



You are a City Employee in the Bureau Department interested in bidding on two City-owned lots, located at X Street and Y Street. You are interested in bidding on two City-owned lots, in several months. You said that these lots are not located in a designated Conservation Area or Urban Renewal Area. You also told staff that you believe you have not previously bid on these lots.

You have twice before contacted the Board about bidding on City-owned property. The first time was in August 1990, concerning two other properties located on Y Street in Chicago (Case no. 90043.0). The second time was in September 1990, when you stated that you were unsuccessful in the prior bid and were considering bidding on other properties located on X and Y streets. In both of the previous bidding situations, staff confirmed that the properties in question would be sold by a process of competitive bidding following public notice. For this reason, staff concluded in these prior situations that you would not be in violation of the Ethics Ordinance if you bid on

You contacted the Board of Ethics on May 23, 1995 to ask whether, under the Governmental Ethics Ordinance, you could bid on and potentially purchase two particular City-owned properties that you anticipate will be for sale in the near future. Board staff believes that, as long as the properties in question are sold through a "Sealed Bid Sale" process, nothing in the Ethics Ordinance prohibits you from bidding on and then purchasing them. The reasons for this conclusion follow.

Re: Case No. 95016.Q: Interest in City Business

Dear :

P E R S O N A L & C O N F I D E N T I A L

June 1, 1995

City of Chicago
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and purchased those properties. (See attached letters dated August 9, 1990 and September 13, 1990).

You told staff that, to your knowledge, the lots in which you are now interested will be sold through a "closed bid" process. Staff confirmed that this "closed bid" process of selling City-owned property is the same process used for the previous properties on which you bid, as described in Case no. 90043.0. A City employee who works for the Department

' called this process a "Sealed Bid Sale," and described it as follows: (1) DGS places an ad in the Sun Times announcing that the property is up for bid and a minimum bid price; (2) after all bids are turned in, they are opened before a court reporter; and (3) the highest bidder is submitted to City Council for approval.

Section 2-156-110 of the Governmental Ethics Ordinance, states, in relevant part:

No elected official or employee shall have a financial interest in his own name or in the name of any other person in any contract, work or business of the City or in the sale of any article, whenever the expense, price or consideration of the contract, work, business or sale is paid with funds belonging to or administered by the City, or is authorized by ordinance... Unless sold pursuant to a process of competitive bidding following public notice, no elected official or employee shall have a financial interest in the purchase of any property that (1) belongs to the City, or (1) is sold for taxes or assessments, or (11) is sold by virtue of legal process at the suit of the City...

The term "financial interest" is defined in relevant part as (1) any interest as a result of which the owner currently receives or is entitled to receive in the future more than \$2,500 per year, or (2) any interest with a cost or present value of \$5,000 or more (§ 2-156-010(1)).

According to these provisions of the Ordinance, City employees are prohibited from having a financial interest in the purchase of City property unless it is sold through a process of competitive bidding after public notice has been given. Staff concluded in Case no. 90043.0 that land sold through the process described above as a "Sealed Bid Sale" is sold by a process of competitive bidding following public notice. Therefore, if, as you believe, the lots at X St. and Y St. are sold through the "Sealed Bid Sale" process, as were the properties you bid on in 1990, the Ethics Ordinance

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7/11/95

June 1, 1995
Case No. 95016.0
Page 3

does not prohibit you from bidding and then purchasing these
City-owned lots.

Please note that our conclusions are based solely on our
application of the Ethics Ordinance to the facts stated in this
letter. If any of the facts presented are incorrect or
incomplete, please notify us immediately, as a change in the
facts may alter our conclusions. Other rules or laws may apply
to this situation. Also, a City department may adopt and
impose rules stricter than those contained in the Ethics
Ordinance.

We appreciate your calling us about this matter, and your
willingness to abide by the standards of the Ethics Ordinance.
Please don't hesitate to call us if you have any further
questions or need further guidance.

Yours very truly,

Steven I. Berlin

Steven I. Berlin
Deputy Director

Approved:

Dorothy J. Eng

Dorothy J. Eng
Executive Director

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