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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 — JULY 2024

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, July 9, 2024**, 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), Tabares (23), Cruz (30), Cardona (31), Waguespack, (32), Napolitano (41), Manaa-Hoppenworth (48).

With sufficient members present, quorum was established.

Under Rule 59, the following members of the Committee requested to participate remotely:

Mitts (37), *Ald. Mosley motioned to allow Ald. Mitts to participate remotely, which passed without objection by the same roll call that was applied to determine quorum.*

Gutierrez (14) *participated remotely.*

Chairman Villegas noted that several written comments were received.

PUBLIC COMMENT

1. Laura Goldberg spoke against SO2024-0008201.
2. Brad Tietz spoke against SO2024-0008201.
3. Iyana Simba spoke against SO2024-0008201.
4. George Blakemore spoke on miscellaneous matters.

APPROVAL OF RULE 45 MONTHLY REPORT

- Approval of the June 2024 Monthly Report

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

ITEMS 1-3

Items 1-3 on the agenda were appointments and reappointments to various Special Service Areas that were heard and voted on collectively.

The following appointments were considered:

- 1. A2024-0010093** Reappointment of Carlton F. Daniels-Metz as member of Special Service Area No. 18, North Halsted Commission
- 2. A2024-0010094** Reappointment of Kearby J. Kaiser as member of Special Service Area No. 18, North Halsted Commission
- 3. A2024-0010095** Reappointment of Duke Miglin as member of Special Service Area No. 75 Oak Street 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, from the following City Council members associated with each Special Service Area:*

Alderspersons Clay, Lawson, Reilly

- *Chairman Villegas noted the appointees were unable to appear at the meeting, but he supported their reappointments and thanked them for their service to the City.*
- *Ald. Mosley motioned to recommend approval of the reappointments.*
- *The items passed without objection by the same roll call vote applied to determine quorum, and Chairman Villegas stated that the do-pass recommendations would be reported out at the following City Council meeting.*

ITEM 12

12. Amendment of Municipal Code Chapter 2-68 by adding new Section 2-68-050 requiring City data to be processed, stored, transmitted and disposed of within jurisdiction of United States

Vice Chair Mosley motioned to accept a substitute ordinance. The motion passed without objection by the same roll call vote applied to determine quorum.

Chairman Villegas stated that bringing in data centers would be a new and innovative ways for the City to bring in revenue, without impacting taxpayers and businesses. We should require some data to be stored in Chicago. Also, modern data centers mitigate environmental impacts. It would also be an opportunity to draw people into the City.

Bruce Coffing, Chicago's Chief Information Security Officer, thanked Chairman Villegas for working with the Department of Technology and Innovation to address some of their concerns. He stated that the City stores data in multiple locations as a best practice.

Mr. Jim Kaegi of Omega Pi spoke on the ordinance. He stated that it is important that data be stored in local communities, because there are many advantages to store data locally. As artificial intelligence (AI) has shown, data is a valuable resource. He stated that it is important that data be stored in the United States, which is in line with what the federal government has been requiring. By incentivizing data centers to locate in Chicago, you are helping to generate tax revenue and encouraging tech companies to invest in Chicago. He stated that much work has been done to make data centers operate in a more sustainable manner, including the recycling of energy.

Ald. La Spata asked how data center revenue would be generated (through the assessment of new properties that are constructed). He asked how future data centers would address concerns about sustainability (through large tanks that are brought onsite to recycle water). Ald. La Spata stated that his concerns have grown more throughout the committee review process.

Ald. Manaa Hoppenworth inquired how much land would be needed for data centers (there are different models, with larger horizontal and small vertical footprints). She wondered if the centers lower neighboring property values (the idea is to develop vacant, underutilized land). She was concerned about numerous calls and communications that she received from environmental groups. She stated that she would like to hold the ordinance in committee until the environmental concerns were addressed.

Chairman Villegas replied that the Department of Planning & Development has sustainability requirements that data center projects have to meet.

Ald. Lee asked for a summary of the ordinance (ordinance states that City data should be stored in the United States and the other part provides incentives to developers who locate data centers in Chicago). She inquired what percentage of City data would have to be stored in the City (generally all city data). She also inquired about enforcement mechanisms (Procurement would create the enforcement/compliance rules). She inquired whether the ordinance would apply to sister agencies (no).

Ald. Cruz asked if a specific company would be managing the City data (no specific company; it would be a bidding process). She inquired about the Metro Edge company (it is a minority owned team that is involved in the data center industry). She stated that it would be a disservice to take a vote today and the ordinance should not be voted on.

A roll call was taken on whether to hold the ordinance.

Those in favor of holding the ordinance:

LaSpata, Chico, Lee, Gutierrez, Tabares, Cruz, Mitts, Manaa-Hoppenworth.

Those in favor of not holding the ordinance:

Villegas, Hall, Cardona, Waguespack, Cardona.

The majority of members voted to hold the ordinance by an 8-5 vote tally.

ITEMS 4-11

Items 4-11 were tax incentive ordinances.

4. O2024-0010104 Support of Class 6(b) tax incentive for property at 5201 W Grand Ave

Beth McGuire, Project Manager at the Dept. of Panning & Development, presented the development proposal and 6(b) tax incentive details. The project would create 20 permanent positions and 20 temporary construction jobs.

Ald. Mitts expressed her support for the tax incentive ordinance.

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

5. O2024-0010108 Support of Class 6(b) tax incentive for property at 9165 S Harbor Ave

Robert Bumpers, Financial Planning Analyst with the Dept. of Panning & Development, presented the development proposal and 6(b) tax incentive details. The project created 10-12 full-time positions.

Ald. Chico provided a letter of support for the tax incentive ordinance.

Ald. La Spata inquired whether the project required environmental remediation (No, that was done in the year 2000).

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

6. O2024-0010114 Support of Class 7(a) tax incentive for property at 5100 S Darnen Ave

Antionette Maxwell, Financial Planning Analyst for the Dept. of Panning & Development, presented the development proposal and spoke on the Class 7(a) tax incentive details. The project has created 75 full-time jobs.

Ald. Coleman provided a letter of support for the tax incentive ordinance, which supports a landscaping and snow removal company.

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

7. O2024-0010115 Support of Class 6(b) tax incentive for property at 2841 S Ashland Ave

Antionette Maxwell, Financial Planning Analyst for the Dept. of Panning & Development, presented the development proposal and spoke on the 6(b) tax incentive details. The project has created 30 new full-time jobs.

Ald. Ramirez provided a letter of support for the tax incentive ordinance.

Ald. Lee expressed her full support for the tax incentive.

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

8. O2024-0010106 Support of Class 6(b) tax incentive for property at 1621-1625 W Carroll Ave

Antionette Maxwell, Financial Planning Analyst for the Dept. of Panning & Development, presented the development proposal and spoke on the Class 6(b) tax incentive renewal details. The incentive would support two existing commercial tenants and their existing 138 full-time employees

Ald. Burnett provided a letter of support for the tax incentive ordinance.

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

9. O2024-0010112 Support of Class 6(b) tax incentive for property at 4500 W Chicago Ave

Aaron Fogle, Financial Planning Analyst for the Dept. of Panning & Development, presented the development proposal and 6(b) tax incentive details and noted that Item Nos. 9 and 10 are combined as part of one company's project. The tax incentive would preserve 630 full-time jobs and add 100 new jobs.

Ald. Mitts provided a letter of support for the tax incentive ordinance and expressed her support for the 130 year-old company which has provided hundreds of jobs in her ward.

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

10. O2024-0010113 Support of Class 6(b) SER tax incentive for property at 4533 and 4545 W Augusta Blvd

Aaron Fogle, Financial Planning Analyst for the Dept. of Planning & Development, presented the development proposal and 6(b) tax incentive details. The project would preserve 630 full-time jobs and add 100 new jobs.

Ald. Mitts provided a letter of support for the tax incentive ordinance and expressed her support for the 130 year-old company which has provided hundreds of jobs in her ward.

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

11. O2024-0010116 Support of Class 6(b) tax incentive for property at 12525 S Carondelet Ave, 2924 E 126th St, 12350 S Carondelet Ave and 12359 S Burley Ave

Aaron Fogle, Financial Planning Analyst for the Dept. of Planning & Development, presented the development proposal, located within the Ford Supplier Park, and 6(b) tax incentive renewal details. The tax incentive would support existing business tenants which employ 2582 persons on the campus.

Ald. Chico provided a letter of support for the tax incentive renewal ordinance.

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

Item

13

Item 13 was a resolution.

13. R2024-0009481 Call for hearing(s) on potential for and benefits of employee ownership transition alternative of enterprises throughout City of Chicago

Ald. Waguespack motioned to accept a substitute resolution. The motion passed without objection by the same roll call vote applied to determine quorum.

Ald. Cardona moved to approve the subject matter hearing on Wednesday, September 4, 2024, and it passed, without objection, by the same roll call vote applied to determine quorum.

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

Ald. Cardona and Ald. Waguespack 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

A handwritten signature in black ink, appearing to read 'Gilbert Villegas', with a stylized flourish at the end.

Alderman Gilbert Villegas

Chairman
Committee on Economic, Capital and Technology Development