COMMITTEE ON FINANCE
MONTHLY RULE 45 REPORT FOR OCTOBER 2019

On October 10, 2019, at 10:05 a.m., the Committee on Finance held a meeting in City Hall, City Council Chambers, as required by Sec. 147(f) of the Internal Revenue Code of 1986, as amended (TEFRA Hearing).

The following members were present: Sadlowski-Garza, Thompson, Quinn, Lopez, O’Shea, Tabares, Scott, Burnett, Taliaferro, Reboyras, Austin, Villegas, Mitts, Sposato, Tunney, Chairman Waguespack.

The following members were absent: Hopkins, Dowell, King, Sawyer, Mitchell, Harris, Beale, Cardenas, Burke, Moore, Curtis, Brookins, Ervin, Napolitano, Reilly, Smith, Tunney, Osterman, Silverstein, Vice Chairwoman Hairston.

The Committee addressed the following item:

1. Hearing required by Sec. 147(f) of the Internal Revenue Code of 1986, as amended, to allow for the issuance a Multi-Family Housing Revenue Note for not more than $30 million, proceeds of which will be used by Parkside Four Phase II, LP, to enable it to pay or reimburse a portion of the costs of acquiring, leasing, constructing, and equipping of low- and moderate-income residential facilities and related common facilities and containing approximately 102 units located on property bounded by North Larrabee Street, West Elm Street, North Cambridge Avenue, and West Hobbie.

Chairman Waguespack read the legal notice. Chairman Waguespack solicited written comments from the public. There were none. Chairman Waguespack solicited oral comments from the public. There were none.

Chairman Waguespack adjured the hearing at 10:10 am Oct. 10, 2019.

On October 10, 2019, at 10:10 a.m., the Committee on Finance held a meeting in City Hall, City Council Chambers,

The following members were present: Hopkins, King, Mitchell, Harris, Beale, Sadlowski-Garza, Thompson, Cardenas, Quinn, Lopez, Moore, O’Shea, Brookins, Tabares, Scott, Burnett, Ervin, Taliaferro, Reboyras, Austin, Villegas, Mitts, Sposato, Reilly, Smith, Tunney, Silverstein, and Chairman Waguespack.

The following members were absent: Dowell, Sawyer, Harris, Beale, Burke, Curtis, Napolitano, Smith, Osterman, Vice Chairwoman Hairston.

The following additional aldermen were present: Sigcho-Lopez.

The Committee addressed the following items:

1. Approval of Rule 45 Report of the previous meeting of the Committee on Finance.

Ald. Austin moved to accept the report. The Committee approved the report on a voice vote.
Chairman Waguespack announced the Committee would go out of order from the agenda, moving to Item 4.

4. A communication recommending a proposed ordinance to amend Municipal Code Section 2-32-030 to grant authority to the Comptroller to enter into intergovernmental data-sharing agreements necessary or useful for the collection and allocation of revenues.

Chairman Waguespack introduced Comptroller Reshma Soni to speak regarding the item, which she did.

Ald. Tunney asked about data accuracy and how businesses are protected against bad data. Soni said the intent is to identify businesses that might owe taxes, then have a discussion with those businesses to verify and make payment arrangements.

Ald. O’Shea praised the Comptroller and the ordinance.

Ald. Lopez asked for a comparison between this agreement and a previous similar intergovernmental agreements. Soni said previous agreements were targeted toward specific taxes. Ald. Lopez asked if the State or County could request data from the City. Soni said they could if they are non-proprietary. Ald. Lopez asked if there was outreach to businesses regarding this item. Soni said they would explore how to do that in partnership with the Department of Business Affairs and Consumer Protection. Ald. Lopez asked how much revenue this would generate. Soni said she did not know but would let the Committee know when she had a better idea. Ald. Lopez asked that communications to businesses be offered in languages other than English. Soni said they would attempt to do that.

Chairman Waguespack asked that the effective date of the previous agreement be provided to the Committee through the Chair.

Ald. Mitts asked that business records be updated more often. Soni said this agreement would help with that.

Chairman Waguespack opened the floor for public comment. There was none.

Ald. Mitts moved do pass. Motion carried on voice vote.

5. A communication recommending a proposed ordinance to amend the 1999 Master Indenture authorizing closure of senior lien water revenue bonds.

Chairman Waguespack invited Chief Financial Officer Jennie Bennett to speak regarding the ordinance, which she did.

Ald. Burnett asked how the lien is closed out. Bennett said it is an amendment to the lien. Ald. Burnett asked if we owed anything on the lien, and Bennett said no.

Ald. Austin said this would improve our bond ratings and ratings outlook.

Ald. Sadlowski-Garza asked why the lien still existed. Bennett said that it took action to close it out.
Chairman Waguespack opened the floor for public comment. There was none.

Ald. Austin moved do pass. Motion carried on a voice vote.

6. A communication recommending a proposed ordinance concerning the authority to enter into and execute a Redevelopment Agreement, to enter into and execute a Loan Agreement and to approve the issuance of a City of Chicago Multi-Family Housing Revenue Note (Parkside Four Phase II), Series 2019 for Parkside Four Phase II, LLC. O2019-5291

Ald. Tunney moved to accept a substitute ordinance. Motion carried on a voice vote.

Chairman Waguespack invited Department of Housing Financial Planning Analyst Anna Booth to speak regarding the ordinance, which she did.

Ald. Austin expressed support for the ordinance and commended Ald. Burnett for his work.

Ald. Sadlowski-Garza also commended Ald. Burnett’s work on the ordinance.

Chairman Waguespack opened the floor for public comment. There was none.

Ald. Burnett commended the work of the Department of Planning and Development and the Department of Housing on the ordinance. Ald. Burnett noted that the ordinance created an ownership structure where 40 percent of the development was owned by residents of Cabrini Green.

Ald. Reilly moved do pass. Motion carried on a voice vote.

7. A communication recommending the proposed ordinance concerning the authority to enter into and execute an Intergovernmental Agreement with the Chicago Board of Education for the redevelopment of Hibbard Elementary School and the Albany Park Multicultural Academy/Edison Regional Gifted Center. O2019-7043

Ald. Tunney moved to accept a substitute ordinance. Motion carried on a voice vote.

Chairman Waguespack invited Department of Planning and Development Deputy Commissioner Jim Harbin to speak regarding the ordinance, which he did.

Chairman Waguespack noted that all of the aldermen of the impacted wards supported the ordinance.

Ald. Lopez noted that this tax increment financing allocation is for work on schools.

Chairman Waguespack opened the floor for public comment. There was none.

Ald. Tunney moved do pass. Motion carried on a voice vote.

8. A communication recommending a proposed ordinance of a second amendment to the redevelopment agreement with Primestor 119, LLC for certain retail and office space in the 119th/I-57 Tax Increment Financing (TIF) Redevelopment Area. O2019-7100
Chairman Waguespack invited Department of Planning and Development Deputy Commissioner Tim Jeffries to speak regarding the ordinance, which he did.

Ald. Scott commended Ald. Austin’s work to get the empty retail space filled.

Ald. Burnett echoed those comments.

Ald. Tunney noted that there were no other changes to the tax increment financing agreement and asked Jeffries when the TIF would expire. Jeffries said he would provide that information through the Chair.

Chairman Waguespack opened the floor for public comment. George Blakemore said all businesses want tax incentives; the Committee is not the Cook County Assessor; and while some people like Mr. Blakemore, others do not.

Ald. Austin spoke in support of the ordinance and noted that Blue Cross Blue Shield was not receiving any TIF funds.

Ald. Austin moved do pass. Motion carried on a voice vote.

9. A communication recommending a proposed ordinance to restructure the 2007 HOME Investment Partnership for Phoenix House Apartments to facilitate borrower’s sale to Heartland Phoenix House, LLC.

Chairman Waguespack invited Department of Housing Financial Planning Analyst Lisa Stephens to speak regarding the ordinance, which she did.

Ald. Tunney asked why the owner was divesting their real estate. Stephens said they are overleveraged. On a point of information, Ald. Scott noted that the owner is closing and transferring all their holdings so others can continue this important work for the community.

Ald. Burnett praised Heartland Alliance for continuing this important work and praised the Department of Housing for assisting with that.

Ald. Mitts asked Benjamin Andrews from Heartland Alliance to elaborate on their role. Andrews said his role is to manage the real estate transaction, but Heartland owns many housing sites throughout the region that assist a number of different groups.

Chairman Waguespack opened the floor for public comment. George Blakemore lamented that more people do not speak during public comment, and he noted that the City is not a savings and loan.

Ald. Scott thanked Heartland for taking over the property and providing services to those with HIV.

Ald. Scott moved do pass. Motion carried on a voice vote.

Chairman Waguespack moved back to Item 2 on the agenda.
2. A communication recommending a proposed ordinance to amend Municipal Code Title 3 by adding new Chapter 3-94 to allowing certain abatement of property tax levied on qualifying property pursuant to 35 ILCS 200/18-178 of the 2012 Property Tax Code.

O2019-5591

Ald. Quinn moved to accept a substitute ordinance. Motion carried on a voice vote.

Chairman Waguespack invited Ald. Thompson to explain the ordinance, which he did.

Ald. Lopez commended the ordinance and said he wanted to be added as a cosponsor.

Chairman Waguespack invited Cook County Board of Review Commissioner Michael Cabonargi to speak regarding the ordinance, which he did. Chairman Waguespack invited 100 Club of Chicago Chief Executive Officer Joe Ahern to speak regarding the ordinance, which he did.

Ald. Taliaferro commended the ordinance and said he wanted to be added as a cosponsor.

Ald. Hopkins commended the ordinance and said he wanted to be added as a cosponsor. Ald. Hopkins asked for clarification on who qualifies as a “rescue worker.” Ald. Thompson said the language mirrored the enabling state statute.

Ald. Taliaferro asked if this would apply to previous tax bills. Ald. Thompson said it would not.

Ald. Tunney asked how this would interact with the state statute. Cabonargi said the Board of Review would review all applications for compliance with the state statute. Ald. Tunney asked if this would only apply to the City portion of the tax bill, and Ald. Thompson said yes. Ald. Tunney asked how many people would be eligible. Ald. Thompson said it would apply to maybe eight or nine people.

Ald. Reilly commended the ordinance.

Ald. Quinn commended the ordinance and said he wanted to be added as a cosponsor.

Ald. Villegas commended the ordinance and said he wanted to be added as a cosponsor.

Ald. Reboyras commended the ordinance and said he wanted to be added as a cosponsor.

Ald. Silverstein commended the ordinance and said she wanted to be added as a cosponsor.

Ald. Sadlowski-Garza commended the ordinance and said she wanted to be added as a cosponsor.

Chairman Waguespack opened the floor for public comment. George Blekemore said first responders knew their jobs were dangerous, and their surviving spouses should not receive a property tax break.

Ald. Ervin asked what the ordinance would cost. Ald. Thompson estimated the cost at between $10,000 and $15,000 a year.

Ald. Thompson spoke in support of the ordinance and thanked his colleagues for their support.

Ald. O’Shea moved do pass. Motion carried on a voice vote.
10. Direct Introduction  A communication transmitting a list of cases in which judgments or settlements were entered into for the month of September, 2019.

Chairman Waguespack indicated that the communication would be placed on file with the City Clerk.

11. Direct Introduction  A proposed order authorizing the payment of various small claims against the City of Chicago.

12. Direct Introduction  A proposed order denying the payment of various small claims against the City of Chicago.

13. Direct Introduction  A proposed order authorizing the payment of senior citizen rebate sewer claims.

Ald. Ervin moved to have Items 11, 12, and 13, place on the City Council omnibus agenda. Motion carried on voice vote.

Chairman Waguespack moved to the supplemental agenda.

1. Three (3) proposed orders authorizing the Corporation Counsel to enter into and execute a Settlement Order for the following cases:

   A. Chereta Adams, as Special Administrator of the Estate of Chequita Adams, deceased v. City of Chicago, a Municipal Corporation, Jamie Jawor (Star #6740), Individually and as Agent of the City of Chicago, cited as 17 L 008570 (Circuit Court of Cook County, Law Division).
      Amount: $4,900,000

      Amount: $295,000

   C. Karonna Williams, on behalf of herself and her son, John Doe, and Naseem Stevens v. City of Chicago, Jorge Lopez (Star #20298), Enrique Pacheco (Star #20258), Joseph Zulkey (Star #20541), and Anita Whicher (Star #21774) cited as 19 CV 2993 (Northern District of Illinois).
      Amount: $200,000

Chairman Waguespack invited Renai Rodney, First Assistant Corporation Council, to speak to the orders. Rodney spoke to Item 1A.

Ald. Lopez asked if there was another lawsuit pending regarding this incident. Rodney said there is. Ald. Lopez asked in the Department of Law considered settling these lawsuits together. Rodney declined to speak in open session regarding the other lawsuit.

Ald. Ervin asked for clarification on willful and wanton conduct, and when such conduct would render an employee to be no longer working within the scope of their employment. Rodney said such an analysis does not apply to this case since the officers were clearly working within the
Chairman Waguespack on a point of information asked if an employee can be acting in a willful and wanton way and still be acting within the scope of their employment. Rodney said yes.

Ald. Austin asked how the chase started. Rodney said the police observed a vehicle matching the description of a vehicle previously involved in a carjacking.

Ald. Lopez asked if the suit could have been avoided had the officers activated their police lights and siren. Rodney said it was possible.

Ald. Thompson moved do pass. Motion carried on a voice vote with Ald. Ervin asking to be recorded as voting no.

Rodney spoke on Item 1B.

Ald. Ervin asked if the officer involved had been disciplined. Rodney said the former Independent Police Review Authority did not find enough evidence to impose discipline, but that could change for the Civilian Office of Police Accountability after this settlement.

Ald. Thompson moved do pass. Motion carried on a voice vote.

Rodney spoke to Item 1C

Chairman Waguespack asked if the officers involved are facing discipline. Rodney said a complaint is pending with COPA.

Ald. Thompson moved do pass. Motion carried on a voice vote.

Chairman Waguespack asked that if aldermen had substitute ordinances in the future, they be submitted to the Committee 48 hours in advance.

The Committee having no further business, on a motion by Alderman Sposato, the meeting was adjourned at 12:14 pm.

Respectfully submitted,

Scott Waguespack
Chairman, Committee on Finance