

91-R-17

A RESOLUTION

Authorizing the City Manager to Execute a Memorandum of Understanding with Northwestern University Regarding Annual Voluntary Payments by the University

Legislative Statement. Northwestern University (“Northwestern”) is the owner of real property located at 1840 Oak Avenue, 2522 Orrington Avenue, and 630 Clinton Place (collectively, the “Properties”).

The Properties lie within the following taxing districts: the City of Evanston (“City”), Evanston/Skokie School District 65 (“District 65”), and Evanston Township High School District 202 (“District 202”) (collectively, the “Taxing Entities”). Due to Northwestern’s acquisition of the Properties as a tax-exempt entity, the Properties are exempt from remitting property taxes to Cook County, the revenues from which would then be distributed to the Taxing Entities. By way of a January 31, 2017 written commitment issued to the City, Northwestern stated that to protect and preserve City revenues and demonstrate its commitment to the City and Evanston schools, Northwestern committed to making annual voluntary payments to the City in the amount of three hundred fifty thousand dollars (\$350,000.000) per year for the Properties.

The City Council subsequently adopted Resolution 23-R-17, which memorialized the City’s intent to allocate and reimburse District 65 and District 202 funds that are commensurate in dollar value to the property tax revenue that those two school districts would otherwise receive if the Properties remitted property taxes to Cook County.

The City Council determined that the best interests of the City would be served by executing a memorandum of understanding ("MOU") with Northwestern to memorialize the agreement between the City and Northwestern regarding the subject of annual voluntary payments and other actions related to the dissolution of the Northwestern University/Evanston Research Park.

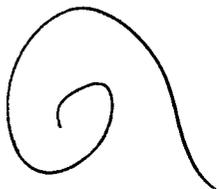
NOW BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS, THAT:

SECTION 1: The foregoing legislative statement is hereby found as fact and incorporated herein by reference. The Legislative Statement in Section 1 is declared to be prima facie evidence of the law of the City and will be received in evidence as provided by the Illinois Compiled Statutes and the courts of the State of Illinois.

SECTION 2: The City Manager is hereby authorized to execute the attached Exhibit A, the MOU between the City and Northwestern. The Corporation Counsel is authorized to approve the MOU as to form and legality prior to its execution by the City Manager.

SECTION 3: This resolution will be in full force and effect from and after the date of its passage and approval in the manner provided by law.

Attest:



Devon Reid, City Clerk



Stephen H. Hagerty, Mayor

Adopted: November 27, 2017

EXHIBIT A

MEMORANDUM OF UNDERSTANDING

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING (this "Memorandum") is made and entered into as of the ____ day of October, 2017 (the "Effective Date"), by and among NORTHWESTERN UNIVERSITY, an Illinois corporation ("Northwestern"), and THE CITY OF EVANSTON, a municipal corporation (the "City"). Northwestern and the City are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS:

A. WHEREAS, Northwestern and the City have a long history of working together to enhance and support the Evanston community through various partnerships and collaboration.

B. WHEREAS, Northwestern and the City entered into that certain Statement of Understanding dated February 5, 1986, as amended by Amendment dated June 23, 1986, which outlined the creation, development, and operation of a research park in the area depicted on the attached Exhibit A (the "Research Park").

C. WHEREAS, in connection with the creation of the Research Park, the Parties and other entities involved with the Research Park entered into certain other agreements, including, without limitation, that certain Declaration of Covenants, Conditions, Restrictions, and Easements for Northwestern University/Evanston Research Park dated March 24, 1998 and recorded with the Cook County Recorder on March 24, 1998 as document 88122433 (the "Declaration," and together with all documents executed in connection with the creation, development, operation, or dissolution of the Research Park, the "Research Park Documents").

D. WHEREAS, a Special Warranty Deed was recorded with the Cook County Recorder of Deeds on April 2, 2001 as Document 00102260626.

E. WHEREAS, each of Northwestern and the City determined that it was in its respective best interest to wind up the affairs of the Research Park, and in furtherance of such goal, took various steps from 2000-2006 to wind up the Research Park operations, including officially dissolving Northwestern University/Evanston Research Park, Inc. on December 13, 2006 (the "Dissolution").

F. WHEREAS, despite the Dissolution, some of the Research Park Documents were not fully terminated or released of record with respect to portions of the Research Park.

G. WHEREAS, Northwestern is exempt from paying real property taxes, but, recognizing the City's need to protect and preserve revenues stemming from real property taxes, Northwestern has, from time to time, committed to making annual voluntary payments to the City in connection with Northwestern's acquisition of real property located in Evanston. This includes payments identified in that certain letter, attached as Exhibit B, from Northwestern to the City dated January 31, 2017 referencing, among other properties, certain property located within the Research Park and located at 1840 Oak Avenue, Evanston, Illinois.

H. WHEREAS, the Parties desire to fully dissolve all obligations, covenants and commitments with respect to the Research Park.

1. WHEREAS, the Parties commit to ongoing cooperation with respect to the Evanston community and commit to identifying and further defining certain agreements as to Northwestern's acquisition of real property located within the Research Park.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the Parties hereto agree as follows:

1. Recitals. The foregoing recitals are acknowledged to be accurate and are incorporated herein by reference. The Parties intend that the agreements of the Parties set forth in this Memorandum shall, in all respects, supersede and control over any conflicting provisions in the Research Park Documents. Accordingly, in the event of any conflict between the terms and provisions of this Memorandum and the terms and provisions of the Research Park Documents, the terms and provisions of this Memorandum shall, in all instances, control and prevail.

2. Dissolution Further Assurances. The Parties hereby agree to make any and all further deliveries and assurances (including the execution of any documents) as may be reasonably necessary to further the Dissolution.

3. Annual Voluntary Payments. Northwestern University hereby affirms its commitment to making annual voluntary payments each December in the amount currently identified in Exhibit B for the properties located at 630 Clinton, 2522 Orrington, and 1840 Oak Avenue. In the event Northwestern University acquires any other property located within the Research Park, it affirms its commitment to likewise making annual voluntary payments for such property(ies), each December in an amount which shall be calculated in the same manner as the payments referenced in Exhibit B and corresponds to and reflects the financial impact upon the City of Evanston. In addition, the payments discussed in this paragraph will be evaluated annually by the University in order to ensure that the University's commitment to protect and preserve the City's revenues and demonstrate its commitment to the City of Evanston and the Evanston schools as set forth in Exhibit B is met. If an adjustment to the voluntary payment is needed, such adjustment will be calculated using the same methodology as was used to calculate the voluntary payments provided for in Exhibit B. The Parties agree to reasonably cooperate regarding such voluntary payments.

4. Consent – 1840 Oak Avenue. The City consents to Northwestern's acquisition of 1840 Oak Avenue to the extent that the City's consent is required pursuant to the Declaration or other document recorded against any such part of the Research Park. In furtherance thereof, the City further agrees to execute and deliver to Northwestern any documents reasonably requested by Northwestern to evidence such consent, including, without limitation, that certain Consent in the form attached hereto as Exhibit C (the "1840 Consent"). The parties acknowledge and agree that upon full execution of the 1840 Consent, Northwestern may, at Northwestern's election and expense, record the 1840 Consent with the Cook County Recorder of Deeds.

5. Consent – Any Other Property(ies) Located Within the Research Park. In consideration of Northwestern's satisfaction of the terms of this Agreement, the City consents to Northwestern's acquisition of any other property(ies) located within the Research Park, to the extent that the City's consent is required pursuant to any document recorded against any such

part of the Research Park. In furtherance thereof, the City further agrees to execute and deliver to Northwestern any documents reasonably requested by Northwestern to evidence such Consent. The Parties acknowledge and agree that upon full execution of such Consent, Northwestern may, at Northwestern's election and expense, record such Consent with the Cook County Recorder of Deeds.

6. Entire Agreement; Modification. This Memorandum contains the entire agreement among the Parties with respect to the matters contemplated hereby, and supersedes all prior agreements, written or oral, with respect thereto. This Memorandum may not be modified, changed, amended, supplemented or rescinded except pursuant to a written instrument that is duly executed by all Parties. The Parties agree to be bound by all terms of this Memorandum, unless it is modified by all Parties as provided herein.

7. Invalid Provisions. If any provision of this Memorandum is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of any Party under this Memorandum will not be materially and adversely affected thereby, (a) such provision will be fully severable, (b) this Memorandum will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, and (c) the remaining provisions of this Memorandum will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom.

8. Counterparts. This Memorandum may be executed in one or more original counterparts, each of which when taken together shall constitute one and the same original Memorandum. Any signature delivered by facsimile or by electronic transmission shall be deemed to be an original signature hereto.

9. Headings. The Parties hereby acknowledge and agree that all headings contained in this Memorandum are used solely for convenience and are not to be interpreted as part of this Memorandum.

[Signature pages follow]

IN WITNESS WHEREOF, the undersigned have executed this Memorandum of Understanding as of the Effective Date first written above.

NORTHWESTERN UNIVERSITY,
an Illinois corporation,

By: _____
Name: _____
Title: _____

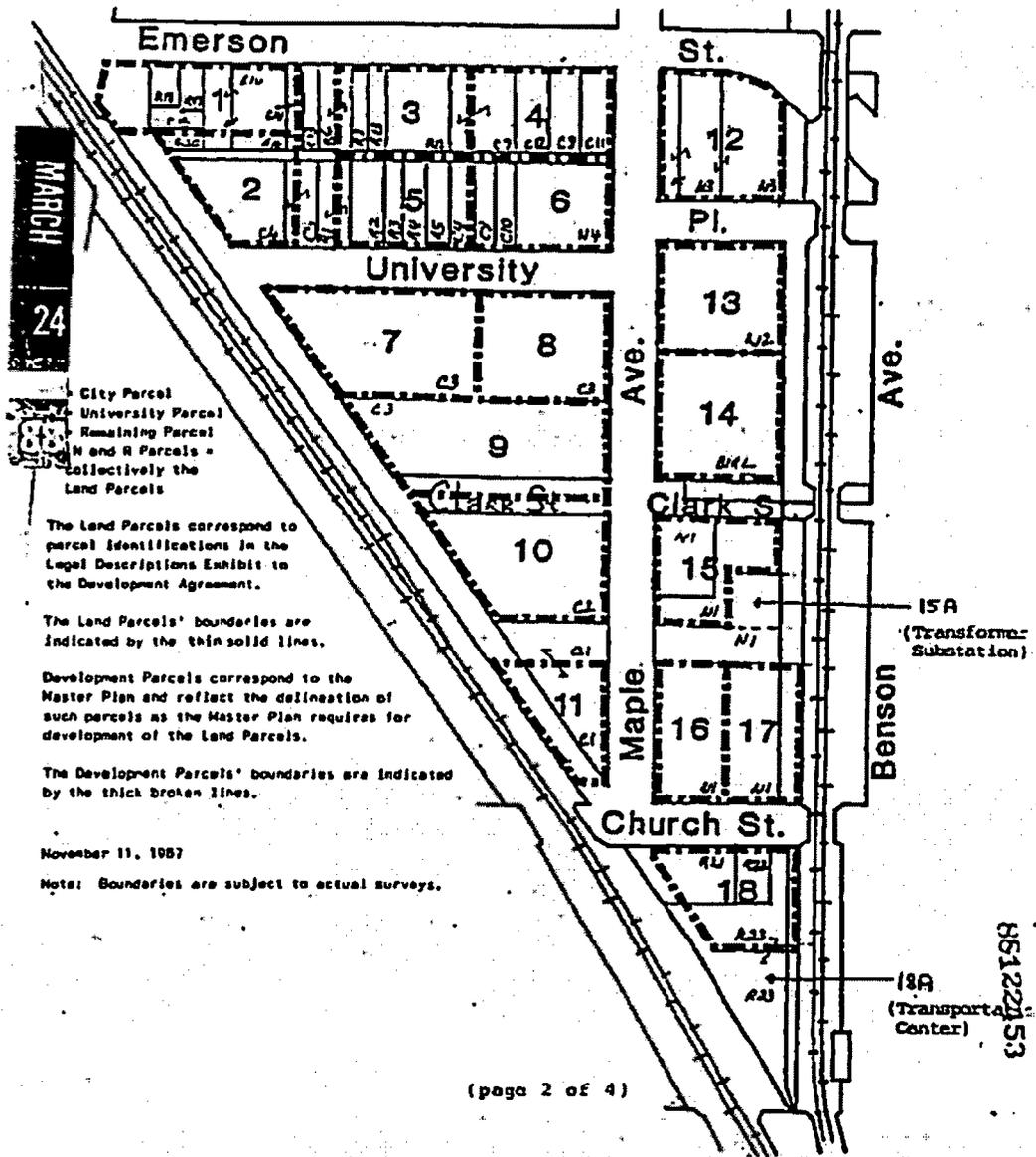
THE CITY OF EVANSTON,
an Illinois municipal corporation

By: _____
Wally Bobkiewicz
City Manager, City of Evanston

[Signature Page to Memorandum of Understanding]

EXHIBIT A

Depiction of the Research Park



MARCH
24

City Parcel
University Parcel
Remaining Parcel
N and R Parcels -
Collectively the
Land Parcels

The Land Parcels correspond to parcel identifications in the Legal Descriptions Exhibit to the Development Agreement.

The Land Parcels' boundaries are indicated by the thin solid lines.

Development Parcels correspond to the Master Plan and reflect the delineation of such parcels as the Master Plan requires for development of the Land Parcels.

The Development Parcels' boundaries are indicated by the thick broken lines.

November 11, 1987

Note: Boundaries are subject to actual surveys.

(page 2 of 4)

HS122753

EXHIBIT B

Northwestern

Nim Chinniah
Executive Vice President

Rebecca Crown Center
600 Clark Street
Evanston, Illinois 60208-1106

nim.chinniah@northwestern.edu
Phone 847.491.8419

January 31, 2017

Mayor Elizabeth B. Tisdahl
2100 Ridge Avenue, #2500
Evanston, IL 60201

Dear Mayor Tisdahl,

Northwestern and the City of Evanston have been inextricably linked for over 150 years. Both the Evanston community and the University are storied institutions with a rich history of success and strength. Our partnership is now stronger than it has ever been. We are grateful for your leadership in building and sustaining this relationship along with President Morton Schapiro. You have our continued commitment to a long-term spirit of partnership and collaboration.

Over the past two years, the University has made commercial and residential real estate decisions in the Evanston community which have made a financial impact. These items include:

- Returning the 1620 Judson property back to the tax rolls
- Acquiring 630 Clinton
- Acquiring 2522 Orrington
- Acquiring 1840 Oak

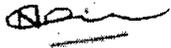
To protect and preserve City revenues and demonstrate our commitment to the City of Evanston and Evanston schools, Northwestern commits to making annual voluntary payments each December in the amount of \$350,000 to the City.

We also affirm our other commitments to strengthening our community. Some examples include the Good Neighbor Fund of a \$1 million annual contribution for five years, a recent commitment to the Robert Crown Community Center of \$1 million, the Evanston Township High School partnership office, the District 65 STEM coordinator, and support and partnership for jobs programs including the Mayor's Summer Youth Employment Program, the Skilled Trades Trainee Program, and the Evanston Workforce Development Program.

The acquisition of these properties by the University also contributes to achieving other priority initiatives for the City. Translational research space provides the opportunity for companies founded by our faculty to remain in Evanston, and thus strengthen our retail and local businesses by contributing jobs and enlivening our city center.

We are proud of our growing and vibrant partnership with the City of Evanston and the impact it is having on our community and our University. We thank you for your continued collaboration, support, and leadership.

Sincerely,



Nim Chinniah
Executive Vice President

CC: Wally Bobkiewicz, City Manager, City of Evanston

EXHIBIT C

1840 Consent

**THIS INSTRUMENT PREPARED BY
AND AFTER RECORDING SHOULD BE
RETURNED TO:**
KRISTEN M. BOIKE
JENNER & BLOCK LLP
353 NORTH CLARK STREET
CHICAGO, ILLINOIS 60654

Above Space for Recorder's Use Only

CONSENT

THE CITY OF EVANSTON, a municipal corporation created and existing under and by virtue of the laws of the State of Illinois, whose address is 2100 Ridge Avenue, Evanston, Illinois 60601 (the "City"), hereby consents to the conveyance of the real estate located at 1840 Oak Avenue, Evanston, Illinois and described on Exhibit A attached hereto and made a part hereof (the "Premises") from 1840 Oak LLC, an Illinois limited liability company, to Northwestern University, an Illinois corporation ("Northwestern"), which consent is required by that certain Special Warranty Deed dated March 30, 2001 and recorded with the Cook County Recorder of Deeds on April 2, 2001 as Document 0010260626.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the City of Evanston has executed this Consent effective as of January 20, 2017.

THE CITY OF EVANSTON,
an Illinois municipal corporation

By: _____
Name: _____
Title: _____

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the State and County provided above, do hereby certify that _____, the _____ of THE CITY OF EVANSTON, an Illinois municipal corporation, on behalf of such entity, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such _____, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said company for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, 2017.

Notary Public

My commission expires on _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PREMISES

PARCEL 1:

THE SOUTH 11 1/2 FEET OF LOT 3, MEASURED ALONG THE EAST LINE THEREOF IN OWNER'S SUBDIVISION OF LOT 21 IN COUNTY CLERK'S DIVISION OF UNSUBDIVIDED LANDS IN THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 13, 14 AND 15 IN BLOCK 1 IN CIRCUIT COURT SUBDIVISION OF PART OF LOT 22 IN COUNTY CLERK'S DIVISION OF UNSUBDIVIDED LANDS IN SECTION 18, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPT THAT PART OF LOTS 13 AND 14, IF ANY, WHICH FALLS IN LOTS 1 AND 3 IN OWNER'S SUBDIVISION OF LOT 21 IN COUNTY CLERK'S DIVISION AFORESAID OF UNSUBDIVIDED LANDS IN THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THE SOUTH 11 1/2 FEET OF LOT 1 IN OWNER'S SUBDIVISION OF LOT 21 IN COUNTY CLERK'S DIVISION OF UNSUBDIVIDED LANDS IN THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NUMBERS: 11-18-112-005-0000
11-18-112-040-0000
11-18-112-042-0000 (previously 11-18-112-031)

PROPERTY ADDRESS: 1840 Oak Avenue, Evanston, Illinois