

Monthly Report – January 2020

Pursuant to Rule 45 of the City Council Rules of Order, the **Committee on Economic, Capital and Technology Development** submits the following Monthly Report for **January 2020**.

RECEIVED
#1 ~~PAR~~
2020 JAN 30 PM 12:15
OFFICE OF THE
CITY CLERK

Committee Meeting Held on January 7, 2020

Chairman Villegas called the meeting to order.

Item 1:

Chairman Villegas requested a motion to approve the Rule 45 Monthly Report of the Chicago City Council Committee on Economic, Capital and Technology Development for the month of December.

Vice-Chair Mitchell motioned to approve the Rule 45 report, which passed unanimously by a voice vote.

Item 2:

The following items were voted on collectively:

A2019-135 Reappointment of Ryan G. Segal as member of Special Service Area No. 1, State Street Commission;

A2019-136 Reappointment of Sophia P. Villarreal as member of Special Service Area No. 3, Southwest Business Growth Area Commission

A2019-137 Appointment of Patricia McCoy as member of Special Service Area No. 51, Chatham Cottage Grove Commission

A2019-138 Appointment of Clarence Grover as member of Special Service Area No. 51, Chatham Cottage Grove Commission

A2019-139 Reappointment of C. Allen Smith as member of Special Service Area No. 24, Clark Street Commission

A2019-140 Reappointment of Alan J. Goldberg as member of Special Service Area No. 24, Clark Street Commission

- *Chairman Villegas thanked the commissioners and expressed the City Council's support for SSAs and the work they do and expressed the Committee's and City Council's commitment to work with the SSA Commissioners.*
- *Alderman Lopez asked if the appointees were supported by their local aldermen.*
- *Ryan Segal stated the alderman supported his nomination.*
- *Clarence Grover stated the aldermen supported his nomination.*
- *Patricia McCoy state the aldermen supported her nomination*
- **No other commissioners were present.**
- **There was no public comment on this item.**
- *Alderman O'Shea motioned to recommend passage of the appointments and reappointments collectively, which passed unanimously via a voice vote.*

Item 3:

O2019-9554 Class L tax incentive for historic property(s) at 1835 W Harrison St for ground lease owners CHDG Phase 1A1 (Hotel/Retail) Owner LLC and CHDG Phase 1A1 (Office) Owner LLC

- *Dijana Cuvalo, from the Department of Planning and Development, presented the project before the Committee.*
- *Alderman Lopez asked how much of the work had been performed on the project.*
- *Ms. Cuvalo responded that substantial work had been performed.*
- *Alderman Lopez inquired what would happen if the tax incentive was not received.*
- *Ms. Cuvalo deferred to the applicant.*
- *Chris Horney, from Murphy Development Group, responded that that even with the federal and state tax credits, the project would most likely be lead into default.*
- *Bridget O'Keefe, attorney for the development team, responded that if the project was not was not completed by June 2020, then the tax credits would not be generated. The challenge was that a minimum value, which was needed to establish the project as a Class L, could not be established any earlier.*
- *Alderman Lopez inquired why the City should provide a \$12,000,000 tax incentive on a project that was 85% done and there was no discussion of community benefit.*
- *Ms. O'Keefe responded that there was a lot of discussion about community benefit with Cook County and that the City's MBE and WBE goals would be met and exceeded.*
- *Matt Beach, from Murphy Development Group, detailed the MBE WBE efforts employed by the development group and stated that there was still more work to be done that would allow them to improve on those numbers. Additionally he stated that the development group partnered with a construction firm to implement an apprenticeship program and other efforts being made to employ local residents.*

- *Mr. Horney further explained why the tax incentive was not applied for prior to starting.*
- *Alderman Vasquez inquired why the City was not part of the conversation regarding the community benefit expectations.*
- *Alderman Scott provided a point of information, stating that he, Alderman Ervin, Alderman Burnett and other west side stakeholders were included in the conversations at the time the project was initiated.*
- *Alderman Burnett spoke in support of the project and detailed the efforts being made by the Cook County President to involve the local alderman and keeping them apprised of new developments.*
- *Roushawnda Williams expressed her support for fair working conditions of the future employees of the hotel.*
- *Alderman Vasquez inquired about the pay for the hotel workers.*
- *Mr. Horney responded that Aimbridge Management would be hired to manage the hotel and that they would be responsible for setting wages.*
- *Alderman Vasquez inquired about the average pay and the differences in pay between unionized and non-unionized hotels.*
- *Mr. Horney replied that the pay was typically very similar due to the competition between the different employers for good employees.*
- *Alderman Reilly if card-check neutrality, living wages, and if any other hotels were unionized.*
- *Mr. Horney was not aware.*
- *Chairman Villegas asked Ms. Cuvalo and the Department of Planning and Development to provide the information through the Chair.*
- *Alderwoman Hadden also requested that the applicants provide job descriptions and hiring materials through the Chair.*
- *Alderman Burnett asked that Aimbridge provide information regarding letting employees unionize.*
- *Alderman Cardenas inquired if a living wage/minimum wage would be paid and if so why didn't Mr. Horney just say so.*
- *Mr. Horney replied that a living wage would be paid.*
- *Alderman Reilly provided a point of information that it was established to be a living wage. He inquired about card-check neutrality agreement and if the hotel workers would be provided a fair chance to unionize.*
- *Mr. Horney replied he would provide a response through the Chair.*
- *Alderman Vasquez stated he would require the information requested through the Chair before a vote was taken during the next City Council meeting.*
- *Alderman Lopez motioned to recommend passage of the ordinance, which passed unanimously by voice vote.*

All business being concluded, Chairman Villegas asked for a motion to adjourn. Alderman Reilly motioned to adjourn, with everyone voting in favor. Chairman Villegas adjourned the meeting.

The members of the Committee on Economic, Capital and Technology Development in attendance included: Alderman Villegas (36), Mitchell (7), Cardenas (12), Lopez (15), O'Shea (19), Tabares (23), Scott (24), Burnett (27), Reboyras (30), Sposato (38), Vasquez (40), Reilly (42), Hadden (49)

Respectfully submitted by:

Carlos Díaz

For the Committee on Economic, Capital and Technology Development