

STATE STREET COMMISSION

State Street Commission Meeting

Tuesday, April 24, 2018

2:00 PM

ABC7

190 North State Street

10th Floor Conference Room

MINUTES

ATTENDANCE

AFFILIATION

Commission Members Present

Commissioner Greg Cameron
Commissioner Mark Davids
Commissioner Paul Fitzpatrick
Commissioner John Idler
Commissioner Mark Kelly
Commissioner John Tully
Commissioner Anne Voshel
Commissioner Jennifer Williams

Joffrey Ballet
AmTrust Corp.
11 East Partners LLC
ABC7
DCASE
Department of Streets & Sanitation
AVA Consultants
Macy's

Commission Members Absent

Commissioner Scott David Greenberg
Commissioner Dean Lane
Commissioner David Reifman
Commissioner Rebekah Scheinfeld
Commissioner Ryan Segal

the Wit/ECD
Palmer House
Department of Planning & Development (DPD)
Chicago Department of Transportation (CDOT)
Acadia

Others Present

Michelle Carnes
Alex Christenson
Michael Edwards
Judie Green
Laura Jones
Robert Kearney
Tanesheha Marshall
Brent Minor
Commander Michael Pigott
Paul Reise
Abel Rodriguez
Cole Stallard
Jeffrey Wilson
Robert Wissmann

Chicago Public Library
Mid-America Real Estate
Chicago Loop Alliance (CLA)
Auditorium Theatre
Chicago Loop Alliance (CLA)
42nd Ward
Chicago Department of Transportation (CDOT)
Ex-Officio
1st District Chicago Police Department
Department of Planning & Development (DPD)
Chicago Loop Alliance (CLA)
Department of Streets & Sanitation
CTA
ACT Group

I. Call to Order - SSA#1 - 2015 Chair Anne Voshel

SSA#1-2015 Chair Anne Voshel called the meeting to order at 2:01 PM. Introductions were made around the room.

II. Public Comment

No comments were made by the public.

III. Review of 2017 SSA#1-2015 Audit

CPA Robert Wissmann greeted the Commission and said that he hoped everyone had a chance to look over the audits, which were emailed prior to the meeting, and to get accustomed to the new government format now mandated by the City of Chicago.

This is SSA#1-2015's second year in existence, and it is a clean audit. Wissmann briefly went over the audit page by page, explaining key points:

- **Page 2** states this is a standard audit report in government format required by the City of Chicago. Wissmann commented that Abel Rodriguez's standard business Quickbooks accounting software files are used and slightly modified to get the audit in the required format.
- **Page 3** is officially called the Statement of Position, which is the Balance Sheet for the organization. The third column, Statement of Net Position, matches the Quickbooks files exactly, showing we have \$417,357 in cash. The property tax receivable of \$2,512,924 is what we are supposed to receive in 2018 (it's here now because it's due now for the 2017 fiscal year, we pay our taxes a year in arrears, so we put a receivable in this column.) Under the current liabilities accounts payable line, there's \$239,637 of monies owed to CLA. SSA#1-2015 handles their money in a unique manner, different than any other SSA Wissmann deals with, in that CLA pays all the bills, and then the SSA reimburses CLA with the exact amount to the penny. It's always been done this way, and the city has signed off on it. The net result is the same. An important figure on this page is "total fund balance – governmental funds" in the amount of \$177,720. That is your retained earnings, or in normal business terms your to date profit. Also, on page 3, since last year was the first governmental audit, there is a comparison to last year's figures.
- **Page 4** is the Statement of Activities, which is like a Profit & Loss Statement. We see property tax revenue on an accrual basis in the amount of \$2,580,912 and then we show the various expenses in the summary of accounts. This year under Change in Net Position, the SSA lost \$11,523 which is not a bad thing. Out of a \$2.5 million budget that's good for being a governmental agency, and there shouldn't be a lot of money made anyway.
- **Page 5** is the detailed Balance Sheet. We don't have to do this, but the decision was made to give more information rather than less. It is nice for the taxpayers to see where their money is being spent.
- **Pages 6 – 7 – 8** contain the standard disclosures to the financial statements. It notes, among other things, that CLA, the administrative sole service provider, is a 501c6 (some sole service providers have 501c3 status, which is a charitable entity.) Under Related Party Transactions, it notes that as of December 31, 2017 and 2016, \$239,637 and \$235,514 respectively, were payable for services provided. These balances resulted from the time lag that goods and services were provided, transactions recorded in the accounting system, and payments made.
- **Page 9** is to disclose to the City of Chicago any exceptions found during the audit. The second paragraph notes certain expenditures for which actual expenses exceeded budgeted amounts. (The money simply wasn't moved around early enough in the year to prevent overspending on some line items.)
- **Page 10** A copy of ACT's business license is shown, which is required by the city.

Wissmann concluded his summary of the audit, saying he felt that the numbers were good, the controls were good, and that SSA#1-2015 had more people looking at the numbers than in other organizations he works with. Chair Voshel asked for a motion to approve the audit, which was made by Commissioner Idler and seconded by Commissioner Cameron. The motion passed unanimously.

IV. First Quarter Performance and Expenses

Chair Voshel said that the next item we needed a vote on was the First Quarter Performance and Expenses. Abel Rodriguez said that all Commissioners had received these documents by email in advance of the meeting for review, and that we were on track as far as line items go. He noted the documents were in the city's format, whereas CLA's version is more detailed and broken down. He called for questions. Hearing none, Chair

Voshel called for a motion to approve the First Quarter Performance and Expenses which was made by Commissioner Davids and seconded by Commissioner Idler. There was no discussion and the motion carried unanimously.

V. Approval of Minutes

A motion to approve the minutes from the Tuesday, March 20, 2018 State Street Commission meeting was made by Commissioner Idler and seconded by Commissioner Davids. There was no discussion and the motion carried.

VI. Election of Officers

Enclosed in the packets was a copy of the SSA#1-2015 bylaws, which stipulate that State Street Commission officers should include a chair, vice chair, secretary, and treasurer. Their duties are outlined in Article III. Laura Jones explained that Dean Lane, who had been serving as our treasurer, has been promoted by the Hilton and has less time to spend on outside responsibilities. He wishes to resign as treasurer, so we need to elect someone else. Greg Cameron, who has been serving as our secretary, has offered to step in to the role of treasurer, however that would leave the office of secretary vacant. Chair Voshel asked if any of the other Commissioners would like to serve as secretary. Mark Davids volunteered. There was no discussion.

Chair Voshel asked for a motion to approve Commissioner Cameron as Treasurer and Commissioner Davids as Secretary. The motion was made by Commissioner Kelly and seconded by Commissioner Fitzpatrick. It passed unanimously. Gratitude and thanks was expressed for Dean Lane's work and service to the Commission as treasurer.

VII. Status Reports/Outstanding Issues

Security: Commander Pigott said that crime was trending down. Robberies, for example, were down 20% in the last 28 days. He's been given more manpower, so you should be seeing more officers on bike patrols. Officers are also riding the CTA's Red Line trains on the 1st and 3rd watches from Roosevelt to Lake, since it seems to be used as an exit for strongarm robberies. That's had quite an impact. Regarding street stops, the police must have reasonable suspicion that a crime has taken place to make them. But we are up by 150 traffic stops in the district. Pigott has instructed his officers to make the stops for things like lights being out, but not to ticket the drivers. When people see other vehicles being stopped it's a deterrent. People are less likely to commit crimes if they see blue lights, so this is a technique used all over the city. With the officers making more traffic stops and a great number of arrests for robberies that have been committed, he is confident our statistics are going in the right direction. Chair Voshel thanked the Commander and asked that Broadway in Chicago be informed of this report, since they expressed concern about an incident that happened near one of their theatres. Pigott responded that the incident was related to Innovations High School and the people who were involved were arrested 4 days prior for a newsworthy battery. Some kids from the south side were waiting for school to end to grab a couple of students. They started a fight with them and they bumped into and knocked down a 70-year-old woman waiting in line to see Hamilton. Within a minute, his police officers were on the scene and the offenders were taken into custody.

Chair Voshel said she thought there had been other theatre incidents, one of which was a robbery outside the SSA. The Commander said that he was treating every robbery with the utmost of seriousness. The police are contacting the victims, they are pulling the video from businesses, they are asking the victims to go back and show them exactly where and what happened. Unfortunately, some of the robberies they encounter are insurance scams. An incident involving a woman who claimed she was robbed of \$30,000 cash and diamond jewelry made the news recently. After the police pulled the video of where she said she was and found nothing to prove she or the goods were ever there, she now will only speak to the police through an attorney. The crime never occurred. Most of what the police deal with is the snatching of cell phones by youths, which are worth

\$100 in resale value. There have been both strongarm robberies of individuals for cell phones and a lot of T-Mobile stores have been hit. The criminal justice system dealing with juveniles is not very effective. They are arrested and then immediately let back out on the street, and then re-arrested for crimes repeatedly. What has changed recently is the State's Attorney's stance on the threshold regarding the basis on which felony charges move forward. When the police make a felony arrest, the state's attorney is called in to review the case, then the state's attorney determines what the charges are. After the last election, the threshold to be charged for a felony retail theft went up to \$2,000 in value and 10 offenses. It used to be a smaller value and only 3 offenses. Bolder retail thefts are being committed because of this legislation. We're not talking about food thefts to survive; these are people who make a living from selling stolen high-end retail goods.

Michael Edwards pointed out that in his President's Report (contained in meeting packets) there was a section on the new SSA#1-2015 funded HLSA security guard program detailing some of the situations they encounter, many of which involve retail theft. Alderman Reilly has asked for a monthly report of their activities. Chair Voshel stated that she and other representatives attended a meeting with the HLSA team and were comforted and encouraged by their approach to this program. Laura Jones added that the off-duty guard program was designed as a pilot project, funded only up to \$50,000 in 2018. Due to the off-duty officers going to court dates for arrested individuals, we are going through their hours faster than anticipated. However, this is an indication that the initiative is successful and perhaps more funds should be reallocated for it in our 2018 budget to maintain consistent hours. This is also a consideration for our 2019 budget. The Commission will be asked to consider these things at their June meeting.

DCASE: Commissioner Kelly said his department was gearing up for the summer season. The Daley Plaza Farmer's Market opens on May 10th; right after that it's the Riverwalk opening and the Memorial Day Parade; and then there are 90 concerts, events, and festivals in Millennium Park. Kelly reminded everyone of the new security protocols, there are now bollards around Millennium Park to prevent vehicle entry, there will be bag checks for all the concerts, and for major events you will not be able to bring alcohol into the park (although it will be available for purchase within the park.)

Streets & Sanitation: Commissioner Tully said Streets and Sanitation was transitioning from winter operations into spring clean-up. They are working with the police department and DFSS on cleaning up some areas impacted by homelessness.

Cole Stallard said he would like to follow up on a previous issue, the dragging of bags from the Big Bellies to vehicles, the juices from which stain the sidewalk. They discovered it is not the bags leaking, it is the containers that hold the bags, so they are doing an audit of them so they can order replacements. Snow removal went well this season; the snow total was approximately 36". The department is also preparing for the parade season, looking at the best ways to keep people safe.

CDOT: Tanesheha Marshall reported that the State & Lake CTA station RFP is now closed and is in procurement stage now for Phase I consulting. Stakeholder engagement will take place in June and/or July. In other news, now that we are out of winter, the department is focusing on paving streets. Michael Edwards asked Marshall what strategy was being used in replacing LED lighting? Marshall replied that the Chicago Smart Lighting Project would replace over 270,000 fixtures. It is a 4-year endeavor with residences and alleys on the south and west sides being given priority due to violence and crime. Then the arterials will be done. 85% of the city's high-pressure sodium (orange) lights will be swapped out with bright white LED lights, but the decorative fixtures are not part of this program. The life expectancy of these lights is from 10-20 years, and when they do go out, a node on top of the bulb generates a report that automatically goes to CDOT.

CTA: Jeff Wilson was congratulated on his recent promotion to the CTA's Director of Government Relations. He will be transitioning off reporting to the Commission as he becomes more involved as a project director in the Red Line modernization project on the north side. But for now, he is still working on Commission items. He and other CTA representatives did a walk through last week with Laura Jones to survey

State Street subway station entrances and to make sure that everyone was on the same page as far as who is responsible for what regarding the work needing to be done. Issues like keys to the vent locks and painting were resolved. Still unresolved is the closed station in front of Forever 21. The pre-WWII escalator is broken, the CTA can't get the parts anymore, and there is no money in the CTA budget to replace it. Putting in new concrete stairs to replace the escalator would be almost as costly as replacing the escalator itself. Wilson has put in a request to put this on the CTA's priority projects in the next few years, but he hasn't received an answer yet. Jones responded that we just saw the ribbon cutting for the new station at 95th Street on the news, we are hearing all about the Belmont station and the Red Line modernization project, we have RFPs out for a new State/Lake station – all these projects have escalators -- but the CTA can't seem to replace one aging escalator on State Street. It is part of their infrastructure maintenance responsibility.

Sole Service Provider: Michael Edwards went through the President's Report and other documents in meeting packets, underscoring:

- **Arts & Culture Study:** A press conference to release the study was held on April 11th. Copies of some of the abundant media coverage we've received on the report were printed out for Commissioners. Most headlines touted the \$2.25 billion that Arts in the Loop contribute to Chicago's economy. Having our numbers quoted and used by the media, retailers, real estate professionals, Choose Chicago, and other entities is one of the reasons why we do these studies. A copy of the complete Arts & Culture study can be found on CLA's website.
- **The State of Retail on State Street:** All of last year, we were getting reports from Springboard, the vendor for our pedestrian counters, that traffic was down by 8% on State Street. This was a source of great concern for all of us, so CLA scheduled a meeting on April 10th of real estate professionals, business operators, property owners, and marketers – along with representatives from Springboard-- to identify reasons for the decline and reach a strategy to improve our numbers. Thankfully, before the meeting occurred, Springboard found that there had been a computer glitch and that traffic was only down by 2.5% which was comparable to other major international retail districts. Still, we had a terrific meeting and there were 83 million people on State Street last year. Notes and other statistics are contained in packets. These are things Commissioners will want to look at before talking about the 2019 budget.

VIII. Other Business

Commissioner Davids asked for an update on the GSA site at Adams & State. Michael Edwards replied that the developer, Keith Giles, is having a difficult time with the federal judges, who do not want windows on the side or back of the building. It's hard to attract residents without windows.

Lou Raizin, originally scheduled to do a presentation on the Skyline today, was called out of town.

The next SSA #1-2015 State Street Commission meeting will be held on Tuesday, June 19, 2018 at 2:00 PM at ABC7. The agenda includes the 2019 workplan and budget.

IX. Adjournment

The meeting was adjourned at 3:06 PM by Chair Voshel.

Respectfully Submitted,

Mark Davids
Secretary