

**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE VILLAGE OF OAK PARK AND THE BOARD OF EDUCATION  
OF OAK PARK ELEMENTARY SCHOOL DISTRICT NUMBER 97**

**THIS MEMORANDUM OF UNDERSTANDING** is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2014, between the Village of Oak Park, an Illinois home rule municipal corporation (hereinafter referred to as the “Village”) and the Board of Education of Oak Park Elementary School District Number 97, a school district organized under the Illinois School Code, 105 ILCS 5/1-1 et seq. (hereinafter referred to as the “District”).

**RECITALS**

**WHEREAS**, the Village previously adopted in February of 1995 the Madison Street Business Corridor Tax Increment Financing Redevelopment Plan and Project (“Madison Plan”) for the Village’s Madison Street Business Corridor Redevelopment Project Area (“Madison TIF District”) pursuant to the Tax Increment Allocation Redevelopment Project Act, 65 ILCS 5/11-74.4-1 et seq. (“TIF Act”); and

**WHEREAS**, as a result of the creation of the Madison TIF District, the Village entered into an Intergovernmental Agreement with the District dated February 6, 1995 (“1995 Agreement”) and an Intergovernmental Agreement dated April 25, 2007 with the District (“2007 Agreement”) concerning annual payments and other matters pertaining to the Madison TIF District, which agreements are limited to the Madison TIF District through tax year 2018 to be paid in 2019, and these agreements shall be held in abeyance and not be enforced as more fully set forth herein; and

**WHEREAS**, the Madison Plan includes the following activities which may be undertaken by the Village to promote the goals and objectives of the Madison Plan:

1. Enter into contracts necessary to implement the Madison Plan;
2. Acquire property and assemble redevelopment sites;
3. Clear any area by demolition or removal of existing buildings and structures;
4. Install, repair, construct, reconstruct or relocate streets, utilities, and site improvements essential to the preparation of the redevelopment area;
5. Construct public facilities; and
6. Exercise any and all other powers necessary to effectuate the purposes of the TIF Act; and

**WHEREAS**, it is necessary that the Madison Plan be amended pursuant to this Memorandum of Understanding to add the construction of a school facility, i.e., a new District

administration building, as an activity that may be undertaken by the Village pursuant to the Madison Plan so that the Village may fund the construction of a new District administration building on property owned by the Village at the property commonly known as 260 Madison, Oak Park, Illinois (“260 Madison”) located within the Madison TIF District; and

**WHEREAS**, the Village shall transfer ownership of 260 Madison to the District and the District shall transfer ownership of the District’s property commonly known as 970 Madison, Oak Park, Illinois (“970 Madison”), located within the Madison TIF District, to the Village so that the Village may effectuate the private redevelopment of 970 Madison; and

**WHEREAS**, pursuant to this Memorandum of Understanding, it is contemplated that the District will relocate its Maintenance Facility at the property commonly known as 541 Madison, Oak Park, Illinois (“541 Madison”), located within the Madison TIF District, to a portion of the Village’s Public Works Center located at the property commonly known as 201 South Boulevard, Oak Park, Illinois (“Public Works Center”) and that the District will use its best efforts to sell 541 Madison pursuant to State law; and

**WHEREAS**, Section 11-74.4-3(q) of the TIF Act, 65 ILCS 5/11-74.4-3(q), authorizes the Village to incur “redevelopment project costs,” which include “the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan and a redevelopment project;” and

**WHEREAS**, under Section 11-74.4-3(q)(3) of the TIF Act, 65 ILCS 5/11-74.4-3(q)(3), such incremental ad valorem taxes which have been collected and are allocated to pay redevelopment project costs and obligations incurred in the payment thereof (“Increment”) may be used to pay all or a portion of a taxing district’s “cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;” and

**WHEREAS**, under Section 11-74.4-3(q)(7) of the TIF Act, 65 ILCS 5/11-74.4-3(q)(7), such Increment may be used to pay all or a portion of a taxing district’s capital costs resulting from a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs; and

**WHEREAS**, under Section 11-74.4-3(q)(8) of the TIF Act, 65 ILCS 5/11-74.4-3(q)(8), such Increment may be used to pay all or a portion of a taxing district’s “[r]elocation costs to the extent that a municipality determines that relocation costs shall be paid;” and

**WHEREAS**, the District is a taxing district under the TIF Act; and

**WHEREAS**, with the amendment of the Madison Plan set forth above, the activities contemplated herein to be undertaken by the Village shall be authorized by the Madison Plan and are TIF eligible redevelopment project costs pursuant to the provisions of the TIF Act cited above; and

**WHEREAS**, Article VII, Section 10 of the Illinois Constitution of 1970 and the Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.*, authorize units of local government to contract or otherwise associate among themselves to obtain or share services, to exercise, combine or transfer any power or function, in any manner not prohibited by law; and

**WHEREAS**, the Village and the District (collectively referred to as “the Parties”) are public agencies as that term is defined in the Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.*; and

**WHEREAS**, the Local Government Property Transfer Act, 50 ILCS 605/0.01 *et seq.*, further provides the Village and the District with the authority “to transfer all of the right, title and interest” held by either Party to the other Party upon such terms as are agreeable to the Parties; and

**WHEREAS**, pursuant to the terms set forth herein, the Parties have determined to enter into this Memorandum of Understanding to provide for the terms by which the Parties shall exchange certain parcels of property located within the Madison TIF District, and the Village shall reimburse the District for redevelopment project costs, all pursuant to Article VII, Section 10 of the Illinois Constitution of 1970, the Intergovernmental Cooperation Act, the Local Government Property Transfer Act and the TIF Act.

**NOW, THEREFORE**, pursuant to the authority set forth above and any and all other applicable laws, and in consideration of the mutual covenants and obligations contained herein, it is agreed between the Village and the District as follows:

**1. Recitals Incorporated.** The above recitals are incorporated herein as though fully set forth.

**2. Prior Intergovernmental Agreements.** The 1995 Agreement and the 2007 Agreement shall be held in abeyance and not be enforced until such time as the parties enter into a new intergovernmental agreement pursuant to Section 6.2 below. If the parties are unable to enter into a new intergovernmental agreement within the time set forth in Section 6.2, the Parties shall comply with, and fulfill, the terms of the 1995 Agreement and the 2007 Agreement.

**3. Construction of a new District Administration Building.** The Village shall fund the construction of a new District Administration Building (“Building”), subject to the following:

3.1. The Building shall be constructed at 260 Madison;

3.2. The Village will pay the costs of demolition of the current existing building at 260 Madison, estimated to be \$250,000, and the costs of environmental remediation at 260 Madison in preparation for construction, estimated to be \$100,000, as TIF eligible redevelopment project costs;

- 3.3. The District shall be responsible for the construction of the Building, generally to include architectural, engineering, and construction costs, upon the Village's completion of the demolition of the existing building at 260 Madison and the environmental remediation of the property;
- 3.4. The Village shall reimburse the District for the costs of the Building set forth in Section 3.3 above, not to exceed \$6,300,000, as TIF eligible redevelopment project costs; and
- 3.5. The Village shall establish an escrow account in the amount of \$6,300,000 to reimburse the District for the costs of the Building. The Parties shall establish a process for payments to be made from the escrow account in the new intergovernmental agreement between the Parties which shall include approvals by the Parties' authorized representatives and a list by categories of approved expenses.

**4. Exchange of Properties Located within the Madison TIF District.** In exchange for the Village's commitments set forth in Sections 2 and 3 above, the District shall transfer ownership of 970 Madison to the Village. The transfer of 970 Madison shall occur after the issuance of an occupancy permit for the District's Building pursuant to Section 3 above. In advance of the exchange of the properties set forth in this Section 4, the District shall execute a letter of representation to allow the Village to market 970 Madison for private sale and redevelopment. Upon the effective date of this Memorandum of Understanding and the District's engagement of an architect for the design of its Building and notice to the Village of such engagement, the Village shall use best efforts to begin the environmental remediation of 260 Madison.

**5. Relocation of District Maintenance Facility located within the Madison TIF District.** Immediately upon the satisfaction of the contingencies set forth in Section 6 below, the District shall use its best efforts to sell 541 Madison pursuant to terms satisfactory to the District. The District shall immediately market 541 Madison for sale upon the effective date of a new intergovernmental agreement between the parties. The District shall be entitled to retain the proceeds from the sale of 541 Madison. Prior to the completion of the sale of 541 Madison, the Village and the District shall enter into an intergovernmental agreement for the relocation of the District's Maintenance Facility to a portion of the Village's Public Works Center located outside the Madison TIF District rent free for a period of 40 years. The District shall be permitted to relocate its Maintenance Facility to a portion of the Village's existing Public Works Center upon the sale of 541 Madison or by December 31, 2017, whichever comes first. The District's relocation of its Maintenance Facility to a portion of the Village's Public Works Center must occur prior to the termination of the designation of the Madison TIF District.

**6. Contingencies.** The terms of this Memorandum of Understanding shall be contingent upon the following:

- 6.1. The successful amendment of the Madison Plan to include the construction of a school facility as a TIF eligible redevelopment project cost pursuant to the required process under the TIF Act; and
- 6.2. The entry by the Parties into a new intergovernmental agreement consistent with the terms of this Memorandum of Understanding, which shall include a provision that the 1995 Agreement and the 2007 Agreement between the Parties concerning annual payments and other matters pertaining to the Madison TIF District shall be superseded and replaced by the intergovernmental agreement to be entered into between the Parties pursuant to this Memorandum of Understanding. The new intergovernmental agreement shall be approved by the Village concurrent with the amendment of the Madison Plan as set forth in Section 6.1 above, and the District shall approve the new intergovernmental agreement within seven (7) days thereafter or within a time period as agreed to in writing by the Parties.

**7. Binding Authority.** The individuals executing this Memorandum of Understanding on behalf of the Village and the District represent that they have the legal power, right, and actual authority to bind the Village and the District to the terms and conditions set forth herein.

**8. Effective Date.** The effective date of this Memorandum of Understanding as reflected above shall be the last date that it is executed by one of the Parties as reflected below.

**9. Counterparts.** This Memorandum of Understanding may be executed in counterparts, each of which shall be an original and all of which shall constitute one and the same document.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK -  
SIGNATURE PAGE FOLLOWS]**

**IN WITNESS WHEREOF**, the Parties hereto have each caused this Memorandum of Understanding to be executed by proper officers duly authorized to execute the same as of the date set forth beneath the signatures of their respective officers set forth below.

**VILLAGE OF OAK PARK**

**BOARD OF EDUCATION OF OAK PARK  
ELEMENTARY SCHOOL DISTRICT NUMBER  
97**

\_\_\_\_\_  
By: Cara Pavlicek  
Its: Village Manager

\_\_\_\_\_  
By: Bob Spatz  
Its: Board President

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTEST**

**ATTEST**

\_\_\_\_\_  
By: Teresa Powell  
Its: Village Clerk

\_\_\_\_\_  
By: Sheryl Marinier  
Its: Board Secretary

Date: \_\_\_\_\_

Date: \_\_\_\_\_