



ALDERMAN, 36TH WARD
6560 WEST FULLERTON AVENUE
UNIT # C118 – SUITE A
CHICAGO, ILLINOIS 60607
WARD36@CITYOFCHICAGO.ORG
(773) 745-4636

GILBERT VILLEGAS

CITY COUNCIL
CITY OF CHICAGO
.....
COUNCIL CHAMBER
CITY HALL – 2ND FLOOR
121 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60602

COMMITTEE CHAIRMAN
ECONOMIC, CAPITAL, AND TECHNOLOGY DEVELOPMENT

COMMITTEE VICE CHAIRMAN
COMMITTEES AND RULES

COMMITTEE MEMBERSHIPS
ZONING, LANDMARKS, AND BUILDING STANDARDS
.....
BUDGET AND GOVERNMENT OPERATIONS
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CONTRACTING OVERSIGHT AND EQUALITY
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LICENSE AND CONSUMER PROTECTION
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WORKFORCE DEVELOPMENT
.....
AVIATION
.....
FINANCE

MONTHLY REPORT — JUNE 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 **June 2022**:

COMMITTEE MEETING HELD ON June 14, 2022

On Tuesday, June 14, 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 1:06 PM CT

Roll Call

The following members of the Committee were present as determined during roll call: Aldermen Villegas, Mitchell, Sawyer, Curtis, O'Shea, Tabares, Reboyras, Sposato, Vasquez, Tunney and Hadden. With 11 members present, quorum was established.

Approval of May 2022 Rule 45 Report (Monthly Report)

There were no corrections or comments. Alderman O'Shea motioned to approve the report by the same number of votes as was used to determine quorum. The motion passed without objection.

Public Comment

No public comment

Alderman Burnett asked Chairman Villegas to be added to the roll for quorum purposes.

Items 1 - 6

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

A2022-94	Reappointment of Bonnie L. Dinell-Dimond as member of Special Service Area No. 5, Commercial Avenue Commission
A2022-96	Reappointment of Jack B. Wroblewski as member of Special Service Area No. 28-2014, Six Corners Commission
A2022-97	Reappointment of Diane M. Carli as member of Special Service Area No. 39, Brighton Park-Archer Heights Commission
A2022-98	Reappointment of Jose Barrera as member of Special Service Area No. 39, Brighton Park-Archer Heights Commission
A2022-99	Reappointment of Dallas F. Gordon, Jr. as member of Special Service Area No. 45, 103rd Halsted Commission
A2022-95	Appointment of Jessie Eisner-Kleye as member of Special Service Area No. 19, Howard Street Commission

- *Alderman Mitts asked Chairman Villegas to be added to the roll for quorum purposes.*
- *Chairman Villegas asked if any of the reappointees or appointee wanted to make a statement.*
 - *Alderman Burke asked to speak and was acknowledged.*
 - *Alderman Burke spoke on the appointees to Special Service Area 39, Diane M. Carli and Jose Barrera. He praised them for their service and stated that they are both active in the community and voiced his pride on their accomplishments. He wished them good health and success in their roles.*
- *Re-appointee Diane M. Carli asked to speak and was acknowledged.*
 - *Diane M. Carli sought to correct the record in regard to what wards were in the SSA she was appointed to.*
 - *Mark Roschen, Assistant Commissioner at the Department of Planning and Development responded stating that there is property in the ward, thus clarifying the record.*
- *Alderman Reilly asked to be marked as present for purposes of the roll.*
- *Chairman Villegas asked for a motion for approval of the reappointments and appointment outlined by the same number of votes as was used to establish quorum.*
 - *Alderman Mitts so moved. The items passed without objection and Chairman Villegas stated that the do-pass recommendation would be reported out at the following City Council meeting on June 22, 2022.*

- *Chairman Villegas congratulated the appointee and reappointees and stated that they could leave the meeting or watch their government at work.*

Item 7

Item 7 on the agenda was an ordinance in support of a Class 6(b) tax incentive for property located at 6701 W Forest Preserve Dr/4350 N Normandy Ave in the 38th Ward.

O2022-1282 Support of Class 6(b) tax incentive for property at 6701 W Forest Preserve Dr/4350 N Normandy Ave

- *Chairman Villegas stated that Emmett Morrissey, Financial Planning Analyst from the Department of Planning and Development would be presenting and available to answer any questions.*
- *Emmett Morrissey presented on the matter.*
 - *Major details provided on the project included:*
 - **Applicant:** *The Eli's Cheesecake Company*
 - **Location:** *4340 N. Normandy/6701 W. Forest Preserve, 38th Ward - Alderman Sposato, Dunning, TIF District - N/A*
 - **DPD Support Reason:**
 - **1. Jobs:** *225 full-time jobs retained, 50 new full-time jobs created, and 130 temporary construction jobs.*
 - **2. Investment:** *total project costs listed at \$8,000,000 million (RDA required with MBE/WBE participation requirements)*
 - **3. Activation of Vacant Land:** *The project would result in a benefit to the applicant of \$515,909.00, with \$225,637.00 benefit to taxing districts.*
 - *Mr. Morrissey requested favorable consideration of the item and introduced **Marc Schulman** - the applicant who could answer any questions.*
- *Chairman Villegas stated that the Committee confirmed, received and circulated Alderman Sposato's letter of support to the Committee on Monday, June 13, 2022.*
- *Chairman Villegas asked Alderman Sposato if he wanted to make a statement.*
 - *Alderman Sposato thanked Chairman Villegas and the Committee and voiced his ardent support for the tax incentive and the business. Alderman Sposato further discussed the applicant's background and success with his company.*
 - *Alderman Sposato asked for favorable support of the item from the Committee.*
- *Alderman Tunney asked to speak, was acknowledged, and voiced his support of the tax incentive and Eli's Cheesecake. He additionally requested that Mr.*

Schulman, the applicant, have the opportunity to say a few words on the company's journey.

- *Chairman Villegas thanked Alderman Tunney and stated that he would certainly provide the applicant with the opportunity to speak once all the other Committee members had asked their questions and made their statements.*
- *Alderman O'Shea asked to speak, was acknowledged, and voiced his support of the tax incentive and Eli's Cheesecake. He further discussed the positive impact Eli's Cheesecake has had on the community.*
- *Alderman Hopkins asked to speak, was acknowledged, and voiced his support of the tax incentive and Eli's Cheesecake. He further added that the restaurant, "Eli's The Place for Steak" was in the 2nd Ward and he had the opportunity to visit the restaurant during its legendary run.*
- *Alderman Lopez asked to speak, was acknowledged, requested that he be recorded as present for purposes of the roll, and voiced his support of the tax incentive and Eli's Cheesecake.*
- *Alderman Curtis asked to speak, was acknowledged, and voiced his support of the tax incentive and Eli's Cheesecake. He additionally congratulated the applicant and Alderman Sposato for the tax incentive and stated that if he company ever wanted to expand they could do so in the Southwest side.*
- *Alderman Mitts asked to speak, was acknowledged, and voiced her support of the tax incentive and Eli's Cheesecake.*
- *Chairman Villegas thanked the committee members and requested that Mr. Schulman make comments on the tax incentive and his company.*
 - *Mr. Schulman, applicant and owner of Eli's Cheesecake thanked the Committee, its members and the City of Chicago. He further discussed his father's journey in starting the company in 1940. He added that all of their cheesecakes are made in Chicago and they continue to be very busy. Additionally, he discussed their pride in hiring individuals with disabilities and their partnership with various educational institutions. Lastly, he discussed their success in hiring refugees and closed with his hopes in continuing to grow in order to continue to be an active partner in the community.*
- *Chairman Villegas thanked Mr. Schulman, expressed his support for the tax incentive and thanked him for his continued investment in the City of Chicago.*
- *Chairman Villegas noted that Alderman Sposato made a motion for passage of the item with the same number of votes as was used to determine quorum. As there were no objections, the item passed.*

Item 8

Item 8 on the agenda was an ordinance in support of a Class 6(b) tax incentive renewal for property located at 2700 W Roosevelt Road in the 28th Ward.

- *Chairman Villegas stated that Emmett Morrissey, Financial Planning Analyst from the Department of Planning and Development would be presenting and available to answer any questions.*
- *Emmett Morrissey presented on the matter.*
 - *Major details provided on the project included:*
 - **Applicant:** CF II 2700 Roosevelt, LLC
 - **Location:** 2700 W Roosevelt Rd., 28th Ward - Alderman Ervin, North Lawndale Community Area, TIF District - Western/Ogden
 - **DPD Support Reason:**
 - **1. Jobs:** 39 full-time employees and 10 part-time employees. Additionally, Ella's Bubbles (one of the tenants), plans on hiring 17-20 new full-time employees if they expand into Dek's space (currently 4 employees).
 - **2. Investment:** Element Bars recently invested \$600,000 to expand the business and they plan to invest \$770,000 to expand operations if the 6B renewal is approved.
 - **3. Property Taxes:** The leases are triple N (NNN) (tenant benefits from the reduced tax amount).
 - *Mr. Morrissey requested favorable consideration of the item and introduced **Joel Friedland** - the applicant, who could answer any questions.*
- *Chairman Villegas stated that the Committee confirmed, received and circulated Alderman Ervin's letter of support to the Committee on Monday, June 13, 2022.*
- *Chairman Villegas asked Alderman Ervin if he liked to make a statement.*
 - *Alderman Ervin thanked Chairman Villegas and requested favorable consideration of the item.*
- *Alderman Tunney asked to speak, was acknowledged and asked the applicant to clarify the shuffling of companies within the building.*
 - *Mr. Friedland, the applicant, answered the question and noted that a shuffling of the companies is occurring to provide Element Bars with the ability to expand.*
 - *Alderman Tunney thanked Mr. Friedland and requested that the City of Chicago court the companies that are being shuffled around in case they decide to leave.*
- *Chairman Villegas thanked Mr. Friedland for his investment and appreciated that the firm is deciding to expand in the City.*
- *Chairman Villegas requested a motion to recommend passage of the item by the same roll call as was used to establish quorum.*
 - *Alderman Tunney so moved.*

- *As there were no objections Chairman Villegas stated that the due pass recommendation would be reported out at the following City Council meeting.*

Item 9

Item 9 on the agenda was an ordinance in support of a Class 7(c) tax incentive for property located at 4710 N Ravenswood Ave in conjunction with redevelopment agreement of FR Restaurant LLC and Megara Properties LLC-Series 2

O2022-1287

Support of Class 7(c) tax status for property at 4710 N Ravenswood California Ave in conjunction with redevelopment agreement of FR Restaurant LLC and Megara Properties LLC-Series 2

- *Chairman Villegas stated that Emmett Morrissey, Financial Planning Analyst from the Department of Planning and Development would be presenting and would be available to answer any questions.*
- *Emmett Morrissey presented on the matter.*
 - *Major details provided on the project include:*
 - **Applicant:** FR Restaurant, LLC (Lessee)
 - **Location:** 4710 N. Ravenswood, 47th Ward - Alderman Martin, Lincoln Square, TIF District - NA
 - **DPD Support Reason:**
 - **1. Jobs:** The applicant currently employs 20 full-time jobs. The project will create 10 construction jobs, 25 new full-time positions.
 - **2. Investment:** The applicant plans on investing \$522,000 on interior buildout & equipment (RDA Required - MBE/WBE participation requirement on the operations).
 - **3. Reoccupation of Vacant Building:** The incentive would assist in stabilizing the property.
 - *Mr. Morrissey requested favorable consideration of the item and introduced **Robert Finkel** - the applicant, who could answer any questions.*
- *Chairman Villegas thanked Mr. Morrissey and requested confirmation that the project had already been completed.*
 - *Mr. Morrissey answered yes, the project was completed in 2021.*
- *Chairman Villegas requested that the record reflect confirmation of the Committee's receipt of Alderman Martin's support for the item.*
- *Alderman Tunney asked to speak, was acknowledged and asked the applicant if there had been a 6(b) in the previous restaurant and how long they were in business for.*
 - *Andrew Scott, Attorney with the Law Offices of Dykema Gossett PLLC, representing the applicant responded and stated that the business that*

was there was “Band of Bohemia”. That restaurant had been there for approximately two years and had not received a tax incentive.

- *Alderman Tunney asked for clarification on the fixtures of the restaurant.*
 - *Mr. Scott responded and stated that the applicant purchased the “FFE” - (furniture, fixtures and equipment) at a bankruptcy sale.*
 - *Mr. Finkel provided additional context on the acquisition of FFE and the decision to locate to the area.*
- *Alderman Tunney asked what the tax credit savings were for this project.*
 - *Mr. Morrissey stated that total tax abatement for the applicant equals \$121,440.00, with the City’s share amounting to \$28,000.00.*
 - *Alderman Tunney thanked Mr. Morrissey and wished the applicant good luck.*
- *Chairman Villegas asked if there were any additional questions or comments from the Committee.*
 - *As none were raised, Alderman Lopez made a motion to recommend passage of the item by the same roll call as was used to establish quorum.*
 - *Chairman Villegas stated that the due pass recommendation would be reported out at the following City Council meeting.*

Item 10

Item 10 on the agenda was an ordinance in support of a Class 6(b) tax incentive for property located at 2017 N Mendell St

O2021-4198 Support of Class 6(b) tax incentive for property at 2017 N Mendell St

- *Chairman Villegas introduced the item and noted that the item was introduced by Alderman Hopkins during the September 14, 2021, City Council Meeting. Additionally, the item was previously heard before the Committee on December 8, 2021, but no vote was taken in order to address questions and concerns posed by Committee members, specifically, a response from the Law Department.*
- *Chairman Villegas further noted that on March 31, 2022, the Committee on Economic, Capital, and Technology Development circulated a response to the questions and concerns raised by the Committee at the December 8, 2021 meeting.*
- *Chairman Villegas then introduced a substitute ordinance that had previously been circulated to members of the Committee and requested a motion to accept the substitute ordinance in support of the class 6(b) tax incentive for property at 2017 N Mendell St.*
 - *Alderman O’Shea so moved, there were no objections, thus, it was so ordered.*
- *Chairman Villegas then introduced the applicant’s attorney, Rolando Acosta with Acosta Ezgur, LLC, who would present and be available for any questions.*

- *Mr. Acosta highlighted the project's major details and noted the occupant's (Meds LLC) timeline of occupation.*
- *Mr. Acosta further added that the applicant expended significant funds of building the core and shell of the building.*
- *Mr. Acosta addressed two questions that were asked in the prior meeting.*
 - *1. Whether the project qualified under Cook County's 6(b) tax incentive.*
 - *Mr. Acosta stated yes, as the project qualifies and meets the timeline requirements under the incentive. County ordinance requires that when there is no purchase for value there is 24 months of vacancy. In this project, there has been 29 months of vacancy.*
 - *Mr. Acosta added that they have submitted the application to the County and the County advised that the project qualifies, meaning the application is proper.*
 - *2. The second question raised was the applicability of the City's ordinance 2-45-160 (requirement of redevelopment agreements for 6(b) tax incentives and others)*
 - *This applies to applications filed on or after November 1, 2020.*
 - *Mr. Acosta explained that the application was originally filed on March 28, 2018, thus, not necessitating the redevelopment agreement.*
 - *Mr. Acosta additionally stated that while there were amendments done after the original submission date (2018), those were still considered part of the same filed ordinance. Moreover, Mr. Acosta mentioned that in correspondence with the Department of Planning and Development reference is made to the ordinance as amendments and not a new filing.*
 - *Mr. Acosta provided additional details on the substitute ordinance that require conditions the applicant has to meet. Conditions include:*
 - *High MBE/WBE hiring*
 - *Local employment hiring on permanent jobs and construction companies*
 - *Payment of prevailing wage*
 - *City residency requirement*
 - *Incentive be passed through to the tenant*
 - *Reporting requirement*
- *Chairman Villegas thanked Mr. Acosta and introduced Tim Jeffries, Deputy Commissioner with the Department of Planning and Development, and James McDonald with the Department of Law to make a statement and answer any questions.*

- *Mr. Jeffries advised that the objection for the use of a tax incentive for this property remains. He stated that the project does not meet the requirements of the program. He outlined three reasons:*
 - *1. Specifically, the project did not demonstrate that the incentive is financially necessary to move forward.*
 - *2. The project cannot meet the requirements necessary to meet the criteria of abandoned with special circumstance.*
 - *3. The application did not meet the required submission deadline.*
- *Mr. Jeffries further noted that the Department of Planning and Development and the Department of Law have reviewed the application on multiple occasions, including additional correspondence and material from the applicant, and they do not believe the application meets the necessary requirements. Additionally, Mr. Jeffries stated that Mayor Lightfoot is not in support of this ordinance.*
- *Mr. Jeffries thanked the Committee and stated he was available for any questions.*
- *Chairman Villegas thanked Mr. Jeffries and stated that the Committee has confirmed, received, and circulated Alderman Hopkins' support for the tax incentive.*
- *Chairman Villegas asked Alderman Hopkins if he would like to make a statement.*
 - *Alderman Hopkins thanked Chairman Villegas and in response to Mr. Jeffries, stated that he toured the facility in 2015 when it was in decay and abandoned. He noted that only rodents and pigeons were present in 2015. Alderman Hopkins discussed issues with the location of the property. Specifically, the property is in between an active tannery and a concrete ready mix plant, both of which create a large amount of dust, odors and traffic. This results in a property that is difficult to market and the reason for why it remained vacant for so long. Alderman Hopkins added that when the current owner acquired the land, he acquired it on speculation and decided to invest in the property to return it to viability and seek industrial tenants.*
 - *Alderman Hopkins then read from the Cook County eligibility bulletin for a class 6(b) tax incentive. Alderman Hopkins highlighted the goal of a 6(b) tax incentive which in part states, "[t]he Class 6b classification is designed to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial reutilization of abandoned buildings. The goal of Class 6b is to attract new industry, stimulate expansion and retention of existing industry and increase employment opportunities."*
 - *Alderman Hopkins then highlighted Meds LLC, the tenant, and the possible benefits a tax incentive would provide, including employment, retaining of industry and prevailing wages.*

- Alderman Hopkins ended by stating that the City cannot afford to allow the tenant to be courted away, and urged an aye vote from the Committee.
- Chairman Villegas thanked Alderman Hopkins and acknowledged Alderman Sawyer to speak.
 - Alderman Sawyer stated that once he got notice of the application, he had the opportunity to tour the area and stated that he believed it was a herculean effort to try and do something in the area that would be positive.
 - He expressed his support for the tax incentive, believed it to be a good use of economic development and urged an aye vote on the item.
- Chairman Villegas thanked Alderman Sawyer and acknowledged Alderman Lopez who asked to speak.
 - Alderman Lopez asked Chairman Villegas when the last instance was that a representative of the administration presented with a caveat of whether the Mayor was in support.
 - Chairman Villegas responded that as Chairman of the Committee this was the first time that he had seen such an occurrence.
 - Alderman noted that was his point and added that he had never heard, as a member of the Committee, any bureaucrat make such a statement to a body elected to make decisions. Alderman Lopez stated that it was incredulous to him that anyone would take a tone with the Committee. He added that it was outrageous and offensive. Alderman Lopez followed with a reminder of the Committee's responsibility and expressed his support for the item. He ended with a request that the Committee say yes.
- Chairman Villegas thanked Alderman Lopez and acknowledged Alderman Tunney who asked to speak.
 - Alderman Tunney noted that normally there is a presentation surrounding the investment, taxes, or table of what to expect.
 - Attorney Rolando Acosta presented and noted that savings are approximately around \$4 square foot, multiplied by 60,000 square feet or \$240,000 in savings per year, over ten years totaling \$2.4 million.
 - Alderman Tunney asked how much the owner spent from 2015 until tenants moved in.
 - Mr. Acosta stated that the owner spent approximately \$14 million between acquisition and construction.
 - Alderman Tunney asked if the tenant, Meds LLC, would be expanding and staying in the facility.
 - Mr. Acosta then shared a letter with Alderman Tunney and the Committee demonstrating language of a desire to expand.
 - Alderman Tunney thanked Mr. Acosta.
- Chairman Villegas noted no additional members had their hands raised and asked for a motion to recommend passage by the same roll call as was applied to establish quorum.

- *Alderman Sawyer so moved, as there were no objections Chairman Villegas stated the due pass recommendation would be reported out at the following City Council meeting.*

Adjournment

There being no further business Chairman Villegas asked for a motion to adjourn by the same roll call as was applied to establish quorum.

Alderman Tunney so moved.

The meeting was adjourned at 2:19PM CT

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), Reboyras (30), Mitts (37), Sposato (38), Vasquez (40), Reily (42), Tunney (44), Hadden (49).

Non-members of the Committee in attendance included:

Hopkins (2)

Burke (14)

Ervin (28)

Respectfully submitted by

Sergio Navarrete

For the Committee on Economic, Capital, and Technology Development