



OFFICE OF THE INSPECTOR GENERAL
City of Chicago



REPORT OF THE INSPECTOR GENERAL'S OFFICE:

***REVIEW OF TIF PUBLIC BENEFITS CLAUSES AND
CHARITABLE DONATIONS***

OCTOBER 2011

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To the Mayor, Members of the City Council, the City Clerk, the City Treasurer, and the residents of the City of Chicago:

A recent investigation prompted the Inspector General's Office (IGO) to review the process by which private charitable entities are named as beneficiaries in Tax Increment Financing (TIF) redevelopment agreements (RDAs) through the inclusion of "public benefits" clauses. Public benefits clauses are terms in TIF RDAs (as well as City grant agreements and land sale contracts), which obligate the recipients of the City subsidy to make donations to specific charities or public programs as a condition of receiving the City subsidy. Of the 73 RDAs the City identified as including public benefits clauses from 1985 through 2009, 27 agreements directed cash contributions to private non-profits. All but one of the 27 agreements were signed in the ten-period from 2000-2009.

The IGO's review revealed a lack of transparency and accountability in the City's process of choosing specific non-profit organizations worthy of inclusion in public benefits clauses. TIF recipients interviewed by the IGO established that, in the vast majority of cases, the private, non-profit recipients of public benefits were unilaterally chosen by the City. However, City employees responsible for the negotiation of TIF agreements were unable to articulate the criteria by which specific non-profits are chosen to receive corporate donations through public benefits clauses, or how such decisions are made. City employees interviewed for this review could only report that decisions are made collectively by the City's Department of Housing and Economic Development, the Mayor's Office, and aldermen.

The absence of transparency and accountability in the selections, particularly in relation to the selection or designation of private entities as recipients, undermines public confidence in whether the TIF process is being used appropriately. Such doubts are fueled especially when overall outcomes are imbalanced and suggestive of preferential treatment. The IGO's review of TIF RDA public benefits clauses revealed just such an imbalance. Specifically, the IGO's review established that After School Matters (or its KidStart Program), an organization with close ties to the City, was named as a recipient in 59% of those agreements directing contributions to private non-profits, making it by far the most frequent private recipient of public benefits clause donations. Among all recipients both public and private, After School Matters was second only to the City itself in the number of mentions.

The IGO did not review and thus does not raise any question about the value of work done by After School Matters. With that said, the lack of transparency and accountability in the public benefits process raises an appearance of preferential treatment for selected private non-profits. In the case of After School Matters, such appearances are only exacerbated by After School Matters' close ties to the City and utilization of a City employee to oversee its grant writing and fundraising.

One resolution might be for the City to cease naming private entities as recipients of private donations under public benefits clauses. If, however, the City continues to leverage TIF subsidies to private corporations for the benefit of private non-profits, the IGO recommends that 1) the City establish an open process, using publicly available criteria, for the selection of eligible public benefits clause beneficiaries; and 2) TIF recipients be permitted to choose which eligible private charities they wish to support as a condition of the TIF subsidy.

Noting the Mayor's Task Force on TIF Reform did not specifically address public benefits clauses in its final report, I encourage the Mayor and City Council to include this review in their efforts to improve the TIF process.

As always, I welcome ideas your ideas comments, suggestions, questions, and criticisms.

Respectfully,



Joseph M. Ferguson
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I. INTRODUCTION

In the course of a related investigation, the Inspector General’s Office (IGO) reviewed “public benefits” clauses included in Tax Increment Financing (TIF) redevelopment agreements (RDAs) and the process by which private charitable entities are named as beneficiaries in TIF agreements. Public benefits clauses are terms in RDAs and other City grant agreements and land sale contracts, which obligate the recipients of the City subsidy to make donations to specific charities or public programs as a condition of receiving the City subsidy. Through public benefits clauses, the City of Chicago has leveraged its control of TIF subsidies to direct TIF subsidy recipients to make donations to a select group of non-profit organizations, including, most frequently, After School Matters.¹ Most significantly, the IGO’s review revealed that the City has no internal accountability for the selection of non-profit entities nor any published guidelines or criteria by which to evaluate programs named in public benefits clauses. As a result, the City’s public benefits program is vulnerable to mismanagement and the appearance of preferential treatment for select charities.

Specific findings of the IGO’s review of public benefits clauses in TIF redevelopment agreements include the following:

- Of the 73 RDAs identified by the City as including public benefits clauses from 1985 through 2009, 27 agreements directed cash contributions to private non-profits. All but one of the 27 agreements were signed in the ten-year period from 2000 to 2009. The City provided the IGO with brief summaries of the public benefits clauses and could not say with complete certainty that the list reflected every public benefits clause, but asserted that the list was “substantially complete.” The IGO’s analysis of the data provided, however, revealed After School Matters (or its KidStart Program) as the most frequent private recipient of public benefits clauses. Of the 27 agreements requiring cash donations to private non-profits, After School Matters, an organization with close ties to the City, was named as a recipient 16 times, representing 59% of all of the public benefits clauses directing money to private entities. Those 27 agreements directed more than \$3.7 million in cash contributions to private, non-profit entities, of which After School Matters received \$915,000—the second-largest total amount of all private entities. The Leland Apartments Development was the largest private recipient, having received a single donation of \$1.25 million. Among all cash recipients both public and private, After School Matters was second only to the City of Chicago (named as a recipient 17 times).
- TIF recipients interviewed by the IGO established that, in the vast majority of cases, the private, non-profit recipients of public benefits, i.e. corporate charitable donations, were unilaterally chosen by the City.

¹ The IGO did not review and thus does not raise any question about the quality of the work done by After School Matters.

- The City lacks clearly established policies or procedures for the selection of charities benefiting from public benefits agreements. City employees responsible for the negotiation of TIF agreements were unable to clearly articulate how specific non-profits like After School Matters are chosen to receive corporate donations through public benefits clauses.
- The City's selection of public benefits recipients in the TIF negotiation process lacks accountability. City employees interviewed by the IGO could not identify any specific employees ultimately responsible for the selection of non-profits included in public benefits clauses, and provided only the general explanation that decisions are made collectively by DHED, the Mayor's Office, and aldermen.

Ultimately, the investigation revealed a significant lack of transparency and accountability in the City's process of choosing specific non-profit organizations worthy of inclusion in public benefits clauses. Moreover, this lack of transparency has created an appearance of preferential treatment for select private non-profits. One possible resolution is for the City to simply discontinue its inclusion of private non-profits as recipients of public benefits clauses.

If, however, the City continues to leverage TIF subsidies to private corporations for the benefit of private non-profits, the IGO recommends that the City take immediate steps to improve both transparency and accountability in the public benefits process. First, the IGO recommends that the City establish an open process, using publicly disclosed criteria, for the selection of eligible public benefits clause beneficiaries. These criteria would serve as the basis for an approved list of non-profit organizations or public works projects, as well as a framework by which the City could evaluate additional non-profits or public works programs for inclusion in TIF redevelopment agreements. Second, the IGO recommends that TIF recipients be permitted to choose which eligible private charities they wish to support as a condition of the TIF subsidy.

II. TIF REDEVELOPMENT AGREEMENTS AND PUBLIC BENEFITS CLAUSES

The TIF program permits the City to reimburse businesses for certain statutorily eligible expenses related to the redevelopment of properties within the City's 163 TIF districts.² To apply for a TIF redevelopment subsidy, a developer must submit an application to the Department of Housing and Economic Development (DHED).³ DHED employees review the proposed redevelopment project, negotiate an agreement with the developer for the TIF subsidy, and help the developer navigate the TIF approval process.

² See 65 ILCS 5/11-74.4-3(q).

³ The Department of Housing and Economic Development now encompasses the former Department of Community Development and the former Department of Planning and Development. For purposes of this report, these departments are collectively referred to as the Department of Housing and Economic Development (DHED).

DHED employees interviewed by the IGO explained that a TIF application is initially reviewed by a project manager in the DHED Neighborhoods Division as well as employees in the department's TIF Unit, a part of the Development Finance Division. DHED employees also consult with interested aldermen and gauge community support for the development proposal. Once the project has been vetted, DHED employees work with the developer to advance the application to the Community Development Commission (CDC) for interim approval. After the CDC approves the application, DHED employees and the developer negotiate the finer details of the RDA through term sheets. Term sheets spell out all financing terms and other details, such as public benefits clauses, which are ultimately memorialized in the RDA presented to the City Council for final approval.

A. Review of Public Benefits Clauses

The IGO reviewed the terms of all those public benefits clauses identified by the City as included in TIF redevelopment agreements. Public benefits clauses are contract terms included in various RDAs, as well as City grant agreements and land sale contracts, requiring a monetary or in-kind donation, or other public commitment, as a condition of the TIF subsidy from the City. As described by City employees who manage the TIF program, public benefits clauses are intended to ensure the TIF recipient's commitment to the community and to encourage civic responsibility among recipients of public funds. Public benefits clauses are included in TIF redevelopment agreements in the body of the contract and an attached exhibit. For many RDAs, however, the actual terms of the clauses are publicly unavailable as the City has not published on-line or recorded the corresponding exhibits detailing the specific terms of the public benefits clauses.

Upon the IGO's request, DHED and the Law Department provided a list of TIF agreements that include public benefits clauses and a brief summary of the terms of each clause. DHED informed the IGO that it lacks a searchable database of RDAs, making it difficult to identify with certainty all RDAs with public benefits clauses. The list provided to the IGO was therefore based upon DHED's various historical records. The Law Department noted that because there were no time limitations on the IGO's request, it could not say "for sure" if every public benefits clause was included, but asserted that the list was "substantially complete," as to RDAs. Law further represented that it either has or can obtain copies of the underlying RDAs referenced in the list. Accordingly, the IGO has analyzed the list of RDAs and terms of the public benefits clauses as described by DHED and Law with the understanding that the list may not be exhaustive and may not fully represent all public benefits included in TIF RDAs. The list of the RDAs identified by the City as including public benefits clauses and brief summaries of the terms of those clauses is attached to this report as Appendix A.

The resulting 73 RDAs identified by the City as including a public benefits clause span from 1985 through 2009. The terms of most clauses provide that the developer, on or prior to the closing date, shall donate specified amounts to named non-profits or public entities, make an in-kind donation, or undertake some other specified activity to benefit the public. Approximately one-third of the public benefits clauses reviewed by the IGO directed the developer to make in-kind contributions or other public commitments only, such as the provision of an electrical

conduit for Habitat for Humanity, career speakers for nearby schools, youth education programs, free entertainment for the public, and theatre tickets for economically disadvantaged families.

Approximately two-thirds of the agreements reviewed by the IGO directed cash contributions to non-profit or public entities. Of those cash contributions, the City of Chicago was a beneficiary of 17 agreements, including donations providing for the purchase of street sweeping machines, donations for satellite senior centers, and streetscape improvements. Other public agencies, including individual schools, the Chicago Transit Agency, Chicago Housing Authority, and Chicago Park District also received cash donations.

The information supplied by DHED and Law reflects that collectively, 23 private, non-profit organizations received a total of 40 donations through the 27 public benefits clauses. After School Matters or its KidStart Program were named as beneficiaries of 16 public benefits clauses, representing 59% of all of the public benefits clauses directing money to private entities and 25% of all cash donated pursuant to those clauses. No other private entity was named as frequently. Misericordia and Working in the Schools were each named twice. As shown in Appendix B to this report, the Leland Apartments Development, a one-time recipient of money through the public benefits clauses, received the single largest donation of \$1.25 million. After School Matters received the second-largest total amount, equaling \$915,000 received through 16 public benefits clauses. Although the list provided by the City may not include all public benefits clauses and paraphrased the actual contract terms, the IGO's analysis of the data provided reveals a clear predominance of After School Matters as the leading named recipient of public benefits clauses.

1. After School Matters

After School Matters is an umbrella organization that administers gallery37, an arts education program for high school students, as well as additional programs for teens in the arts, science, sports, technology, and communications. As part of that mission, After School Matters provides summer job opportunities for students through a program traditionally known as "KidStart." In 1991, the Office of Budget and Management (OBM) conceived and funded gallery37, which was administered by The Arts Matter Foundation. In 1998, the City Council designated The Arts Matter and four other non-profits as organizations affiliated with the Department of Cultural Affairs (now the Department of Cultural Affairs and Special Events (DCASE) to assist the department in its mission. The City Council ordinance authorizes DCASE to provide the affiliated organizations with City resources, including office space and equipment. In 2000, gallery37 received increased private funding for additional after-school programs, and After School Matters was incorporated the same year. The Arts Matter dissolved in 2005, and in 2006, City Council adopted an ordinance designating After School Matters as an affiliated organization to replace The Arts Matter and authorizing DCASE to provide After School Matters with City office space, equipment, and the services of City employees.

After School Matters is managed by two boards of directors: a managing board of 12 individuals, and a general board of approximately 170 civic leaders who are primarily involved in fundraising. Today, the organization has approximately 75 full-time employees and 500 part-time employees. The total operating budget in fiscal year 2010 was \$27.5 million. Since 2004,

the organization has received more than \$54.5 million in City funds through eight City grants for operating expenses and special programs. The most recent grant to After School Matters, P.O. #24689, issued May 12, 2011 and expiring at the end of 2011, authorized City funding of up to \$6,480,000. In addition to this funding, the organization receives office space from the City at the Chicago Cultural Center, and City personnel are detailed to work for After School Matters.

One of the City employees detailed to After School Matters is a DCASE employee, providing management and oversight for all of grant writing and fundraising activities for After School Matters. In an April 2011 interview with the IGO, the employee recalled that After School Matters had received several contributions from donors who referenced a City agreement, but the employee had not been aware of whether the donations were made pursuant to TIF agreements. The employee stated that After School Matters has never had discussions with the City regarding the organization's inclusion in TIF agreements. The employee recalled working with several of the corporations that donated pursuant to TIF redevelopment agreements but stated that the City has not contacted After School Matters regarding a corporation's compliance with any public benefits clause.

B. Interviews with TIF Recipients

The IGO interviewed representatives from ten TIF developers, all corporations that received TIF subsidies pursuant to an RDA with a public benefits clause. Nine of the ten corporations had agreed to make charitable donations to After School Matters as part of an RDA. All but one of the corporate representatives reported that the City unilaterally chose the non-profits named in the public benefits clause.

The one corporate representative who denied any City involvement explained that the corporation chose the beneficiaries, which included After School Matters, after the representative developed tentative guidelines for the corporation's civic giving. The representative explained, however, that having previously served as a deputy chief of staff to Mayor Richard M. Daley, the representative was familiar with After School Matters through previous partnerships with the organization. Nevertheless, the individual emphasized that the decision to award After School Matters a portion of the funds specified in the public benefits clause was vetted by several committees within the corporation and that the involvement of Mayor Daley's wife in After School Matters played no role in the corporation's decision to donate to the organization.⁴ The terms of this particular public benefits clause were also unique in that they expressly provided that if the corporation failed to donate the full amount before the TIF project's completion, the City could reduce the amount of its TIF subsidy by an amount equal to the shortfall in charitable donations. The IGO did not identify any other public benefits clause for which the amount of an

⁴ Documents reviewed by the IGO establish that the corporation had previously donated to After School Matters. However the prior giving was at a much lower level—a total of \$17,600 and \$12,600 in the two prior years respectively, compared to the \$225,000 donated through the public benefits clause. Moreover, other beneficiaries named in the public benefits clause included other recipients with Daley ties—the U.S. Conference of Mayors, a *national* organization that Mayor Daley chaired in recent years, and University of Illinois-Chicago Library Foundation, supporting the Richard J. Daley Library.

approved TIF subsidy that was actually disbursed was made contingent upon the amount of charitable giving.

The other nine corporate representatives, however, informed the IGO that they learned the terms of the public benefits clauses during later stages of the negotiation process, after the TIF subsidy had cleared the CDC. In some instances, representatives reported that the specifics of the charitable donations first appeared in the term sheets, while others reported first seeing the terms in a draft RDA. In one instance, a corporate representative claimed to have first discovered the public benefits clause in the closing costs of the City's final proposal. When the individual representative questioned the clause, a City attorney replied that the clause was a standard term included in all City RDAs and that the RDA could not be approved without it.

In two instances, corporate representatives also reported that the aldermen for the wards where the TIF projects were located helped set the terms of the public benefits clauses. In one of those cases, the representative reported that a non-profit affordable housing development was named as the sole recipient of the public benefits clause after meetings with the local alderman. In the other case, the corporate representative stated that during negotiations, they sought to meet with the local alderman to determine the requirements of the public benefits clause, but later received from the City a draft public benefits clause detailing the required programs and dollar amounts.

III. CITY SELECTION OF ENTITIES NAMED IN PUBLIC BENEFITS CLAUSES

The IGO interviewed three senior-level DHED employees about the origins of public benefits clauses and the City's process of selecting beneficiaries. With respect to the origins of the public benefits clauses, a former DHED senior manager believed that the clauses began appearing in RDAs in the 1990s. During this time, the manager explained, the Mayor favored public benefits clauses that required City contractors to supply the City with mechanical street sweepers. Public benefits clauses later expanded to include other public works projects that the Mayor's Office was promoting, including the KidStart Program, managed by After School Matters. The former DHED manager believed that in 2002 either the Mayor's Office or the OBM directed DHED as to which programs should be included in public benefits clauses. However, the former manager could not recall the name of the City employee who directed DHED to include specific charitable entities. DHED employees further explained that by 2005 or 2006, the aldermen became more heavily involved in the selection of charities for public benefits clauses. At that time, aldermen complained to DHED that public benefits were being identified solely at the Mayor's discretion without any aldermanic involvement, and expressed the concern that communities were not receiving sufficient benefit from TIF agreements.

The IGO's employee interviews and review of relevant documents established that, today, DHED employees actively consult with aldermen on the terms of public benefits clauses. The DHED employees reported that aldermen play a significant role in the selection of entities named in the public benefits clauses, picking charities in their wards that they support and communicating their preferences to DHED. One DHED manager stated that it is implicit that aldermen have provided their approval for any charitable donations contained in RDAs for TIF projects in their wards.

Beyond the identification of the particular stakeholders involved in the decision-making process, however, DHED employees could not identify any current definitive policies or procedures for the City's selection of entities named in public benefits clauses. Two DHED senior managers (one current and one former) explained that the terms of public benefits clauses vary greatly depending on the project, and only for-profit developers are asked to make charitable donations. Another DHED manager denied being aware of any concerted effort within DHED to name specific non-profit entities such as After School Matters in public benefits clauses. Two DHED employees further asserted that there is no process by which Chicago charities can seek to be included as beneficiaries of public benefits clauses.

DHED employees informed the IGO that the terms of public benefits clauses are sometimes identified during the initial negotiations between DHED and developers but may also be identified later, in term sheets, after the CDC approval. City attorneys may become involved in general negotiations early on if the agreement is complicated, but in most cases, DHED employees handle all business discussions with the developer before the terms are sent to Law.

One DHED employee noted that the Law Department's primary role is to negotiate the financing details and was not aware of any instances in which the Law Department identified the private charitable entities to be named in a public benefits clause. A senior manager within the Law Department similarly informed the IGO that all terms included in the term sheets are decided by DHED employees and the developers, and Law uses those term sheets to prepare the RDA.

The lack of a formalized process for selecting private charities for public benefits clause was made clear in the IGO's May 2011 interview of a current mid-level DHED manager, who had been closely involved in the negotiation of TIF agreements. During that interview, the manager expressed surprise to learn that public benefits clauses existed in two of the RDAs that the manager had personally helped to negotiate. Although noting that the agreements were negotiated years earlier (four and ten years, respectively), the manager had no knowledge of the two public benefits clauses benefiting the Girl Scouts and After School Matters. With respect to the public benefits clause directing a donation to After School Matters, the manager speculated that the clause was likely negotiated outside of DHED by the alderman's office. When asked how such an agreement would become memorialized in the RDA, the manager could not identify any one individual responsible for conveying the terms to Law and denied that any one City employee serves as a point person for a particular TIF project. Instead, the manager repeatedly stated that TIF negotiations are "a collective sort of discussion," between the Neighborhoods Division, the TIF Unit, and to "some extent" the aldermen.

IV. ANALYSIS AND RECOMMENDATION

The IGO's review of the City's selection of charities as beneficiaries of public benefits clauses in TIF agreements revealed a significant lack of transparency and accountability. With no internal accountability for the selection of non-profit entities nor any published guidelines or criteria by which to evaluate programs named in public benefits clauses, the public benefits program remains vulnerable to mismanagement and the appearance of preferential treatment for

select charities. Although this report focuses on public benefits within the context of TIF agreements, these findings relate to the use of public benefits in all City agreements, by which the City directs corporate donations to private charities.⁵

The IGO's interviews of current and former City employees involved in TIF negotiations revealed a clear lack of accountability in the TIF program. The senior-level City employees interviewed by the IGO each reported that the terms of public benefits clauses are set after collective negotiations with developers, aldermen, and representatives of DHED and the Mayor's Office, but the employees interviewed could not identify specifically who determines which charities are included in the public benefits clauses. TIF recipients, on the other hand, overwhelmingly reported that the selection of private charities to which they must donate as a condition of receiving TIF subsidies is made unilaterally by the City. They likewise had no knowledge of the underlying City participants or procedures through which those charities were designated. It is clear that no City employee or division within DHED claims ownership of the negotiation process or ultimate responsibility for the final RDA, much less the public benefits clause.

City employees further reported that the City has no established guidelines or governing principles for the selection of charities included in the City's public benefits agreements. Given the specific statutory requirements for all TIF subsidies and persistent transparency concerns surrounding the TIF program, policies and procedures for the selection of non-profits that receive reciprocating corporate charitable donations are critically important. The apparent lack of any negotiation of the contract term directing TIF recipients to fund private entities in exchange for TIF subsidies—and the lack of any selection criteria for those entities—has led to an appearance of preferential treatment for the entities chosen.

By statute, the City is permitted to expend TIF funds only for specific redevelopment costs and is not permitted to use TIF funds for grants to non-profits or costs unrelated to the redevelopment project. The IGO identified one public benefits clause that explicitly made the amount of the City's TIF subsidy dependent upon the corporation's private charitable donations, an arrangement that raises substantial concerns about the effective use of TIF revenues for statutorily impermissible purposes. In most other clauses reviewed by the IGO, the public benefits program maintains a legal separation between the City's TIF funds and the developers' private donations because the City's TIF money is used to directly reimburse statutorily eligible redevelopment costs, and reimbursements are not dependent upon charitable donations. Viewing corporate money as fungible, however, there remains an appearance that a portion of the TIF funding received by each corporation is essentially subsidizing the donations to private charities designated by the City.

⁵ Public benefits clauses benefiting private entities are also included in other non-TIF agreements, such as land sales and grant agreements. In the course of its review, the IGO identified a Tax Reimbursement Payment Agreement, for a major U.S. corporation, issued in accordance with the Illinois Corporate Headquarters Relocation Act, 20 ILCS 611/1, which also included a public benefits clause directing a minimum of \$2 million in donations to various private charitable organizations, including After School Matters.

Most critically, in the absence of established guidelines for public benefits clauses, the frequent selection of After School Matters for public benefits creates the appearance of preferential treatment for an organization with close ties to the City.⁶ The IGO did not review and thus does not raise any question about the quality of the work done by After School Matters. Regardless of the nature of the work performed by After School Matters, the lack of transparency in the City's public benefits program undermines the public's trust in the integrity of the overall TIF program as well as the fairness and equity in the selection of non-profits benefiting from public benefits clauses. One resolution might be for the City to cease naming private entities as recipients of private donations under public benefits clauses.

However, if the City continues to designate private entities as the recipient of public benefits clauses, the IGO recommends that the City take immediate steps to improve both transparency and accountability in the public benefits process. The IGO further recommends that the City consider the establishment of publicly disclosed criteria for the selection of TIF public benefits programs. These criteria would serve as the basis for an approved list of non-profit organizations or public works projects from which a TIF recipient could choose, as well as a framework by which the City could evaluate additional non-profits for inclusion in TIF redevelopment agreements. Chicago's many high quality non-profit organizations should each have an equal opportunity to benefit from the City's public benefits program.

The IGO notes that the City Council has already designated thirty charities as eligible for participation in the City's Voluntary Charitable Deduction Program, which permits City employees to choose as many as ten charities for donations through payroll deductions.⁷ The Voluntary Charitable Deduction Program may be a useful starting point for improvement of the transparency and accountability of the public benefits program. One of the important benefits of a model such as that used by the Payroll Deductions Program is the public disclosure of the City official responsible for the administration of the program, the entities already approved for support, and the criteria used to evaluate those entities. Such public disclosures would afford TIF recipients greater choice in deciding which of the many worthwhile Chicago-based charities they wish to support, while providing a form of public accountability for how and why particular non-profits are selected.

Finally, the IGO recommends that the City make full public disclosure of all public benefits clauses and the terms of each clause included in any City agreement. The City has already published many RDAs on its website. But to provide full accountability and

⁶ The recent hiring of former Mayor Daley's last chief of staff and acting commissioner of the City's Department of Cultural Affairs to senior management positions in After School Matters after the change in mayoral administrations further strengthens the organization's close City ties, and fosters an appearance of possible preferential treatment.

⁷ M.C.C. § 2-32-085 authorizes the Chief Financial Officer to administer the Voluntary Charitable Payroll Deductions Program and provides specific eligibility requirements for participating charities. The Chief Financial Officer is permitted to recommend a non-profit for participation if it is a "voluntary, charitable, health or welfare organization that provides or supports direct health or welfare services to individuals or their families," and provides services in specifically enumerated "common human needs." After School Matters is one of the charities currently designated as eligible for participation in the employee deduction program.

transparency in the TIF public benefits program, the City must ensure that each RDA includes all accompanying exhibits, including those detailing the terms of public benefits clauses.

Appendix A

City of Chicago TIF Public Benefit Recipients			
Developer Entities	Summary of Public Benefit Commitment	Year	TIF Area
Baird & Warner/Higginbottom/Stein & Co	Pedestrian amenities such as bridge connections and arcades; 1/3 acre public park on the roof of the retail component	1985	Central Loop
Buck-Wexler	\$400,000 in special exterior treatments to the pedestrian ways	1986	Central Loop
FJV Venture	Free entertainment for the general public in public areas; new subway entrances	1987	Central Loop
Chicago Oxford Associates, LP	\$25,000 to City for Street Sweeping Machine	1988	Central Loop
Linpro Company	Donation of theaters perimeter retail arcade; pedestrian tunnel under Clark Street	1988	Central Loop
Miller-Klutznick-Davis-Gray Co.	200 hours of technical assistance toward neighborhood economic development efforts	1989	Central Loop
Wabash/Randolph Partnership	150 hours of technical assistance toward neighborhood development funds	1989	Central Loop
Chicago Theater Group-Goodman Theater	\$500,000 in programs for the School Assistance Program and \$50,000 in program for community programs	1990	Central Loop
Commonwealth Edison	\$100,000 to the City for special upgrades of State Street median	1994	Central Loop
Livent Realty (Chicago) Inc.	200 complimentary tickets to economically disadvantaged families and persons	1996	Central Loop
Palmet Venture (Bismarck Hotel)	2,000 tickets over 10 years for performances at Palace Theater given to economically disadvantaged families/persons; use of auditorium 2 days a year for civic and community events and general education program of \$50,000 annually; the developer will sponsor a public school for \$10,000/school year	1997	Central Loop
Plitt/ICE Lawndale, LLC	Participate in City job training programs	1997	Roosevelt/Homan
Plitt/ICE Southwest (Cineplex Odeon)	Employee tuition reimbursement program	1997	60th/Western
95th & Stony Island LLC	Restoration of City of Chicago Van Vliissingen Prairie	1998	95th/Stony Island
American Youth Hostels-Chicago	Continuing scholarship program for disadvantaged students and youth at the facility	1998	Central Loop
United Hellenic American Congress, Greektown Ornamentation Agreement Amendment	Unknown	1998	Near West
330 South Michigan	Developer to pursue listing facility exterior façade on the National Register of Historic Places and consent to landmark designation	1999	Central Loop
343 South Dearborn II LLC	\$25,000 to City for Street Sweeping Machine	1999	Central Loop
Chicago Symphony Orchestra	Provide a variety of youth education programs	1999	Central Loop
One North Dearborn LLC	\$25,000 to City for Street Sweeping Machine	1999	Central Loop
Midway Games, Inc.	Career speakers to Lane Tech and Carl Schulz High Schools	2000	Addison Corridor North
One South State Street LLC	\$25,000 to City for Street Sweeping Machine	2000	Central Loop
UIC South Campus	Various minority hiring requirements, supply computers to Volunteer Training Program	2000	Roosevelt/Union
Carbon & Carbide Building	\$25,000 to Chicago Chapter of the Girl Scouts; \$5,000 to LaSalle St. Foundation; hire qualified employees from MOWD; orientation and employment for high school students in the LaSalle St. Foundation Scholar Program	2001	Central Loop
Dearborn Center LLC	MOWD will serve as first source for employment for retail tenants of the building	2001	Central Loop
Michigan Wacker Associates, LLC	Developer to provide MOWD notice of job opportunities and provide employment to qualified candidates of these programs	2001	Central Loop
540 West Madison (ABN AMRO)	Up to \$50,000 for new CTA Green Line turnstile, \$100,000 to KidStart, \$150,000 for a public park	2002	River West
555 W. Monroe (Quaker Oats)	\$500,000 to City to fund open space improvements and creation of public green roof	2002	Canal/Congress
BGP Lincoln Village LLC	\$31,740 to the Girl Scouts of America for West Humboldt Park Troops	2002	Lincoln Avenue
Greenwood Associates LP	Computers for Arthur Ashe School	2002	Stony Island/Burnside
Somerset Hotel LLC, NRP RH, Roosevelt LLC	Clean up near Roosevelt Rd.	2002	Near South
Steiner Corporation (American Linen)	Girl Scout representatives to solicit employees for recruitment efforts; up to \$20,000 for 4 years to fund bus transportation for Girl Scout activities	2002	Pilsen Industrial Corridor
Uptown Goldblatts Venture LLC	\$1,250,000 to Leland Apartments Development	2002	Lawrence/Broadway
Cardinal LP	\$10,000 to City of Chicago - Senior Service Center	2003	47th/Ashland
Eport 600 LLC, Eport 600 Riverwalk Owner LLC, Eport 600 Property Owner LLC, 600 W. Chicago	Job training via The Target Group and the Council for Adult Experiential Learning, establish summer internship program	2003	Chicago/Kingsbury
Keebler Company	Sponsor a Little League team within 9th Ward, join Roseland Business Council, and use temp agency to fill seasonal positions	2003	Lake Calumet Industrial
La Salle Street Capital, Inc., 540 W. Madison	\$50,000 to CTA / \$100,000 to City of Chicago / \$50,000 to KidStart	2003	River West
Shubert Hotel Associates LLC	Two payments of \$20,000 to After School Matters or another program approved by the City	2003	Central Loop
United Hellenic American Congress of Illinois, Hellenic Museum and Cultural Center, Western Springs National Bank and Trust	Participate in programs and field trips with DCA and CPS Participate in Spotlight on Chicago and Cultural Connections annually, offer CPS 1 free field trip/month, make archives and research capabilities available	2003	Near West
Wheatland Tube	Donation of electrical conduit to Habitat to Humanity	2003	45th/Western
William Wrigley Company	\$75,000 to After School Matters	2003	Goose Island

Appendix A

City of Chicago TIF Public Benefit Recipients			
Developer Entities	Summary of Public Benefit Commitment	Year	TIF Area
550 Jackson Associates LLC	\$50,000 to the Department on Aging	2004	Canal/Congress
Acre Development	\$35,000 to KidStart - ASM	2004	35th/Halstead
Bishop Plaza LLC	\$15,000 to KidStart and \$15,000 to Senior Satellite Center Program	2004	47th/Ashland
Christiana Investors LLC & USG Group (550 W. Adams)	\$50,000 to Working in the Schools	2004	Canal/Congress
FC Central Station Properties LLC	\$100,000 to After School Matters	2004	Near South
SL Midway LLC- Senior Lifestyle Management LLC	\$25,000 to After School Matters and \$25,000 to fund Senior Satellite Center (Dept. on Aging)	2004	67th/Cicero
UPS, Inc.	\$25,000 to After School Matters	2004	Roosevelt/Canal
W9/MLM Real Estate LP (Brickyard Mall)	\$200,000 to KidStart and City satellite senior centers	2004	Diversey/Narragansett
Peterson/Cicero LLC	\$299,600 for Cicero Avenue improvements (streetlights)	2005	Peterson/Cicero
Black Ensemble Theatre	Increase by 50% the Black Ensemble community programs already in place	2006	Clark/Montrose
Blommer Chocolate	\$25,000 to Chicago Park District - for Erie Park	2006	River West
C.N.A. Financial Corporation	\$1,000,000 in aggregate to: Academy for Urban School Leadership, After School Matters, CARA, CHA, Chicago Police Memorial Fund, Chicago Public Library Foundation, Lakefront Supportive Housing, Lincoln Park Zoo, Survive Alive House Foundation, UIC Library Foundation, US Conference of Mayors, USO of Illinois	2006	Central Loop
Footwear Factory Development Corp./3963 West Belmont Residential LLC/3927 West Belmont Residential LLC	\$20,000 to Kelvin Park High School / \$20,000 to North Grand High School	2006	Fullerton/Milwaukee
Laborer's Union	\$20,000 to Lovett Elementary School	2006	Galewood/Armitage
Loyola University Chicago	\$75,000 to Rogers Park Community Council	2006	Devon/Sheridan
Target Corporation	\$20,000 to After School Matters / \$20,000 to Working in the Schools / \$10,000 to Misericordia	2006	West Ridge/Peterson
The Construction and General Laborers' District Counsel	\$20,000 to Lovett Elementary School	2006	Galewood/Armitage
Townsend Chicago LLC (ITT University Technology Park)	\$25,000 to Harold Washington Cultural Center Music Programs	2006	35th/State
Centerpoint Properties	\$50,000 to Peterson Pulaski Industrial Council	2007	Peterson/Pulaski
Home Depot	\$25,000 to After School Matters	2007	Jefferson/Roosevelt
Home Depot	\$30,000 to Senior Satellite Center and \$30,000 to KidStart Program	2007	Northwest Industrial Corridor
Lake & Waller LLC	\$25,000 to After School Matters or "other agreed upon" recipient	2007	Madison/Austin
Spertus Institute of Jewish Studies	Provide free access 1 day a week / ten \$1,000 scholarships to City residents, City use of meeting space	2007	Near South
UAL Corporation (Headquarters)	\$100,000 to CDOT for riverwalk improvements along W. Wacker Drive	2007	Central Loop
210 W. 87th THC, LLC	\$25,000 to Chicago Workforce Board - City of Chicago DPD Development Support Services Division	2008	Chatham Ridge
CareerBuilder LLC	\$65,000 to entity located in the ward and satisfactory to the alderman and DHED	2008	Central Loop
Grossinger Autoplex	Green roof, LLD Certification & job creation/retention	2008	Weed/Freemont
MLRP 401, Cicero LLC	\$150,000 to Garfield Park for public improvements	2008	Northwest Industrial Complex
One South Dearborn LLC (Arcelor Mittal)	\$50,000 to New Schools of Chicago or CPS Renaissance 2010	2008	Central Loop
S & C Electric Company	\$50,000 to Misericordia Heart of Mercy	2008	Clark/Ridge
Ziegler Companies	\$25,000 to After School Matters	2008	LaSalle Central
Rush University Medical Center	\$25,000 to Dawson Technical Institute and various minority and community outreach and hiring requirements	2009	Central/West

Appendix B

