



City of Chicago



R2016-182

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 3/16/2016

Sponsor(s): Burke (14)

Type: Resolution

Title: Call for hearing(s) on report tracking of all redevelopment agreements between City and corporations and job retention as result of their success

Committee(s) Assignment: Committee on Finance

Finance

RESOLUTION

WHEREAS, the City of Chicago is a home rule unit of government pursuant to the 1970 Illinois Constitution, Article VII, Section 6 (a); and

WHEREAS, pursuant to its home rule power, the City of Chicago may exercise any power and perform any function relating to its government and affairs including promoting the quality of life and the welfare of its citizens; and

WHEREAS, the City Council of the City of Chicago approves Redevelopment Agreements with companies to assist in the expansion of factories, the retention of jobs, and to relocate businesses to the City of Chicago; and

WHEREAS, the City of Chicago Department of Planning and Development administers all Redevelopment Agreements between the City of Chicago and corporate entities; and

WHEREAS, in June of 1994, the City Council approved a Redevelopment Agreement for the Nabisco Biscuit Company to assist Nabisco in the installation of three new baking lines in the Bakery; to acquire the "Rheem" Property to be used as a new shipping and receiving warehouse; to replace or modernize the Bakery's ovens; to install or upgrade utility systems in the factory; and to improve employee training and training facilities; and

WHEREAS, like many other Redevelopment Agreements, Nabisco was required to retain the annual equivalent of 1,800 employees at the property with the caveat that adjustments may be necessary to maintain the Plant's competitiveness in the Bakery business; and

WHEREAS, in Spring of 2015, it was reported that Mondelez International, the parent company of the Nabisco food line, was eliminating 600 jobs from their facility located at 76th and Kedzie Avenue on the southwest side of Chicago and sending the jobs to a facility, in which an investment of \$130 million was being made, in Salinas, Mexico; and

WHEREAS, these proposed reductions in workforce would affect countless families, many which have had multiple generations of their families employed at the Bakery; and

WHEREAS, in order to comply with the terms of the Redevelopment Agreement, a corporation needs to file an annual compliance report with the Department of Planning and Development in order to be reimbursed under the terms of the Agreement; and

WHEREAS, while the Department of Planning and Development does maintain transparent records of approved Redevelopment Agreements, it is vital to both the taxpayers and the members of the City Council that the Department transmit detailed information to the City Council regarding the job retention and progress of projects pursuant to the terms of the Agreements; and

WHEREAS, additional benefits are made available to businesses located within the boundaries of an Enterprise Zone within the City of Chicago pursuant to the Illinois Enterprise Zone Act. One of the main benefits is the exemption to pay taxes on utilities or purchases that would help in the retention of jobs within the city; and

WHEREAS, Nabisco Biscuit Company was benefited by having its plant located within the boundaries of Enterprise Zone VI and further by an ordinance approved on June 16, 1994, which authorized Nabisco from payment of utility taxes pursuant to the Illinois Enterprise Zone Act; and

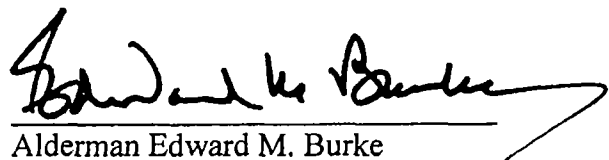
WHEREAS, the data regarding benefits received by corporations located within the Enterprise Zones in the City of Chicago is not easily obtained by members of the public; and

WHEREAS, it is important to the taxpayers of the City of Chicago to ensure that their tax dollars are used wisely and that benefits to all are properly tracked; now therefore,

BE IT RESOLVED, that the Chicago Department of Planning and Development appear before the Committee on Finance in order to report on the tracking of all Redevelopment Agreements between the City and corporations, the retention of jobs within the City of Chicago as a result of these Agreements and the success of the Enterprise Zone program in the City of Chicago; and

BE IT FURTHER RESOLVED, that representatives of the Illinois Department of Commerce and Community Affairs also appear before the Committee to report on the success of the Enterprise Zone Act within the City of Chicago and the tax savings by corporations and residents located within those Zones; and

BE IT FURTHER RESOLVED, that representatives of Mondelez International and Nabisco appear before the Committee to testify on their lack of compliance with the terms of the Redevelopment Agreement between the City of Chicago and Nabisco Biscuit Company.



Alderman Edward M. Burke
14th Ward