

STATE STREET COMMISSION

State Street Commission Meeting

Tuesday, June 20, 2023

2:00 PM

55 West Monroe Street, 5th Floor

MINUTES

ATTENDANCE

Commission Members Present

Konstantine Drosos
Kristin Duncan
John Idler
La Verne Morris
Ryan Segal
Sean Wiedel

Commission Members Absent

Mark Anderson
Greg Cameron
Erin Harkey
Cynthia Roubik
Cole Stallard
Luis Zepeda

Others Present

Melvin Craig III
Alejandra Diaz
Michael Edwards
Abel Rodriguez
Mark Roschen
Eileen Sweeney
David Harris
Martin Morris
Kate Guercio

AFFILIATION

Palmer House Hilton
Renaissance Hotel
ABC7
20 North State Street Condos
Acadia
CDOT

Hines
Joffrey Ballet
DCASE
Department of Planning & Development
Department of Streets & Sanitation
Department of Streets & Sanitation

Chicago Loop Alliance
Chicago Loop Alliance
Chicago Loop Alliance
Chicago Loop Alliance
Department of Planning & Development
Department of Planning & Development
CPD
34th District Ward
Hard Surface Finishers

I. Call to Order

The June 20th meeting of the State Street SSA Commission was called to order at 2:02 PM by SSA Chair Greg Cameron. Greg indicated he will be inviting Gus and our two nominees to the Commission, one representing Macy's and the other representing Walgreen's to a breakfast meeting in the coming weeks. Greg is hopeful the Alderman can send CLA a letter of support

for the candidates before our next meeting. The breakfast meeting will be an opportunity to get to know our new Commissioners better.

Greg reported that he saw many of the Commissioners this past weekend at the highly successful Sundays on State. Greg indicated we have great weather, record crowds and very diverse and positive energy throughout the day. The Joffrey Ballet was happy to participate on the main stage and Greg congratulated the CLA staff on a well-executed event. While there was a little smoke, there was no rain!

II. Public Comment

No comments were made by the public.

III. Security Update

Commander Harris reported on the status of crime in the First District and the more local Loop area. Generally, things are getting better across most of the crime categories including murder, sexual assault, robbery, assault and battery, shooting automobile hi-jacking. Unfortunately, theft and vehicle thefts are up. The Commander complemented the security crews working Sundays on State for apprehending a male individual with a gun at the event. Michael Edwards acknowledged and thanks the Commander for a noticeable increase in police officers in and around Sundays on State. The Commander said he has 15 additional first watch people (overnight) and has extended overtime to be sure the Loop is safe. Finally, Commander Harris feels if the judges do their job the new cashless bail program will be more business as usual.

Approval of Minutes

A motion was made by Kristen and seconded by John Idler to approve the April 18th and June 20th SSA Commission meeting minutes. Prior to a vote, John Idler requested a rewrite of the April 18th minutes, page three that John was expressing his frustration with Interpark, not the CPD. Edwards apologized and will fix the minutes. After further discussion the motion was amended to approve the April 18th and June 20th minutes as amended. Motion carried.

IV. Financial Statements as of June 30, 2023

Financial Statements

Rodriguez reviewed the financial statements through June 30, 2023, that were sent to the Commission yesterday and in the meeting packets.

He explained that we are half-way through the year and as of today, the SSA had received 46% of the anticipated first half levy payments which is good and gives him confidence funds are flowing again. He noted that the staff continues to manage the SSA budget conservatively due to the much lower than expected carry over (\$185, 000 versus \$435,000) with total expenses running at 42% of budget through June 30th.

Rodriquez reported that CLA is the exception to the rule and has often covers expenses of the SSA programs when there is a delay in the receipt of SSA funds. For example, in 2022 the second half invoices were sent in December 2022 and CLA did not receive the second half SSA funds until February 2023. The CLA used their fund balance to continue programs, along with the line of credit from Wintrust. The cost of borrowing against the line of credit is an eligible SSA expense. Currently, the SSA has \$627,000 in the bank, but owes the CLA \$528,000. With out the CLA reserves, SSA would only have \$100,000 to deliver programs until the second half property taxes come in in August.

Rodriquez is confident we can continue to manage the issue, but we need to be conservative in our spending and although the SSA is in good shape, there were signs the property owners will begin challenging their assessments, which could put further pressure on the Commission budget throughout the rest of the year.

Abel reviewed briefly the second quarter performance metrics which are a required submission to the Department of Planning and Development to track program impact against predicted performance.

After further discussion, a motion was made by Konstantine Drosos and seconded by Ryan Segal to approve the June 30, 2023 financial report and second quarter performance metrics as presented. The motion carried.

V. 2024 SSA Budget

Michael Edwards reviewed the budget process including the creation of the initial budget by staff and discuss at the June 20th SSA Commission meeting directing staff to set up a working session with available Commissioners to reduce the proposed budget increase to something more manageable. The work session occurred on June 30, 2023 resulting in a budget with an 11.2% rate increase, generating approximately \$357,000 additional dollars. This is necessary to maintain program levels without the more typical large carry forward the SSA has enjoyed in previous years.

Edwards highlighted the changes made to the initial budgets reducing placemaking & management, aggregate replacement, painting and tree grates, less power washing at the beginning and end of the season, reduced overnight patrols and fewer interns. These cuts represent \$457,000 in reductions. John Idler felt the 11.2% increase was too high and that some increase in the single digits could be workable. The Commission debated the funding for infrastructure versus placemaking and customer attraction. Kostantine Drosos suggested a \$100,000 cut bringing the increase to 8%. Edwards suggested reducing the marketing \$25,000, reducing placemaking & management by \$50,000 along with a and reducing aggregate by \$15,000. The remaining cuts will be made to various line items bringing the total budget to \$3,461,075.

After discussion, a motion was made by John Idler and seconded by Konstantine Drosos to approve the 2024 SSA budget as discussed. Motion carried.

A second motion was made by Greg Cameron and seconded by Kirsten Duncan to approve the Chicago Loop Alliance as the sole-service provider for the State Street SSA 1-2015 for 2024. Motion carried.

Status Reports

Streets & Sanitation Commissioner

CDOT

Sean Weidel was introduced and gave a brief update on the CTA Lake and State Station rehabilitation project and announced that a symposium for procurement processes for MBE and WBE firms will be held in July. Weidel expressed that he would send the information to CLA for distribution.

Sole Service Provider Report

Sidewalk Aggregate Update

Edwards introduced Kate Guercio, owner of Hard Surface Finishers Inc. who outlined the current condition and potential actions for the SSA Commission to take to address the issues associated with the repair and maintenance of the red aggregate portion of the State Street sidewalks.

Guercio outlined the complicated issues associated with the location, purchase, and use of the red exposed aggregate (compared to brushed, dyed concrete), and provided some price comparisons with dyed concrete be much less expensive. In addition, Guercio outlined the increased cost of the work due to the city's requirement to work over night and/or on weekends. Finally, Guercio discussed the large cost saving associated with doing a complete pour versus the replacement of the individual squares.

Edwards stated that CLA received a quote to complete repairs of the red aggregate on a square-by-square basis in excess of \$450,000. While they did not budget for that amount, he noted that they could cobble together \$170,000 and do about 40% of the repairs. Edwards stated that CLA typically spends \$100- \$150,000 on aggregate repair each year. His question to the group was "Is this sustainable given our earlier discussion around our financial statements and the probable drop in the EAV?"

There was a lot of discussion about what to do, but a resolution was NOT identified. The Commission discussed their responsibilities for the sidewalks versus the City of Chicago, Chicago Department of Transportation, possible public funding sources, and their responsibilities as sole service providers. Edwards thanked Ms. Guercio for her work, and the Commission directed Edwards to set up a work session to discuss this issue in more detail and propose a strategy forward.

IV. 2024 Draft Budget

Edwards distributed a draft 2024 SSA budget as prepared by CLA staff earlier in the week. The budget recognized that the SSA would not have any carry-forward funds, but included expenses staff believes will be necessary to continue their current level of programming while still addressing the infrastructure issues (sidewalks) just discussed, along with anticipated increased operating cost. This budget would require \$4M in revenue, or a 25% increase in the levy, and would not be acceptable to the SSA Commission or the effected property owners.

There was good discussion about what was considered important to the budget, including the continued recovery of State Street, public safety, safe transportation, and a continued positive State Street experience. After discussion, Segal directed Edwards and Rodriquez to schedule a budget work session for any SSA Commissioner who would like to participate in the coming week(s). They were directed to present a more reasonable budget for the Commission to consider at the July 20, 2023 Commission meeting.

VI. President's Report

Edwards stated the June President's report was in the packet, and encouraged Commissioners to take the time to read about all the great things happening on State Street and in the Loop. He highlighted a few announcements in the Board packets, including the July 8, 2023 Downtown Days in support of My Block, My City, My Hood, the map of the July 16th Sundays on State, and the expanded \$550,000 Safety Ambassador program expanding west to Canal Street.

VII. Other Business

Segal thanked everyone for attending the meeting today and noted that he was looking forward to meeting again on July 20, 2023.

VIII. Adjournment

La Verne Morris, Secretary