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COUNCIL CHAMBER
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COMMITTEE CHAIRMAN
ECONOMIC, CAPITAL & TECHNOLOGY DEVELOPMENT

COMMITTEE MEMBERSHIPS
ZONING, LANDMARKS & BUILDING STANDARDS

BUDGET & GOVERNMENT OPERATIONS

CONTRACTING OVERSIGHT & EQUITY

LICENSE & CONSUMER PROTECTION

HOUSING & REAL ESTATE

COMMITTEES & RULES

FINANCE

MONTHLY REPORT — SEPTEMBER 2023

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

On **Tuesday, September 5, 2023**, the Committee on Economic, Capital, and Technology Development held an in-person meeting.

Chairman Villegas called the meeting to order.

ROLL CALL

The following members of the Committee were present as determined during roll call, Alderpersons: Villegas (36), Mosley (21), La Spata (1), Hall (6), Mitchell (7), Chico (10), Gutierrez (14), Tabares (23), Cruz (30), Cardona (31), Waguespack (32), Napolitano (41), Manaa-Hoppenworth (48). With sufficient members present, quorum was established.

PUBLIC COMMENT

No person(s) signed up for public comment.

APPROVAL OF RULE 45 MONTHLY REPORT

- Approval of the July 2023 Monthly Report

+There were no corrections or comments.

Alderman Waguespack motioned to approve the report. The motion passed without objection by the same roll call that was applied to determine quorum.

DEFERRED AGENDA ITEMS

The following items were deferred:

5. A2023-0001263 Appointment of Alejandra Flores as member of Special Service Area No. 3, Southwest Business Growth Area Commission

7. A2023-0001284 Appointment of Suellen G. Hurt of Special Service Area No. 42, 71st-Stony Island Commission

14. O2023-0002944 Approval for issuance of a Class 6(b) tax incentive for property located at 4003-4057 S. Normal Street/432—458 W. 41st St

16. R2023-0002225 Approval for issuance of a Class 6(b) tax incentive for property located at 1951 W. Hastings

17. O2023-0001202 Approval for issuance of a Class 6(b) tax incentive for property located at 2717 and 2757 W. Chicago Ave

- *Chairman Villegas requested a motion to defer Items No. 5, 7, 14, 16 & 17 pending further review and support by the local alderpersons.*
- *Ald. Cardona motioned to defer these items, which was approved, without objection, by the same roll call that was applied to determine quorum.*

There were 13 other items on the agenda for this meeting.

ITEMS 1-4, 6 & 8-12

Items 1-4, 6 & 8-12 on the agenda were appointments and reappointments to various Special Service Areas that were heard and voted on collectively.

The following appointments/reappointments were considered:

1. A2023-0002902 Appointment of Panagiotis K. Valavanis as member of Special Service Area No. 22, Andersonville Commission

2. A2023-0002903 Reappointment of Joe Oliveri as member of Special Service Area No. 28-2014, Six Corners Commission

3. A2023-0002905 Appointment of Richard Norwood as member of Special Service Area No. 42, 71stStony Island Commission

4. A2023-0002906 Appointment of Robert H. Block as member of Special Service Area No. 48, Old Town Commission

6. A2023-0001282 Appointment of Erick Valdez as member of Special Service Area No. 39, Brighton Park/Archer Heights Commission

8. A2023-0001285 Appointment of Ayesha Amena Karim of Special Service Area No. 42, 71st/Stony Island Commission

9. A2023-0001286 Appointment of Linda D. Young of Special Service Area No. 42, 71st/Stony Island Commission

10. A2023-0001287 Appointment of Damon L. Smith of Special Service Area No. 42, 71st/Stony Island Commission

11. A2023-0001288 Appointment of Sean R. McGinnis of Special Service Area No. 42, 71st/Stony Island Commission

12. A2023-0001289 Appointment of Alejandra Gonzalez of Special Service Area No. 47, 47th Street and Cottage Grove Commission

- *Chairman Villegas noted that Mark Roschen, Assistant Commissioner at the Department of Planning and Development, was available to answer any questions.*
- *Chairman Villegas asked Committee members if they would like to make a statement or ask any questions.*
- *Chairman Villegas noted that the ECTD team had received indications of support or non-objection, for the appointments and reappointments, from the following City Council members associated with each Special Service Area:*

Alderspersons Hopkins, Yancy, Mitchell, Harris, Ramirez, Quinn, Gutierrez, Moore, Taylor, Tabares, Burnett, Vasquez, Gardiner, Martin, and Manaa-Hoppenworth.

- *Chairman Villegas noted that most appointees were unable to appear for today's meeting, but he supported their appointments/reappointments and thanked them for their service to the City.*
- *Chairman Villegas asked if any appointees or re-appointees would like to make a statement.*

SSA Appointee Robert H. Block spoke on his personal and professional experiences and stated that he welcomed the opportunity to serve his community.

Ald. Burnett commended Mr. Block for his commitment to serve his community and expressed his support for the appointment.

SSA Appointee Richard Norwood spoke regarding his personal and professional experiences and stated that he welcomed the opportunity to serve his community.

Ald. Manaa-Hoppenworth thanked both appointees for their service.

- *Alderman La Spata motioned to recommend approval of the appointments and reappointments.*
- *The items passed without objection by the same roll call vote applied to determine quorum, and Chairman Villegas stated that the do-pass recommendation would be reported out at the following City Council meeting.*
- *Chairman Villegas congratulated the appointees and re-appointees.*

ITEM 13

Item 13 on the agenda was an approval for issuance of a Class 6(b) tax incentive for a vacant building and property at 407 W. 109th St

Terrence Johnson, Assistant Commissioner with the Department of Planning & Development, presented in support of the ordinance.

Mr. Johnson stated that the applicant intended to renovate an existing building and to construct a new addition to operate a steel and wall panel manufacturing facility. The project would create 10-15 new, full-time permanent jobs.

Ald. Cardona inquired what the additional constructed space would be used for (for manufacturing and storage, per Terrence Johnson).

Ald. Cardona motioned to pass the ordinance.

Ald. La Spata stated that the expansion was related to an affordable home construction project that was previously passed by the City Council.

Ald. Mitchell asked if Toro Construction was a certified Minority Business Enterprise (MBE) (yes). He asked about the racial-ethnic makeup of the company (mostly Hispanic, 90-95%). Ald. Mitchell asked for a specific racial breakdown, through the Chair.

Ald. Cruz inquired whether the jobs would be union-affiliated (yes).

Chairman Villegas asked if an adjacent railroad line would be part of the project (that was a goal).

Ald. Mosley thanked the company for the investment in his ward and in the City.

Chairman Villegas encouraged the company to work with the local alderman to publicize future hiring and training opportunities for local residents.

Ald. Cardona moved to pass the ordinance, and it passed, without objection, by the same roll call vote applied to determine quorum.

ITEM 15

Item 15 on the agenda was an ordinance to approve a Class L tax incentive for property located at 500 N. La Salle Drive [La Salle St Cable Car Powerhouse]

Dijana Cuvalo, Architect IV in the Historic Preservation Division of the Planning Dept., presented in support of the ordinance.

She stated that the applicant intends to utilize the landmark building for a new restaurant use, a London-based steakhouse concept. The project would create 145 permanent jobs.

Chairman Villegas stated that Ald. Reilly did submit a letter of support for the project.

Ald. Mitchell asked about the racial makeup of the company (the restaurant has not done any hiring yet, but the development company intends to contract MBE firms in the future).

Chairman Villegas stated that Class L projects do not require MBE participation, but he also stated that City Council members could confer with county officials to address that issue.

Ald. Cardona moved to pass the ordinance, and it passed, without objection, by the same roll call vote applied to determine quorum.

ITEM 18

Item 18 on the agenda was a follow-up on a call for the Budget Director to issue a request to relevant technology sectors for information to identify potential efficiencies in the City's technology system and processes and potential revenue sources (Update on the Gartner Report)

Chairman Villegas provided background information on the report which came about from a 2021 resolution requiring an information technology assessment. The consultant hired to provide an IT blueprint for modernization was Gartner Consulting. Also, in 2020, a capital bill allocated \$350 million to pay for IT upgrades. The eventual goals of the IT modernization are to deliver city services more efficiently and to save taxpayer dollars. Another goal is to allow businesses to open quicker.

Nitesh Dixit, Senior Managing Partner with Gartner Consulting, provided the update on the Gartner Report.

Mr. Dixit stated that Gartner has been involved in three distinct initiatives with the City of Chicago since 2020:

--Doing an assessment and understanding the current state of the City's technological platforms.

--Developing a strategic roadmap on how to make improvements to the City's tech systems.

--Conducting a citywide survey across all neighborhoods to gauge awareness of city services and preferred service delivery methods.

Mr. Dixit stated that 61% of the City's application systems are aging and requiring replacement.

He stated that the City's Banner water billing system, which intakes more than a \$1 billion in revenue, is a highly customized system that is expensive to maintain, and it also poses a risk to the City. Thus, the City should initiate the effort to replace and modernize the water billing system.

Ald. Mosley inquired whether in the future there would be apps that would be off-limits to the public (The biggest restrictions around the use of apps. would be around cyber-security concerns).

Ald. La Spata asked if the City is hampered by not having a separate IT department. (Mr. Dixit replied that it was important that the central IT department be seen as having the requisite authority to implement initiatives. If a separate IT department is required to achieve that authority, then it should be considered, but a separate IT dept., per se, is not a necessary condition for the required authority).

Ald. La Spata inquired about the Banner water billing system. He asked whether the City has started developing a strategy to modernize its water billing system (Dixit stated that he was not aware whether the City had a strategy).

Chairman Villegas stated that he has been an advocate for separating the City's IT division from the Fleet/Facilities Services division. He will advocate that the City's Department of Innovation and Technology be separated out in the 2024 budget, and he welcomed other colleagues to support the effort. By realizing technological efficiencies, the City could save hundreds of millions of dollars.

Ald. Hall asked Mr. Dixit to grade the City's technological standing (Mr. Dixit refrained from giving a specific grade, but he noted that it is definitely not an "A," but it is also not an "F." He stated that a focus on improving the City's technological infrastructure should take place).

Ald. Cruz mentioned the need to improve on the Banner water billing system, because many residents have had issues with high water bills. She asked how long it would take to modernize the water billing system (Mr. Dixit estimated 3-4 years for water billing; for the City overall, 5-6 years at the very least).

Ald. Manaa-Hoppenworth stated she was excited about the future efforts to modernize the City's tech systems in order to enhance equity, and she agreed with Gartner's statement that "outcomes for Chicagoans [should be] the North Star."

Ald. Mitchell stated that he also supported the City having its own IT department. He believed the IT budget needed to be a billion dollars and that five years to complete IT modernization was optimistic.

Chairman Villegas mentioned that \$350 million was approved and available for use in the IT modernization process. As efficiencies and savings are realized, they could be reinvested in additional IT modernization efforts. He reiterated that the IT modernization blueprint plan was only as good as the City's willingness to implement it. Currently, the City's Chief Information Officer (CIO) position is vacant. The City needs to hire the CIO to quarterback the modernization effort.

The Chairman stated that he will seek to convene an IT working group to encourage the City's IT modernization process to move forward. ECTD members will be welcomed to also participate in the working group.

There being no further business, Chairman Villegas asked for a motion to adjourn.

Vice-Chair Mosley motioned to adjourn the meeting by the same roll call that was applied to determine quorum. Hearing no objection, the meeting was adjourned.

On **Tuesday, September 12, 2023**, the Committee on Economic, Capital, and Technology Development held an in-person meeting.

Chairman Villegas called the meeting to order.

ROLL CALL

The following members of the Committee were present as determined during roll call, Alderpersons: Villegas (36), Mosley (21), La Spata (1), Hall (6), Mitchell (7), Chico (10), Lee (11), Lopez (15), Cruz (30), Cardona (31), Mitts (37), Napolitano (41). With sufficient members present, quorum was established.

Non-committee members Ald. Moore, Ald. Vasquez, Ald. Irvin & Ald. Quinn were also present for the meeting.

DEFERRED AGENDA ITEMS

The following items were deferred:

- 1. A2023-0001263** Appointment of Alejandra Flores as member of Special Service Area No. 3, Southwest Business Growth Area Commission
- 2. A2023-0001284** Appointment of Suellen G. Hurt of Special Service Area No. 42, 71st-Stony Island Commission

Chairman Villegas requested a motion to defer Items No. 1 & 2 pending further review and support by the local alderpersons.

Ald. Lopez inquired why Item #1 was being deferred (Chairman Villegas replied that Ms. Flores had not yet received approval from one of the alderpersons, Ald. Coleman, that covers Special Service Area # 3).

Vice-Chair Mosley motioned to defer these items, which was approved, without objection, by the same roll call that was applied to determine quorum.

PUBLIC COMMENT

1. Bonnie Poole spoke on a personal mortgage fraud matter.

ITEM 3

Item 3 on the agenda was a substitute ordinance to approve the issuance of a Class 6(b) tax incentive for a property located at 1951 W. Hastings

Ald. La Spata moved to accept the substitute ordinance, which was approved, without objection, by the same roll call that was applied to determine quorum.

Terrence Johnson, Assistant Commissioner with the Department of Planning & Development, presented in support of the ordinance.

Mr. Johnson stated that the applicant intended to construct a five-story data center that would provide 5 full-time and 10 part-time positions.

Ald. Ervin expressed his support for the project and noted the community benefits agreement the applicant has agreed to. He requested the committee's favorable consideration.

Ald. La Spata asked what the data center would do and how it would facilitate economic development (Craig Huffman of Metro Edge development Partners replied that the center would support the cloud technology needs of the healthcare institutions in the nearby Illinois Medical District).

Ald. Mitts asked if the technology services and community benefits would be provided to the Austin area. (Ald. Irvin noted that schools in portions of Austin would benefit from the community benefits agreement).

Chairman Villegas congratulated Ald. Irvin on the project.

Ald. Lee motioned to pass the substitute ordinance, which was approved, without objection, by the same roll call that was applied to determine quorum.

There being no further business, Chairman Villegas asked for a motion to adjourn.

Vice-Chair Mosley motioned to adjourn the meeting by the same roll call that was applied to determine quorum. Hearing no objection, the meeting was adjourned.

Respectfully submitted by

Raymond Valadez

Committee on Economic, Capital and Technology Development

