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JOURNAL of the PROCEEDINGS of the CITY COUNCIL of the CITY of CHICAGO, ILLINOIS

Special Meeting—Thursday, October 15, 1981

at 2:00 P.M.

(Council Chamber—City Hall—Chicago, Illinois)

OFFICIAL RECORD.

JANE M. BYRNE
Mayor

WALTER S. KOZUBOWSKI
City Clerk

Call to Order

On Thursday, October 15, 1981 at 2:00 P.M. (the day and hour appointed for the meeting), Honorable Jane M. Byrne, Mayor, called the meeting to order.

Determination of Quorum.

Walter S. Kozubowski, City Clerk, called the roll of members and it was found that there were present at that time: Aldermen Roti, Barnett, Kenner, Evans, Bloom, Sawyer, Bertrand, Humes, Shaw, Vrdolyak, Majerczyk, Madrzyk, Burke, Brady, Barden, Streeter, Kellam, Sheahan, Stemberk, Lipinski, Shumpert, Marzullo, Nardulli, Carothers, Davis, Hagopian, Kuta, Mell, Frost, Marcin, Farina, Casey, Cullerton, Laurino, Pucinski, Natarus, Oberman, Merlo, Clewis, Schulter, Volini, Orr, Stone--43.

Quorum present.

Invocation.

Alderwoman Eloise Barden, 16th Ward, opened the meeting with prayer.

CALL FOR SPECIAL MEETING READ.

The City Clerk, Walter S. Kozubowski, informed the City Council that the following call for the meeting was filed in the office of the City Clerk on October 14, 1981 at 12:45 P.M:

OFFICE OF THE MAYOR

CITY OF CHICAGO

October 13, 1981.

Honorable Walter S. Kozubowski
City Clerk
Room 107, City Hall
Chicago, Illinois 60602:

DEAR MR. KOZUBOWSKI--I hereby call a special meeting of the City Council of the City of Chicago, to be held Thursday, October 15, 1981 at 2:00 p.m. in the Chamber of the City Council, Second Floor, City Hall, for the sole purpose of considering an ordinance conditionally approving financing for capital developments at Chicago-O'Hare International Airport and Midway Airport through the issuance of revenue bonds of the City.

Very truly yours,

(Signed) JANE M. BYRNE,
Mayor.

Conditional Approval Given to Issuance of Revenue Bonds of City to Finance Capital Developments at O'Hare and Midway Airports.

Alderman Frost moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon a proposed ordinance giving conditional approval to the issuance of up to $1,500,000,000 Revenue Bonds of the City of Chicago for the financing of capital developments at Chicago-O'Hare International Airport and Midway Airport. The motion *Prevailed.*

Recess Taken.

Alderman Frost moved that the City Council *do Recess*, for the purpose of allowing the Aldermen the opportunity to familiarize themselves with the pending proposed ordinance.

The motion *Prevailed* and the City Council *Stood in Recess*.

City Council Reassembled.

After a short Recess, Alderman Frost moved that the Council *Reconvene*. The motion *Prevailed*.

Alderman Frost then moved to *Suspend the Rules Temporarily* to permit Commissioner of Aviation Thomas Kapsalis, Assistant Corporation Counsel Daniel Pascale and Acting City Comptroller Anthony Fratto to address the City Council. The motion *Prevailed*.

After discussion by various aldermen with the Commissioner of Aviation, etc. concerning the pending proposed ordinance, Alderman Frost moved the *Previous Question*. The motion *Prevailed*.

Thereupon, on motion of Alderman Frost the pending proposed ordinance was *Passed*, by yeas and nays as follows:

Yeas--Aldermen Roti, Barnett, Kenner, Evans, Bloom, Sawyer, Bertrand, Humes, Shaw, Vrdolyak, Majerczyk, Madrzyk, Burke, Brady, Barden, Streeter, Kellam, Sheahan, Stemberk, Lipinski, Shumpert, Marzullo, Nardulli, Carothers, Davis, Hagopian, Kuta, Mell, Frost, Marcin, Farina, Casey, Cullerton, Laurino, Pucinski, Natarus, Merlo, Clewis, Schulter, Volini, Orr, Stone--42.

Nays--Alderman Oberman--1.

Alderman Stemberk moved to *Reconsider* the foregoing vote. The motion was *Lost*.

The following is said ordinance as passed:

WHEREAS, The City of Chicago, through its Department of Aviation, has prepared Master Plan Studies of Chicago-O'Hare International Airport ("O'Hare Airport") and of Chicago Midway Airport ("Midway Airport") which sets forth future development plans for these airports, analyzes the economic and enviromental impact of those developments, and analyzes the financing needs for those developments; and

WHEREAS, It is necessary that the City of Chicago submit an Airport Layout Plan for both of these airports to the United States Department of Transportation, Federal Aviation Administration, for approval because such approval is required before certain development projects can proceed; and

WHEREAS, It is anticipated that the City of Chicago will issue not exceeding $1,500,000,000 of its revenue bonds to finance the development of O'Hare Airport and will also issue its revenue bonds to finance developments at Midway Airport; and

WHEREAS, As part of the $1,500,000,000 development of O'Hare Airport, terminal facilities primarily serving Delta Air Lines, Inc. are planned, which are proposed to be financed by the issuance of not exceeding $250,000,000 of the City of Chicago revenue bonds; and a Memorandum of Agreement has been presented under the terms of which the City of Chicago agrees to issue such bonds for such facilities; and

WHEREAS, As part of the $1,500,000,000 development of O'Hare Airport, a terminal building, together with a remote satellite terminal and appropriate appurtenances, primarily serving United Air Lines, Inc. are planned, which are proposed to be financed by the issuance of not exceeding $750,000,000 of City of Chicago revenue bonds, and a Memorandum of Agreement has been presented under the terms of which the City of Chicago agrees to issue such bonds for such facilities; and

WHEREAS, As part of the $1,500,000,000 development of O'Hare Airport, apron and material handling facilities primarily serving the Flying Tiger Line, Inc. are planned, which are proposed to be financed by not exceeding $15,000,000 of the City of Chicago revenue bonds, and a Memorandum of Agreement has been presented under the terms of which the City of Chicago agrees to issue such bonds for such facilities; and

WHEREAS, Hangers and maintenance facilities primarily serving Air Chicago, Inc. are planned at Midway Airport, which are proposed to be financed by not exceeding $25,000,000 of City of Chicago revenue bonds, and a Memorandum of Agreement has been presented under the terms of which the City of Chicago agrees to issue such bonds for the such facilities; and

WHEREAS, Office space and parking facilities primarily serving Midway Airlines, Inc. are planned at Midway Airport, which are proposed to be financed by not exceeding $5,000,000 of the City of Chicago revenue bonds, and a Memorandum of Agreement has been presented under the terms of which the City of Chicago agrees to issue such bonds for such facilities; and

WHEREAS, As part of the $1,500,000,000 development of O'Hare Airport, one or more other users of facilities and providers of services at O'Hare Airport may execute a Memorandum of Agreement pursuant to which City of Chicago revenue bonds may be issued to finance such facilities; and

WHEREAS, One or more users of facilities and providers of Services at Midway Airport may execute a Memorandum of Agreement pursuant to which City of Chicago revenue bonds may be issued to finance facilities; now, therefore,

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

SECTION 1. The Mayor of the City of Chicago is authorized to file with the United States Department of Transportation, Federal Aviation Administration the proposed Airport Layout Plans for O'Hare Airport and for Midway Airport and related supporting materials.

SECTION 2. The Mayor of the City of Chicago is further authorized to act in connection with the proposed Airport Layout Plans, to give what assurances are necessary and to provide such additional information as is required.

SECTION 3. The Mayor of the City of Chicago is hereby authorized to execute Memorandum of Agreement with Delta Air Lines, Inc., United Air Lines, Inc., Air Chicago, Inc., The Flying Tiger Line, Inc., Midway Air Lines, Inc., and with other users of facilities and providers of services at O'Hare Airport and Midway Airport in substantially the form of such agreement submitted to this City Council, and said Memorandum of Agreement are hereby approved.

SECTION 4. The Mayor of the City of Chicago is hereby authorized to take such further action as is necessary to carry out the intent and purpose of this Ordinance and each Memorandum of Agreement as executed.

SECTION 5. In adopting this Ordinance, the City Council intends to take "official action", within the meaning of Section 1.103-8 (a) (5) of the Internal Revenue Service regulations pertaining to industrial development bonds, toward the issuance of the City of Chicago revenue bonds referred to in this Ordinance and the Memorandum of Agreement.

SECTION 6. This Ordinance shall be effective upon its adoption and approval.

Memorandum of Agreement reads as follows:

This Memorandum of Agreement is between the City of Chicago, Illinois (the "Issuer") and ______________________________ (the "Company").

1. *Preliminary Statement.* Among the matters of mutual inducement which have resulted in this Agreement are the following:

(a) The Issuer is authorized to its revenue bonds to finance the cost of construction of certain facilities at ____________________ Airport (the "Airport").

(b) The Company desires to construct and equip certain facilities at the Airport (the "Project") which are expected to cost not exceeding $________________. The Company represents that it has already incurred substantial financial commitments with respect to the Project. The Company has requested the Issuer to assist the Company in financing the cost of the Project (including reimbursement of costs incurred prior to the issuance of the bonds) by issuing its revenue bonds.

(c) The proposed financing will contribute to the public welfare and constitute a public purpose pursuant to Illinois Constitution Act. VIII, Section 1(a).

(d) The revenue bonds of the Issuer shall be limited obligations of the Issuer payable solely out of the revenues derived by the Issuer from the financing agreement referred to below. No holder of any such bonds shall have the right to compel any exercise of the taxing power of the Issuer or any political subdivision of the State of Illinois and such bonds shall not constitute an indebtedness or a loan of credit of the Issuer. It is the expectation of the Company that interest on the bonds will be exempt from Federal taxation under Section 103 of the Internal Revenue Code.

(e) Subject to due compliance with all requirements of law, by virtue of such authority as may now or hereafter be conferred on the Issuer, and subject to receipt of adequate assurance from the Company that there are one or more purchasers for the bonds, the Issuer will issue and sell its revenue bonds in an amount of not exceeding $__________________ to pay the costs of the project.

2. *Undertakings on the Part of the Issuer.* Subject to the conditions above stated, the Issuer agrees as follows:

(a) That it will authorize the issuance and sale of the bonds pursuant to its lawful and constitutional authority.

(b) That it will enter into a financing agreement with the Company whereby the Company will pay to, or on behalf of the Issuer, such sums as shall be sufficient to pay the principal of and interest and redemption premium, if any, on the bonds as and when the same shall become due and payable.

(c) The obligation of the Issuer to proceed is subject to approval by it and by its attorneys of all appropriate documents, and to requirements of State and Federal laws.

3. *Undertakings on the Part of the Company.* Subject to the conditions above stated, the Company agrees as follows:

(a) That it will use all reasonable efforts to find one or more purchasers for the bonds.

(b) That contemporaneously with the delivery of the bonds it will enter into instruments with the Issuer, under the terms of which the Company will obligate itself to pay to or on behalf of the Issuer sums sufficient in the aggregate to pay the principal of and interest and redemption premium, if any, on the bonds as and when the same shall become due and payable.

4. *General Provisions.* (a) All commitments of the Issuer under paragraph 2 hereof and of the Company under paragraph 3 hereof are subject to the conditions that on or before 365 days from the date hereof (or such other date as shall be mutually satisfactory to the Issuer and the Company), the Issuer and the Company shall have agreed to mutually acceptable terms and conditions of the instruments referred to in paragraphs 2 and 3 and of the bonds and other instruments or proceedings relating to the bonds. In the event that the Issuer and the Company do not agree to such mutually acceptable terms and conditions, or in the event that bonds are not issued hereunder, neither party shall be bound or obligated to perform any action under the terms of this Memorandum of Agreement, provided, however, that the Company shall be obligated to pay all out of pocket costs reasonably incurred by Issuer in connection with this Memorandum of Agreement.

(b) The Company also agrees to use its best efforts to reach agreement with the Issuer on a new Airport Use Agreement within 365 days after the date hereof (or such other date as shall be mutually acceptable to the Issuer and the Company).

In Witness Whereof, the parties hereto have entered into this Agreement by their officers thereunto duly authorized as of the ________ day of ________________, 1981.

[Signature forms omitted for printing purposes]

On motion of Alderman Frost, it was ordered that the record show that the foregoing ordinance was passed and reconsidered by the City Council, then approved and signed by the Mayor at 3:10 P.M.

Adjournment.

Alderman Frost then moved that the City Council *do Adjourn.* The motion *Prevailed* and the City Council *Stood Adjourned.*

Walter S Kozubowski

WALTER S. KOZUBOWSKI,
City Clerk.