

Rules Regarding  
Economic Disclosure Statement and Affidavit

These Rules are promulgated pursuant to Section 2-154-050 of the Municipal Code of Chicago ("Code"). These rules are intended solely to provide guidance on interpretation of Chapter 2-154 of the Code and are not intended to abrogate any disclosure requirements contained in 65 ILCS 5/8-10-8.5, as applicable.

1. The following entities listed in (a) through (i) shall not be required to file an EDS:

- (a) any unit of government in the United States or any agency or instrumentality thereof;
- (b) any unit of government of a foreign government recognized by the United States government, or any agency or instrumentality of such unit of government;
- (c) a pension fund maintained by, or for the benefit of, an entity covered under (a) or (b) above;
- (d) an enterprise created by Federal or state statute, but not formed as a corporation (e.g., Fannie Mae, Federal Home Loan Corporation, SLM Corporation);
- (e) an entity directly owned by an entity covered under (a) or (b) above (e.g., Government National Mortgage Association);
- (f) a foundation having a current tax exemption under Section 501(c) of the Internal Revenue Code, so long as such foundation provides a copy of its most recent IRS Form 990;
- (g) a registered investment adviser, so long as such registered investment adviser provides a copy of its most recent Form ADV and its most recent amendment thereto;
- (h) a mutual fund, so long as such mutual fund provides a copy of its form N-1A and the most recent amendment thereto; or
- (i) such other entity that is regulated by and required to make periodic filings with the federal Securities and Exchange Commission under the Securities Act, the Securities and Exchange Act, the Williams Act the Public Utility Holding Company Act, or the Investment Company Act or pursuant to comparable foreign securities regulatory and filing requirements, provided that (i) such entity provides a copy of such most recent filing or report, and (ii) the Corporation Counsel determines that such filing or report and the entity's disclosures therein reasonably satisfy the purposes and intent of the EDS Form.

2. Section 2-154-010 of the Municipal Code requires disclosures to be made when a person or entity "makes application to the City of Chicago for action." This phrase shall be construed not to apply to a transaction, and thus not to require submission of an EDS in conjunction with that transaction, if either A, B, C or D below applies:

(a) If the contracting party is providing money or other in-kind goods or services to the City in exchange solely for advertising or promotional rights relating to a City-produced

festival, fair, event or seasonal program (an example of a seasonal program is Riverwalk).

(b) If all of the following circumstances (i) through (iv) are present:

- (i) The action is being undertaken at the request of the City.
- (ii) The action is being undertaken for the primary benefit of the City.
- (iii) The affected party is not seeking the action and would not participate in the action if not for the City's request.
- (iv) The affected party is uniquely situated, such that the City would be unable to seek the benefit at issue from a different party. Examples include an easement granted for the City's benefit, or site access granted by a railroad or airline for the City's benefit.

(c) If the City is legally obligated, pursuant to an ordinance or an existing contract, to execute an agreement with a party for a transaction and the City is not permitted, under its existing legal obligation, to exercise discretion in the selection of such party (e.g., a lender to an Applicant with whom the City is executing a subordination or intercreditor agreement, a third-party depositary or escrow agent or the Applicant's landlord or tenant, or a similar co-participant in a deal involving an Applicant).

(d) If the City enters into a subordination agreement or other form of intercreditor agreement with a private lender to an Applicant, which agreement is required by a governmental entity, instrumentality or agency (e.g., the United States Department of Housing and Urban Development) in connection with the provision of financing for affordable housing from the City to such Applicant, such private lender shall not be required to submit an EDS solely by virtue of such agreement.

3. The participation in a transaction by a party solely in that party's capacity as an escrowee or similar administrative capacity, where that party otherwise has no contracting relationship with the City in that transaction, shall not obligate that party to submit an EDS.

4. If a Disclosing Party is required to supplement an EDS filing to comply with the requirements of Chapter 1-23, as incorporated into Section 2-154-020, of the Code, regarding that party's status as eligible to do business with the City, such supplemental disclosure shall be provided in writing to the Office of the Corporation Counsel.

5. The terms "ownership interest" and "beneficial interest" as used in Section 2-154-010(a)(1) shall, for owners of shares in corporations, refer only to those shareholders who have the right to receive dividends or other distributions of money from the corporation.

NOTE: The exceptions in these Rules are set forth as a general matter, and depending on the facts

and circumstances of a particular transaction, the City reserves the right to require an EDS from any one or more of the types of entities listed herein.

Steph R. Patton  
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12/17/15  
Date

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