



**RELOCATION OF 1685 N. THROOP OPERATIONS PROJECT RFP
 RESPONSE TO REQUEST FOR CLARIFICATIONS #2
 June 28, 2017**

Question #	RFP Cross-Reference	Question	Response
32	4.1	What form of loan documents does the City anticipate executing for the construction loan?	<p>The City does not expect to execute, or be party to, a separate Project financing agreement.</p> <p>The City will execute only a DBF Agreement with the Developer. The DBF Agreement will include terms governing the timing and amounts of the payment(s) the City commits to make to the Developer contingent on the performance of the Developer, per the terms of the DBF Agreement. It is the Developer's responsibility to secure Project financing and execute any required financing documents. Project financing documents will need to conform to, and be consistent with, the terms and conditions of the DBF Agreement. The terms and conditions of the DBF Agreement will be negotiated and mutually agreed to during the Design Development Phase and prior to seeking City Council approval.</p>
33	4.1	Is the Developer financing subject to repayment by the City of Chicago?	<p>Reiterating and expanding on the Answer to Question #32; the DBF Agreement will be executed by the Developer and the City of Chicago and include the terms and conditions governing the City's payment obligations as well as the timing and amounts of such payment(s). The Developer will be responsible for repaying any debts incurred to deliver the Project.</p>
34	4.1	What role will the CIT have in repaying or guaranteeing the Project financing?	<p>The CIT will play no role in funding or financing the Project. The CIT is leading the Project procurement on behalf of, and in coordination with, the City of Chicago. The DBF Agreement will be solely between the Developer and the City of Chicago; the CIT will not be a party to the DBF Agreement.</p>
35	4.1	If the 1685 N. Throop site sold in less than 5 years, is the City obligated to make full payment on the DBF Agreement with sale proceeds?	<p>The City anticipates, but is not committing to, utilizing 1685 N. Throop sale proceeds to make DBF Agreement payment obligations as soon as possible.</p> <p>Further details regarding the timing of DBF Agreement payments and any security relating to the City's payment commitments will be refined with the Selected Respondent as part of the DBF Agreement negotiations, during the Design Development Phase.</p>
36	4.1	If the 1685 N. Throop site is not sold within the term of the DBF Agreement, will the City be obligated to make payments for work performed under the DBF Agreement by the Developer?	<p>Upon execution, the DBF Agreement will contractually obligate the City to make payments to the Developer for work performed, as per the terms contained within the DBF Agreement including such terms governing the timing and amount of such payment(s). Those payment obligations will not be contingent on the sale of the 1685 N. Throop St. site.</p>



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37	4.1	Is the City contemplating issuing mortgages on the three properties to finance the Project?	See Answer to Question #3, in Request for Clarification Responses issued June 26, 2017.
38	4.1	What security interest / collateral will be provided by the City to the Developer to secure Project financing?	See Answer to Question #3, in Request for Clarification Responses issued June 26, 2017.
39	7.1.3	If a financial institution providing a Financing Party Support Letter only has one credit rating from a major credit rating agency, will the Proposal be deemed to have failed the pass/fail evaluation?	No. Please see changes to Section 6.2.4.3, as revised by Addendum #2.
40	6.2.4.3	The financing institution credit rating requirement eliminates a number of local banks. Is there an exception to the rating that could be applied to local financial institutions?	<p>Please see changes to Section 6.2.4.3, as revised by Addendum #2.</p> <p>Note: The Financing Party Support Letters, required as part of RFP responses, are intended to demonstrate a Respondent's ability to secure Project financing from credible financing institutions. They do not constitute a commitment by the Respondent that the final Project financing will be secured from the same financial institutions that provided support letters. The ultimate committed Project financing, included in the final DBF Agreement, will be subject to City review and approval prior to contract execution.</p>
41	4.1	While the Project financing is outstanding, which party has the responsibility for the properties included in the Project?	The City will assume all operation and maintenance responsibilities upon Final Acceptance of each facility.