



## Legislation Details (With Text)

<b>File #:</b>	21-1212	<b>Version:</b>	1
<b>Type:</b>	Resolution	<b>Status:</b>	Passed
<b>File created:</b>	9/13/2021	<b>In control:</b>	City Council
<b>On agenda:</b>	9/21/2021	<b>Final action:</b>	9/21/2021
<b>Title:</b>	Adopt the resolution re-affirming the City of Naperville's commitment to fund up to \$1,200,000 to the Naperville Heritage Society for the Innovation Gateway capital improvement at Naper Settlement		
<b>Sponsors:</b>			
<b>Indexes:</b>			
<b>Code sections:</b>			
<b>Attachments:</b>	1. Resolution Naper Settlement Innovation Gateway Funding 2021_09_21, 2. Resolution 19-45 Naper Settlement Ag Center 2019_11_19, 3. Resolution 21-20 Naper Settlement Ag Center 2021_07_20		

Date	Ver.	Action By	Action	Result
9/21/2021	1	City Council	adopted	Pass

### CITY COUNCIL AGENDA ITEM

#### ACTION REQUESTED:

Adopt the resolution re-affirming the City of Naperville's commitment to fund up to \$1,200,000 to the Naperville Heritage Society for the Innovation Gateway capital improvement at Naper Settlement

**DEPARTMENT:** Legal Department

**SUBMITTED BY:** Michael DiSanto, City Attorney

#### **BOARD/COMMISSION REVIEW:**

N/A

#### **BACKGROUND:**

The City of Naperville (**City**) is the owner of the land and buildings known as the Naper Settlement. The Naperville Heritage Society (**Society**) was established in 1969 to preserve Naperville's historic landmarks and materials, exhibiting, educating, and interpreting them to the public as well as developing the City's nationally accredited outdoor museum known as Naper Settlement. In 1979, the City and Society formally partnered and reached certain agreements pertaining to the management, maintenance, development, operation, and financing of the Naper Settlement.

The Society has determined it to be in the best interest of the Naper Settlement to engage in a capital campaign for the construction and establishment of the Innovation Gateway and the Agricultural Center on the Naper Settlement property (**Capital Improvements**).

The proposed Innovation Gateway (**Innovation Gateway**) will be an approximately 4,000 square foot Digital Experience & Welcome Zone and Education Center, and will serve as the entrance to Naper Settlement where visitors may enjoy an interactive digital experience that will connect them to Naperville's 20th and 21st century residents - from humanitarians to visionaries - and visitors will be

able to upload their own story and become a part of history.

The proposed Agricultural Center (**Agricultural Center**) will be an approximately 3,900 square foot exhibition and lab space on Naper Settlement's premises showcasing the contributions of Naperville's farming community. Visitors will be able to visit the learning laboratory and talk with today's botanists and engineers working to generate new ways of feeding, clothing and energizing the world.

In 2019, the Society informed the City that it desired to construct and establish the Capital Improvements and that City financial assistance is needed. The City has the authority, pursuant to the laws of the State of Illinois and its home rule authority, to use its credit, revenues, and other resources to pay costs and service debt related to activities which involve a public purpose.

At the October 15, 2019 City Council meeting, the Society presented Council with its request for the City to assist with financing the Capital Improvements. Council directed staff to bring back a resolution for Council consideration that memorialized the Council's support for City funding of Naper Settlement's proposed Capital Improvements.

On November 19, 2019, City Council unanimously adopted a resolution memorializing Council's support of the two proposed projects, and that the City would consider contributing up to \$2.4 million for the two projects subject to certain conditions.

Resolution 19-045 (attached) specified that the total amount of City funding for the two capital improvements shall not exceed 1/3 of the total cost and that the City shall not contribute any funds towards the capital improvements unless and until the Society could fund at least 2/3 of the total cost.

In July of 2021, the Society informed the City that it had secured the necessary funding for the Agricultural Center and that it is nearing having the necessary funding for the Innovation Gateway. Due to grant deadlines associated with the Agricultural Center, the Society asked that the projects be bifurcated, and that the Council authorize \$1.2 million in City funding for the construction of the Agricultural Center.

On July 20, 2021, Council unanimously adopted Resolution 21-20 (attached) authorizing the City to transfer up to \$1,200,000 to the Society for the Agricultural Center

At that time, the Society informed Council that once the Society received the necessary outside funding for the Innovation Gateway it planned to come back to Council for authorization of the City funding portion.

### **DISCUSSION:**

Recently, the Society shared with the City that it is seeking a matching grant through the National Endowment for the Humanities (**NEH**) as a component of the two-thirds (2/3) funding requirement for the Innovation Gateway. To maximize the chances of obtaining the NEH matching grant, the Society requests that the City Council re-affirm its commitment for the remaining one-third (1/3) of construction costs associated with the Innovation Gateway.

The attached resolution re-affirms the City's commitment for the remaining one-third (1/3) of construction costs associated with the Innovation Gateway subject to the following conditions:

1. The total amount of funding which may be provided by the City for the Innovation Gateway shall not exceed one-third (1/3) of the total cost of the construction and establishment of the Innovation Gateway.
2. The City shall not contribute any funds towards the Innovation Gateway unless and until the Society has provided written proof, to the satisfaction of the Naperville City Manager, that the Society has secured funding by way of donations, pledged donations, and grants to cover at least two-thirds (2/3) of the total cost of the construction and establishment of the Innovation Gateway; and that the Innovation Gateway shall be completed and open to the public by January 1, 2024.
3. The City will contribute up to \$1,200,000 for the Innovation Gateway based on Society representations that the estimated cost, without endowment costs, is \$3,659,000, including an approximately \$231,498 contingency.
4. The City will disburse its contribution, up to \$1,200,000 to the Society in a construction draw method, whereby the City will issue progress payments to the Society as Innovation Gateway construction work is completed.
5. The City shall be reimbursed for any unused or unspent portion of the designated contingency (currently estimated at \$231,498) related to the construction and establishment of the Innovation Gateway.
6. The Society will lead, oversee and be financially responsible for the construction efforts as construction owner/managers and as has been customary with previous capital projects the Society will gift ownership and possession of the Innovation Gateway to the City after its completion.

Note, because the Society had secured two-thirds of the funding for the Agricultural Center, Council took final action on July 20, 2021 to adopt a resolution providing funding authorization for the Agricultural Center. At this time, the Society has not yet secured two-thirds of the funding for the Innovation Gateway; therefore, the proposed resolution is a re-affirmation of Council's conditioned commitment to fund the Innovation Gateway if the Society secures the necessary funding. Once the Society has secured the requisite outside funding for the Innovation Gateway, the Society will need to come back to Council for final action on a City funding authorization. If that future resolution is adopted, then City staff will enter into a grant agreement with the Society concerning the execution of Council's direction and the disbursement of the funds.

**FISCAL IMPACT:**

If authorized at a future meeting, the City will disburse up to \$1.2 million for the Innovation Gateway capital improvement at Naper Settlement based on total estimated costs of approximately \$3.659 million.