

ORDINANCE NO. 009-92

AN ORDINANCE AUTHORIZING AN
AGREEMENT BETWEEN THE
CHICAGO TRANSIT AUTHORITY AND
APPLE INC., FOR REFURBISHMENT
OF THE NORTH/CLYBOURN RED
LINE STATION

WHEREAS, Apple Inc., (“Apple”) is constructing a new retail store at 801 W. North Avenue, Chicago, Illinois, and landscaping the area adjacent to the store; and

WHEREAS, Apple has offered to pay the costs to refurbish the North/Clybourn Red Line station if it can landscape the adjacent bus turnaround; and

WHEREAS, The bus turnaround is not needed by Authority operations;
and

WHEREAS, The bus turnaround is owned by the City of Chicago (“City”) and the City will lease it to Apple at no charge if Apple pays the costs to refurbish the North/Clybourn station (“station”); and

WHEREAS, Due to timing constraints, Apple has agreed that its contractor will complete the refurbishment of the exterior of the station; and

WHEREAS, The Authority will complete the refurbishment of the platform level of the station concurrently with Apple’s work on the exterior; and

WHEREAS, The Authority has also agreed to complete the refurbishment of the interior of the station; and

WHEREAS, Apple will pay all costs of the exterior, interior, and platform refurbishment and desires that all work at these locations be completed not later than September 30, 2010; and

WHEREAS, Apple will also pay the Authority’s costs for design and construction management for all portions of the station refurbishment project; and

WHEREAS, The Authority has agreed to grant Apple a right of first refusal for naming/sponsorship rights at the station in the event the Authority chooses to offer such rights for sale; and

WHEREAS, The Authority has also agreed to grant Apple a right of first refusal to place advertising at the station through the Authority’s advertising contractor, if any; and

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WHEREAS, The cost for the exterior work at the station to be performed by Apple will not exceed One Million Seven Hundred Eighty-nine Thousand Dollars (\$1,789,000) and the cost for the design, construction management and construction work to be performed by the Authority on the interior of the station and at platform level will not exceed Two Million One Hundred Eight Thousand Dollars (\$2,108,000) for a total not-to-exceed amount to be paid by Apple of Three Million Eight Hundred Ninety-seven Thousand Dollars (\$3,897,000); and

WHEREAS, The term of the agreement between the Authority and Apple commences when the City approves a lease of the bus turnaround and ends on April 12, 2019, includes four five-year options to extend, a thirty day termination for default provision, an automatic termination if Apple's store lease terminates and mutual indemnification; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. The Chairman of the Chicago Transit Board is authorized to enter into an agreement with Apple Inc., which will commence upon City of Chicago approval of a lease of the bus turnaround and terminate on April 12, 2019, include four five-year options to extend, a thirty day termination for default provision, an automatic termination if the Apple store lease terminates, mutual indemnification and those other terms as are substantially in conformance with Exhibit A attached hereto, for the refurbishment of the North/Clybourn station on the Red Line.

SECTION 2. Pursuant to the Agreement, Apple Inc., will complete specified work to the exterior of the station at a cost not to exceed One Million Seven Hundred Eighty-nine Thousand Dollars (\$1,789,000), and will pay the Authority's costs for design, construction management and the work on the interior of the station and at platform level in an amount not to exceed Two Million One Hundred Eight Thousand Dollars (\$2,108,000) for a total for all hard and soft refurbishment costs to be paid by Apple Inc., in an amount not to exceed Three Million Eight Hundred Ninety-seven Thousand Dollars (\$3,897,000).

SECTION 3. The Authority will grant the right of first refusal to Apple Inc., for naming/sponsorship rights at the North/Clybourn station for market value in the event the Authority chooses to offer such rights for sale and to place advertising at the station through the Authority's advertising contractor, if any.

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SECTION 4. The approval of the agreement between the Authority and Apple Inc., will not become effective unless and until the City approves a lease of the bus turnaround property with Apple Inc.

SECTION 5. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

August 12, 2009

Assistant Secretary

August 12, 2009