



## Legislation Text

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### **CITY COUNCIL AGENDA ITEM**

#### **ACTION REQUESTED:**

Adopt the resolution authorizing the City of Naperville to transfer up to \$1,200,000 to the Naperville Heritage Society for the Agricultural Center 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 and interpreting them to the public, and developing the City's 19th century museum village 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 will be an approximately 5,150 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 4,500 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.

### **DISCUSSION:**

Attached is a letter to the Mayor and Council from the Naperville Heritage Society providing an update on the Agricultural Center and the Innovation Gateway.

The Society's letter states that it has 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 is asking that the projects be bifurcated, and that the Council authorize \$1.2 million in City funding for the construction of the Agricultural Center at this time. Once the Society has received all the necessary outside funding for the Innovation Gateway it plans to come back to Council for authorization of the City funding portion.

The letter also shares that the Settlement plans to change the location of the Agricultural Center on the Settlement grounds to best accommodate underground utilities. The Society plans to manage and be responsible for the construction and will gift the capital improvement to the City after completion.

The attached resolution authorizes the City to transfer up to \$1,200,000 to the Society for the construction and establishment of the Agricultural Center subject to the following conditions:

1. The total amount of funding which may be provided by the City for the Agricultural Center shall not exceed one-third (1/3) of the total cost of the construction and establishment of the Agricultural Center.
2. The City shall not contribute any funds towards the Agricultural Center 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 Agricultural Center; and that the Agricultural Center shall be completed and open to the public by July 1, 2023.
3. The City will contribute up to \$1,200,000 for the Agricultural Center based on Society representations that the estimated cost, without endowment costs, is \$3,659,238, including an approximately \$173,591 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 Agricultural Center construction work is completed.
5. The City shall be reimbursed for any unused or unspent portion of the designated contingency (currently estimated at \$173,591) related to the construction and establishment of the Agricultural Center.
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 Agricultural Center to the City after its completion.

If Council adopts the proposed resolution, 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, the City will disburse up to \$1.2 million for the Agricultural Center capital improvement at Naper Settlement based on total estimated costs of approximately \$3.7 million.