

Legislative Reference Bureau
Ordinances Introduced at City Council Meeting of January 15, 2014

First Supplement

Note: This summary does not include local liquor moratoriums, routine traffic matters, zoning map changes, grants of privilege in the public way, waivers, refunds or SSAs.

Clerk's #	Sponsor(s)	Topic(s); Code §; Summary; Committee Referral
		<p>Please note: The following items were inadvertently omitted from the summary published on Thursday, January 23, 2014. The LRB and its Director of Legislative Review sincerely regret the omission, and apologize for any inconvenience it may have caused.</p> <p>We continue to wait for the revised attachments to the Chicago Bouncing Back 5 Year Housing Plan. When the Department of Planning and Development provides those materials, an additional Supplement will be distributed as soon as possible.</p>
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3.c Other Transactions		
O2014-500	Mayor <i>Please note: this ordinance also contains an amendment to the powers and duties of the city's Chief Financial Officer; that aspect of the ordinance is summarized in Part 1 of the initial Summary.</i>	<p>General Obligation and Refunding Bonds; debt ceiling. On May 1, 2002, the city council passed an ordinance authorizing (among other things) a commercial paper program, establishing a comprehensive and diversified Borrowing Plan, setting a debt ceiling under the Plan at \$500 million ("Authorized Debt"), and setting a maximum maturity date of the debt issued under the Borrowing Plan at January 1, 2030. This ordinance would increase the debt ceiling on the 2002 Authorized Debt to \$1 billion and extend the maximum maturity date to January 1, 2032.</p> <p>This ordinance would also authorize the borrowing of up to \$900 million, evidenced by one or more series of general obligation bonds. That amount may be increased to recapture the discount paid in the marketing of the resulting bonds (not to exceed 10% of principal of the related series). Bonds may be issued in fixed rate, variable rate, or convertible series, all as determined either by the chief financial officer or the city comptroller. The maturity date would be no later than the earlier of (a) 40 years after issuance or (b) January 1, 2056.</p> <p>General obligation bonds are not limited in the revenue sources used for repayment. The ordinance contains a self-executing levy of property taxes in the amount of \$150 million per year, from 2013 through and including 2054. Any excess amount collected could be abated from the property tax levy or retained and used as authorized by the city council.</p>

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Clerk's #
O2014-500
(continued)

Sponsor(s)

Topic(s); Code §; Summary; Committee Referral
General Obligation and Refunding Bonds; debt ceiling
(continued)

Money raised by the borrowing could be used for virtually any municipal purpose: to pay off existing debt; for infrastructure and transportation improvements; to make grants and loans, for cash flow management; to acquire necessary and useful personal and/or real property; for repairs and updating of city facilities; for funding of judgments, claims and settlements; to provide security or guarantees of the city's partners in various transactions; for pension costs; for public safety; and for the purchasing or lease of motor vehicles. Proceeds may also be used to capitalize interest obligations on outstanding debt.

Counsel involved: Chapman and Cutler, LLP; Shanahan & Shanahan LLP; Duane Morris LLP; Sanchez, Daniels & Hoffman LLP.

Ref. to **Committee on Finance**

O2014-560

Midway Airport Revenue Bonds and Commercial Paper.
This ordinance recites the existence of outstanding city debt secured by revenues generated at Chicago Midway International Airport. The current obligations are First Lien (authorized in 1994); Second Lien (authorized in 1998) and Midway Commercial Paper Notes (authorized in 2003). The ordinance would authorize the issuance of Midway Airport Revenue Refunding Bonds (to pay off existing debt instruments), additional First Lien Bonds under the 1994 indenture, and additional Second Lien Bonds under the 1998 indenture, in one or more series. Some bonds may have fixed or variable interest rates.

Amount: Not to exceed \$1 billion.

Purposes: Retirement of existing debt; various projects for the improvement of Midway; funding of rate swap obligations; capitalization of interest.

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Clerk's #
O2014-560
(continued)

Sponsor(s)

Topic(s); Code §; Summary; Committee Referral
Midway Airport Revenue Bonds and Commercial Paper
(continued)

Division among series, and among fixed and variable interest rates: To be determined by the city's Chief Financial Officer (CFO); if that position is vacant, then by the City Comptroller.

Date of issuance: To be determined by the Mayor and the CFO (replaced by the Comptroller if there is no CFO at the time)

Maturity: No later than January, 2054.

Other features: If advantageous to the City and Midway, the CFO (or Comptroller) may use available Midway bond-related funds on hand, to purchase securities from any lawful source. The CFO in this instance does not appear to be limited by the investment policy stated in Code § 2-32-520, which limits the City Treasurer's investments to specified categories.

Participating counsel: Miller, Canfield, Paddock and Stone, PLC; Charity & Associates, P.C.; Sanchez Daniels & Hoffman LLP; Mayer Brown LLP.

Ref. to **Committee on Finance**

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Supplement*

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