

ALDERMAN JASON C. ERVIN CHAIRMAN PHONE: 312-744-3166 FACSIMILE: 312-744-9009

## COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS MONTHLY RULE 45 REPORT JUNE 2025

Pursuant to Rule 45 of the City Council Rules of Order, the Committee on the Budget and Government Operations (CBGO) submits the following Monthly Rule 45 Report for JUNE 2025 Meeting.

Date, Time & Location of Meeting:	On June 16, 2025 at 1:00 P.M., the Committee on the Budget and Government Operations held a Meeting in City Hall, Council Chamber, 121 N. LaSalle Street, 2 <sup>nd</sup> Floor.
Attendance:	The following members were present: Chairman Ervin (28), Vice Chair Lee (11), La Spata (1), Dowell (3), Robinson (4), Mitchell (7), Beale (9), Ramirez (12), Oving (12), Magra (12), Oving (12), Spatt (24), Convey

(12), Quinn (13), Moore (17), O'Shea (19), Rodriguez (22), Scott (24), Conway (34), Quezada (35), Villegas (36), Sposato (38), Nugent (39), Reilly (42), Knudsen (43) and Silverstein (50).

The following members attended virtually: Harris (8), Mosley (21), Taliaferro (29) and Mitts (37).

The following members were absent: Yancy (5), Lopez (15), Mosley (21), Sigcho-Lopez (25), Burnett (27), Taliaferro (29), Cardona (31), Rodriguez-Sanchez (33), Vasquez (40), Napolitano (41), Martin (47) and Hadden (49).

Internal witnesses present: Office of Budget & Management (OBM): Annette Guzman, Budget Director, Matthew Schmitz, Managing Deputy Budget Director, Chloe Belczak, Deputy Budget Director; Chicago Department of Water Management (DWM): Joel Vieyra, First Deputy Commissioner; Office of the Mayor Christian Taylor, Recovery Team Program Manager; Office of the City Clerk: Kathryn O'Connell, Chief of Staff, Riley Bowlin, Chief Operating Officer

External witness present: Nikkita Randle, Owner/Founder, Twisted Eggroll, LLC

The Committee on the Budget and Government Operations addressed the following items

Approval of Monthly Rule 45 Report for May 2025

- 1. Annual Appropriation Ordinance Year 2025 amendment within Fund 925. (O2025-0017482)
- Redevelopment Agreement with Twisted Eggroll LLC for provision of neighborhood funds for renovation of commercial property generally located at 657 East 75th Street in the 6th Ward. (O2025-0017483)
- Amendment of Municipal Code Section 3-56-050 by amending Subsection E regarding waiver of fees imposed by chapter. (O2025-0017548)
- Transfer of funds within 40<sup>th</sup> Ward Wage Allowance/Aldermanic Expense Account for Year 2025. (O2025-0017203)

Chairman Ervin called meeting to order, took roll call, and recognized a quorum was present. He then opened the floor for public comments. The following speakers were acknowledged and given three minutes for commentaries:

- Stephen Simpson (signed up, when called to speak was not in Chambers)
- George Blakemore

The public comment period was concluded, and the Chairman made a Motion to allow Committee Members Aldermen Harris, Mosley, Taliaferro and Mitts to join virtually pursuant to Rule 59, so moved by Chair Dowell. Chairman queried all in favor to signify by saying Aye, any opposed? Hearing no objections, the Chairman decreed the Ayes have it, duly recorded the Aldermen added to the roll for quorum.

Chairman Ervin continued to Item #1, an Annual Appropriation Ordinance Year 2025 amendment within Fund 925. The Chair made a motion to accept a substitute ordinance on Item #1, Vice Chair Lee so moved, hearing no objection, the substitute was adopted. The Chair then recognized Alderman Beale who asked if the Aldermen under the rule 59 provision, must be logged in to be accounted for? Chairman responded, that's correct, then checked the monitor and noted that Aldermen Robinson and Taliferro were logged in. He then proceeded with Item #1 and acknowledged Chloe Belczak, Deputy Budget Director, who provided a narrative on the ordinance amending the 925 Fund Appropriation, an additional \$31,336,400 in federal and state grant awards for the Department of Finance, Office of Budget and Management and Department of Water Management. Deputy Budget Director Belczak concluded, and the Chair opened the floor for questions and comments, then recognized Vice Chair Lee.

Vice Chair Lee referenced the DOF, "Connect Illinois Round 3" grant, the construction of a 10.5-milelong fiber network, asking if there will a fee to residents or will it be free to residents, for the private/nonprofit entity that will be maintaining and operating the network. Christian Taylor, Digital Equity Director, Mayor's Office replied, as written the grant allows us some flexibility on how we would arrange this, so no, none of those costs would be transferred to customers. But there are ways we can lean in or lean out; for example we can totally fund this program and have a nonprofit or a private company be the internet service provider and we just own the network. we don't have to maintain or operate or we can decide that 10 years down the road we would like that network lease transferred back to the city. I'd also like to note that this network is an open access network which means that any established internet service provider can use that fiber network to deploy internet service in their community. This really incentivizes affordable rates going into the neighborhoods. Vice Chair Lee continued and asked if the private ISP providers would have a lease agreement. Director Taylor answered, correct. The Chair took a moment to recognize Alderman Mitchell for the purposes of quorum. He then continued with questions from the members and acknowledged Alderman La Spata.

Alderman La Spata piggybacked on the fiber network grant as well and asked if the cost included restoration work, since this type of work typically happens underneath the sidewalks. Director Taylor responded there's no funding provided for restoration. When the application was submitted there was coordination between multiple city departments including CDOT and the Office of Underground Coordination to make sure that when the shovels are in the ground it's a one and done, so there's no external costs on top of what's projected. Alderman La Spata concluded mentioning that he will keep an eye on that because he's had enough fiber permits pulled in the 1<sup>st</sup> Ward and knows what the sidewalks look like afterwards. Chairman Ervin queried for other questions, there were none, acknowledged Alderman Quezada's Motion for Move Do Pass, requesting all in favor signify by saying Aye, any opposed? Recorded in the opinion of the Chair the Ayes have it, the matter is approved and would be reported out at the next City Council Meeting on Wednesday, June 18, 2025.

For purposes of quorum the Chair paused to acknowledge remote participation of Alders Taliaferro and Mosley as well as Alderman Robinson's presence in Chambers. He then proceeded to Item #2 of the agenda, a Redevelopment Agreement with Twisted Eggroll LLC for provision of neighborhood funds for renovation of commercial property generally located at 657 East 75th Street in the 6th Ward. Chairman recognized Antionette Maxwell from DPD for the purpose of providing a presentation on the RDA. The speaker greeted the Chairman and Body, and stated for the record that she was Antionette Maxwell, Financial Planning Analyst in the Department of Planning & Development. She conveyed being here today to request the Committee's approval of a Neighborhood Opportunity Fund Redevelopment Agreement for the Twisted Eggroll LLC authorizing the use of up to \$859,000 of NOF funding for the rehabilitation of an approximately 6,500 square foot commercial building (currently owned by the Cook County Land Bank), into a commercial kitchen and take out only restaurant producing food for immediate sale, preparing large orders for catering events and selling frozen to go bags. The total estimated cost of the project is roughly \$1.4 million and if approved this agreement would authorize DPD to provide up to \$859,238 in NOF Funds which includes \$784,238 in construction and \$75,000 as a local residency bonus. In addition to the city funds, the project will leverage \$325,000 in CPACE and \$181,000 for a bridge loan both to be repaid by the developer and the Chicago Trust also provided \$100,000 in grants. The project is expected to begin construction November 2025 with a completion date of August 2026. DPD is highly supportive of the proposed Twisted Eggroll development and believes the use of the NOF is critical to ensuring the project moves forward. Upon completion it is expected that it will result in a number of benefits to the city as a whole; create at least 10-15 full-time jobs, revitalize 75th Street, stabilize an aging commercial building that has been vacant for more than a decade and will be a renewed tax revenue for the City of Chicago. Ms. Maxwell concluded the presentation and thanked the Body, bidding for its favorable consideration for support and acknowledged she and Nikkita Randle, Owner/Founder of Twisted Eggroll LLC welcome any questions. Chairman Ervin then opened the floor for questions recognizing Alderman Beale.

Alderman Beale inquired as to where Twisted Eggroll is currently stationed. Ms. Maxwell responded, it is currently located in the Hatchery. Alderman Beale then asked how much is Twisted Eggroll investing in this project, seeing that the city is giving up almost \$900,000? Ms. Maxwell answered, they have a

\$5,000 deposit with the Cook County Land Bank for the property, a \$325,000 loan with CPACE and a \$182,000 bridge loan; both must be repaid. Alderman Beale commented that the whole project has been funded by loans and NOF. Ms. Maxwell replied "correct". Alderman Beale then inquired about parking. Ms. Maxwell stated there is parking along 75<sup>th</sup> Street, then pulled up the slide showing a diagram of the street. The Alderman proceeded to ask how many people do we anticipate going in and out of this facility and have we done a feasibility study? Ms. Maxwell responded, no, it is a pick-up and go, not a sit-down restaurant. It's a commercial kitchen to do catering and there's another smaller space that will be rented out to a kitchen. At this time, we don't have all the information in terms of traffic. In closing, Alderman Beale continued to voice his concerns in terms of the parking for patrons/employees as well as the growth capacity for this company. The Chairman stated that the Alderman's points were well taken as it relates to the equity component of this conversation, then acknowledged Nikkita Randle who addressed Alderman Beale's parking concerns, explaining that there will be employee parking in the rear by the loading dock. She further mentioned that they will have a locker system and an app that will tell you when your order is ready for pick up, if you're worried about congestion and traffic. Alderman Beale referenced a drawback clause in the RDA, asking that if a company doesn't make it or goes under how do you recoup the money? Jeff Cohen, Deputy Commissioner, DPD, replied when we are using a recapture mortgage; a lien that we can get in line along with any other lenders that are owed funds for a project, so it's not something that we will go after the actual grantee for, but essentially be able to get in line for any remaining funds after everyone else has been able to be made whole. Alderman Beale then asked, if a building is vacant, where is the city as far as pecking order as far as refunding? Deputy Commissioner Cohen responded, the city is always subordinated to any senior lenders. Alderman Beale thanked everyone then closed. The Chair took a moment to recognize Alderman Rodriguez for purposes of quorum then called on Alderman Robinson.

Alderman Robinson just wanted to take an opportunity to recognize in 6 young men seated in Chambers from King College Prep High School from the 4<sup>th</sup> Ward. Chairman Ervin thanked the students for coming down to see government at work. He then queried the members for other questions, there were none, acknowledged Alderman La Spata Motion for Move Do Pass, requesting all in favor signify by saying Aye, any opposed? Recorded in the opinion of the Chair the Ayes have it, the matter was approved and would be reported out at the next City Council Meeting on Wednesday, June 18, 2025.

The Chair then proceeded to Item #3, an Amendment of Municipal Code Section 3-56-050 by amending Subsection E regarding waiver of fees imposed by the chapter. He acknowledged that the City Clerk's Chief of Staff was present to provide an overview of the ordinance. Kathyrn O'Connell, Chief of Staff/First Deputy Clerk greeted the Chairman and Body then introduced Riley Bowlin, Chief Operating Officer. She communicated that they were there to seek permission from the Body to approve an amendment that would give the clerk the ability to offer another amnesty month, a period of 31 consecutive days, this calendar year. The Chairman further commented that this is an extension of the fee waiver, then asked if there were any questions, there were none, recognized Alderman La Spata Motion for Move Do Pass, requesting all in favor signify by saying Aye, any opposed? Recorded in the opinion of the Chair the Ayes have it, the matter was approved and would be reported out at the next City Council Meeting on Wednesday, June 18, 2025.

Chairman Ervin addressed the final Item, a Transfer of funds within 40th Ward Wage Allowance/ Aldermanic Expense Account for Year 2025. He queried for questions, seeing there were none, then asked if there was a motion to approve Item 4. Alderman Quinn so Moved, and Chairman called a voice vote signifying all in favor say Ayes, any opposed. Hearing no Nays, the Chairman recognized the Do Pass recommendation would be reported out at the next City Council Meeting on June 18, 2025. The Chairman next called for the Monthly Rule 45 Report for May 2025 be accepted, which had been electronically transmitted to all Members, so Moved by Alderman Mitchell. Chairman queried all in favor signify by saying Aye, any opposed? He then declared, in the opinion of the Chair the Ayes have it, the Motion passes and affirmed the Rule 45 Report was approved.

The Committee on the Budget and Government Operations having no further business, on Motion made by Alderman Quezada for adjournment, Chair acknowledged all Ayes and no Nays, and the meeting was adjourned.

(A video recording of the full meetings with committee members, internal and external experts, as well as any/all public speaking content can be reviewed on the Chicago City Clerk website under Committee Meeting Web Stream Archive dated June 16th.)

Respectfully submitted by:

Jason C. Ervin, Chairman Committee on the Budget and Government Operations