

Appendix 2

Can the City of Chicago afford the Obama Presidential Center as currently planned?

When former mayor Rahm Emanuel announced the OPC plan back in 2015, times were flush and the City was in good financial shape. While the full costs to the City were not known, they were not an issue. Now that the City's financial position has changed for the worse and costs to the City are at least partially known, Jackson Park Watch believes it is time to take another look at this critical issue.

COSTS AND RESPONSIBILITIES: CITY OF CHICAGO v. OBAMA FOUNDATION Per 2018 Ordinance approving OPC in Jackson Park		
FEDERAL REVIEWS		
	CITY OF CHICAGO COST/RESPONSIBILITY	OBAMA FOUNDATION COST/RESPONSIBILITY
Securing required approvals through the Section 106 historic preservation review process and the National Environmental Protection Act (NEPA); securing Army Corps approvals/permits; securing NPS permission to give parkland to OPC under UPARR	As the official applicant of record, the City spent substantial amounts of money, allocated extensive staff time at DPD, CDOT, CPD, and retained outside consultants to prepare and manage these federal reviews. (Cost unknown, 2017-ongoing.)	No cost to Obama Foundation (O.F.)
"Mitigation" actions required by the MOA concluding the 106 review	City to pay \$8.6 million (2020 City estimate; work to be done 2021-2025)	No cost to O.F.
OBLIGATIONS OF OBAMA FOUNDATION PRIOR TO CONSTRUCTION		
	CITY OF CHICAGO COST/RESPONSIBILITY	OBAMA FOUNDATION COST/RESPONSIBILITY
Design of OPC buildings and new landscape design to replace Olmsted plan	No cost to City	O.F. to pay
Construction budget	City may waive this requirement	O.F. must submit written budget showing projected total construction costs (\$500 million est. in 2017, with potential added costs due to rising water levels in Lake Michigan)
Certification of having funds on hand or pledged	City may waive this requirement	O.F. must certify that it has received funds and/or written pledges that equal or exceed the project total construction cost

MBE/WBE requirement	City may waive this requirement	O.F. and its contractors and subcontractors must have City approval of hiring plans as set out in the ordinance, including accountability requirements
Endowment	City may waive this requirement	O.F. must establish an endowment to pay the costs to operate, enhance and maintain the OPC for 99 years
EXECUTION OF THE CURRENT OPC PLAN		
	CITY OF CHICAGO COST/RESPONSIBILITY	OBAMA FOUNDATION COST/RESPONSIBILITY
Site preparation, including relocation of utilities incl. water, sewer, electric	City to pay.	No cost to O.F.
Widening South Lake Shore Drive and Stony Island Avenues to accommodate Obama Foundation desire to eliminate a section of Cornell Drive and EB Midway Plaisance in Jackson Park [NOTE: The OPC could be built in Jackson Park without these roadway changes.]	City to manage and pay the total \$175 million cost of this discretionary roadwork (2018 estimate by City) [NOTE: this is a 35% public subsidy of the planned OPC, compared to a 22% public subsidy via TIFs of the Lincoln Yards development.]	No cost to O.F.
Removal of Cornell Drive and EB Midway segments	No cost to City	O.F. to pay (included in total cost above)
Site use after construction	Operation of new public library at OPC will be incorporated into regular CPL budget	O.F. to pay \$10 per year usage fee for 99 years