

STATE STREET COMMISSION

State Street Commission Meeting

Tuesday, October 20, 2020

2:00 PM

Via Zoom

MINUTES

ATTENDANCE

Commission Members Present

Commissioner Mark Anderson
Commissioner Greg Cameron
Commissioner Eric Finnegan
Commissioner John Idler
Commissioner Mark Kelly
Commissioner Dean Lane
Commissioner La Verne Morris
Commissioner Ryan Segal
Commissioner Andrea Schwartz
Commissioner John Tully

AFFILIATION

Hines
Joffrey Ballet
CIM Group
ABC7
DCASE
Palmer House
20 North State Street Condos
Acadia
Macy's
Department of Streets & Sanitation

Commission Members Absent

Commissioner Gia Biagi
Commissioner Maurice Cox
Commissioner Kristin Duncan

CDOT
Department of Planning & Development (DPD)
Renaissance Hotel

Others Present

Michael Edwards
Kiana DiStasi
Dwayne Hightower
Mark Roschen
Abel Rodriguez
David Seglin
James Turner

Chicago Loop Alliance
Chicago Loop Alliance
Department of Streets & Sanitation
Department of Planning & Development
Chicago Loop Alliance (CLA)
Chicago Department of Transportation (CDOT)
CIBC/CLA Board Chair

I. Call to Order

Chairman John Idler welcomed everyone and called the Zoom meeting to order at 2:05 PM.

II. Public Comment

No comments were made by the public.

III. Approval of Minutes

A motion to accept the meeting minutes from the July 21, 2020 regular SSA Commission meeting and the July 29, 2020 special meeting to approve the 2019 Audit was made by Commissioner Schwartz and seconded by Commissioner Kelly. The motion passed unanimously.

IV. Financial Statements as of September 30, 2020

Abel Rodriguez reviewed the financial statements through three quarters of the year. The report included the 2020 budget compared to the actual revenues and expenses through September 30, 2020. The SSA has received 88% of the SSA levy when the statements were put together late last week leaving \$378,955 in outstanding receivables. Later in the meeting Abel Rodriguez said he reviewed our SSA levy account and we have received an additional \$229,000 leaving an outstanding receivable of only \$149,654. Abel is confident we will collect the rest of the SSA levy over the next month or so.

On the expense side, the SSA is 75% through the year and overall expenses are running at about 58%. Michael Edwards indicated our core services have continued to be provided, but we are not doing our placemaking program, delaying major infrastructure maintenance like aggregate replacement and sidewalk sealing. As Abel indicated, we will be receiving second half tax payments in full and will be carrying forward about \$350,000 into 2021 as planned. With the knowledge of full SSA levy funding we will begin to pay our full rent at 55 West Monroe and restore CLA CEO salary to 100% as of October 1st. Dean Lane asked about the need for the sealant this year. Edwards indicated we are holding off because we are not completing the aggregate replacement this year.

Abel Rodriguez screen shared the 3rd Quarter performance metrics with the Commission. This report is required by DPD as part of the SSA program to track the performance of SSA's across the city. For example, CLA was projecting the number of unique visits to our homepage. You can see the lower number of actual visitors as an example of the impact the pandemic on our anticipated goals.

Hearing no further questions or discussion, John Idler thanked Abel for the financial and performance reports. A motion was made by Commissioner Schwartz and seconded by Commissioner Lane to accept the third quarter financial report and DPD performance report as presented. Motion carried.

V. Safe & Clean Proposal Recommendation

Michael Edwards thanked Commissioners Morris, Anderson, Segal, Cameron and CLA Board Chair James Turner for taking the time to review the final proposals; there was a lot to look at. Edwards stated the RFP process began September 2, 2020 with an RFP for an expanded scope of service including a larger number of Ambassador, full time Homeless Outreach worker; full time Operation Manager etc. The proposal was emailed to 11 firms including Chicago based firms that can provide clean and/or safe services and the RFP was posted to the CLA website as required by DPD. We held a mandatory pre-proposal meeting with four interested firms and eventually reviewed three final proposal submission. The review came down to two final firms and Michael Edwards screen shared a comparison of the two final proposal including Block by Block and Streetplus. This comparison included the number of weekly hours; number of employees; proposed hourly pay rates; administration fee and annual cost. Edwards spoke with each firm to see if they can adjust their proposal and still attain our goal of enhanced service deliver in 2021.

The Commissioner's recommendation is to stay with Streetplus, with some minor tweaks to secure the services within our adopted 2021 budget. Edwards reminded Commissioners the program will not ramp-up until the end of the first or even second quarter of 2021 as people begin to re-occupy the Loop.

A motion was made by Andrea Schwartz and seconded by Dean Lane to approve a three-year contract with Streetplus for safe & clean services beginning January 1, 2021. Motion carried.

VI. Status Reports/Outstanding Issues

1. Security

Commander Alderden was not at the meeting.

2. DCASE

Commissioner Kelly reported the City of Chicago and DCASE are going into a very sober budget negotiation. DCASE funding is supported through hotel and motel taxes, which have taken a hard-hit decreasing DCASE resources significantly. We are handing outdoor dining permits; we are working with film production with the filming of the next Batman movie going on in Chicago right now. The Cultural Center is closed, staff working one day a week in pods; the holiday tree lighting will happen this year as usual but without the big community production. The ice-skating rink will not open in Millennium Park, but the Ribbon skating rink will be open.

There was good Commissioner discussion about holiday activities planned for State Street despite the pandemic including the Macy's holiday windows; a controlled opening of the Walnut Room and viewing of the traditional Macy's Christmas tree; CLA State Street decorations, and a spectacular Joffrey Ballet project on the Mart from November 12 to December 31st.

3. CDOT

David Seglin reported the budget does not look good, but CDOT will work through it. The next CTA State & Lake station renovation meeting will be on November 9, 2020 and he will be sending out the dates for the 2021 calendar shortly.

4. Streets & Sanitation

Dwayne Hightower reported for Commissioner Tully stating Streets & Sanitation continues to work throughout COVID-19 and providing essential services throughout the city and in the Loop, including necessary support to CPD to keep the Loop and State Street safe. The new trash cans have been placed along State Street as requested by the SSA Commission and the department is working on their snow removal plan the coming winter.

5. DPD

Mark Roschen, DPD reported it is their busy season working with budget and legal to get the city SSA's, including State Street, on the City Council December agenda for the approval of their 2021 programs. Commissioner Cox is visiting the city SSA's and touring City neighborhoods.

6. CTA

There was no one in attendance to report

VII. New Business

John Idler recognized we have time remaining and asked Commissioners to comment on the state of their industry and relationship to the performance of State Street. Michael Edwards screen shared the CLA September by The Numbers report on the performance of State Street and the Loop and attitude of businesses around returning to the Loop.

John Idler requested clarification of the solicitors on State Street and Edwards indicated the Ambassadors will check to be sure there have the proper licenses.

Andrea Schwartz stated Macy's is open and planning for the holiday; is hiring seasonal staff and while the State Street performance is marginal, there has been good growth in the online business (up 50-60%) and curbside pickup and delivery. Macy's downtown stores across the nation are under performing compared to their suburban stores due to the lack of Loop workers, tourists and visitors.

Michael Edwards indicated the Wit has reopened. Dean Lane offered additional information on the state of the hotel industry and the Palmer House. Hotels are running in the single digits mid-week while occupancy can reach 25% on the weekends. The small and medium size hotels are operating better than the large hotels. The Palmer House is closed. The bank and owner are currently in negotiations. The Chicago Hilton is hoping to reopen in March 2021. The city of Chicago and State of Illinois quarantine of surrounding states has made the hotel comeback much tougher.

Mark Anderson stated the office marketing is struggling with some of his properties operating at 5-7% occupancy. The Citadel Building is a bit different with 20% occupancy due to one large tenant, but still the building that usually has 4,000 employees daily has only 800. Mark is hearing tenants are pushing back the return to work to the end of the first quarter of 2021. Public transit is a big problem for re-occupying the Loop, people are driving to the Loop and parking spaces are becoming a premium. Mark has had to find other parking solutions for his tenants.

Ryan Segal said the essential retailers, such as Target, are doing okay. Restaurants and the smaller retailers in the Loop are suffering as are comparison goods such as apparel stores, especially with many people now shopping online. Ryan is planning to open a 20-restaurant food hall to his property at Washington and State Streets in 2021.

As a resident, La Verne Morris stated that State Street feels dismal with little activity with many people doing their shopping online. Rental and sales activity has slowed down in her building due to the pandemic, crime and economic uncertainty. The street is missing the vitality of large amounts of pedestrian traffic. There is another high school locating on Washington and State Street (adjacent to her building) making 3 high schools within one block of State Street.

James Turner indicated CIBC is not back into the Loop office yet. The bank is assisting their commercial clients to manage their loan obligations, servicing the Federal PPP loans and determining, in some cases, the extent of leeway and forgiveness that is workable.

VII. Other Business

Michael Edwards requested the Commission pause for one moment to acknowledge that Lightscape is being removed beginning this week. Lightscape was an important part of the SSA's work since it's 2010 installation. Love it or hate it, the pulsating lights will be missed (by some).

VIII. Adjournment

There being no other business, the meeting was adjourned at 3:15 PM.

Respectfully submitted,

La Verne Morris
Secretary