

67-R-18

A RESOLUTION

APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF CHICAGO DEPARTMENT OF TRANSPORTATION TO SEEK APPROVAL TO SHARE IN REVENUE IN THE DIVVY SPONSORSHIP AGREEMENT

WHEREAS, the City of Evanston (“Evanston”) and the City of Chicago (“Chicago”) are home rule municipalities in accordance with Article VII, Section 6 of the Constitution of the State of Illinois of 1970, and pursuant to the authority vested as home rule municipalities, they may contract or otherwise associate among themselves, or transfer any power or function, in any manner not prohibited by law or ordinance; and

WHEREAS, Chicago received grant funding totaling \$28,000,000 (the “Grant Funds”) from the federal government which paid for the cost of purchase and installation of the infrastructure of a bike sharing system within Chicago (the “System”), which was supplemented by City of Chicago funds totaling approximately \$6,500,000; and

WHEREAS, Chicago currently serves as a fiscal agent to a portion of the Grant Funds to the City of Evanston in the amount of \$320,000, (the “Evanston Pass-Through Grant”) and Evanston provided \$80,000 in funds to supplement the Evanston Pass-Through Grant (the “Local Match Funds”); and

WHEREAS, the City of Chicago entered into a sponsorship agreement with Blue Cross Blue Shield of Illinois for the System, which expires on May 1, 2019 and the Parties seek to permit Evanston to share in future sponsorship revenue proportionally based on its share of Evanston bikes in the System; and

WHEREAS, Chicago and Evanston desire to enter into a memorandum of understanding agreement to outline the parties desire to document their intention to change the division of sponsorship revenue from what was previously agreed to in the Agreement;

WHEREAS, Concurrent with this Resolution, Evanston is also executing an extension agreement with Divvy/Motivate for three years, starting January 1, 2019 through December 31, 2021. Any sponsorship agreement between Evanston and Chicago should extend for a term of at least three years, to be consistent with the Divvy/Motivate agreement and provide for an optional extension to match City of Chicago's term with Divvy/Motivate to January 23, 2023,

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

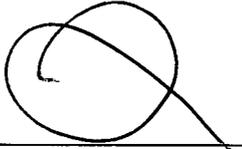
SECTION 1: The City Council hereby adopts the foregoing recitals as its findings, as if fully set forth herein.

SECTION 2: The City Council hereby approves, pursuant to the City of Evanston's home rule power, the Agreement in the form attached to this Resolution as Exhibit A.

SECTION 3: The City Council hereby authorizes and directs, pursuant to the City's home rule power, the City Manager to execute, on behalf of the City, the Agreement with City of Chicago so long as the Agreement: (i) is in substantially the form attached to this Resolution as Exhibit A; and (ii) has been approved by the Corporation Counsel.

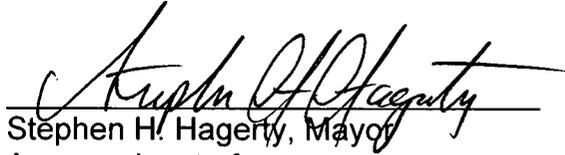
SECTION 4: This Resolution shall be in full force and effect from and after its passage and approval according to law.

Attest:



Devon Reid, City Clerk

Adopted: September 17 2018



Stephen H. Hagerly, Mayor

Approved as to form:



Michelle L. Masoncup, Corporation
Counsel

EXHIBIT A

MEMORANDUM OF UNDERSTANDING

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF CHICAGO
AND THE CITY OF EVANSTON
REGARDING SPONSORSHIP REVENUE**

THIS MEMORANDUM OF UNDERSTANDING (“Memorandum”) is entered into as of _____, 2018 (“**Effective Date**”) by and between the City of Chicago, a municipal corporation and home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois, by and through its Department of Transportation (the “**City**”), and the City of Evanston (“**Evanston**”).

RECITALS

WHEREAS, the City has installed the infrastructure of a bike sharing system within the City (the “**System**”); and

WHEREAS, the City agreed to act as a fiscal agent for grant funds in the amount of \$320,000 that were granted to Evanston in order for Evanston to acquire and operate substantially identical bicycle sharing system as the System (the “**Evanston System**,” and with the System, the “**Entire System**”); and

WHEREAS, the City and Evanston entered in to an agreement governing the grant funds and revenue sharing for the Entire System in that certain Intergovernmental Agreement Between The City of Chicago and the City of Evanston Regarding the Chicago City-Wide Bike Sharing System dated February 23, 2016 (the “**Agreement**”); and

WHEREAS, the City and Evanston wish to enter into this Memorandum to document their intention to change the division of sponsorship revenue from what was previously agreed to in the Agreement;

NOW, THEREOFRE, the parties have reached the following understanding:

1. The City entered into a sponsorship agreement with the Blue Cross Blue Shield of Illinois (“**BCBSIL**”) that will expire on May 1, 2019 (the “**Sponsorship Agreement**”). Pursuant to the Agreement, the City retained all of the sponsorship revenue generated by the Sponsorship Agreement.

2. Upon the expiration of the Sponsorship Agreement, the City intends to enter into a new sponsorship agreement (the “**New Sponsorship Agreement**”) with BCBSIL or a different sponsor.

3. The New Sponsorship Agreement will generate revenue (the “**Sponsorship Revenue**”), of which the City intends to retain the percentage that is based on the number of

bikes in its System in proportion to the number of bikes in the Entire System and provide to Evanston the percentage that is based on the number of bikes in the Evanston System in proportion to the number bikes in the Entire System (the “**Evanston Revenue Share**”).

4. Evanston intends to receive the Evanston Revenue Share.

5. The City and Evanston both acknowledge and agree that the division of Sponsorship Revenue generated by the New Sponsorship Agreement as described herein is conditional and contingent on an amendment to the Agreement that would authorize the City to share the Sponsorship Revenue with Evanston and must be approved by the City Council of the City (“**City Council**”) and that this Memorandum only documents the current understanding of the parties and in no way obligates or requires the City to divide the Sponsorship Revenue as described herein unless such an amendment to the Agreement is approved by City Council. The City warrants that it will seek approval for the Evanston Revenue Share as outlined in this Memorandum; approval of the Evanston Revenue Share is in its sole discretion.

6. This Memorandum may be executed in counterparts, each of which shall be deemed an original.

7. This Memorandum shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to its conflict of laws principles.

8. Each of the signatories hereto has read and understands this Memorandum and that person has full power and authority to enter into this Memorandum for and on behalf of the party for whom said signatory is signing.

IN WITNESS WHEREOF, each of the parties has caused this Memorandum to be executed and delivered as of the date first above written.

CITY OF CHICAGO, ILLINOIS

By: _____
Name: Rebekah Scheinfeld
Commissioner
Department of Transportation

CITY OF EVANSTON, ILLINOIS

By: _____
Name: Wally Bobkiewicz
Title: City Manager