereby adopted as the findings of the City Council of the City.

SECTION 2. The Commissioner of the Department, or a designee of the Commissioner, is each hereby authorized, with the approval of the City’s Corporation Counsel as to form and legality, to negotiate, execute and deliver the Safety Improvements Agreement, the Escrow Agreement, the Public Way Use and Maintenance Agreement, and such other supporting documents as may be necessary or appropriate to carry out and comply with the provisions of such agreements and this Ordinance. Such documents may contain terms and provisions that the

Commissioner or the Commissioner's designee deems appropriate, including indemnification, to consummate the transactions contemplated hereby (including but not limited to any changes necessary to preserve the tax-exempt status of any City bonds the proceeds of which may be used to make payments under the foregoing agreements). The Commissioner is hereby authorized to waive such fees in connection with the Security Enhancement Project as are customarily waived in connection with comparable public infrastructure projects pursuant to Section 2-8-065(c)(1) of the Municipal Code of Chicago (the "Municipal Code").

SECTION 3. The settlement of the Property ownership dispute and the transfer of the Team Parcel to the Team in exchange for the Team Contribution, the Team Performance Obligation, the Team Maintenance and Repair Obligation, and the Property Settlement Terms are hereby approved, subject to the execution of a settlement agreement in a form acceptable to the City ("Settlement Agreement"). The Commissioner or a designee of the Commissioner is each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver the Settlement Agreement, and such other supporting documents as may be necessary or appropriate to carry out and comply with the provisions of the Settlement Agreement and this Ordinance. Such documents may contain terms and provisions that the Commissioner or the Commissioner's designee deems appropriate, including indemnification, to consummate the transactions contemplated hereby

SECTION 4. The Commissioner of the Department, or a designee of the Commissioner, is each hereby authorized to enter into an intergovernmental agreement with the State with respect to the State Grant (the "Intergovernmental Agreement") and to enter into a grant agreement with the Team (the "Grant Agreement"), pursuant to which the City will transfer the Government Contribution to the Team and will grant the City Contribution to the Team. The Intergovernmental Agreement(s) and the Grant Agreement shall each contain such terms and conditions as shall be deemed by the Commissioner in the best interests of the City, including a covenant to appropriate funds for the City Contribution, if necessary.

SECTION 5. The Budget Director, or a designee of the Budget Director, is each hereby authorized to enter into an amendment (the "Amendment") to the Team Agreement with respect to the use of money in the CubFund for the Security Enhancement Project. The Amendment shall contain such terms and conditions as shall be deemed by the Budget Director in the best interests of the City.

SECTION 6. The Mayor or his proxy is authorized to execute, and the City Clerk or the Deputy City Clerk is authorized to attest, a quitclaim deed conveying the Team Parcel to the Team in its "as is" condition.

SECTION 7. If any provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this Ordinance. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code, or part thereof, is in conflict with the provisions of this Ordinance, the provisions of this Ordinance shall control.

SECTION 8. This Ordinance shall take effect immediately upon its passage and approval.

Honorable Bennett Lawson
Alderman, 44th Ward