

ORDINANCE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. Section 2-8-035 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, and by deleting the language struck through, as follows:

2-8-035 Sale or lease of city assets – Ordinance requirements.

(a) ~~Every~~ In addition to the requirements set out in Chapter 2-164 of this Code, every ordinance that contains a provision for the sale or lease of any city asset, including revenue streams from that asset, ~~whose anticipated revenue from the sale or lease of the asset is greater than \$100,000,000 but less than \$400,000,000~~ (i) may not be introduced as a direct introduction into a City Council committee; and (ii) shall not be given final consideration by the City Council ~~city council~~ until at least 15 days after its introduction into the ~~city council~~ City Council ~~or direct introduction into a city council committee~~. Transactions involving city assets where the anticipated revenue is \$400,000,000 or more shall be subject to the requirements set out in Chapter 2-164 of this Code.

(b) No member of the ~~city council~~ City Council or other municipal officer shall introduce, and no committee of the ~~city council~~ City Council shall consider, or recommend, any ordinance that is contrary in any way to the requirements of subsection (a). No member of the ~~city council~~ City Council shall propose, and no committee of the ~~city council~~ City Council shall consider, any amendment to an ordinance, which if passed, would render the ordinance contrary to any of the requirements of subsection (a).

SECTION 2. Section 2-32-035 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, and by deleting the language struck through, as follows:

2-32-035 City Asset Lease Agreements (C.A.L.A.) disclosure ordinance.

~~(a) The following City Asset Lease Agreement documents and any future lease agreements worth more than \$10,000,000 shall be made publicly available as electronic, searchable files on the City of Chicago's Department of Finance website:~~

1. The ordinances establishing the leasing of or long-term concession concerning the Chicago Skyway Toll Bridge System, the Chicago Downtown Public Parking System, and the Chicago Metered Parking System.

2. Any introduced legislation subject to Chapter 2-164, ~~pertaining to proposed City asset lease agreements, worth more than \$10,000,000,~~ including all attachments and any amendments thereof, prior to its referral to the appropriate Chicago City Council Committee.

3. Reserved. ~~Any future City asset lease agreements approved by the Chicago City Council and worth more than \$10,000,000, including all attachments, and any amendments thereof.~~

4. A separate accounting document detailing the allocation of lease proceeds including, but not necessarily limited to, appropriations, investments, interest income earned, and distributions to future budget years. This document should also detail the payment of all fees and expenses related to the lease transaction. Additionally, the document should list the names and fees paid to

all financial consultants, auditors and/or financial institutions hired by the city to invest and manage City asset lease proceed funds.

5. A quarterly update of the accounting document for each city asset lease agreement. The Chief Financial Officer and ~~/~~Comptroller shall submit such update to the Chairman of the Committee on Finance, and/or post such update on the Department of Finance's website, and shall appear before that Committee to present the status of each agreement where appropriate or necessary.

~~—(b) In addition to the requirements set forth in subsection (a) of this section, any future lease agreements worth \$400,000,000 or more shall be subject to the requirements set out in Chapter 2-164 of this Code.~~

SECTION 3. Chapter 2-164 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, and by deleting the language struck through, as follows:

CHAPTER 2-164
PRIVATIZATION – TRANSPARENCY, ACCOUNTABILITY AND PERFORMANCE

(Omitted text is unaffected by this ordinance)

ARTICLE I. ASSET TRANSACTIONS (2-164-020 et seq.)

2-164-020 Definitions.

Whenever used in this Article, the following words and phrases shall have the following meanings:

(Omitted text is unaffected by this ordinance)

"Transaction" means the City's sale, lease, or concession of an Asset that: ~~(i) has a term of at least 20 10 years or more, inclusive of any extension or renewal rights granted to either the City or the Contractor; (ii) provides for total consideration to the City of at least \$400,000,000 over such term; (iii) and (ii) divests the City of day-to-day control, or limits such control, over the Asset for the term, with or without providing for continuing City oversight regarding the Asset; and (iv) requires the Contractor to use the Asset for the same purpose or purposes for which it was used prior to the Transaction. The term "Transaction" shall not include City infrastructure subject to a privatization that took effect prior to the effective date of this Article. The term "Transaction" shall not include any: (1) sale or lease of vacant City-owned real property, whether improved or unimproved, that is otherwise subject to City Council approval under this Code or other applicable law.~~

(Omitted text is unaffected by this ordinance)

2-164-110 Prohibition of privatization of Chicago Waterworks and Public Airports.

Notwithstanding any provision of this Code to the contrary, the City is expressly prohibited from entering into a Transaction involving: (i) the Chicago Waterworks, as defined by Section 18-29-202, or (ii) the sewerage system of the City of Chicago, or (iii) any Public Airport, as defined by

Section 2-20-020, provided, however, that such prohibition shall not apply to any concession contract, as defined in Section 10-36-210.

ARTICLE II. PRIVATIZATION CONTRACTS (2-164-200 et seq.)

2-164-200 Definitions.

Whenever used in this Article, the following words and phrases shall have the following meanings:

(Omitted text is unaffected by this ordinance)

"Privatization Contract" or "Contract" means a contract between the City and a Contractor for the Contractor to take over the performance of any Service performed prior to the Contract by personnel employed by an Affected Department, in lieu of such personnel. The term "Privatization Contract" shall not include:

(a) ~~Reserved. a contract whose maximum permitted expenditure over the life of the contract is less than \$3,000,000.~~

(b) ~~a contract for services that in the judgment of the Budget Director, in consultation with the Affected Department, are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available in the City workforce, have not historically been performed by City employees, and it is not practicable to hire the needed personnel.~~

(c) a contract for services that are incidental to the purchase or lease of real or personal property, including, but not limited to, agreements to service or maintain leased or rented office equipment or computers.

(d) a contract under circumstances in which a private contractor is necessary to protect against a conflict of interest or to ensure independent and unbiased findings in circumstances where an outside perspective is clearly needed.

(e) a contract under circumstances in which a private contractor can provide equipment, materials, facilities, or support services that cannot readily be provided directly by the City under applicable law. ~~in the location where the service is to be performed.~~

(f) a contract entered into pursuant to Section 2-92-644. ~~for services that are of an urgent, temporary, or occasional nature.~~

(g) ~~a sole source contract or an~~ intergovernmental agreement.

(h) a contract under circumstances in which privatization is the result of the loss or diminution of federal or state grant funding in an amount sufficient to significantly affect the level or quality of the service, ~~in the judgment of the Budget Director in consultation with the Affected Department, and for which the Affected Department has received ninety (90) 30 or fewer days' notice from the grantor of the final notice of award, provided that the term of such contract does not exceed 180 days, inclusive of any extension or renewal rights granted to either the City or the Contractor.~~

~~(i) Reserved. a City service subject to a privatization that took effect prior to the effective date of this Article.~~

(j) (1) a contract, purchase order or agreement for the demolition, construction, repair or improvement of any building, bridge, roadway, sidewalk, alley, railroad or other structure or infrastructure, awarded by any officer or agency of the City other than the City Council, and whose cost is to be paid from funds belonging to the City and any bonds, grants, loans, or other funds made available by or through the Federal government or the State or any of its political subdivisions, and (2) any associated services of a planning, architecture or engineering firm involved in the planning, design, feasibility study, or management of the project.

(Omitted text is unaffected by this ordinance)

SECTION 4. This ordinance takes effect upon passage and publication.

A handwritten signature in black ink, appearing to read 'Gilbert Villegas', with a horizontal line drawn through the middle of the signature.

Gilbert Villegas
Alderman, 36th Ward