

EMWS



CONFIDENTIAL

[REDACTED]

Alderman [REDACTED]  
City Hall, Room [REDACTED]  
Chicago, IL 60602

Re: Case No. 97011.Q

Dear Alderman [REDACTED]

You recently asked us to evaluate whether the situations you described, as contained in this letter, are in compliance with the standards of the City's Governmental Ethics Ordinance. Board staff has analyzed them, and our conclusions follow.

1) On [REDACTED] you asked whether the City's Governmental Ethics Ordinance prohibits you from leasing space for your aldermanic office from a relative of one of your staff members. You said that neither you nor the staff member whose relative would be the landlord have any ownership interest in the property or in the landlord or would receive any income from or as a result of the lease agreement, and that this staff member would not be involved in negotiating, signing, or managing the agreement. You also said that the agreed rental would be at fair market value. Based on these facts, staff concludes that nothing in the Ordinance prohibits you from leasing this space from the staff member's relative.

2) On [REDACTED] you asked whether the Ordinance prohibits you from selling a building you own in the City to a person who might lease it to [REDACTED], a social service organization that would [REDACTED]. *The lessee* would make all lease payments with funds it receives under "[REDACTED]" a federal program administered by the City's Department of Human Services. The lease agreement, you said, would be between the building's new owner and *the lessee*; neither you nor the City would be parties to the lease. You also said that you have not in any way facilitated the lease with *the lessee* on your building's or your potential buyer's behalf. Additionally, you said, while you would prefer to receive the building's entire purchase price at closing, the building's sale might need to be structured on installments: title will pass to your buyer on closing, but the purchase price would be paid to you as seller over time. You said that, in either case, neither the buyer's obligation to purchase your building nor continue paying the purchase price to you would be contingent on the signing of this lease or the buyer's continued receipt of lease payments.

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[REDACTED]

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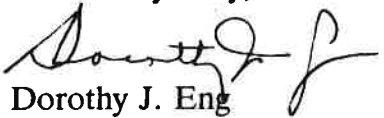
After analyzing the facts you presented, and previously issued Board opinions, staff concludes that, under the Ordinance, you are not prohibited from selling your building to this potential buyer. The facts you presented show that you did not and will not participate in or make any City governmental decisions with respect to this lease or the sale of this property, that after the sale you will no longer own the property, and that your sale of the property and right to a continuing stream of sale proceeds will be unaffected by the [REDACTED] lease. For these reasons, we conclude that nothing in the Ordinance prohibits you from selling your building to this potential buyer. Please note, however, that we advise you to contact us for further guidance if in the future matters or ordinances concerning the lessee come before City Council, or if, assuming the sale and the [REDACTED] lease go forward as described above, your buyer defaults and either the building's title reverts to you or you retain a lien on its rental income. We also advise you to continue avoiding any actions or communications to facilitate the lessee's possible lease of the property.

Staff's conclusions are based solely on the application of the City's Governmental Ethics Ordinance to the facts presented in this letter. If any of the facts are incorrect or incomplete, please notify us, as a change in the facts may alter our conclusion. Please note that other laws, rules, or regulations may apply to this situation.

We again express our appreciation of your request for guidance on these matters and your concern to abide by the standards embodied in the City's Governmental Ethics Ordinance. If we can be of further assistance, please advise.

With best wishes for your continued success in public service,

Yours very truly,



Dorothy J. Eng  
Executive Director