



Office of the City Clerk

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Legislation Details (With Text)

File #: Or2017-207

Type: Order **Status:** Failed to Pass

File created: 4/19/2017 **In control:** City Council

Final action:

Title: Dissolution of banking relationship with Wells Fargo and other financial depositories due to funding of Dakota Access Pipeline and transfer of year 2017 city funds to designated banks

Sponsors: Ramirez-Rosa, Carlos, Mell, Deborah, Waguespack, Scott, Pawar, Ameya, Moreno, Proco Joe, Moore, Joseph

Indexes: Depositories of City/School Funds, Transfer

Attachments: 1. Or2017-207.pdf

Date	Ver.	Action By	Action	Result
5/29/2019	1	City Council	Failed to Pass	
4/19/2017	1	City Council	Referred	

Joint Committee: Finance; Health and Environmental Protection

April 19, 2017

ORDER

WHEREAS, The City of Chicago is a home rule unit 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 protecting the health, safety and welfare of its citizens; and

WHEREAS, The financial welfare and stability of the City of Chicago's investments is a priority of the City Council of Chicago; and

WHEREAS, The Chicago City Council has passed certain ordinances and orders, including but not limited to SOr2016-540, for socially responsible banking and the termination of the relationship with Wells Fargo, which have collectively established a framework of contracting to consider certain social equity and responsibility factors in choosing whom the City conducts its business with and enforcing the goals and requirements of that framework; and

WHEREAS, On September 14, 2016, resolution R2016-622 was introduced in the City Council, calling for the City to support the Standing Rock Sioux Tribe, oppose to the construction of the Dakota Access Pipeline (DAPL), and condemn Wells Fargo and other financial institutions' investments in the building of this pipeline as contrary to the City of Chicago's values; and

WHEREAS, The Standing Rock Sioux Indian Tribe is directly affected by this construction as it would disturb sacred burial grounds and potentially contaminate the only source of fresh water for the tribe; and

WHEREAS, The Dakota Access pipeline would carry nearly a half-million barrels of crude oil daily from North Dakota's oil fields through South Dakota and Iowa to an existing pipeline in Patoka, Illinois; and

WHEREAS, If the Dakota Access pipeline were to rupture it could pollute the local drinking water, including Lake Oahe and the Missouri River; and

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WHEREAS, the construction of the Dakota Access Pipeline has proven to be another example of a long history of broken treaties with Native Americans and police brutality against Black and Brown bodies; and

WHEREAS, The human rights of Native Americans need to be respected, whether it be the right to clean water, the right to worship, or the right to land; and

WHEREAS, As a society we must begin to lessen our dependence on fossil fuels and move towards renewable energy resources; and

WHEREAS, As a nation we need to take every precaution possible to ensure that our environment and natural resources such as fresh water are protected; and

WHEREAS, In addition to the opening of over two million unauthorized bank and credit card accounts affecting millions of customers, it has been revealed that Wells Fargo Bank has investments in the Dakota Access Pipeline; and

WHEREAS, According to U.S. Securities & Exchange Commission (SEC) filings by the Energy Transfer family of companies (Energy Transfer Partners, L.P. (ETP); Energy Transfer Equity, LP; and Sunoco Logistics Partners LP) on February 10, 2015, February 17, 2015, and May 7, 2015, Wells Fargo maintains \$347 million in total credit facility commitments to these companies building the Dakota Access Pipeline, serves as the administrative agent for a \$3.75 billion line of credit held by ETP, and according to SEC filings on June 18, 2015 and January 11, 2017, Wells Fargo Securities, LLC underwrote \$450 million in bonds in 2015 and \$72 million in bonds so far in 2017 for ETP, all in support of the Dakota Access Pipeline project opposed by nearly 200 Indian Nations and environmental organizations, with police response to project opponents and journalists including arrest, use of rubber bullets, tear gas, pepper spray, and fire hoses in freezing weather; and

WHEREAS, According to U.S. Securities & Exchange Commission (SEC) filings by the Energy Transfer family of companies (Energy Transfer Partners, L.P. (ETP); Energy Transfer Equity, LP; and Sunoco Logistics Partners LP) on February 10, 2015, February 17, 2015, and May 7, 2015, the following banks (i) - (vi) both have a banking relationship with the City of Chicago and have provided the following amounts of funding:

- i) PNC: \$230,000,000
- ii) CitiBank: \$221,250,000
- iii) US Bank: \$275,000,000
- iv) Bank of America: \$249,000,000
- (v) JP Morgan Chase: \$275,000,000 ~ -
- (vi) Albank (as subsidiary of Citizens' Bank): \$72,500,000; and

WHEREAS, President Donald Trump signed an executive order on January 24, 2017, with the subject line, "Construction of the Dakota Access Pipeline," instructing the United States Army Corps of Engineers to "review and approve in an expedited manner, to the extent permitted by

law and as warranted, and with such conditions as are necessary or appropriate, requests for approvals to construct and operate the DAPL"; and

WHEREAS, Thousands of Chicagoans have joined multiple protests of this Executive Order in the Loop against this pipeline, including on the same day it was signed in an emergency action organized by Chicago in Solidarity with Standing Rock and the Chicago Water Protectors; and

WHEREAS, The Chicago City Council finds that the investment by banks (i) through (vi) listed above in the Dakota Access Pipeline and recent misconduct and dishonest business practices are contrary to the City of Chicago's strong commitment to conducting its business with socially responsible banks, and it is in the City's best interest to strengthen its framework for social equity and responsibility in contracting by enacting authority and responsibilities to ensure the City conducts business with partners who are committed to and demonstrate engaging in, fair and responsible business practices; NOW, THEREFORE,

BE IT ORDERED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

The City hereby orders an extension of the dissolution of a banking relationship with Wells Fargo established in SOr2016-540 for another three years with specific acknowledgement of the police militarization, state violence, and intimidation used on peaceful water protectors.

SECTION 1. For the next three years, the City is ending the relationship with the other banks funding the pipeline and redirecting those funds to banks not funding the pipeline, with preference for local and minority-owned banks with an emphasis on re-investing in Chicago's communities of color. The City Council hereby orders the City Comptroller and the City Treasurer to make the following transfer of funds for the year 2017:

FROM:

The current six (6) banks [listed (i)-(vi) above] that are actively funding the Dakota Access Pipeline and similar enterprises that violate human rights

TO:

The current eleven (11) banks [listed (vii)-(xvii) below] with which the City of Chicago maintains a relationship

- that are not funding the Dakota Access Pipeline: (vii) BMO Harris
(.viii.).Amalgamated.Bank.of_Chicago
ix) First Eagle
x) Lakeside Bank
xi) Pacific Global
xii) Northern Trust
xiii) Illinois Service Federal Savings and Loan Association
xiv) MB Financial

- xv) Belmont Bank and Trust
xvi) Seaway
xvii) Fifth-Third

The City Council hereby orders the Chief Financial Officer, the City Comptroller, the City Treasurer, and/or all other appropriate City of Chicago corporate officers, are prohibited from including the six banks listed in (i)-(vi) above, or any of their subsidiaries, as a Municipal Depository, from serving as an underwriter for any and all City of Chicago Municipal bond issuances, from serving as a trustee in any Loan or Redevelopment Agreement, from serving as a broker to buy investments on the City's behalf, from serving as a financial advisor or in any other capacity or relationship with respect to the City. Additionally, the City should encourage its Pension Funds to divest all of their investments with these banks, and any of their subsidiaries.

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