

GILBERT VILLEGAS

CITY COUNCIL
CITY OF CHICAGO

COUNCIL CHAMBER
CITY HALL - 2ND FLOOR
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COMMITTEE CHAIRMAN
CONOMIC, CAPITAL, AND TECHNOLOGY DEVELOPME
COMMITTEE VICE CHAIRMAN
COMMITTEE SAND RULES
COMMITTEE MEMBERSHIPS
ZONING, LANDMARKS, AND BUILDING STANDARDS
BUIGGET AND GOVERNMENT OPERATIONS
CONTRACTING OVERSIGHT AND EQUALITY
LICENSE AND CONSUMER PROTECTION
WORKFORCE DEVELOPMENT
AVIATION

MONTHLY REPORT — JANUARY 2022

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 2022:**

COMMITTEE MEETING HELD ON January 19, 2022

On Wednesday, January 19, 2022, the Committee on Economic, Capital and Technology Development held a remote meeting pursuant to applicable law.

Chairman Villegas called the meeting to order at 3:05 P.M.

Roll Call

The following members of the Committee were present as determined during roll call: Aldermen Villegas, Mitchell, Sawyer, Lopez, Curtis, O'Shea, Tabares, Burnett, Mitts, Sposato, Vasquez, Reilly, Tunney, and Hadden. With 14 members present, quorum was established.

Approval of December 2021 Rule 45 Report (Monthly Report)

There were no corrections or comments. Alderman Mitts motioned to approve the report by the same vote as was used to determine quorum. The motion passed without objection.

Public Comment

No public comment

<u>Items 1 - 9</u>

Items one through nine on the agenda were a series of appointments and reappointments to various Special Service Areas that were voted on collectively. They were:

A2021-178	Reappointment of Robert B. Smith as member of Special Service Area No. 8, Lakeview East Commission
A2021-179	Reappointment of Frank J. Caputo as member of Special Service Area No. 16, Greektown Commission
A2021-180	Reappointment of A. Thomas Paspalas as member of Special Service Area No. 16, Greektown Commission
A2021-181	Reappointment of Jeanne R. Saliture as member of Special Service Area No. 17, Central Lakeview Commission
A2021-182	Appointment of Renee M. Labrana as member of Special Service Area No.19, Howard Street Commission
A2021-183	Appointment of Anthony Beach as member of Special Service Area No. 61, Hyde Park Commission
A2021-184	Appointment of Shaka H. Mitchell as member of Special Service Area No. 61, Hyde Park Commission
A2021-185	Appointment of Richard Tannenbaum as member of Special Service Area No. 75, Oak Street Commission
A2021-186	Appointment of Duke Miglin as member of Special Service Area No. 75, Oak Street Commission

- Chairman Villegas asked if any of the appointees or reappointees would like to make a statement
 - No comments or questions were raised.
- Chairman Villegas asked if the Committee members had any comments or questions.
 - Alderman Lopez was recognized.
 - Alderman Lopez asked and wanted to confirm that all reappointees and appointees were supported by their local alderman.
 - Chairman Villegas asked if someone from DPD (Department of Planning and Development) could verify Alderman Lopez's inquiry.
 - Mark Roschen Assistant Commissioner at DPD responded and stated that all impacted Alderman have been notified and that DPD has either received their support or no objection in response has been given.
 - Alderman Lopez thanked Chairman Villegas and Mark Roschen.

- Alderman Lopez moved to pass the appointments and reappointments if there were no additional questions.
- Chairman Villegas acknowledged Alderman Lopez's motion, as there were no objections the motion passed.
- Chairman Villegas congratulated and thanked the appointees and reappointees and stated that the Committee looked forward to working together in moving forward and ensuring their respective business corridors continued to thrive.

<u>Item 10</u>

Item 10 on the agenda was an ordinance in support of a Class C Tax Status Renewal for property located at 4535 W. Armitage Ave. in the 36th Ward.

O2021-5876 Support of Class C tax status renewal for property at 4535 W. Armitage Ave

- Chairman Villegas stated that Mark Roschen, Assistant Commissioner from the Department of Planning and Development was available to answer any questions.
- Chairman Villegas asked if there were any questions related to this item.
- Chairman Villegas noted there were no questions or hands raised, hence he asked for a motion to recommend approval by the same roll call vote as was used to determine quorum.
 - o Alderman Reboyras moved.
 - Chairman Villegas asked his staff, Ms. Alvarez, to add Alderman Reboyras to the roll.
 - Chairman Villegas acknowledged Alderman Reboyras's motion and the motion passed without objection.

Item 11

Item 11 on the agenda was a resolution calling on the City of Chicago to expedite the goal of an all-electric fleet to the new date of 2035, which Chairman Villegas introduced at the September 14, 2021 City Council meeting. Chairman Villegas noted that after careful consideration and research, he decided to hold a subject matter hearing instead to provide an opportunity for committee members to better understand why fleet electrification is necessary and learn from national leaders in the fleet electrification space.

SR2021-994 Substitute Resolution Calling on the City of Chicago Committee on Economic, Capital and Technology Development to Hold Subject Matter Hearings on Fleet Electrification

- Chairman Villegas asked for a motion to accept the Substitute Resolution by the same roll call as was used to determine quorum.
 - Alderman Mitts so moved, as there were no objections the motion passed.

- Alderman Harris requested that the Chairman note her as present for purposes of the roll.
- Chairman Villegas acknowledged her presence and noted her as present for the roll.
- Chairman Villegas asked for a motion to pass the Substitute Resolution by the same roll call as was used to determine quorum.
 - Alderman Curtis so moved, the motion passed.

FLEET ELECTRIFICATION HEARING

- Chairman Villegas transitioned to the Fleet Electrification hearing and emphasized the need to prioritize a "cleaner, more equitable tomorrow". He noted a recent study by Enterprise in which after examining approximately 90,000 vehicles, cost savings after shifting 13% good candidates to electrification, resulted not only in a sum of tailpipe CO2 reduction of 194,000 tons over 4 years, but savings associated with this swapping equalling \$33 million.
- Chairman Villegas added that at this moment, due to the "Biden-Harris-Administration's EV Charging Action Plan" an opportunity exists to implement real action. Moreover, Chairman Villegas noted that in order to implement action, committee members must first learn from leaders and other cities doing this work. Lastly, Chairman Villegas explained that the hearing was called to better understand this space and comprehend why fleet electrification is vital to the advancement of health and environmental justice.
- Chairman Villegas then introduced the following speakers:
 - Iyana Simba from the Illinois Environmental Council
 - o Dr. Elizabeth A. Kócs from the University of Illinois at Chicago
 - o Brian Urbaszewski from the Respiratory Health Association
 - Keith Kerman from the City of New York
 - Rebecca Kiernan from the City of Pittsburgh
 - Mike Menyhart from Sea Electric
 - John Wozniak from Arrival
- Iyana Simba presented on the matter.
 - O Iyana Simba is the City Programs Director at the Illinois Environmental Council. Ms. Simba voiced her appreciation on holding the hearing and noted that Chicago is already addressing climate change. In 2019 Chicago became the largest U.S. city to commit to 100% renewable energy by 2035. Moreover, the City Council adopted the fiscal year 2022 budget which included nearly \$200 million for climate mitigation and environmental justice projects.

- Ms. Simba noted that policy is still missing on how to spend funds. Additionally, Ms. Simba provided observations and recommendations to aid in fleet electrification.
- Ms. Simba then introduced Dr. Elizabeth A. Kócs

• Dr. Elizabeth Kócs presented on the matter.

- Or. Kócs is the Director for Partnerships and Strategy at the UIC Energy Initiative, where she leads strategic energy and sustainability programs and launches initiatives on transportation, storage, and smart cities. Dr. Kócs led the UIC Beneficial Electrification Workshops and published the report "Guiding Principles for Beneficial Electrification of Transportation: A Framework for Transportation Electrification in Illinois".
- Dr. Kócs presented on the report and noted the importance of fleet electrification for overall climate change mitigation and health and environmental goals. Dr. Kócs covered several areas, notably showing how the transportation sector is the largest laggard when it comes to moving away from fossil fuels in comparison to industrial, residential and commercial energy needs.

• Brian Urbaszewski presented on the matter.

- Mr. Urbaszewski is director of environmental health programs at Respiratory Health Association, where he works on policy, legislative, legal and educational efforts to increase air quality and improve the lives of people who live with lung disease. He has helped author and pass state and local laws to improve air quality, engaged in efforts to improve federal air quality programs and standards, and helped direct tens of millions of dollars in funding to clean transportation projects in the Chicago area.
- Mr. Urbaszewski presented on the severe impacts that continued use of fossil fuels has created and continues to create for Chicagoans and our planet. He ended his presentation by outlining two main priorities.
 - 1. Replace diesel vehicles that will result in the best health benefits
 - 2. Prioritize replacing vehicles that operate in low income minority communities that already see higher instances of asthma and other lung diseases.
- Lastly, Mr. Urbaszewski felt it was important to outline the newly passed "CEJA" legislation in Springfield that explicitly targets 40% of transportation electrification dollars to go to areas that have faced historic discrimination, lack of economic opportunities and disproportionate exposure to environmental toxins. Mr. Urbaszewski thanked the Committee for the opportunity to speak.
- Chairman Villegas thanked Mr. Urbaszewski and read his biography as it was not mentioned prior to his presentation.
- Chairman Villegas asked the Committee members if they had any questions for Dr. Kocs or Mr. Urbaszewski. As there were no questions, Chairman Villegas moved on to the other speakers and introduced Keith Kerman.

- **Keith Kerman** presented on the matter.
 - Keith Kerman is a Deputy Commissioner at the Department of Citywide Administrative Services (DCAS) and NYC's first Chief Fleet Officer. NYC operates the Nation's largest municipal fleet, the largest electric fleet and charging network in New York. Mr. Kerman is from Massachusetts and a Harvard graduate who briefly lived in Chicago. In 2019, he received the Sloan Public Service Award, referred to as the Nobel Prize of NY public service, and most recently received a national Climate Leadership Award.
 - Mr. Kerman noted several impressive initiatives and goals including the goal of an all-electric school bus fleet by 2035 (10,700 units). He also mentioned additional goals stemming from the NYC clean-fleet plan, including.
 - 50% reduction of emissions by 2025
 - 80% reduction of emissions by 2035
 - Mr. Kerman then demonstrated his slides containing much of the information outlined above and also included pictures of their fleet vehicles ranging from law enforcement vehicles to streets and sanitation vehicles. He also provided additional details surrounding maintenance of electric vehicles and the overall benefits electric vehicles provide.
- Chairman Villegas thanked Mr. Kerman and asked him to hang around for some questions. Chairman Villegas then introduced Rebbecca Kiernan from the City of Pittsburgh.
- Rebecca Kiernan presented on the matter.
 - Rebecca Kiernan is a Principal Resilience Planner in the City of Pittsburgh's Sustainability and Resilience Division, Department of City Planning. Among other issue areas and responsibilities, Ms. Kiernan coordinates the City's Interdepartmental EV Task Force and works on fleet as well as public EV charging planning and implementation.
 - Ms. Kiernan provided details on the City of Pittsburgh's efforts in fleet electrification highlighting the following:
 - Challenges with air pollution and resulting respiratory impacts
 - Fleet electrification benefits including lowering emissions and overall financial impacts
 - Successful implementation of an Interdepartmental EV Task Force that convened staff from City Planning, Fleet Management, Office of Management and Budget, Department of Permits and Inspections, Department of Mobility and Infrastructure, and the Pittsburgh Parking Authority
 - Planning and implementation of policy to encourage EV readiness across the City
- Chairman Villegas thanked Ms. Kiernan and Mr. Kerman for sharing the efforts their respective cities are taking to electrify their fleets.

- Mike Menyhart presented on the matter.
 - Mike Menyhart is President of the Americas for Sea Electric. In his role Mr. Menyhart leads sales, marketing, business development, and after-sales in North, Central and South America. As Chief Strategy Officer, Mr. Menyhart leads the development and execution of SEA Electric's corporate strategy, including the company's focus on fleet electrification, advanced mobility and the alignment of its product and technology portfolio.
 - Mr. Menyhart provided details in three main areas:
 - 1. Who is SEA Electric?
 - 2. What makes SEA Electric different?
 - 3. How is SEA Electric accelerating electrification in the commercial truck and bus space?
 - Additionally, Mr. Menyhart covered SEA Electric's goals in reducing emissions and highlighted the company's patents in 8 countries allowing it to be a leading electric vehicle and technology company. Moreover, Mr. Menyhart focused on his company's ability to move towards electrification in a cost effective and quick manner.
- Chairman Villegas thanked Mr. Menyhart, and asked if he could stay for questions.
- John Wozniak presented on the matter.
 - John Wozniak is the Chief Financial Officer for Arrival as of August 23, 2021, who previously served as CVP of Finance Operations for Motorola Solutions. Mr. Wozniak is based out of the U.S. and brings extensive experience in corporate financial accounting, capital markets, and leading strategies in complex, global and growing businesses.
 - Mr. Wozniak introduced himself and stated his desire to work with the City to encourage and advance the transition to electrification. He also commended the CTA on their efforts and the establishment of a 2040 goal of fleet electrification.
 - o Mr. Wozniak provided details in the following areas:
 - The range of vehicles ARRIVAL provides
 - Their microfactory manufacturing model
 - Current active efforts and success with private enterprise
 - Best practices that Chicago can take to succeed in fleet electrification
- Chairman Villegas thanked Mr. Wozniak for his presentation and committee members for attending the entire duration of the hearing. Additionally Chairman Villegas noted the real opportunity that the city has in reducing its carbon footprint and realizing significant cost savings.
- Chairman Villegas then opened up the hearing for questions from committee members.

QUESTIONS

- Chairman Villegas asked if committee members had questions. Alderman Curtis asked to speak.
 - Alderman Curtis voiced his appreciation for the knowledge shared and noted that those suffering with asthma would love the shift to electric vehicles, however he had concerns on the power electric vehicles could produce and the ability for these vehicles to succeed in a city like Chicago that deals with extreme snow and cold.
 - John Wozniak from ARRIVAL responded and stated that there is a common misconception surrounding electric vehicles and their abilities. He added that electric vehicles actually perform better than gas-powered vehicles.
 - Alderman Curtis asked for clarification on their performance during the winter time.
 - Mr. Wozniak provided the example of their electric bus and stated that their vehicles have electric motors on each of their wheels, thus he believed they were equally if not more efficient than gas powered vehicles.
 - Mike Menyhart from SEA Electric stated that he agreed with Mr. Wozniak's statement, and noted that their team is in the midst of powering the first Volvo Mack trucks. He then added that the city should ensure it understands what solution it is looking for and acquire vehicles that are optimized for that.
 - Keith Kerman, from DCAS-New York City jumped in and noted his experiences with driving electric vehicles. He further added the reason for efficient and high performance of electric vehicles is due to "instant torque". Instant torque allows electric vehicle engines to instantly come on and deliver a powerful output. Moreover, Mr. Kerman touched on smaller electric equipment such as snowblowers, leaf blowers, etc... and acknowledged that early models were not very efficient, but current models do well in terms of longevity and performance. Lastly, he acknowledged that electric vehicles may be impacted by the cold, but that would only be in regard to duration (range) of performance, not actual performance itself (meaning the battery would lose power quicker but the output itself would not be impacted).
 - Chairman Villegas thanked the presenters for answering Alderman Curtis's question and Alderman Curtis himself.
- Chairman Villegas acknowledged Alderman Cardona who asked to speak
 - Alderman Cardona asked Mr. Kerman if New York City has a public transportation bus system that is electric.
 - Mr. Kerman stated that the MTA is separate from the NYC fleet. The MTA is a state agency. Additionally, Mr. Kerman stated that his focus is mainly on the city's school bus fleet (largest in the world)

and the department of correction buses. Mr. Kerman added that the MTA is planning on making the switch to an all-electric fleet.

- Alderman Cardona asked Keith Kerman what happens when an electric vehicle breaks down, is it sent to the manufacturer or do they have in-house staff who are able to conduct repairs?
 - Mr. Kerman responded and stated that NYC is mostly in-house maintenance. They have approximately 1,400 mechanics, about 93/95% in-house. There has been a lot of training and that needs to continue. There is less maintenance for electric vehicles. Mr. Kerman did acknowledge that emergency response is an issue as electric vehicles require different types of attention when involved in an accident. Mr. Kerman added that within the electric vehicle industry, some manufacturers will insist on providing diagnostic equipment or require that their vehicles be serviced at their facilities, however his team and NYC pushes all suppliers to do work in-house and if they do not, the city does not look at their product.
 - Mr. Menyhart from SEA Electric added that one of the main benefits with electric vehicles is that there are a lot fewer parts and therefore fewer points of failure. He also stated that many dealerships are concerned as their revenue models are predicated on service-revenue. Electric vehicles overall require less maintenance.
 - Mr. Wozniak from ARRIVAL added that because all the components in electric vehicles are connected and enabled by software there is a lot of data which allows prediction of failure allowing for replacement of equipment before costly repairs need to be made.
- Alderman Cardona thanked the respondents and noted issues with Chicago Police Department electric vehicles.
 - Mr. Kerman added that NYC has agreements with large electric vehicle manufacturers such as GM, Ford and others where they (NYC) is reimbursed for fixing the electric vehicles when they need repairs.
- Alderman Cardona thanked the presenters for all the information shared and Chairman Villegas for having the hearing.
- Chairman Villegas thanked the presenters for sharing their insights and thanked the participants for making the hearing possible and concluded by stating that he looks forward to creating a cleaner and more equitable tomorrow. Additionally, more hearings are expected to occur on this matter in which staff from AIS, DPD, CDOT and others will participate.

Adjournment

There being no further business Chairman Villegas asked for a motion to adjourn. Alderman Curtis so moved.

The meeting was adjourned at 4:51 P.M.

The members of the Committee on Economic, Capital and Technology Development in attendance included: Aldermen Villegas (36), Mitchell (7), Sawyer (6), Lopez (15), Curtis (18), O'Shea (19), Tabares (23), Burnett (27), Mitts (37), Sposato (38), Vasquez (40), Reilly (42), Tunney (44), Hadden (49), Harris (8), and Reboyras (30)

Non-members of the Committee in attendance included: None

Respectfully submitted by Sergio Navarrete For the Committee on Economic, Capital and Technology Development