

As introduced in City Council Finance Committee, September 1, 2009

SUBSTITUTE ORDINANCE

WHEREAS, The City of Chicago (the "City") is a home rule unit of government by virtue of the provisions of the Constitution of the State of Illinois of 1970 and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The City has proposed hosting the summer Olympic Games, including the Paralympic Games constituting a part thereof (the "2016 Games") in 2016; and

WHEREAS, In pursuing the honor of hosting the 2016 Games, the City has worked cooperatively with Chicago 2016, an Illinois not-for-profit corporation (the "Bid Committee") formed for the purpose of assisting and representing the City in the Olympic Games bid application process in accordance with International Olympic Committee ("I.O.C.") protocols; and

WHEREAS, In early 2007, the Bid Committee submitted the City's bid application materials to the United States Olympic Committee (the "U.S.O.C.") in connection with the U.S.O.C.'s selection of the United States' host city candidate in April 2007; and

WHEREAS, In connection with such bid application, and by an ordinance adopted by the City of Chicago City Council (the "City Council") on March 14, 2007 and published in the Journal of the Proceedings of the City Council of the City of Chicago titled "AUTHORIZATION FOR EXECUTION OF AGREEMENTS WITH VARIOUS PRIVATE AND MUNICIPAL ENTITIES IN CONJUNCTION WITH THE CITY OF CHICAGO'S BID APPLICATION TO HOST 2016 OLYMPICS", the City Council provided for the authorization of the City's execution of, among other things: (a) certain City of Chicago Olympic Commitments Agreement; (b) certain Intergovernmental Agreements by and between the City and the Chicago Park District, the Metropolitan Pier and Exposition Authority, the Board of Education of the City of Chicago and certain other public bodies whose properties may serve as venues for Olympic Games; and (c) a Joinder Undertaking and Joinder Agreement (the "Joinder Agreement") pursuant to which the City has committed to provide certain guarantees and indemnities, subject to the limitations set forth therein; and

WHEREAS, On April 14, 2007, the U.S.O.C. selected the City as the United States' Applicant City for the 2016 Games; and

WHEREAS, On June 4, 2008, the I.O.C. selected the City as one of the final four Candidate Cities for the 2016 Games; and

WHEREAS, After June 4, 2008, the I.O.C. then issued its "2016 Candidature Procedure and Questionnaire" (the "Candidature Procedure"); and

WHEREAS, The Candidature Procedure is the document provided by the I.O.C. to Candidate Cities that explains the candidature process, sets forth certain questions that the Candidate Cities must answer, and requests certain mandatory guarantees that the Candidate Cities must provide prior to February 12, 2009 as part of their bid application; and

WHEREAS, In July, 2008, the I.O.C. also issued the form of "Host City Contract for the Games of the XXXI Olympiad in the Year 2016" (the "Host City Contract"); and

WHEREAS, The Host City Contract is the primary legal document that shall govern the organization and operation of the 2016 Games, and, if the City is selected to host the 2016 Games, must be executed by the City and the U.S.O.C. immediately following the I.O.C.'s selection of the host city on October 2, 2009; and

WHEREAS, Following the I.O.C.'s selection of the host city for the 2016 Games, the I.O.C. shall also execute the Host City Contract, which shall become binding upon such parties; and

WHEREAS, The Host City Contract includes a provision that would require the City to provide an unlimited, open-ended financial guarantee to host the 2016 Games; and

WHEREAS, Failure to provide this financial guarantee would effectively disqualify the City's bid for the 2016 Games; and

WHEREAS, If the City is selected to host the 2016 Games, such a financial guarantee could obligate the City to cover the costs associated with hosting the 2016 Games; and

WHEREAS, If the City is required to provide such a financial guarantee, it is imperative the City Council oversee the actions of the Organizing Committee for the Olympic Games (the "O.C.O.G.") to protect the City from financial risk; now, therefore

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The foregoing recitals are hereby adopted as the findings of the City Council and are incorporated herein and made a part of this ordinance.

SECTION 2. An ad hoc Chicago City Council Olympic Oversight Committee of the Whole (the "Oversight Committee") is hereby created to oversee the actions of the O.C.O.G. and to safeguard taxpayers' interests by requiring the O.C.O.G. to regularly report on the preparations for the 2016 Games through the public disclosure of budgets, contracts and construction updates. The Oversight Committee will be co-chaired by the chairs of the Chicago City Council Budget and Finance Committees.

SECTION 3(a) The O.C.O.G. shall provide quarterly reports to the Oversight Committee detailing information on its budget, including expenditures, revenue, donors and donations, both monetary and in-kind, and contingency reserve funds. The O.C.O.G. shall provide detailed information regarding all expenditures related to the Olympics, including those made by the City in support of the Olympics. These expenditures shall be classified by category and by individual projects and shall include information on the status of individual projects and whether they are on-schedule and on-budget. In addition to the quarterly reports, the O.C.O.G. shall provide the Oversight Committee any reports submitted to the I.O.C. All reports shall include all analyses and supporting data.

3(b) The O.C.O.G. shall provide quarterly reports to the Oversight Committee detailing information on its contracting and subcontracting process, including all Requests for Proposals (R.F.P.'s), Requests for Qualifications (R.F.Q.'s), bid tabulations, finalized contracts and economic disclosure statements. The O.C.O.G. shall publish the names of the parties to such contracts, including all subcontractors, no less than five business days prior to the awarding of a contract. The quarterly report shall include a status on the O.C.O.G. compliance with the

provisions of the Memorandum of Understanding (the "M.O.U.") between the Chicago 2016 Bid Committee and the Chicago 2016 Outreach Advisory Council dated April 22, 2009.

3(c) Governing board members and employees of the O.C.O.G. shall be required to file statements of financial interests. For purposes of this section, the following persons shall be referred to as "reporting individuals":

- (i) Each member of the governing board of the O.C.O.G.; and
- (ii) Each employee of the O.C.O.G. who is compensated for services or occupies a budgeted position as an employee at a rate of \$50,000.00 per year or more; and
- (iii) Each employee of the O.C.O.G. who is compensated for services as an employee at a rate of less than \$50,000.00 per year for such employment, and also receives additional compensation, either for professional services rendered to, or as an independent contractor for, the O.C.O.G. in such an amount that his or her total income for service to the O.C.O.G. is \$50,000.00 per year or more.

Each reporting individual shall file with the Chicago Board of Ethics, at the time he or she becomes a reporting individual, and thereafter by May 1st of each year, a verified written statement of financial interests unless a statement has already been filed in that calendar year. The statements of financial interests shall be completed by typewriting or hand printing, and shall be verified, dated and signed by the reporting individual personally. It shall be submitted on a form prescribed by the Board of Ethics and contain the information required under the Chicago Governmental Ethics Ordinance, sections 2-156-160 and 2-156-170. Not later than February 1st of each year, the chief executive officer of the O.C.O.G. shall certify to the Board of Ethics a list of the names and mailing addresses of the reporting individuals. Not later than March 1st of each year, the Board of Ethics shall in writing notify by personal delivery or mail all persons required to file statements of financial interests under this Ordinance. The Board of Ethics shall deliver a receipt to each person who files such statements of financial interests, and all such statements shall be available for examination and duplication by the public in the office of the Board of Ethics during its regular business hours. All such statements of financial interests shall also be published on the O.C.O.G. website.

3(d) The O.C.O.G. shall purchase, or shall require third-party developers to purchase, insurance policies to protect against natural disasters, event cancellation and the loss of development financing. Such insurance protection shall include capital replacement insurance to safeguard the City from the potential loss of development financing for the construction of the Olympic Village. The O.C.O.G. shall provide copies of all purchased insurance policies to the Oversight Committee.

3(e) The O.C.O.G. shall publish the above-noted quarterly reports, insurance policies and all other disclosure requirements on the O.C.O.G. website, at the time the reports and disclosures are released, in an easily downloadable and machine-readable format.

SECTION 4. In addition to the Office of the Inspector General's (the "O.I.G.") regular authority, the O.I.G. shall audit and monitor the O.C.O.G. management and preparation for the 2016 Games and shall provide reports on its findings, on a quarterly basis or upon special request, to the Oversight Committee. These reports shall include comparisons of budgeted and actual expenditures, detail progress on the construction of venues and outline any changes in the

plans for the 2016 Games. These reports shall also include any findings relating to corruption, waste and mismanagement. The O.C.O.G. shall provide the O.I.G. adequate funding to allow it to fulfill its responsibilities under this ordinance.

SECTION 5. The Oversight Committee shall commission an independent public interest organization to serve in a continuing advisory capacity to the Oversight Committee. The commissioned organization shall review the O.C.O.G. and the O.I.G. quarterly reports and provide policy recommendations to the Oversight Committee regarding the findings in the reports. The commissioned organization shall help ensure oversight by evaluating the O.C.O.G. compliance in meeting its financial reporting requirements, obligations under the M.O.U., construction schedules and budgetary targets, in adhering to established ethical standards, and in providing full public transparency of its operations.

SECTION 6. This Ordinance shall be inoperable as follows:

- a) if the City terminates its candidacy to become the host city for the 2016 Olympic and Paralympic Games, then this Ordinance is inoperable upon that termination;
- b) if the I.O.C. does not select the City as the host city of the 2016 Olympic and Paralympic Games;
- c) if the City is chosen as the host city for the 2016 Olympic and Paralympic Games, then this Ordinance is inoperable on and after June 30, 2017.

SECTION 7. This ordinance shall take effect upon its passage and publication.