

Aldermanic Council

FWPMUN IV: February 1, 2020



Head Chairs: Alex Carlin and Tess Wayland

Assistant Chair: Samantha Graines

Hello Aldermen!

Our names are Tess and Alex, and we are your head chairs. We've been best friends since we started MUN together in sixth grade. Since we love politics, the city of Chicago, and aldermen, we decided to chair this committee. Outside of MUN, we both do Student Government, write the school newspaper, and debate. The only differences between the two of us are that Tess is short and sings and Alex is tall and plays soccer.



This past school year, we volunteered for an aldermanic candidate and became interested in Chicago's aldermanic system. Our goal for the committee is that you all walk away with a new appreciation for Chicago politics and the messy bureaucracy that leads to big changes. By covering ethics reforms and TIFs, we hope to get you thinking about how privilege and power shape everyday life in Chicago.

If you've ever been in a Mock Senate committee, ours will operate similarly. You will each be responsible for representing an alderman, discussing the concerns of their district, and bringing their unique viewpoint to debate. You must use first-person pronouns instead of describing your views in the third person. We'll cover the basics of city politics in the guide below, but if you're interested in the Rules of Order, use the City Clerk Office website.¹



We cannot wait for the conference and to have some riveting debate!

-Tess (twayland@fwparker.org) and Alex (acarlin@fwparker.org)

¹ www.chicityclerk.com/city-council-news-central/rules-order.

Description of Committee:

Chicago's City Council is made up of 50 aldermen from the 50 wards of Chicago—we've included as much as possible to spice up debate. Aldermen are elected representatives that serve an area/district, also known as a ward.

Delegates will be representing an aldermen and their ward. The Chicago City Council meets monthly to try and improve the city. Meetings address city-wide policies and local issues. Aldermen must collaborate with Mayor Lori Lightfoot and City Clerk Anna Valencia to execute their agendas.

Outside of their monthly City Council meetings, aldermen meet in committees, where the most meaningful legislative action takes place. 20 different committees debate proposed legislation on topics ranging from Housing Development to Health and Human Relations². These meetings are open to the public; anyone can sign up for a slot during the comments period to speak to the issues that matter to them, so you should consider the opinions of constituents and lobbyists when sharing your alderman's views.

Regardless of City Council procedure, we will be writing standard MUN resolutions. Our committee will be combining a few different types of legislation and using resolutions to address the topics at hand and any crises that arise along the way. They're symbolic, non-binding documents that call people to action or announce an intention, but we encourage delegates to think outside the box and work with Chicago Municipal Code.

Even though this committee is a General Assembly, we will be allowing some aldermen to have personal powers. When researching, pay attention to which committees you chair, if any, in case this comes up in debate or another delegate references your area of expertise. Aldermanic Committee chairs are able to give updates from their respective committees throughout debate; these resolutions will be written and sent up to the dias. For example, if you are Michelle Smith and chairing the Contracting Oversight and Equity; Ethics and Government Oversight, you could share an update during our debate on ethics reform. We'll be using standard MUN parliamentary

² <https://chicago.councilmatic.org/committees/>

procedure instead of using City Council's more unique structure, but below we have included the general structure of our day of debate.

1. "Pledge of Allegiance: the Pledge of Allegiance is recited by the members of the City Council and assembled guests at the start of each meeting."
2. ³Debate! Which may include:
 - a. Moderated caucuses
 - b. Unmoderated caucuses
 - c. "Reports of Standing Committees:**⁴
 - i. Standing committee chairmen report out to the full City Council the recommendations of the membership on matters under their consideration. Joint committees comprising two or more standing committees also report their recommendations at this time.
 - ii. **The committee agendas/reports posted on the Chicago City Council Calendar list the items that may be called for a vote at the City Council meeting and are considered to be part of the City Council meeting agenda.
 - d. Reports of Special Committees: special committee chairmen present their reports. Special committees are created by resolution adopted by 2/3 affirmative vote of the aldermen entitled by law to be elected.⁵
 - e. Public Comments: members of the general public may address the City Council on subject matters appearing on meeting agenda.⁶
 - f. ⁷Reports and Communications from the Mayor: reports and communications from the Mayor and City Departments are announced into the record by the City Clerk and sent to the appropriate committee unless there is 2/3 vote to Suspend the City Council's Rules of Order and Procedure and consider them immediately. The Mayor or Presiding Officer may also present resolutions or proclamations.

³ www.chicityclerk.com/city-council-news-central/rules-order.

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

- g. “Communications from the City Clerk.”⁸
- i. The City Clerk apprises the City Council of communications from various departments and agencies that were filed in his or her office from the time of the previous meeting. The City Clerk also notes the publication of the previous City Council Journal and other documents required or requested to be published. Matters submitted to the City Clerk by members of the general public or other entities requiring City Council approval are also introduced and referred to the appropriate committee for deliberation.
 - ii. Presentation of petitions, communication, resolutions, orders, and ordinances introduced by Aldermen.
 - iii. The City Clerk will "Call the Wards" and read into the record new legislative proposals (ordinances, orders, petitions, resolutions, or other original matters) introduced by aldermen on a variety of topics including but not limited to Municipal Code amendments, traffic regulations, zoning matters, licensing requirements, etc. The order of presentation alternates each meeting beginning with the 1st Ward on one meeting, then the 50th Ward on the next succeeding meeting, and so forth.
 - iv. Under City Council Rules, all legislative matters introduced are automatically referred to a City Council Committee without debate, unless there is a 2/3 vote of the members (34 votes are required) to suspend the rules to allow immediate consideration of the matter in question.
 - v. Matters may be referred to a Joint Committee for consideration; however, if two or more committees are called, the subject matter is referred, without debate, to the Committee on Committees, Rules and Ethics.”
3. “Roll call on omnibus.”⁹
- a. An omnibus vote is a single roll call vote taken and applied to all items not voted upon separately, or for which another vote was not employed during the course of the meeting.”

⁸ Ibid.

⁹ Ibid

4. “Adjournment.”¹⁰

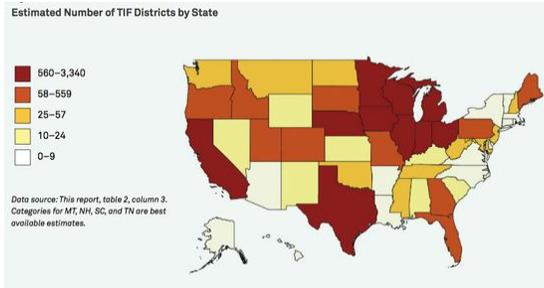
- a. If no further business is to be considered and the meeting is concluded, then a motion was made to adjourn.”

¹⁰ Ibid

Topic A: Tax Increment Financing (TIF)

Explanation of Issue

Tax Increment Financing (TIF) is a technique used by local governments to promote



public and private investments in their cities, by using excess property tax revenue to fund economic development projects. It's a widespread tool used in every state but Arizona. TIF is especially common in the Midwest,¹¹ where Chicago is the biggest city. Popular, however, doesn't always mean perfect.

In an ideal world, TIF is a tool for good that spurs healthy economic development with little cost. TIF money doesn't only go to physical building projects: it's used for development in many different senses of the word. Funds can go towards building and repairing new roads and infrastructure, cleaning polluted land, or putting vacant properties to better use in collaboration with a private development project. Small businesses can receive grants to offset the costs of training new employees. TIF projects can create affordable housing, new permanent jobs, or increased retail choices. Funds can rehabilitate a historical building or occupy a vacant home. If an applicant can prove that they will be a catalyst for new private investment in a neighborhood, increase sales tax revenue, or increase property tax revenue, they may be eligible for a TIF. An ideal project expands the capacity of a neighborhood while providing employment opportunities at the same time.

Funds used for TIF projects don't come out of nowhere. Once an applicant's project is approved, the district where their project is completed is designated as a TIF district. Funds are generated through Equalized Assessed Valuation (EAV) over a 23-year period. During these 23 years, property values of real estate in the district are frozen. This is used as a "base value." As time goes on, new development and existing real estate will drive property values in the area up. Residents still pay their normal property taxes based on this value, but the "base value" from the beginning of the 23 years is subtracted from this amount. That "base value" will go towards public schools and services like normal taxes, but the excess goes towards a separate fund for

¹¹ <https://www.citylab.com/solutions/2018/09/the-trouble-with-tif/569815/>

economic development. In this theoretical model, TIF projects fund themselves. If they drive development in the area, they drive up property values, which means more money is directed towards the city's TIF fund.

The second fund is controlled by the city and used to fund any TIF project gets approved. Money generated by a TIF district doesn't necessarily have to go to that district. A project receives the level of funds the city believes it needs based on its goals out of the overall fund.

To qualify as a TIF district, applicants need to prove their project will take place in a "blighted" area that needs government assistance to attract private investment. A blight is "a thing that spoils or damages something¹²." Under Illinois state law, an area with a TIF designation has to have multiple blighting factors. An area can be blighted by inadequate utilities, lack of community planning, or overcrowding of facilities. The city provides a full list of blighting factors on their website.¹³

The TIF application,¹⁴ spanning 50 pages, has many additional requirements. Projects have to exceed \$1 million to be eligible for assistance. Application and submission review can take 3-5 months, the legislative process (approval from the Finance Committee and City Council) can take 6-8 months, and only then can applicants move onto project implementation. During the legislative period, applicants must develop a Draft Redevelopment Agreement, (RDA) a voluntary contract that details the obligations of the government and the person in control of the property and the standards that will govern the development of the property. This is used as a basis throughout the compliance and payout phase of a project so both parties can check-in and make sure their needs are being met.

The application also has certain requirements to ensure projects do as much good as possible. It requires a summary of all green features, like a green roof, that will be included in the project, as all projects have to include environmentally friendly features that align with

| Exhibit A | | | |
|--|---|---|---|
| City of Chicago Sustainable Development Policy | | | |
| | Financial Assistance | Financial Incentives | Non-Financial Assistance |
| | 50% Green Roof + LEED Certification | 50% Green Roof + LEED Certification | 50% Green Roof + LEED Certification |
| Residential | | | |
| Market Rate (7, 11, 14, 16, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000 | | | |
| Commercial | | | |
| Market Rate (1000 square foot project) | 100% Green Roof + LEED Certification or 50% Green Roof + LEED Certification + 50% VAP (valley) in 5 yrs | 100% Green Roof + LEED Certification or 50% Green Roof + LEED Certification + 50% VAP (valley) in 5 yrs | 100% Green Roof + LEED Certification or 50% Green Roof + LEED Certification + 50% VAP (valley) in 5 yrs |
| Market Rate (1000 square foot project) | 100% Green Roof + LEED Certification or 50% Green Roof + LEED Certification + 50% VAP (valley) in 5 yrs | 100% Green Roof + LEED Certification or 50% Green Roof + LEED Certification + 50% VAP (valley) in 5 yrs | 100% Green Roof + LEED Certification or 50% Green Roof + LEED Certification + 50% VAP (valley) in 5 yrs |
| Market Rate (1000 square foot project) | 100% Green Roof + LEED Certification or 50% Green Roof + LEED Certification + 50% VAP (valley) in 5 yrs | 100% Green Roof + LEED Certification or 50% Green Roof + LEED Certification + 50% VAP (valley) in 5 yrs | 100% Green Roof + LEED Certification or 50% Green Roof + LEED Certification + 50% VAP (valley) in 5 yrs |
| Office | 100% Green Roof + LEED Certification | 100% Green Roof + LEED Certification | 100% Green Roof + LEED Certification |
| Existing Buildings¹⁴ and Landmark Buildings | Building Certification or LEED-2-Certification or 100% Green Roof + LEED Certification | 50% Green Roof + LEED Certification | 100% Green Roof + LEED Certification |

¹² <https://www.lexico.com/en/definition/blight>

¹³ https://www.chicago.gov/city/en/depts/dcd/supp_info/tax_increment_financingprogram.html

¹⁴ https://www.chicago.gov/content/dam/city/depts/dcd/supp_info/applications/TIF_Application.pdf

the City of Chicago Sustainable Development Policy.¹⁵ If the project involves housing, the application requires a certain number of units be affordable.

In an ideal world, the applicants who are approved come from a truly blighted area and deserve the money, whose project could not happen without the TIF. However, in a city fraught with corruption, (see ethics reform section!) this is not always the reality. Once the improvement occurs in a district, the TIF period doesn't end. It continues to take the excess money from the base value that could be going to support city services in a district. Districts can even initiate new projects that they're sometimes not held accountable for. At some point, the expenses of schools, parks, and other bodies that receive property taxes will not be covered from the amount of property tax revenue generated under the TIF rate. They'll have to ask to be allocated money from property taxes, meaning that eventually property tax rates will go up across the city.

TIFs might end up taking tax revenue above the capped "base value" that would have been generated anyway through the natural increase in property value that would have happened with or without the TIF, money that taxpayers could have given directly towards their schools and public services. Even though there's no direct tax increase, it can lead to higher rates and service cuts somewhere else in the city budget if the city is counting on the natural increase in property tax revenue it would have received before the TIF.

Property tax increases often hurt the city's most marginalized communities. Property tax comes from a property value multiplied by the city's tax rate, but a rising property value does not always correlate with rising income. If a neighborhood is gentrified, the original residents will see their property values go up, leading to an increase in property taxes that isn't always accompanied by a rise in income.

History of Issue:

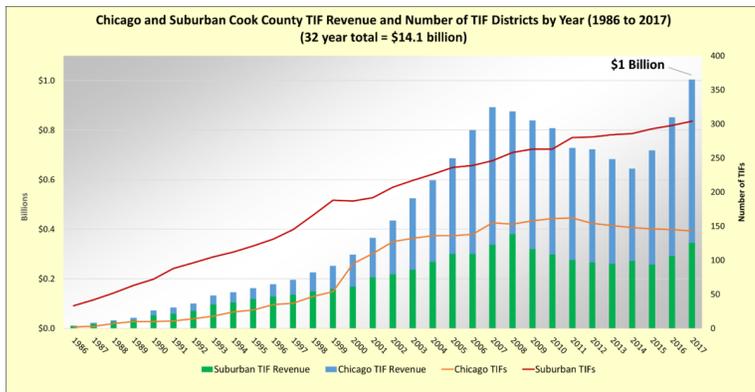
TIF was first used in California in 1952 and the program remains alive and well today in states across the country, though California discontinued their use of TIF financing in 2011.¹⁶ Chicago began using TIF in 1986. Since then, the program has grown to include around 1 in 4

¹⁵ Ibid

¹⁶ <https://urbanland.uli.org/economy-markets-trends/tax-increment-financing-tweaking-tif-21st-century/>

properties in the city. Using TIF dollars, the City of Chicago has provided \$1.36 million for school-related projects; \$377 million to the Chicago Park District for park and open-space projects; and \$931 million to CTA track and station renovation and related projects.

On the TIF section of Chicago government’s website, they list several TIF success stories to show its positive side. The Marshfield Plaza, near city limits, used to be home to large industrial buildings but has been vacant since 2000. After the property was allocated \$26.6 million in TIF money, it became home to a Jewel-Osco, a Petco, a Panda Express, and other retailers, creating 400 temporary construction jobs and 750 full-time positions at the plaza.

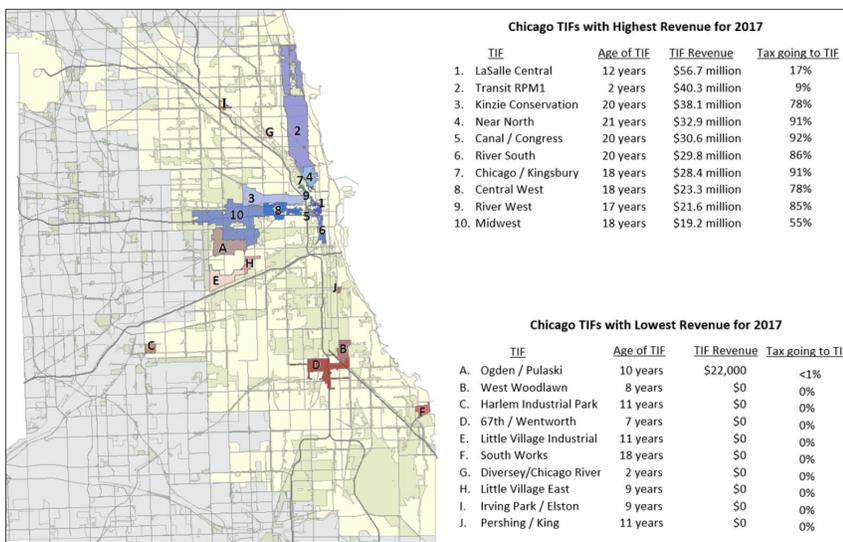


Another TIF project, the Water Saver Faucet Factory, manufactures brass and stainless steel faucets for industrial use. It’s a family owned company whose expansion and relocation was funded by \$6 million in TIF dollars, which kept the company and 200 jobs in the city.

La Estancia, an affordable housing division in Humboldt Park, was funded with 1 million TIF dollars. The project includes 60 affordable 1-4 bedroom apartments, ground-floor commercial space, and its construction generated 25 jobs.

Ping Tom Memorial Park was formerly a railroad yard along the south branch of the Chicago River before its abandonment. Using \$3 million in TIF assistance, the space has been developed into an open-space park that is a cultural asset to the Chinatown neighborhood.

La Estancia, an affordable housing division



These are just a few examples of the many TIF districts and projects throughout the city, all funded by a pot of money that is growing by the year in Chicago. When suburban TIF revenue is included, the program has generated \$14.1 billion over its

32-year history in Chicago. Though suburban TIFs contribute to overall revenue, there are many more TIF districts concentrated in Chicago. As of 2018, nearly 84% of Cook County's TIF properties were located in Chicago.

Chicago's large number of TIF projects translates to a large revenue. Last year, Chicago brought in \$841 million in TIF revenue, \$180 million more than in 2017. While this has been good for the TIF program, it hurts the city overall. This level of growth would normally lead to an increase in property tax revenue and a decrease in property tax rates, but because so many districts have TIF designations, few districts have access to the money generated by the value increase.

With this much money, mayors are able to declare TIF surplus, as Former Mayor Rahm Emanuel did most years he was in office. A portion of the surplus returns money to county taxing bodies and not all of it goes directly back to the city. Even with his declaration of surplus, Emanuel allocated \$1.6 billion in TIF funding during his time in office.

This October, Lori Lightfoot declared a \$300 million TIF surplus, the largest in Chicago's history. After the Chicago Teachers' Union went on strike in November, they negotiated a new contract plan with Lightfoot. By closing out five TIFs and tightening the budget of a few others, she generated \$163 million for Chicago Public Schools, \$66 million more than CPS received last year. Lightfoot also gave \$3 million of that surplus to help close the city's budget gap. The surplus, however, is only a one time revenue, enough to cover the five-year, \$500 million offer from Lightfoot that the CTU rejected.

This is one example of the positive effects TIF has had on Chicago. However, the tool has a darker history. In Chicago, some regard the TIF development fund as a "shadow budget" for the personal interests of the mayor—a "piggy bank" that they can operate at their own discretion. Former Mayor Richard M. Daley used TIF to revamp skyscrapers and give out money to large corporations. Under Daley, TIF projects popped up in the Loop and the LaSalle Street Financial District to subsidize private development projects with taxpayer money.

Emanuel tried to ease TIF abuse by phasing out districts who no longer needed the economic and infrastructural boost. Even with this reform, nearly half of TIF funds he spent went towards Chicago's central business district instead of blighted neighborhoods. In 2017,

Emanuel gave 55 million TIF dollars to a Marriott Hotel in the McCormick Place development that ended up being used to renovate Navy Pier.¹⁷ It was unclear if Emanuel knew the ultimate destination of the funds, but many top aides were aware. The ultimate benefactors of those dollars didn't qualify as "blighted" and Emanuel's administration became complicit in a gross misuse of TIF funds.

Another example of misuse of TIF funds in recent history is the Lincoln Yards project.¹⁸ Though the project is located between Lincoln Park and Bucktown, two of the wealthiest neighborhoods in Chicago, the area was still designated as a TIF district. The project received \$1.3 billion in TIF to fund the \$6 billion development project, which met the bare minimum of "blighted" standards with only five blighting factors. If the aldermen had not voted to give the property TIF money later, new property tax assessments would have changed the number of blighting factors so Lincoln Yards' developer would not meet the minimum requirements at all. Advocates for the development argue that although it's not in a blighted neighborhood, the actual land parcel counts as blighted.

In 2009, the Chicago Reader published a series of articles that aimed to explain and expose the use of TIF in Chicago. The money has fascinated Chicago journalists and politicians for a long time, but it's often misunderstood by the public.

Attempts to Solve the Issue:

Aldermen, County Clerks, and mayoral candidates have attempted to reform the broken TIF system through increased transparency and accountability. After Emanuel's 2011 election, he convened a TIF Reform Task Force, whose published report attempted to create greater efficiency, transparency, and accountability within the system.¹⁹ In 2014, taxpayers were given their first opportunity to see for the first time how much of their tax money was going towards

¹⁷

<https://www.bettergov.org/news/how-city-power-players-diverted-55-million-in-blight-fighting-tif-cash-to-navy-pier>

¹⁸ <https://www.scribd.com/document/405797169/Lincoln-Yards-Final-RDA-2019-04-10>

¹⁹

<https://www.chicago.gov/content/dam/city/depts/mayor/Press%20Room/Press%20Releases/2011/August/8.29.11TIFReport.pdf>

TIF projects. Property tax bills went out to taxpayers with the exact dollar amount as a part of the year-long transparency campaign. This campaign was led by then-Cook County Clerk David Orr and a coalition of progressive aldermen, including Scott Waguespack and Miguel Flores. It also coincided with the extensive reporting on TIF done by Ben Joravorsky of the Chicago Reader.

Orr was a champion of TIF reform and encouraged the declaration of TIF surplus, saying: “the City Council has to vote to approve its \$1.4 billion property tax levy each year in open meetings, but once a TIF has been created, additional tax revenue from TIFs pours in each year...These funds should be subject to the same vigorous debate as non-TIF funds,” Orr said. “Development projects should not be simply rubber-stamped for approval.”²⁰

Orr wanted to amend TIF provisions to include stronger checks on development during a 23-year TIF period. In Orr’s eyes, municipalities should have to demonstrate an ongoing blight in the area to receive their funding.

Orr made a point to increase transparency on the Clerk’s website, through the Clerk’s TIF Viewer,²¹ TIF Property Search²² and an informative “Understanding TIFs” video.²³ Even as data has become more available, Orr wanted to make it easier for taxpayers to access this data in a user-friendly way and to track exactly how their funds were spent.

Current Mayor Lori Lightfoot campaigned on curtailing TIF and TIF reform.²⁴ In the summer of 2019, Inspector General Joseph Ferguson released an inquiry into the implementation of recommendations made by the former Mayor Rahm Emanuel’s Tax Increment Financing Reform Panel. Ferguson uncovered that the city had not followed all the way through on their goal to set multi-year development plans and capital budgets for TIF money. Like Orr, Lightfoot believes that the TIF system needs to be more transparent about who receives money and how that decision is reached. Lightfoot also wants to commit the city to community-driven, publicly-available plans for the development projects that are approved. These reforms include “performance thresholds” that can be used to judge a TIFs effectiveness, tougher standards for what constitutes a “blighted” area, and dialing down TIF funds in ineffective districts.

²⁰ <https://news.wttw.com/2019/07/31/chicago-tif-revenues-soaring>

²¹ <https://maps.cookcountyil.gov/tifViewer/>

²² <https://tif.cookcountyclerk.com/>

²³ <https://www.youtube.com/watch?v=ws52ykXb-MM&feature=youtu.be>

²⁴ <https://www.chicagotribune.com/politics/ct-met-mayor-lightfoot-tif-report-20190604-story.html>

During her candidacy, Lightfoot called for a moratorium on creating new TIF districts, though she does not believe TIF should be abolished all together. “When I am mayor, the city will not create new TIF districts until we have fully analyzed the performance of existing districts to ensure that they are meeting their intended objectives and that the private recipients of TIF funds are satisfying their contractual obligations,”²⁵ Lightfoot wrote to the Chicago Sun-Times.

Currently, TIF projects are held to 11 policy guidelines that can help potential recipients decide whether or not to apply.²⁶ These have also been edited to include standards for transparency. the Chicago Municipal Code has been updated to include these standards as well, outlining the online database²⁷ and creating TIF itself through Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1.²⁸

Summary of Issue:

Tax Increment Financing is a prevalent tool across the U.S. on which Chicago’s budget and economy rely. The city has a long history with TIF revenue that involves a lot of mismanagement and misuse, but also many successful projects that are Chicago institutions. TIF is intended to use surplus property tax money to help blighted communities in the city, but is sometimes used to further the personal agenda of a mayor or a more wealthy neighborhood. However, many still believe that TIF money can be used for good. One step towards maximizing the good of the program has been increasing transparency, but this isn’t enough. The question for

25

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<http://www.ilga.gov/legislation/ilcs/ilcs4.asp?DocName=006500050HArt%2E+11+Div%2E+74%2E4&ActID=802&ChapterID=14&SeqStart=213100000&SeqEnd=215400000>

the aldermen now is how to curb the corruption without dissolving the program altogether. Under Lightfoot, the future of TIF is being called into question, as she emphasized TIF reform throughout her campaign. Much of Chicago politics revolves around similar questions of reform and transparency, especially with the Lightfoot administration. The city is full of disparity that is heightened by corrupt leaders. Systems should work for all constituents in all wards, but some wards need extra help. How do aldermen ensure that that extra help is distributed by ethical leaders? How do they ensure that help ends up in the right place? TIF money also brings up another hot-button topic: property taxes in the city. If property tax revenue doesn't go towards TIF anymore, or if there's a surplus, who needs this money most and how do we get it there? Should TIF exist at all if our teacher's union is striking for weeks? Aldermen need to balance the numerical questions of TIF—how many districts, how much money—with the more structural ones for the best debate.

Questions to Consider:

1. What is the history of TIF in your ward?
2. What are current TIF projects in your ward? How far along are they? How have they helped/hurt your community?
3. Would you say your ward contains “blighted” areas?
4. Do you have any ties to private interests that influence your stance on TIF?
5. Have you served under mayors besides Lori Lightfoot? Have you spoken out against the misuse of TIF money by former mayors either in office or on the campaign trail?
6. What is the average property value in your ward? How does this influence the amount of TIF revenue you receive?
7. How are the residents of your ward negatively affected by property tax increases? Are neighborhoods in your ward hurt by gentrification?
8. Did your aldermen release a statement on Lightfoot's November use of the TIF surplus? Do TIF surpluses justify the amount of property taxes directed away from normal benefactors?

Topic B: Ethics Reform

Explanation of Issue:

Recently, there have been many instances of alderman breaking the rules to personally benefit themselves—unethical conduct. These people are harming Chicago and putting a damper on its reputation. More specific instances of being unethical include bribery. This council will also look into bribery as a whole, but specifically how it happens and ways that it can be combated. Along with bribery, this council will look into the turnaround between City Council officials and lobbyists.

Right now, there is a two-year turnaround for required wait for aldermen to turn into lobbyists, but this regulation does not apply to all members of the City Council. This allows for people to leave the City Council, and right away work

The Chicago City Council will also be talking about Ed Burke, Danny Solis, and Willie Cochran, three aldermen who have recently been at the center of ethical controversies. Ed Burke is the longest-serving alderman in all of Chicago's history, having served for over 50 years. He is the Alderman of the 14th Ward. He is currently facing charges for allegedly using his political office to drive business for his law firm and for attempted extortion; Burke pleaded "not guilty" to these charges. He won reelection in 2019 after news of his conduct broke to the Chicago public.

Danny Solis was the Alderman of the 25th Ward. He was accused of corruption by federal investigators; instead of accepting charges, he agreed to wear a wire to help the FBI. He helped them specifically with the case of Ed Burke, and people think he may have helped them with other cases. There have not yet been charges brought against Solis. He did not run for re-election.

Willie Cochran was the Alderman of the 20th Ward. In 2019, he pleaded guilty to one count of wire fraud. Prosecutors said that he took money—some say thousands) of dollars—from a charity he founded to help children and seniors and used it for personal expenses such as gambling. He was sentenced to twelve months of prison

Our committee will be debating ethics rules and trying to create new ones that will have a lasting impact on city politics. This issue is of paramount importance because all elected officials must be held accountable for their actions. Elected officials should serve their constituents, not take from them. Chicagoans can't lose their trust in city politics because of the aldermanic process. To benefit oneself before bettering the city is a sin, and people who do so need to be either weeded out of the City Council or regulated so much so that they are unable to

History²⁹

The City of Chicago has used the Aldermanic system for decades; as such, this is not the first time issues regarding ethics have come up. The past fifty years have been very tumultuous for Chicago Aldermen, as many have gone in murky ethical waters. There have been thirty aldermen who have gotten indicted for various crimes since 1972.³⁰ That averages three aldermen every five years. Below is information on some of the aldermen who have been indicted for ethical dilemmas:

1. **Joseph Jambrone**: convicted in 1973, 28th Ward. Alderman Jambrone served for many years. He is alleged to have accepted money and bribes for helping people. He died in 1974 during the process of appealing his conviction.
2. **Tyrone Kenner**: convicted in 1983, 3rd Ward. Kenner was an alderman for 12 years. During this thirteenth year, he was accused and charged of taking more than \$15,000 in bribes in exchange for helping at least 12 people get hired as sheriff's deputies or pass tests to become city electricians, according to news reports. He died in 2009. Kenner was also convicted of obstruction of justice charges for trying to influence witnesses. He served 20 months of a five-year prison sentence.
3. **Isaac "Ike" Carothers**: pleaded guilty in 2010, 29th Ward. Carothers accepted \$40,000 worth of bribes (renovations to his home in exchange for fixing a developer's zoning case), and was sentenced to prison for 28 months. In 1983, William Carothers, his father, was convicted of corruption.

²⁹ <https://chicago.cbslocal.com/2019/01/03/alderman-burke-chicago-city-hall-corruption/>

³⁰ <https://www.chicagotribune.com/news/breaking/ct-chicago-convicted-aldermen-htmlstory.html>

4. **Arenda Troutman:** pleaded guilty in 2008, 20th ward. Troutman was convicted to four years in prison for accepting bribes from developers, and soliciting donations.
5. **Operation Silver Shovel.** Operation Silver shovel has been described as a “sweeping anti-corruption probe”³¹ by many politicians and citizens alike. John Christopher was the “mole” of the investigations, but alderman were indicted, too. All in all there were forty targets.
6. **Operation Incubator.**

An even scarier statistic than the 30 aldermen who have been convicted over the past 46 years is that three aldermen from the 20th Ward have pleaded guilty to criminal ethical charges. For a system that started in the 19th century.

After reading through history, one could probably see that the majority of these aldermen got indicted for bribery. Bribery is defined by the Cornell Law school as, “ the offering, giving, soliciting, or receiving of any item of value as a means of influencing the actions of an individual holding a public or legal duty.”

Summary of Issue:

Essentially, the City of Chicago has had a troubling history when it comes to the intersection of corruption and ethics with its aldermen and politics. This issue has infected the City of Chicago slowly but surely. Something must be done to start to change the rules and change the norms of aldermanic behavior, because unethical behavior continues to worsen.

Attempts to Solve the Issue:

Lori Lightfoot, the new Mayor of Chicago, has worked very hard to help the city, but more specifically aldermen must work to make ethical reforms. Lightfoot is one of the only

³¹ <https://www.chicagotribune.com/news/ct-xpm-1996-01-12-9604180346-story.html>

people who has worked tirelessly on ethical reforms. She has sent many plans in motion, such as taking away aldermanic privilege—the rule that allowed aldermen the privilege of allowing or denying construction in their ward and vetoing developments. Aldermanic privilege was known to be unchecked power, and was used to be a tool for corruption.

Along with taking away aldermanic privilege, Lightfoot changed a few rules about all the men working as attorneys. Essentially, aldermen are not allowed to work with clients who have had run-ins with the Chicago Police Department. Lightfoot does not want to create an issue between aldermen and police, so when police are implicated in the trial, aldermen are unable to work as their attorneys. She has also passed a whole ethics reform, but these are more of the notable things she has accomplished.

Questions to Consider:

1. Have you or your ward been caught up in ethical controversy?
2. When you ran your campaign, did you highlight, focus on, or mention ethics?
3. What do you think of Lori Lightfoot's ethics reform?
4. What have you done in regards to the situation surrounding Ed Burke?
5. What are ethical dilemmas in the City of Chicago and your specific ward that need to be addressed?
6. What are your connections to groups outside of your aldermanic office?
7. What rules should the aldermanic committee put in place to stop unethical behavior?

Conclusion:

Every alderman should have a website or two—ward and potentially campaign—since they were all (re-)elected in 2018. This is a great place to begin your research. We're lucky to live in a city with great local journalism, so lean on sources such as the Tribune, the Sun-Times, and Crain's, as well as smaller outlets. Even if your alderman isn't outspoken on either of these issues, if you understand them and their ward, that's the best basis for good debate. Get familiar

with the geography of your ward as well. Find out what aldermen represent areas near you, whose interests may align with yours. Voting³² and council meeting³³ records will also be helpful for understanding your position and preparing to create a bloc. As Chicago is a majority democratic city, most aldermen will be ideologically similar on the big issues. Focus on the nitty-gritty policy differences instead and look for any distinguishing positions your aldermen has. This is what makes City Council so vital to Chicago and so interesting to us as chairs. During a presidential election, focus shifts to politics at the national level. What happens at the top of a democracy certainly matters, but no matter what happens in 2020, local politics will continue to directly touch lives. Aldermen deal with everything from potholes to property taxes. Use your time on City Council this FWPMUN to bring life to those “little” issues, as well as the big, structural ones that allow the little issues to be dealt with. Ethics reform is as structural as you can get. Many of the other problems in the city can be traced back to corrupt aldermen and the corrupt systems that work for them. TIF projects are great way to examine for that corruption. In a city that is characted nationally for its violence and inequity, it’s important to engage with the nuance and the root causes of those big, daunting problems.

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