

Transcript 1

Unknown 0:00

candidate for public meetings 2023 to 2027 pursuant to the Chicago city council rules of order and procedure rule 49 Who Sergeant at Arms sets for the morning everyone to be followed many on finances called to order.

Chairman Pat Dowell 0:17

Welcome back. I hope everyone had a good weekend. Happy St. Patty's Day to those who celebrate it. We will now have a roll call to establish a quorum. Vice Chair Conway. Alderman La Spada. Alderman Hopkins, Alderman Hall. Alderman Mitchell Alderman Harris. Alderman Bo. Ultimately aldermen Ramirez, all the men Quinn all the men Lopez all the men more of men Curtis all the men O'Shea all the men all the women Taylor Alderman Mosley. Alderwoman Alderman Rodriguez. Oh, he's on remote excuse me all the woman's Scott Alderman seizure Lopez. Vice Mayor brunette Olga mentaly afero. Alderman Cardona. Alderman Waguespack Alderwoman Rodriguez Sanchez. Alderman ROG Ramirez Rosa oddments bizzarro Alderman Vasquez. aldermen Riley Alderman Knutson. Alderman Martin. Chairman dals here we have a quorum with 18 members. We have requests of Aldermen Rodriguez Alderman Ervin Alderman Vegas on the minutes. Alderman Silverstein and Alderman Mosley have requested remote participation under the provision of rule 59 Can I have a motion to allow these aldermen to attend the meeting by remote means? So moved by Alderman zato I mean Alderman LIS spada. All those in favor signify by saying aye. Polls and the opinion of the Chair The eyes have it and the motion carries. I'd like to confirm that those are the men are with us this morning. Alderman Rodriguez Alderman urban Alderman Vegas present Alderman mitts. Alderman Silverstein. Alderman Mosley presents present. Thank you Alderman Miss present. Thank you Alderman moods. At this time we'll begin the public comment period which will last 30 minutes. If we have that many speakers out of respect for everyone's time. Each speaker is limited to three minutes. The committee has been informed that we had no callers remotely or we do have in person callers and the first speaker is Wallace Gator Bradley. of the morning, Jim

Wallace Gator Bradley 3:48

Good morning and know Gus finance Bobby. rosov I want to say think ah I want to say To God be the glory that by Nance from day two to settle the case what a bad boy bad because of police misconduct. Where police detective officers are hers individual to implicate someone else in a murder knowing that he didn't do we have all the thing that's been in the news how the private attorneys get the city what having was defending cases that they'd know or knew that they couldn't win. I'm glad that we bought the council that that understand that we have to stop the bleeding from the taxpayer because at the end of the day that the taxpayer money

just coming out the budget did all put together and in order to defend these cases. I know there's a lot of other birds cases that maybe stacked up to here that challenge that you got it been going on that long. So I just pray that this robust body body which is the Finance Committee to where we say that they can do right or wrong just been going on all the time this summer and beyond. We never knew what was happening until then. The Quan McDonald case came out. Everybody was wondering how could be heard the other one to pay for. But we were glad that y'all came to that conclusion. Because I believe it would have cost the city more money. If we did settle in order man who got banned from Facebook their mark Maxentius up there. A couple of others. I'm just saying that the people in the city of Chicago is paying attention to do what ministration and they knew before they had a responsibility to help right. I don't want to say I appreciate it. You know my favorite word of glass. Good job. Thank you.

Chairman Pat Dowell 6:28

Thank you, Mr. Bradley. I want to acknowledge all human errors and vice chairman Conway that joined us upon count and our next speaker is George Blakemore. Morning Mr. Blakemore,

George Blackmore 6:48

not a good not a good morning and not a good look over and over again, be shown when poorly abused, black is not a good morning. When will it stop? When will it stop John Burton and they continue doing the same thing over again. Is not a good morning. Is not so don't go there is not a good morning. What are three eight about black ultimate voting for sanctuary when all black behind me is not a good morning and it's not a good video, young man to come up here and he says this is not the one to drink from this is one of allah God is not lot of those boys would be jealous over hundreds of millions of dollars every year. So hopefully it continues. For all the calls. We have for black leaders here. Well, the black people here with hundreds of million dollars for illegal immigrants and the black man is not with me bother to do that. What motivates when young people doubt contact and how educated Why would you do that? What motivates my black colleagues to act like to act is not a word. They tend to benefit from both and your mama how in a good morning. What both you would expect one thing but as of now we have a weird like with you all I'm telling all my people don't vote Democrat, Republican bow

Chairman Pat Dowell 9:51

Thank you Mr. Blakemore. This concludes the public comment period. Why don't we acknowledge all the men Oh che who has joined us for quorum. We received one written public comment from sustainable Inglewood initiatives requesting the developers to work with the local partners on the URL apartments projects. This was sent electronically to everyone. I also want to acknowledge all the main Quinn who has joined us as part of Alderman Manam hoppin work and Alderman Lawson are not part of the committee but

who have joined us this morning. We'll begin with the rule 45 monthly report. We you have in front of you the February 20/24 and the amended October and November 2023 rules 45 reports. We sent those electronically to everyone. And if there are no questions can I get a motion to recommend do pass of the approval of this monthly 45 report and that motion was made by Alderman Martin. Thank you. All those in favor signify by saying aye. Oppose in the opinion of the Chair The eyes have it. We have 13 items before us this morning. And so we'll begin with item number one which we did here in February. But it had a slight issue. And we needed the support of all the men who shared a tip in this area who has since given her approval. That's all to Michael Coleman. This is an ordinance concerning the issuance of financial assistance to URL school LLC, but the Charles Earl apartments project located at 1711 West 61st Street in the 15th Ward and we have a substitute ordinance which was prepared and sent electronically to everyone is there a motion to accept the substitute so moved by Alderman Martin. All those in favor signify by saying aye aye. Pose in the opinion of the Chair The eyes have it and the substitute ordinance is now before the committee and will be explained by Deputy Commissioner Tom or Collins. Good morning.

Tamar Collins 12:15

Good morning Madam Chair and members of the commission. For the record. My name is Tamar Collins and today I'm presenting the Charles royal apartments. Also on attendance with me today is the developer run for Bowerman and company members of Phoenix Foundation. The nonprofit entity partner behind the architecture firm and community stakeholders from teamworking a would enrage Charles rural schools within the boundaries of the 63rd and national and TIF district located at 1711. West 61st Street, formerly addressed as 6121 South hermitage. The school is within the 15th Ward's Inglewood West Community area where Raymond Lopez is the aldermen and the ultimate has provided a letter of support for this proposal. It's like three next time. The Charles Charles or the school building was constructed in 1897 with an addition in 1900. It was added to the National Register of Historic Places in March of 2021. The school opened as one of many schools built to serve Chicago's growing student population in the late 19th and early early 20th century. The school serves Chicago students for over a century before closing in 2013. Existing slides includes multiple buildings. In addition to the historic building two additional buildings were constructed to fan the school. This includes the 1974 structure with the mezzanine level in a two storey annex building constructed in 1971. The 1974 structure will be preserved for the benefit of this project, and the 1971 structure will be demolished. The project includes the adaptive reuse and historic preservation of the existing oreille school and we will be redeveloped into affordable permanent supportive housing for tenants with incomes at 60% of AMI and below and the focus is on deeply affordable units as 30% of AMI and below. The developer was selected through two competitive processes including the CPS

RFP process, and also through Ida's low income housing tax credit process where they received an award of \$1.5 million and 9% tax credits. The idea for the renovation of rural school kicked off in 2017, with Alderman Lopez hosting the first of several community meetings, the rural school outreach team is made up of community based organizations with a long history of building coalitions, alliances, mobilizing disconnected minorities, and working across sectors and socio economic divides toward a greater vision of racial equity and healing participants include included the students and parents have led them on High School, the resident association of greater Inglewood, also known as rage, teamwork, Inglewood and EG wood since 2009. Teen meetings have happened in person during COVID and enduring COVID meetings continued virtually. Meetings will continue through construction and post construction. Charles are all students or residents will be able to organize and guide ongoing operations through resident Council. As stated earlier, the 1897 building was designated as a historic landmark in 2021. The Charles are our family residences, formerly known as Charles rural school. will provide will be an all electric building that will provide 50 units of affordable rental housing for households earning no more than 60% at 60% of AMI. The project offers amenities including on site property management, social services, laundry, Community Room, exercise room and a tutor lab. existing windows and brick will be replaced or preserved to maintain the historic profile of the building the community surrounding the project is walkable to businesses and transportation. The site is accessible to the CTA green line x 63rd and Ashlynn. The 63rd Street buses a block and a half away from the site and the CTA bus lines also include the life and the number nine Ashlynn bus and the number 50 Damon bus line. The site is also accessible to the Go Green on racing, fresh market, grocery store and 63rd and racing and to Kennedy King College at 63rd unposted. Additionally, Gorman is working on a second project in the 16th Ward called the regenerator which was selected through the city's 2021 Welcome Housing Tax Credits funding round. The developer woman is development developers the former LLC, the call developer and sponsors the Phoenix Foundation which is a nonprofit the architect is behind in the attorney is Brian Howard owner and manager Ben Doren Vandoren and the GC is Burling Gorman and company was established in 1984 and currently employs over 450 individuals through the development, architecture, construction and property management in the Wisconsin area. While this is the first of two projects within the city of Chicago, Warren has already proven dedication and commitment to Chicago and the Inglewood community through partnerships and community engagement over the last several years, while trying to bring forward this project. The Phoenix recovery the nonprofit sponsors Phoenix Foundation, and 2020 Phoenix recovery identified a need for affordable housing within the organization. And then 2021 Phoenix foundation and P was founded to seek housing solutions for homeless people during the pandemic, particularly those individuals and families with histories of substance abuse, involvement in the justice system and other behavioral issues. The Phoenix

foundation and Phoenix recovery in the bipoc lit organization by Sherry Allen Reese the who is the executive director. She has worked in the service of others for 30 years and is a very vocal advocate for homeless and those distant franchise. She serves on multiple committees with local continuum of care Chicago coalition of the homeless, Chicago homelessness and held responsible for equity and Under her leadership, Phoenix foundation will provide all the onsite services to the tenants of the Charles apartments. The architect behind the bipoc lead architectural and engineering design firm, which Community Focus they have designed and developed smaller multifamily developments and a snap and they are now working with the Gorman architecture to assist on this larger multifamily development. The attorney Reinhardt minor and Bender and has worked extensively for both nonprofit and for profit developers, counseling owners, developers and lenders and investors of sophisticated Low Income Housing Tax Credits historic rehabilitation tax credits throughout the United States. The contractor Burling is a Chicago based full service construction company that offers a range of services specializing in commercial, specializing in commercial and multi unit residential construction projects and has over 40 years of experience in the Chicagoland area. That's why the proposed ownership structure of Charles or school includes URLs LLC as 100% owner has a limited partner MC I URL school LLC with 99% ownership interest and a Managing Member URL school mm LLC as a 1% ownership structure. The Managing Member consists of partnerships with Phoenix Foundation, and GC oreille school LLC. Next slide. The plan is this project was planted is the plan development also known as the PD with two current sub areas. Sub area A includes the proposed site showing the remaining buildings and parking as well as the proposed landscape. It includes outdoor amenities such as a play area and outdoor patio and grilling spaces. Sub area d which is reflected outside of the highlighted box has not been reviewed or approved by doh and therefore is not being considered for financing. As part of this presentation. The developer will return to the city to review and address any additional plans for sub areas. The unit mix includes the project has a total of 50 units that are comprised of 31 bedrooms 22 bedrooms were a total of 50 units. The project includes nine project based vouchers from the Chicago Low Income Housing Trust Fund. The Chicago London Housing Trust Fund invests in the creation of new rental housing for low income housing households by providing long term operating operating subsidy in the form of vouchers. Covering rents per unit set aside for 15 to 30%. Ami. There are also 12 HUD 811 vouchers for units at 30% of AMI, and no tenant will pay more than 30% of their income towards rent. Next slide. The total development cost is approximately \$33.5 million and includes multiple layers of financing to support the development. In addition to the \$4.2 million and two and the 462,000 I was the CRP from the city. The project will be financed with various sources including the \$1.5 million in tax credits from either as well as historic tax credits, and state tax credits, which collectively generate about \$20.5 million in tax credit

equity. Additionally, it is going to provide a loan of over just over \$3.2 million these sources account for about 86% of the total development costs, also included as a \$225,000 grant from Pam and a \$1 million in funding from the Federal Home Loan Bank. And the total cost per unit is about \$651,000 The city subsidies will leverage in this project, the tip and CRP funding unless it accounts for about 14% of the total development costs. The remaining 86% of the financing comes from other public and private sources outside of the city. The project will meet the city's requirements are 26 and six for MBE and 50% participation for Chicago residents. It will serve individuals and families at risk of homelessness with wraparound services from Phoenix foundation. It encourages housing stability by providing affordable housing units equipped with amenities and supports residents and their families. It will create construction jobs and permanent jobs and permanent job roles like property management, supportive services and maintenance. Doh has reviewed the project and supports this much needed affordable permanent supportive housing proposal. Doh and URL school LLC respectfully request your approval of this project. This concludes the presentation and at this time, I'm happy to answer any additional questions.

Chairman Pat Dowell 23:12

Thank you Miss Collins. Questions from the committee Vice Chair Conway.

Vice Chair Conway 23:18

Can ypu go back to slide 11 That's the horse that uses the tax credit equity who's that common from I'm only asking because it was the mention of the Maori grants on the other slide, but the tax credits are actually I those tax credits that I'm receiving tax for this and they sell the tax credits to syndicator and then they provide the equity for that it's the same for the historic and state tax credits. Those also get sold as credits and then the equity comes to the project. That's all I have. Thank you ma'am. Thank you.

Chairman Pat Dowell 23:50

Any other questions? Alderwoman Taylor,

Alderman Taylor 23:52

Can you go back to the slide where it says... who is Earl Earl school LLC makes that up?

Tamar Collins 24:01

Ramco Paul is here so that's the ownership structure and Ron Kliever and Phoenix House are the partners for the developer and the developer for the project. Gorman and company and Phoenix foundatio

Alderman Taylor 24:15

so that is who the arrow school LLC is. And they are from where

Tamar Collins 24:23

the woman and company is from Wisconsin. They're out of Wisconsin and the Phoenix foundation as a local organization

Alderman Taylor 24:30

site about and see the local organization Enix Foundation who is the Phoenix foundation?

Unknown 24:42

Sherry Sherry Reeves is here from the Linux Foundation and Reeves is here from the organization.

Chairman Pat Dowell 24:54

It's not just speak your name.

Ron Kliewer 24:56

My name is Ron Kliewer. And I'm Illinois market president for Gorman. It is true that Romanian company is headquartered. Our corporate offices are headquartered in Oregon, Wisconsin, which is about 10 minutes south of Madison. However, I represent the Illinois district of Gorman if you will. We are indeed in Illinois, Illinois based company in in my world. I live in Rockford Illinois do a great deal of work in Illinois across Moline Rockford the Quad City or excuse me Rock Island. And then we're working on projects of Naperville in Highland Park and other communities but we specifically focus on addressing housing that serves a greater social purpose. And with the great need for permanent supportive housing. That's the bulk of our work. We cannot do it however without incredible partners. And next to me I have both Sterling and Sherry, who represent the Phoenix foundation and will be providing supportive services on the project. The Phoenix Foundation has a 51% interest in the Managing Member partnership, Gorman and company has 49% interest. In addition to that, it has been very important to us I grew up not far from Inglewood, and so the area is near and dear to my heart. And I understand that most people in Inglewood do not look like me and so it's very important that we provide opportunities through our work to people who don't look like me. And we have supported a strong bipoc commitment to the project both that URL school and the regenerator and of that \$32 million that is up there about 82 and a half percent of it will go to bipoc organizations who are doing the construction. Also looking at the financing side, the services side and then the ongoing work with the permanent jobs that stay at the site both for Gorman as property manager and Phoenix foundation for Supportive Services individual individuals there will be about \$160,000 a year in in wages paid for folks who are local. And then also there's about \$160,000 a year that will go to contractors in in and around the neighborhood will support the project on an annual basis. Thank you Mr. Clutter property tax.

Chairman Pat Dowell 27:21

Miss Reeves, would you speak to Phoenix? I think it's a good opportunity for people to learn more about your organization.

Miss Reeves 27:28

Thank you so much for this opportunity. And it is a good morning. I'm clear about that. But when I like to say about what who we are as the Linux Foundation we have organization that is clearly about making a difference that people who have experience and also the fact that we are led by people who haven't have a life experience, right, either through homelessness, recovery, whatever it is, we are looking at providing services through that land, knowing full well what it takes to get back on track and to make a difference within our community and provide that level of leadership. But not only that, but that example of what's possible. And that's what we're really living into with this particular project. We're living into creating an example of not only what can happen, but how you in generational homeless, right? Because that's what it's about, right? It's about the fact that these people who come through this particular housing development won't have to have another generation of them who experience homelessness, because we're going to provide the tools and the resources necessary to end generational homelessness. Now, although that looks like providing some avenues for financial education that looks like providing opportunities for home ownership, that looks like providing opportunities to learn entrepreneurial skills so they can create their own business and create generational wealth. So that's what we're really about. I've been working in homeless services for nearly 30 years. No Alderman Dow very well, but that worked into programs and reward. So I know full well what it takes to make a difference in the lives of people that we serve. And the people that particularly those who look like me, right, because it's harder for the 77% of the people who are experiencing homelessness in the city of Chicago, like me, and nationally. We have an opportunity to make a difference.

Chairman Pat Dowell 28:25

That's just got a long agenda. I don't mean to cut you off. Alderman Riley, you had a question?

Alderman Reilly 29:30

I do. Madam Chairman. Thank you. And, of course I plan to support this project, but I do have a couple questions. Could we go back to the slide that shows the total project cost please? So it's roughly 32 point 5 million and then can we go back to the unit distribution slide for 50 affordable units. So that pencils out to roughly \$660,000 per unit. Is that correct? I guess that's for the department. That's correct. And very quickly, I know we have a long agenda here. There have been a couple of rental buildings that have actually transacted in the South Loop over the

last couple of years and these are relatively new construction delivered in 2020. I think 2021 And the average unit count for those buildings that have just been sold comes in around \$270,000 per unit. How is it that we have these these are all good projects, and these are ones that I support. But it's frustrating, I think to a lot of folks, no matter where you are on the affordable housing, ideological spectrum, that's a very high cost to deliver these units. And I guess you know, I think for everyone's benefit is there something that contributes to these being so expensive to deliver when we've got new market rate properties, transacting for a whole lot less per unit?

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Transcript 2

Alderman Reilly 0:00

does have a mission to deliver as many units as possible. But these costs far outpaced. We're seeing for other property. And I'm talking about property in the central business district.

Chairman Pat Dowell 0:13

Thank you, Alderman.

Alderman Reilly 0:14

That was a question, Madam Chairman.

Tamar Collins 0:18

The best way that I can address it is what we've seen just over the last couple of years. As I've already stated, interest rates are going up cost and there have been supply chain issues during COVID and steel a little bit now. cost of materials have gotten higher. I know that when you do affordable housing and you'll get no argument from me affordable housing, I've always said it's expensive to build and it's affordable, affordable for the people to live there. There are other costs associated with it that you might not see due to the restrictions on affordable housing that you might not have on a regular real estate transaction, a market rate deal. So you might have more restrictions on how many how much reserves you have to put into a project. There may be restrictions on for example, if there's market rate in an affordable deal, those brands have to be discounted. So that means more money has to go into the project because generally the market rate units are discounted at by about 15% to make sure that the building stays stable. These projects have to remain stable for 15 to 20 years, but we can't we have to So we generally are putting a little bit more money into the deal. But the project you know when you're doing affordable housing, you know, we're trying to create safe, decent and affordable housing. I can't. This is really, in my opinion, a question

that goes really to the market like why are things as high as it is? We've been asking these questions. I don't know that we've gotten really clear answers from the construction industry. But as far as I can tell you now this is what we're seeing coming in and coming into.

Alderman Reilly 1:56

Okay. Thank you. Thank you. I appreciate that. And that's obviously a topic for another day. But thank you for this. I just wanted to point this out to my colleagues that we should be doing better on the prices. We're paying for these units if we want to put people into stable housing. Thank you, Madam Chair.

Chairman Pat Dowell 2:12

Thank you. Just a small comment on the sales that you're talking about. Some of those sales are actually below the cost of what it costs these guys to build. Right? So that's one thing you have to take into account, plus the number of units that is going into the number is sometimes I mean we're talking 50 units here in the case of the one building in my ward that just sold at our Michigan 13. You know, there's hundreds of units in that. So that's a large number that goes into the for sale price of something that was lower than probably what he used to construct it okay. Alderman LaSpata.

Alderman LaSpata 3:01

Thank you, Chair. I just want to it's a good conversation to have and maybe it's one for other building standards or the Housing Committee to pick up at some point because we do throw up so many roadblocks to developing affordable housing and actually make market rate housing less expensive in the process. I mean, anyone here who's had an affordable housing project in their ward probably knows we hold them to higher labor standards than we do more great developments. I'm sure a lot of market rate developers enjoy not paying prevailing wages, but that's not made. Available to affordable housing developers. I'm sure it must be easier to not be held accountable to the sustainable development policy, or to the State Historic Preservation Office like there are projects that have been made infinitely more difficult because they're affordable. Housing and more expensive than the market rate housing. So if we want to level the playing field, I would be glad to hold market rate developers, the standards that we do affordable housing developers, we try to get better units out of market rate development, but I understand this I mean for 15 years it's more than that quite a bit more expensive to develop affordable housing, in market rate housing, and we want to have a serious conversation around that. I'm sure our new commissioner has a lot of ideas to bring to the table to work with your team on those numbers. But I'm really glad for the project. I mean, it is very challenging to develop this kind of depth of affordability. The way that that impacts your pro forma, the costs, the revenue you're bringing in over time, the

maintenance of those unit all goes into this. So now maybe the teaching that we do for alders at some point in the future, but I'm glad for the conversation. I don't really have questions. I'm excited for the project. Thank you.

Chairman Pat Dowell 4:56

Appreciate your comments. We have letters of support from Alderman Lopez and support from Alderman Coleman. So Alderman Villegas, do you have a question?

Alderman Villegas 5:12

Yes, ma'am. Madam chair if is it this is a CPS facility.

Chairman Pat Dowell 5:20

Yes

Alderman Villegas 5:22

Is it possible that DPD are CPS could provide a list to us as to what other schools are in the pipeline for this types of projects. This is a great repurpose of existing structure. We just wanted to see what the plans were to renew plans. Thank you.

Chairman Pat Dowell 5:39

We'll have to reach out to CPS on that. They're not part of this discussion this morning. Thank you for your question.

Alderman Villegas 5:49

Thank you.

Chairman Pat Dowell 5:49

And we would like to acknowledge all them Curtis who's just joined us before. Can I get a motion recommending to pass for this item. So moved by Alderman Lee. recommending to pass all those in favor signify by saying aye. Pose in the opinion of the Chair The Ayes have it and the due pass recommendation for this item will be reported out at our next city council meeting. The second item Thank you. The second item on our agenda is from the department of housing as well. It's an ordinance concerning the execution of a loan restructuring agreement with Halston limited partnership with a property located at 3600 to 3616. North Halsted Street in the 44th ward. We are joined today by Joseph Lewis, the financial planning analyst with the Department of Housing, who will present on this

Unknown speaker 6:02

battle chair

Chairman Pat Dowell 6:24

Excuse me Mr. Klore, Mr. Gildersleeve and Ms. Alan Reeves thank you so much for coming before us this morning. Congratulations. Yes. Is that Alderman Ervin?

Alderman Mitchell 7:05

Yes ma'am it is I just want to let you know I'm here.

Unknown 7:14

and Silverstein

Joseph Lewis 7:23

Thank you, Chairman Dowell, members of the committee for the record. My name is Joseph Lewis, and I'm a financial planning analyst with the Department of Housing. The request before you is a proposed ordinance to authorize ownership restructuring of the 79 unit mixed use affordable housing community for senior citizens known as the town hall apartments. The property that is the subject of this request is at 3600 to 3616. North Halsted Street and in the 44th Ward, and Alder Lawson supports this restructuring. Next slide. In particular doh seeks authority to restructure city documents related to the Circa 2013 existing approximately \$4.69 million city loan made to Halstead Limited Partnership, which is the owner of town hall apartments to provide for a proposed change of ownership. The proposed restructuring will one remove Heartland housing from the ownership of the property and allow full circle communities and center on all stages in the ownership of this property. And to will not otherwise alter the principal interest rate lien position or maturity date of the circuit 2013 City loan or any affordability restrictions at 30 636 16 North Allstate Next slide please. Shown here is the location of the subject property which is a high rise elevator service mixed use building at the northwest corner of the intersection of North Volstead Street in West Addison Street in the Lakeview community. Next slide please. The exterior of the subject property is shown here. The building was originally constructed in the 2010s and containing ground floor retail commercial space and 79 studio and one bedroom units with all units restricted to occupancy by senior citizen household earning no more than 80% of the Chicago area median income is subject property was redeveloped by Heartland housing and placed in services mixed income housing approximately 10 years ago to support the circuit 2013 redevelopment of the property is affordable housing. The city of Chicago provided and approach provided an approximately \$4.7 million loan upon funds, which is scheduled to come due and 2045 Low Income Housing Tax Credits and donation tax credit assistance. Next slide please. subject the subject restructuring is motivated by the fact that Heartland housing is not financially stable enough to meet its obligations. There's an affordable housing owner and continue with business as an as an affordable housing developer on housing notify the city of Chicago in April 2023 That it's affordable housing portfolio, including this property was in distress

in that it would not be able to ensure its properties as of June 120 23. The city filed a motion asking the circuit court to appoint a receiver community initiatives incorporated and manage 3600 to 3616 North Hall said and other Heartland affiliated properties in the city and Heartland housing effectively shuttered at that time. The receiver was discharged by the court in January 2024. In recognition of full circle community's capacity and willingness to place insurance coverage in connection with the property prior to closing on the proposed restructuring. Next slide please. Slide provides a visual of the ownership restructuring. I will note that the requested action does not involve a conveyance of the property to a new owner of records, but rather this restructuring concerns the composition of the ownership interests in the entity that is the owner of record. All said limited partnership. This and the subject restructuring would replace Heartland in the ownership with full circle communities as well as increasing the center on whole foods ownership interest. There is no overlap in the management principles of Heartland and the management principles of full circle community. Next slide please. Full Circle communities is an Illinois nonprofit corporation that was formed in 1999 and is headquartered in Chicago, led by CEO Joshua Wilmont full circle stated organizational mission is to expand access to quality affordable housing through preservation and development, thoughtful design, and the provision of significant and targeted social service, excuse me supportive services to their residents in the surrounding communities.

Chairman Pat Dowell 11:27

Excuse me Mr. Lewis. Is there something called presentation mode? And to the officer in the back if there's a way to move that noises It's bothersome. Thank you Alderman Taylor Okay continue.

Joseph Lewis 12:12

Ok. LED led by CEO Joshua and well my full circle communities stated organizational mission is to expand access to quality affordable housing for preservation and development, thoughtful design and the provision of significant and targeted supportive services to the residents and the surrounding communities. In total full circle has an ownership interest in over 1400 units in three states. And own seven properties in Chicago containing over 400 units. Recent work includes development of Brainerd Park Apartments, the 36 unit supportive living facility, completed at 89th and Loomis and 2018 development of 5150 Northwest highway a 75 unit mixed income apartment community for veterans, disabled persons seniors and families in Jefferson Park and acquisition and rehabilitation of South Park Plaza 134 affordable units and six buildings near toit near 26th street and cane drive in 2023. Next slide please of recap the requested actions in the slide for your consideration now I'm joined by Mr. Joshua Wilmarth the president and CEO of full circle communities to answer any

questions that you may have. Thank you for your consideration of this matter.

Chairman Pat Dowell 13:20

Thank you, Mr. Lewis. Alderman Lawson.

Alderman Lawson 13:24

Thank you very much, Madam Chair. Very happy to give my support to this restructuring. Anyone who wants to tour this is one of the most important buildings in my ward, and I have Wrigley Field. So this is the first of its kind LGBT friendly senior housing in the Midwest. That opened were going on 10 years ago now. The residents love it. It was the youngest building in Heartland portfolio which I know made it one of the easiest ones to spin off and to maintain but I know that work continues on to the next side of that building very well in 48. Two, so I want to thank the O H and the receiver for making this move quickly. I think there's a lot of consternation among all of those units when there's there's uncertainty in housing and the city did a really great job there are like full circle communities for coming in. I think they have a great mission. The CEO Josh blew him off and I met my friend and really appreciate their commitment. This also gives more control to Senator Inhofe set which of course, is the nation's first LGBT focused community center in the Midwest nomination first. So it's a very exciting block that I'm proud of and is important for our city. So happy to give my support and appreciate yours as well. Thank you all.

Alderman Taylor 14:38

Alderman Taylor

Alderman Taylor 14:39

Is this the building that's already occupied.

Joseph Lewis 14:45

Yep, excuse me. The property 3600 3616 North Hall said is an occupied developed property and all but two units are occupied as of as of

Chairman Pat Dowell 14:58

with the changeover, those folks won't be displaced our asked to move.

Joseph Lewis 15:01

That's right. There's no relocation or displacement activity contemplated in connection with this restructuring nor any modification to any affordability restrictions currently in place. Property. Thank you, Madam Chair.

Chairman Pat Dowell 15:14

Thank you Vice Chair Conway.

Vice Chair Conway 15:15

Yes, go back slide. Along with the overview you already signed.

Vice Chair Conway 15:31

the Upb there. I presume that that's unpaid balance right.

Joseph Lewis 15:35

UPB is unpaid principal balance. That's correct.

Vice Chair Conway 15:37

So does that was 4.9 issued initially, and that's how much is amortized today or is that not yet issued.

Joseph Lewis 15:48

With respect to this property? The city loan is secured by a mortgage and second lien under the following terms with the head an original amount of up to \$4,900,582 with \$4,692,181 actually drawn during development.

Vice Chair Conway 16:07

So is the difference between the 4.6 and the 4.2? The amount that's amortized more or less decades if this went up, or what is that what does that represent? Well, the

Joseph Lewis 16:21

the unpaid amount of the loan is presently it is the 4.6 number the city had issued the loan with a face value of up to 4,000,900 \$504,900,582. Not all of that old face amount of the loan was actually need needed for project costs during construction.

Vice Chair Conway 16:48

Well, when you say the unpaid part of the loan is 4.6 and it says unpaid balance is 4.2. What is that difference represented is that accrued interest is that something else?

Joseph Lewis 17:08

I apologize. I misstated in connection with the other item that I am presenting today.

Vice Chair Conway 17:16

So I'm not trying to stump you. I'm just trying to get some clarity on the 4.9 4.2 difference here.

Joseph Lewis 17:21

Sure the unpaid principal balance of this particular loan is the 4.2 number. The original face value was 4.9. repayment terms are there are

repayment terms on this loan. And the difference between 4.2 and 4.9 represents repayment that has occurred in the past 10 years. So

Vice Chair Conway 17:40

yeah, that's the amortized and what's it what's the interest rate on this loan? You're upset. Right, thank you very much.

Chairman Pat Dowell 17:51

Thank you, Alderman Mitchell.

Alderman Mitchell 17:55

Can you go back to the slide that had this action? Indeed had two bullet points. Right here. I'm curious about some sort of for number two, you want to also principal balance for loan interest rate loan the loan paid for lien position of loan or the maturity date.

Alderman Mitchell 18:14

How, how was Heartland able to be removed from the loan. In Full Circle, takeover

Joseph Lewis 18:29

That is the subject of today's presentation and the requested action is to is the authority to formally remove Hartling from ownership of his property and to install full circle communities in its place. Most of the traditional obligations and duties one might think of as an owner collecting rent, paying operating expenses paying real estate taxes, etc. The responsibility for that has been removed from Hartling for several months. By the court by the court, yes, they pursuant to the appointment of the receiver by the circuit court. Heartland was disempowered from those activities. This is to complete the sort of restructuring that you know they've been disempowered already, but now we're formally removing them from the ownership and removing that mention of them from the city's MODOK

Alderman Mitchell 19:21

and there has been some form of betting gold that has taken place before about full circle in their ability to continue on. That's right for pretty much just as a going concern.

Joseph Lewis 19:31

That's right. We we have done due diligence on full circle communities as a replacement owner. We have no concerns with their capacity to take over and place with hardware into their financials.

Alderman Mitchell 19:44

Thank you for that. clarification. Thank you to

Chairman Pat Dowell 19:48

Alderman Knudsen followed by Vice Mayor Bennett.

Alderman Knudson 19:52

Yeah, so I just wanted to really echo what Bennett said. I know this isn't a new project and the fact that it's already 77 out of 79 units build shows a demand we talked to a lot of seniors within the LGBTQ community and this project I think is a great example of how we can boost community a lot of times these seniors don't feel at place or feel a little bit outcasted in certain other homes. So as an extension of what center on Halstead does so well. And you know, like Bennett I've said, I've spent a lot of time in center on Halstead. This is just such a good impact. So I wanted to take the opportunity on what's not a new thing to really say I'm hopeful that you know, more focusing on housing like this comes up it's affordable.

Chairman Pat Dowell 20:39

Thank you Vice Mayor Bennett

Vice Mayor Burnett 20:42

Thank you very much. I know like I have a building that Heartland had and and we have a receiver over it right now. So you only bring in folks up because Heartland Heartland had to give up all of their properties. But you bring this one up because they're restructuring the law, right.

Joseph Lewis 21:09

We were bringing this board because we need to restructure the city documents to provide for that sort of permanent, you know, restructuring solutions to exit Heartland housing and to install a new owner in place. There are several properties that Heartland had owned throughout the city, including seven or 27 and elsewhere in the city. Each property is on for lack of a better phrase, a different track to closing on the restructuring. There's different factors to consider in terms of interest in taking over these properties. And we are you know basically moving each restructuring forward as as we are, you know, as they are ready to move forward. Unfortunately, it is not the case that every single Heartland sponsored property is ready to move forward to new ownership. But those that are we will we will break this city council as soon as as they are ready to be considered in that. Okay, because

Vice Mayor Burnett 22:15

I know like with the property, my ward at the end of them losing the property in between that they neglected a lot in those buildings. Like for instance I had one building that they didn't have they weren't even paying the people to pick up the garbage for a long time. Right. And so there's a lot of probably a lot more expenses that they had to deal with on the back end because of the neglect or the challenge that they had a billing

obligation and taking care of those bills as before they lost it lost all of this property. So this is these are costs that we probably incur right now because

Joseph Lewis 23:03

yes, unfortunately the receivership activity has comes with a cost the receiver is handling certain affairs of the property and and you know, they incur expenses as they do that. It is it is I could get given that fact it is of utmost importance for us to move these forward through restructuring as soon as we are in a position to and there's an interested, able, unwilling owner that can come in to take over and provide for long term long term stewardship. Instead of this sort of temporary fix. That is the receiver.

Chairman Pat Dowell 23:46

Thank you Alderman brunette. Aye Motion made by Alderman Taylor Dupas. All those in favor signify by saying aye. posed in the opinion of the Chair The eyes have it and this motion carries and the recommendation will report it out at the next city council meeting. Item number three is a similar situation in ordinance concerning the execution of a loan restructure restructuring agreement with Hollywood house Limited Partnership for the property located at 5700 North Sheridan road in the 48th ward. We are will continue with Mr. Lewis on the Department of Health.

Joseph Lewis 24:28

Thank you Chairman Tao well members of the committee. Again for the record. My name is Joseph Lewis. I'm a financial planning analyst with the Department of Housing they request before you now is a proposed ordinance to authorize ownership restructuring of the 197 units mixed income housing community for senior citizens known as the Hollywood house apartments. The property that is the subject of this request is at 5700 North Sheridan road in the 48 board and aldermen hoppin words supports this restructuring. Next slide please. Specifically doh is seeking authority to restructure city documents related to the Circa 2008 existing city home or city CDBG loan made to Hollywood house Limited Partnership, which is the owner of Hollywood house apartments to provide for a change of owner a proposed change of ownership. The proposed restructuring will one remove Heartland housing from the ownership of the property and allow full service to communities in place and to will not otherwise modify the principal interest rate lien position or maturity date of the 2008 city loan or any affordability restrictions at the property. Next slide please. Shown here is the location of the subject property which is a high rise elevator service mixed use building at the northwest corner of the intersection of North Sheridan road and West Hollywood Avenue in the Edgewater community. Next slide please. The exterior of the subject property is shown here. The building was originally constructed in the

1960s it contains and contains ground floor retail and commercial space and 197 studio and one bedroom units for seniors. Most of the residential units 177 In total, are restricted to occupancy by senior citizen households earning no more than 60% of the Chicago area median income and the subject property was redeveloped by Heartland housing and placed in service with mixed income housing approximately 15 years ago. To support the 2008 redevelopment of the property is mixed income housing the city provided on approximately \$4.8 million loans CDBG funds scheduled to come due and 2015 low income housing tax credits and tax increment financing

Next slide please. Like the last presentation, the subject restructuring is motivated by the fact that Heartland housing is not financially stable enough to meet its obligations as an affordable housing owner and continue with business. There's a housing developer. Portland housing notified the city of Chicago in April of 2023 that its affordable housing portfolio, including this property was in distress and that it would not be able to insure these properties as of June 120 23. The city filed a motion asking the circuit court to appoint a receiver community initiatives incorporated to manage that the 700 North Sheridan and other Heartland affiliated properties in the city and Heartland housing effectively shuttered around the middle of 2023. The receiver has since been discharged by the court in January 2024 In recognition of full circle community's capacity and willingness to place insurance coverage in connection with the property prior to closing on the proposed restructuring. Next slide please. This slide provides a visual of the ownership restructuring. I'll note that the requested action doesn't involve a conveyance of the property to a new owner of record but rather it concerns the changing the composition of the ownership interest. In the entity that is the owner of record Hollywood house limited partnership. This and the subject of restructuring would replace Heartland in the ownership with full circle communities. There's no overlap in the management principles of Heartland and the management principles of full circle next slide please. Full Circle is Illinois is an Illinois not for profit corporation that formed in 1999, headquartered in Chicago, led by CEO Josh Wilma. In total it has an ownership interest in over 1400 units in three states including seven properties in Chicago with over 4400 units. Recent work as mentioned in the last presentation includes the development of a 36 unit supportive living facility at 89th and Loomis in 2018. The development of a 75 unit mixed income community for veterans, disabled persons, seniors and families in Jefferson Park. And acquisition and rehab of 134 units and six buildings here 26th street and King Drive in 2023. Next slide please. I've read chapter the requested actions. On this slide for your consideration. I'm joined by Mr. Joshua Wilmont, the full circle community to answer any questions you may have thank you for your consideration of this matter.

Chairman Pat Dowell 29:08

Thank you Mr. Lewis, Alderman Manaa-Hoppenworth.

Alderman Manaa-Hoppenworth 29:12

Thank you, Chair. Thank you, doh and thank you Joseph for the presentation. Yeah, I fully support this happening. This has been a long time coming and the fact that it's been this long it likes to the residents who have been waiting for a very long time for or something to happen and and conversations to do makes me think that we might need to look at a fordable housing differently because of the way we structure it, which is private and public ownership. When ownership leaves we you know it's the residents that are made to suffer because of elevators that don't work because of security issues because of lack of maintenance. And so, Heartland could have reached out and said that they needed help, but they didn't. And so the residents were made to because of the receivership told to keep paying their rent. And even though the building was under distress, and so we are we welcome full circle. I appreciate that Josh came to the office to you know, talk about the plans you know, that 48th Ward is, is in know, it's a higher opportunity area for development. So it's a very desirable place to live. And these folks that have been living in Hollywood house and therefore many of them for decades, and they remember when it was a beautiful building to live in, and they they want to stay two steps away from Hollywood Beach. This is right on Sheridan. And these are veterans. These are folks with disabilities, older adults, and they want a dignified place to live. And so we've been waiting for a long time. I know that Joshua and his team are committed to maintain not only maintaining the building, but also improving it and also providing services for those that live there. And yeah, I I fully support this. I thank you, Joshua. Thank you doh and I hope that we as a city can think about ways that we can provide more affordable housing in Chicago besides the way we're doing it.

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Transcript 3

Josh Wilma 0:00

I'm actually a constituent of Chairwoman Dallas.

Chairman Pat Dowell 0:02

I've never met you

Josh Wilma 0:05

1600 South Wabash.

Chairman Pat Dowell 0:07

All right.

Josh Wilma 0:07

And actually we met at 2021 Tax Credit announcements that 18th In Wabash

Chairman Pat Dowell 0:12

it's been couple of years ago

Josh Wilma 0:15

it has been. Our mission is the creation and preservation of affordable housing, through thoughtful design and the provision of significant and targeted services to that to our residents. And what that means is we take 75 cents out of every dollar that we earn from the properties that we own and manage and we use that to pay for services for our residents, based upon their self identified needs. We are real estate experts. We're affordable housing experts, we're not service providers, so we partner with local organizations. In the last instance, we've increased the amount of ownership and economic benefits center on all state to continue providing the services that they're providing at Town Hall apartments here because there is no direct service provider connected to the building. Heartland was providing services at one point in time, but they have not for a while. My Services team who are charged with connecting communities to services. We've already had initial meetings with the residents. We're going to be doing focus groups and community meetings throughout this year to identify where people are challenged, not just with the built environment of the building. As Alderwoman hoppin Werth noted, but also where they are struggling relative to social connection or health care, behavioral health, things of that nature, and start bringing services to bear for our residents at that property. As Joe Lewis mentioned, we have seven properties in the city of Chicago with more than 400 units. Virtually all are affordable. Our 501 C three charter mandates that the majority or all of our units are affordable, and again mandates that we dedicate 75 cents out of every dollar that we earn or services for our residents.

Chairman Pat Dowell 1:21

Thank you. Point of information, Alderman Curtis

Alderman Curtis 1:59

75 cents for every dollar per project?

Josh Wilma 2:19

Yes, so 75% of our developer fees, our cash flows and distributions made to serve sponsor loans and things of that nature. 75% of every dollar goes directly to provide or to foreign funds or reserved for services at that property or in the community.

Chairman Pat Dowell 2:40

Thank you all right, hearing no more questions. Can I get a motion to approve? Approved by Alderman Taylor again, recommending Dupas all those

in favor signify by saying aye. Opposed? In the opinion of the Chair The eyes have it and the motion carries and will be reported out at the next city council meeting. Miss Lewis, thank you for your presentation this morning. We'll move on to item number four, which is an ordinance concerning the authority to enter into and execute an intergovernmental agreement with the Chicago Park District for the provision of tax increment financing funds for improvements at Bessemer Park, located at 930 South Muskegon Avenue in the seventh floor. We are joined today by Beth O'Reilly from the Chicago Park District to give a presentation on this project. Good morning Beth

Beth O'Reilly 3:52

changing drivers so just hold on one second team. I for the record my name is Beth O'Reilly. I'm the deputy budget director for the Chicago Park District. See any of you again and the new authors. As I said I'm from the Chicago Park district's haven't been here for a while but we are here today for a summer Park. It's a site improvement project in Alderman Mitchell's ward. We are going to transform this park is a located in the South Chicago community. It's a regional park it's 20.2 acres. The park field houses in a class facility was constructed in 1905 features two gyms a boxing gym multipurpose rooms. The outdoor amenities include gardens, artificial surf, or special turf soccer field handball swimming pool spray teacher tennis courts, and a huge baseball. Neighboring Baker college prep and Bowen high school use the baseball fields during the baseball and softball seasons however, given the current condition of the fields, they have to travel to do their official play games, so only a practice skill for them. Nearly run a baseball diamond will allow Bessemer to serve as the school's home field and these upgrade field upgraded fields will be available for community leads and new programs like T ball and Little League during the summer months. The proposed scope of the two funded projects will rebuild the baseball diamond one of them and reshape the infield and outfield by removing scholar unused diamonds in backstops. The TIF ball field reprogramming project will supplement the project and is currently under design and is now funded with the Chicago Cubs charities contribution of \$150,000 and the Morgan walling Foundation, which that foundation contributed \$100,000 last summer. Together these partners have provided the necessary funding to improve diamond number two at the clerk we will apply the TIF funding to expand that project and renovate diamond one and also include the field lighting on both diamonds. Aside from the ball field improvements, because investment will include the replacement of the water feature. Existing spray feature will be outfitted with new infrastructure, including new surface and interactive play elements. You can see this park has quite a few ball fields. Diamond number one and diamond number two will remain all of the others will be removed. So all of that outfield work will scoop up all that and return that. Those diamonds you can see you can't really effectively play you're playing on top of each other. So it's pretty dangerous the way it is set up. The

photo on the left is diamond wanting to you can see they're sort of adjacent and this is the existing feature seating for the fans as it exists now. These are the player benches so we will totally rebuild this pour concrete but the gravel I don't make it like a great place to play ball. This is the existing spray feature was built in the 80s. And it's we don't build this style anymore. In fact, we're trying to replace as many of these as possible. They are you wouldn't want to fall on that concrete. So this is sort of what we're putting in. This is a style of the interactive spray feature that are going in and quite a few of our parks that blue thing will whip around and the water sprays. It's fun. It's interactive, and it turns on and off. Whereas now the spray features once they turn on they're on for the season. The renovated ball fields will resemble this one. This looks like it's a turf infield. We are doing grass. But the fact that the side wings and backstops and player benches and the running surface for the baseline will look like this as opposed to what the existing condition is right now. As I mentioned the cubs are contributing 150,000 through their diamond grant program. And the Morgan Wallen Foundation was here and they picked this project out of all the projects we presented as a community in need and they're supporting youth activities like baseball. We the TIF money is going to put \$500,000 in the ball field piece to pull up the remaining fields lighting and necessary fencing. The spray feature will be removed and replaced for \$200,000 and then the \$50,000 will do access improvements. To the improved facilities and landscape restoration where we have construction. So that is 50,000 Bringing the budget for 750,000.

Chairman Pat Dowell 9:28

Thank you Beth. Alderman Mitchell.

Alderman Mitchell 9:33

This this is one of the parks. They're growing up in the 70s and 80s. I played little league and as we hit the night that's how it looked when we were growing up. And when you hit the 90s defer maintenance that in the direction of literally took a turn. So it is really excited. To be decided for me to now be in a position to work with the park district in our in other funders to bring this park back to life and also playing for Kenworth Broncos, we played born in a tour we played at this field and it was it was better than the field that Kim would have. And now Kim Woods feel much better than this one. So I'm glad we had the opportunity to bring this field back to life and to start the ball rolling to get one of the four little league programs back in our parks. Again, this is this kind of sentimental to me because is this is where myself and a lot of the guys that grew up with battled into here getting up battling Jackie Robinson West that we could never be. But now but again I urge you guys I asked you to support this, this project. Thank you.

Chairman Pat Dowell 10:49

Thank you Alderman Mitchell, that I have a question on the private dollars. How aggressive is the park district securing private dollars? And how do you determine where those dollars go?

Beth O'Reilly 11:05

Well, our main funder for the ball field program in general

Chairman Pat Dowell 11:14

you're focused here on ball fields but I'm focused.

Beth O'Reilly 11:20

Okay,

Chairman Pat Dowell 11:20

so the holes, everything

Beth O'Reilly 11:26

well, we'll just start with ball fields. We rely on a lot of outside funding as you guys know, we we bond about 30 to \$35 million for our capital program and at this point, we have 519 playgrounds we have I can't even tell you how many baseball diamonds we have a ton. So combs charities was our primary sponsor or the diamond grant program. This funding is there left. Right now they're looking to do maintenance on the baseball diamond today or not. Moving forward with quite a few of the applications that were submitted for the last round of funding. They're sort of changing directions. But that process was competitive. We went with our partners, all the baseball associations they know about the club's program, we would go to our regional managers and say where are the baseball diamonds that have active projects or active teams that the facilities are in need? And let's encourage them the apt for the Cubs money the baseball Association had to submit for them funding. We couldn't do it ourselves. We needed the baseball team to do it. In this case the high school did it thing went to the cops and said we're gonna use your cell phone.

Chairman Pat Dowell 12:46

Do you get a lot of private dollars for facilities or park programs?

Beth O'Reilly 12:53

Private? No. We get the packs contribute when they fund like dog areas or outdoor fitness or something that wouldn't really fall in our spectrum of Yeah, we got to get that done.

Chairman Pat Dowell 12:57

Can We get from you. Through the Chair a list of private entities that fund the park district and what they usually fund that we can share with maybe some of us can go knock on some of those doors for parks.

Beth O'Reilly 13:25

Yeah, private is hard. We I mean like I said we don't get very much at all like we had that that'll be a shortlist Sure.

Chairman Pat Dowell 13:34

Alderman Taylor?

Alderman Taylor 13:36

Thank you Madam Chair. So I'm going to for support this because it's an ottoman Mitchell's war but what I want to say is, where's the data to prove this tip dollars that you all are asking us to see. I feel like sometimes y'all upgrade parks without having a clear conversation with without asking the community actually what it wants. And so I have Washington Park and I have like four parks, Washington Park the next for soccer fields, but they're there. That's not what the community exports and we need to figure out how to rebrand the park district because the amount of money that we're spending to upgrade these parks, we don't know the data of folks who are actually in those spaces. And so, and we're spending our TIF dollars, to help parks out which of course we'll all do. We want to make sure that people are actually no, and that's not what I'm saying that I have not seen people in the park district. Sometimes I'll keep the same supervisors 2030 years, who don't get that the community has changed and so I want at some point the park district to come and present to us about what's the plan city wide because I feel like I'll pick and choose what Park Shaw actually wants to upgrade and do that. So there's some framework going on in Washington Park, which all the parks should be doing framework that the park district should be doing that as a whole and we should be doing more reaching out to communities the excellent actually what they want to see. I respect and appreciate. Altima Mitchell saying this was a park that young people play baseball, young people do stuff. The folks who play baseball in Washington Park a lot of times they're not from Washington Park. It's the closest park they can go to, but that's not what the community may or may not want. And so at some point, I want the partners to come back and have a conversation with us as a whole about how are we rebranding a part a and b How do we help you all get funds because we don't bleed out a tiff between the park district and CPS I don't mean to do real development in our community like we want to. And so I want us to have a real conversation on how we advocate for more dollars at the state and federal level as well. Thank you Madam Chair.

Chairman Pat Dowell 15:46

Thank you, Alderman Scott.

Alderman Scott 15:48

Just because I've had a lot of experience in the park. I would say that you know many many parks who receive tips and how the park allocate their

money to go to a general fund. For instance, in the 24th Ward, we have Riot Fest. Riot Fest spend 790,000 for a permit. That does not include security does not include garbage. Trash because they have to pick up their own trash and have their own security. Should the Chicago police come out because it is a big venue but it doesn't require park staff. So when you affect a park and a community, at least 55% of that money should come back to the park and then it goes to the general fund. And so when we have conversations that can't be used to people that are playing in the park regularly, if that money was generated for the past eight years that Riot Fest has had their fair share in the park with a lot of community folks that don't live in the community to say that they don't want rapists there but right that generates a lot of money for the park. But that money does not come back to Douglas Park. If we can allocate some of that money to come back then we wouldn't necessarily have to use TIF for various parks because that money will be allocated to the neighborhoods in which it includes so suggestion to take back I think that you know, they allocate put up 6% 796% of 790,000 will do nothing for a park any of our parks because they are quite old and you know antiquated. So, just a suggestion that I wanted to put that on record that something like that needs to happen. Okay, thank you,

Chairman Pat Dowell 17:44
Alderman Lawson.

Alderman Lawson 17:46

Thank you, Madam Chair. I just wanted to commend Riley and my colleagues from the Senate board on getting big money from the Cubs. Morgan Wallen played there I think last summer, so quarter mil is a way to go. And as someone who was had to rely on private donations, I understand how challenging it can be. And we're fortunate to have resources, like the Cubs football fields, right and the oxen and others that focus on sports. Ironically, the only baseball diamond in my ward at Wrigley Field. I don't have any of the parks are all just in north or south but I think we have to be more creative about what we talked about private dollars as we talk about changing the way we're using TIF specifically and have a real city wide probably focus on where where we can leverage those dollars. So congrats on this good project. Thank you.

Chairman Pat Dowell 18:32

All right, hearing no other questions motion made by Alderman O'Shea, recommending to pass all those in favor signify by saying aye. Opposed nay opinion of the Chair The eyes have it and this motion will be recommendation will be reported out at the next city council meeting item number five is an ordinance concerning an amendment to the inter governmental agreement with the Chicago Park District for the provision of tax increment financing funds for the improvements at McGuane park located at 2901 South Pope Lars Avenue in the 11th ward that the Riley

Beth O'Reilly 19:12

Thank you. This is an amendment to the agreement for McGuane Park you've ever been there? We've all been open for a while. This is an amendment to extend the date of the agreement. If you've ever experienced public contracting, the closeout period is very lengthy and we closed out that contract for this job last May. Unfortunately, when we went into seek reimbursement for the final expenses for this project, the Department of Planning noted that they could not reimburse the park district for eligible expenses because the agreement has expired. So this legislation is extending the grant agreement to get them to be able to pay us the last bit of funding. Park is open it's beautiful as you can see scroll through the photos it's been really popular I'm sure Alderman we can tell you it's it was a very successful project. We've just it's time to close these out and the base agreement no longer has that expiration date. This one was tied to the original expiration of the tip, I believe or maybe not. And but in any case, we need this agreement to just extended out on the books just received the payment they went through and everything that was camera in the wood before that date was reimbursed and I think to date there's like \$400,000 remaining to be paid on a 5.7 so that is what we're doing with you scroll through this is just where we landed with the project budget. Like I said it's completely open and has been open for years. And this is just sort of a snafu that we did not actually date

Chairman Pat Dowell 21:18

I want to clear up the pending payment. You said 400,000 Yeah, we

Beth O'Reilly 21:24

got a small we presented this we got a payment

Chairman Pat Dowell 21:31

Okay, well I should have been notified about it. Aldermen Lee.

Alderman Lee 21:42

Thank you. But the park improvements are amazing predated nature. But we certainly make good use of this park this park is regularly one of our clients utilize board. picture on the top right is actually where early voting takes place. You know we get a lot of really great use out of this. We have programs here for our Special Olympics athletes coming here regularly as well. was happy to support the the extension of the original contract to ensure that the park district was reimbursed. Yeah, we've been we've been using every single penny of that thank you.

Beth O'Reilly 22:28

Nice. Thanks.

Chairman Pat Dowell 22:31

Are there any questions from members of the committee? Seeing no questions motion made by Alderman commission recommending to pass all those in favor signify by saying aye. Opposed in the opinion of the Chair The eyes have it and the do pass recommendation so this will be reported out at the next city council meeting. The last one from the park district is item number six which is an ordinance concerning the First Amendment to the intergovernmental agreement with the Chicago Park District with the provision of tax increment financing funds for the construction of Park 599 at 1623 was Edgewater Avenue in the 44

Beth O'Reilly 23:14

Okay, here we are. This is for Park 599. This is a new build a new project. This was tied to be it's located in the Edgewater community. It's a smaller park it's 1.1 acres and it's adjacent to the newly developed Anderson point apartment complex at 5700. North Ashland Avenue the housing occupies portion of the site that was formerly known as the Edgewater hospital. The park is located just west of the new housing site between Edgewater Avenue to the north and Hollywood to the south. The commitment to develop this new park was included in the redevelopment plan and authorizing ordinance that was passed by city council on May 23 2018. The agreement specified that the land and \$960,000 were to be provided to the park district for the development of the new park. The developer's obligation has been satisfied and the project was transferred to the park district in February of 23. So we are obviously you've heard any other housing presentations facing great cost escalation. This was estimated in 2018 and we're in 2024. While the housing site was in development, the park district with active community input has locked in the site development plan. As you can see, it's pretty basic. There's a walking path, there's landscaped areas, picnic tables and benches, a walking path drinking fountain, ornamental perimeter fencing and open land and lands open lawn and landscaping. In 2023. The Crosby this plan was costed at \$1.4 million 1.4 10, which is a \$450,000 increase from the 2018 budget. Park District is seeking approval to increase the TIF budget to complete the park as obligated in the redevelopment agreement. We can scroll did you get to the photos I wasn't sure of what it looks like now it's has had a groundbreaking but this is what it looks like. You have those photos. Sorry, it looks really bad. Cyclone fence a lot. But there was quite a bit of back and forth I believe when this project was finished on the housing side within the city, making sure that they had complied with all of the obligations in the redevelopment relative to vaults and sidewalks I just know that really complicated shoot Okay, change this one to them. Sorry, I don't know how to get it over there. The chair had asked me to break out where the new costs were coming in. That's where it was but so design we had an increase of 64,000 the total design is 131 really sorry, like general conditions. We have an \$85,000 budget now when went out to contractor the construction went from 675 to now the million 61 \$385,000 increase and contingency is still in the budget which we will draw from

hopefully we won't eat it and if we we get reimbursed on exact dollar spent so we don't spend it all we don't get the money.

Chairman Pat Dowell 27:00

So the increase in the project cost basically because the design became more involved. Is that correct? Alderman Vasquez

Alderman Vasquez 27:13

cost of labor costs, all of it

Beth O'Reilly 27:16

Yeah, it's still pretty basic. It did not change in design. It's still the same footprint. It's still a walking path and picnic tables. There were no added elements. No, no spray features there. No. It's passive. It is a passive open space.

Chairman Pat Dowell 27:36

Alderman Vasques

Alderman Vasquez 27:37

Yeah. Thank you for that. Yeah, if members look at the current slide, it's always looked like that kidney beans. So it's not really the most complex of designs. It's just been an increase in the cost. A lot of it was just time spent. So this is something that my predecessor aldermen Pat O'Connor had passed, but towards the end of the term, there have been a ton of work at Edgewater, what used to be the Edgewater Medical Center. It's a process that I think took over 12 years to even get that site developed. This is kind of finishing that up on it would be called West Edgewater green, but because it's taken that long we do know also the park district had some staff changes that kind of, you know, and it could be a little bit wrong, but so many so many things come to the park district, that there were points where we lost points of contact for some of the process. But I think looking at the fact that the cost increases so much over time, we would prefer with the tip of every day that we just wrap this thing up before the costs continue to go up. Given the fact that it is a very simple design on that part. We were just looking to complete it and would ask for the Committee's favorable consideration

Beth O'Reilly 28:43

was mandated as part of that housing redevelopment. So this isn't something that some we're taking it because we run the parks of the city. But new construction wouldn't have been something on our radar to develop this site.

Chairman Pat Dowell 28:52

First Chair Conway

Vice Chair Conway 29:03
is the park completed now?

Beth O'Reilly 29:04
No.

Vice Chair Conway 29:04
Oh it's not, but it says it was training. The developers obligation has been satisfied and the property was transferred to the park district. is that for construction?

Beth O'Reilly 29:09
The land? Title the land Okay, you guys can start now happened in 23. We were committed in 2018. They had to build as they were staging here. Then they had to fix the public infrastructure, fill the vaults, do the sidewalks and all of that all of that wrapped up and then the planning,

Alderman Vasquez 29:22
I can speak to this. It was a lot a cluster once I showed up so what occurred was, technically the developer own the land, they had to finish certain work that the tip had to pay off. They had to check every single box to get that done to get the tip funding they were supposed to be reimbursed for. At that point the city had to acquire it from the developer and then the park district had to acquire from the city that all took our whole first term to get from the beginning of that until where we're at now. So right now if you look at it, it looks like a rock quarry with what could be a racing track somewhere in it. It's a it's a mess. And so we're looking to get this complete

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Transcript 4

Chairman Pat Dowell 0:00
City Council meeting. Thank you, Beth.

Tim Jefferies 0:05
Yes, the substitute for the record Tim Jeffries, managing deputy commissioner in the Department of Planning and Development. The substitute ordinance just corrects an error that was one of the one of the references referred to Section 18.21 which does not exist in this RDA. It was meant to reflect section 18 point 14.

Chairman Pat Dowell 1:21

Thank you.

Tim Jefferies 1:25

Well, good morning, Chair to insert our members of the Finance Committee again to Jeffrey's Department of Planning and Development. I'm here today to request the amendment of a previously approved redevelopment agreement between the City and Chicago cooperative would restructure the financial terms of the agreement in order to reimburse the developer in advance of the pending expiration of the Wilson Yards TIF district. If approved, DPD would immediately move to execute the agreement in order to support the development of an approximately 18,000 square foot grocery store cooperative. Chicago market which is doing Chicago cooperative, which is doing business as the Chicago market is located at 1646 20 North Broadway, within the Uptown community area, the Wilson yards TIF districts in the 46th ward. The subject property highlighted in red is at the northwest corner of the intersection of Wilson Avenue and Broadway. And it's the former CTA Station House, which is immediately north of the existing Wilson Red Line station. The building was originally constructed in 1922 with the station house for the northwestern elevated railroad. In this photo you can see the original stairs that lead passengers up to the platform. It was continuously used in this capacity until 2017 when the CTA opened a new Wilson Station immediately across the street, and it has remained vacant since that time. The property was designated the city of Chicago landmark as a contributing building in the Uptown Square Historic District in 2016. The developer of this project is Chicago cooperative doing business as the Chicago market cooperative grocery store. This project involves the full interior build out of the space as an 18,000 square foot full service grocery store operating as a locally owned cooperative. Chicago market assumed possession of the building as a cold shell. So the scope of work includes the construction of all required building systems including HVAC electrical and plumbing, as well as their business specific improvements like refrigerators. In addition to the store the project will also include the development of a kitchen, classroom and studio that will be used for classes, demonstrations and other community uses. I'll note that the Chicago market has developed an extremely strong team around the project including one of the country's most prominent grocery consultants, store masters to design and build the stores, hiring management staff with extensive grocery Co Op experience and creating an extremely active board the total project costs for the construction is an estimated \$10.7 million. This represents an increase of approximately 2 million since it was previously approved by city council. I will note that the developer has not requested that the city provide any additional TIF funding to address that increase though. Up to \$5.8 million of that budget or 54% is proposed to come from TIF. The remaining funds include \$950,000 in equity, as well as \$3.9 million in lending financing.

It should be also noted that Chicago market is contributing an additional \$1 million to the project and operating costs that are not reflected in the RDA. However, since the approval of the original RDA in December of 2022, a critical issue has been identified that necessitates an amendment to the RDA that requires Council action. Specifically, the RDA is currently structured to reimburse the developer with city funds over two payments, the first at the issuance of the certificate of completion and the second a year later at the anniversary of the issuance of the certificate. Following council approval, the project experienced delays outside of developers control and while these issues are now resolved, they push back the estimated completion date to probably the first quarter of 2025. The Wilson yards TIF district, however, is scheduled to expire on December 31 of 2025, which would legally preclude the city from making the second payment. In order to address this PPD is requesting an amendment of the payment structure that would provide Chicago market with the the with all funding immediately following the issuance of completion. This would allow the city to disperse its funding prior to the expiration of the TIF district. This amendment will modify only that structure of how the city will make its payment and no other changes will be made to the allocation provided or the obligations of the developer. Under the RDA, including any required community benefits. If the amendment is approved, DPD anticipates the RDA will be executed as early as April and begin construction immediately thereafter. Once complete, this rendering shows what the interior of the space is expected to look like. I'll note that you can see the former staircase or stair stairway up to the platform and the design here and it's one of the it's one of the few features, historic features that is being incorporated into the overall design of the store. Overall DPD is supportive of this the Chicago market of cooperative and this request, the project will not only increase the resiliency of the Uptown neighborhoods grocery market but also provide numerous community benefits, increase community based wealth and stabilize the city of Chicago landmark. For all those reasons DPD believes the project warrants the approval of this amendment. Ethically thank the committee for your consideration of this request. And I'm joined by Matthew roughly from the Chicago market team. And I'm happy to answer any questions you might have.

Chairman Pat Dowell 6:43

Yes, I would like the representative from the Chicago property to speak. This is the first time I actually have heard of this operation went to your website. Check it out. We'd like to hear your perspective on what you're trying to do in Chicago.

Mathew Groupie 7:02

Thank you very much. For the record. Matthew groupie. I'm the President and Board Chair for Chicago market community cooperative. Thank you for the opportunity to talk about this. We were excited. You know oftentimes you see a lot of grocery stores open in food archives or food deserts or

food areas such as that. Uptown is not exactly that. Well, we did have a limited ability to get was good food, but we had the limited ability to get was food that stayed local. It was sourced locally. Right now we have over 90 mo use with farmers in Illinois that are going to be supplying to our store. We're also working with other stores both cooperatives and non cooperatives to help to be almost an anchor store. If you had a mall, you need an anchor store. The title helped to bring stuff like that in. We're really excited to be able to give farmers a reason to come to Chicago to bring their products into Chicago. We're working with a great group of farmers down in Pembroke. If you're not familiar with them, absolutely look them up. They're a group of farmers that need that help. And they haven't had the opportunity to be able to sell in the city at the levels that they should. They're fantastic farmers and we that we think that we can do a lot to help to elevate them to make sure that we're buying from them at reasonable rates, sustainable rates, something that allows them to have these firms stay in a multigenerational state. Separate from that we're looking to create 75 jobs in the Uptown community. As I think you all know, when you spend locally more of your dollar stays local. And so by being a community Co Op and if you're not familiar with cooperatives, we're owned by the community. We're not owned by a corporation. All of the board all of the members were all volunteer. And so all of us do not receive anything from these funds. It's just about making this happen in our community. So we're really excited to have that to have a democratic solution to a store where actually our purchasing values all of our sustainability commitments are actually brought to you by the ownership that we have currently we have about 2400 owners and those owners are all paying duty they've actually paid in the bought shares in the company and they have a voice and that they elect me they elect our whole board and they have a say in exactly what we do. So we think that between what Tim has mentioned with educational opportunities within the city within that area, in our space, community opportunities for them to use the rooms to be able to use that for further education. And then utilizing programs such as having snap available link match and things of that nature will be a great commitment to the community and to continue to bring good and affordable food into our community.

Mathew Groupie 9:40

Thank you. Do you have that capacity to look elsewhere in the city?

Mathew Groupie 9:45

We do not. So we did a extensive search. We were initially incorporated in 2013. And we did an extensive search in a lot of different areas. We looked in the areas we were always intended to be in the North Chicago area. But we looked at probably 12 to 13 different spaces when we found this one which both hid from the level of a size that we needed to be able to do to really be able to make the difference, but also to be able to work with CTA that had just read redone this project gave us this empty

shell and it really committed to making this not just another store that was going to be

Chairman Pat Dowell 10:20
Ok

Mathew Groupie 10:20
held by any I'm sorry.

Chairman Pat Dowell 10:21
So the answer is no.

Mathew Groupie 10:22
The answer is no. Yes. Thank you.

Chairman Pat Dowell 10:24
Ok Vice Chair Conway you.

Mathew Groupie 10:28
Thank you.

Chairman Pat Dowell 10:29
Thank you. We do have a letter of support from aldermen clay, this is in her ward. Seeing no other questions. Alderman Manaa-Hoppenworth.

Alderman Manaa-Hoppenworth 10:42
Thank you Chair. I just wanted to also express my support for this project and I wanted to thank Matthew for being a great partner in the community and for showing up for many people, many events. And I'm I'm just thrilled to see that actually coming together and happening and I'm happy for you. Thank you.

Chairman Pat Dowell 11:04
Thank you very much all the men Cardona recommends to pass all those in favor signify by saying aye. Opposed in the opinion of the Chair, the eyes have it and the motion carries and we will make this recommendation we'll report this recommendation out at the next city council meeting. Item number eight is an ordinance concerning an amendment to the redevelopment agreement with Portage Park capital LLC for the provision of tax increment financing TIF funds for the construction of the project and related improvements at 3657. North Central in the 30th. Ward. Tim,

Tim Jefferies 11:47
thank you sure Well, for the record to Jeffrey's managing deputy commissioner in the Department of Planning and Development. I'll just note that the fact pattern and the reason for this amendment is substantially similar to the last item but this was the sixth sixth to the amendment of

a previously approved RDA between the city and Portage Park capital LLC. It would restructure the financial terms of that agreement in order to reimburse the developer before the pending expiration of the Belmont central TIF district on December 31 2024. The project is located at 3657 North Central Avenue and is within the Portage Park community area, the Belmont central TIF district and the 38th Ward represented by other roof crews. The subject property highlighted in red is located at the south east corner of Central Avenue and Waveland Avenue the site was most recently occupied by Dominic's grocery store, which closed in 2004 was subsequently demolished and remained vacant since that time. The project involves the redevelopment of the parcel into an approximately 122,000 square foot mixed use development containing 12,000 square feet of ground floor retail with the Self Storage Facility on the upper floors. As stated this project was originally approved by city council in May of 2020. So construction of the project is was substantially completed in mid 2023. The total project costs for the construction was an estimated \$12.5 million, including up to 3.3 million in TIF or 26.5% of the project budget. The remaining funds included 2.2 million in equity and \$7 million in lender financing. Since the original approval of the RDA, as they said in addition, this critical issue has been identified and necessitates an amendment to the RDA that requires council approval. Specifically, the RDA is currently structured to reimburse the developer with two payments, the first at the issuance of the certificate of completion and the second a year later at the anniversary of the issuance. Following city council approval. However, the project experienced delays related to COVID especially supply supply chain disruptions and labor shortages. These issues have been resolved and the developer is now working actively working to secure the certificate of completion. But the Belmont central TIF district is currently scheduled to expire on December 31 of 2024, which would legally preclude the city from dispersing second payment. In order to address this DPD is requesting an amendment of the payment structure that would provide Portage Park capital with all funding following the issuance of the certificate of completion which would allow the city to disperse funding prior to the expiration of the TIF. I'll note that this amendment modifies only the structure of how the city will make payments and no other changes are being made including to the allocation provided the obligations under the RDA, including construction compliance or minimum minimum occupancy requirements shown here is the property as it stands today as an operational business. Overall, DPD is supportive of this amendment given the fact that the building is already substantially complete, and is still required to meet the terms necessary for the city to issue the certificate of completion. I'd like to thank the committee for your consideration of this request. And I'm also joined by Bernard Edelman, Park capital. And I'm happy to answer any questions you might have at this time.

Chairman Pat Dowell 15:06

Okay, to reflect accurately Alderman Cruz's position on this, this is a legacy project that she inherited. And she has no opposition to this project. Any questions from members of the committee? Move do pass motion made by Alderman Waguespack. All those in favor signify by saying aye. All those opposed, in the opinion of the Chair, the eyes have it and the motion carries that do pass recommendation. We'll report it out at the next city council meeting. Thank you, Tim. Item number nine is an adult is a proposed order authorizing the payment of various small claims against the city of Chicago. It was a direct introduction sent to you electronically. If there are no objections The committee will recommend passage in the omnibus. Item number 10 is the proposed ordinance denying the payment of berries small claims against the city of Chicago also a direct introduction and the list of payments was sent electronically to everyone. If there are no objections The committee will recommend passage in the omnibus. Item number 11 is a proposed order authorizing charitable solicitation on the public way tag day permits or miserable accordia. It's a city wide permit for April 24 2024 April 26 2024 and April 27 2024. Also a direct introduction. If there are no objections The committee will recommend passage in the omnibus. Item number 12 is the communication transmitting reports of cases in which verdicts judgments and settlements were entered into for the month of February 2024. These reports will also sent electronically to everyone from the Department of Law and if there are no objections These reports will be placed on file with the City Clerk's Office. Item number 13 is our three proposed orders authorizing the corporation council to enter into and execute settlement agreements or settlement orders in the following cases. The first case number 13 A is the estate of Rashad McIntosh deceased by Cynthia Lane, the administrator versus City of Chicago at all. Case number 15 c v 1920. And it will be reported by Carolyn Fransik from the law department. The amount for this settlement is 2.2 5 million. Caroline,

Caroline Fransik 17:54

Good afternoon for the record my name is Caroline Fran Zach from the I'm one of the deputies in the federal civil rights litigation division. I'm here to present this the settlement for the state of Rashad Macintosh to seized by Cynthia Lane administrator versus City of Chicago to case that is presently pending in the United States District Court for the Northern District of Illinois. This case arises from a fader fatal officer involved shooting that occurred on August 24 2014. And her complaint, Cynthia Lane alleges that the shooting of her son Rashad McIntosh was unjustified. Plaintiffs claims are account of excessive force against officers schlechter accounts of Manal against the city of Chicago for failure to train on foot pursuits and a code of silence and several Illinois State claims including wrongful death, Illinois survival act. Funeral expenses respond yet superior and indemnification and battery. ID law department recommends a settlement in the amount of \$2,250,000 inclusive of attorneys fees based on upon the recommendation of Magistrate Judge Sheila Finnegan.

On August 24 2014 Chicago Police Department gang enforcement officers received a tip from a confidential informant that two men were standing in front of 2842 West Polk Street armed with handguns, next to the building at this address was a vacant lot that was known to officers as a gang hangout and drug spot upon arrivals officers noticed about 10 to 12 men standing in front of the lot, and as the officers approached Rashad McIntosh, who was a 19 year old African American man whose clothing match the description of one of the armed individuals immediately fled through a gateway to the backyard of the residence while holding a silver handgun in a manner indicating he was carrying a gun. Officers then ran after Macintosh using the vacant lot to take a route parallel to his direction of flight. Officer schlechter was followed closely by Officer Bowery made it to the backyard of the building first. Both officers testified that they observed Mackintosh exit the gangway and enter the yard holding a silver gun in his right hand. Officer schlechter yelled please stop Drop the gun. And officer Bowery also gave orders for him to drop the gun. Civilian and police witnesses in the area do confirm that the officers gave these commands however, Macintosh ran out to the porch in their backyard and tried to hide behind a staircase that led to the second floor of the residence. According to Officer schlechter. He then raised the gun and pointed it at officers selector in fear of his life officer schlechter fired three times. Macintosh was hit once in the shoulder and once in the chest. Macintosh was handcuffed in the ambulance was called a silver nine millimeter handgun, which was loaded with five rounds of ammunition was recovered from the porch line near Macintosh. Plaintiffs theory of this case is that Rashard Macintosh was on the 2800 block was pulled with friends when a group of police officers including the defendant approached and multiple vehicles. According to the plaintiff without provocation and for no reason the officers jumped out of their cars immediately drew their weapons and pointed them at the group. McIntosh ran from the officers because he was scared. He was cornered on the backboard, and after the officers ordered him to do so he walked out with his hands up palms open and facing forward. Plaintiff will argue that even though Macintosh was clearly surrendering to the officers, officers slept or shot him multiple times. Plaintiff will use the lack of fingerprints and DNA and the weapon allegedly possessed by Macintosh that that will prove according to plaintiff that it was not his gun and that someone planted it on the scene after the shooting. Plaintiff also makes a mono claim against the city of Chicago, which is which squalls, which use me which falls squarely within a timeframe of the DOJ and P ATF investigations against the Chicago Police Department. plantillas will rely heavily on the conclusions in both reports to establish the city has failed to adequately train its officers on foot pursuits and maintain a code of silence. A video from the front of the location prompted Copa to open an investigation against what are the officers that responded to the scene officer Sam PIM are giving a false statement to EPA and in discovery in a civil case because these statements were inconsistent with the video. Officer Sam did not have the video at

the time he gave us a per statement and he has since admitted that the sequence of events as described in that statement was inaccurate. But another nevertheless maintain that he saw Macintosh with a weapon. Officer Stampin was standing in front of the building and claimed that he observed Rashad Macintosh pointing a gun at officers selector but we now know from the video that officers officer Samson was never in a position to observe those things. COPPA sustained the charges against stamp him and recommended in October 2019 that he'd be terminated for giving false statements in the shooting incident and his original statement to COPPA and unwritten discovery in this case in his deposition, the Chicago Police Department agreed the matter was sent to the Police Board and officers stamp and resigned prior to the hearing on those charges. There are also three alleged eyewitnesses to the shooting. All three men said they said that they were playing cars at a table and that they did not observe Macintosh with a gun and that he was shot while surrendering. A fourth witness who had originally told detectives and an assistant state's attorney on the night of the shooting that he saw Macintosh with a gun has since recanted. Therefore, the city recommends in this case the arrest settlement and the amount of \$2,250,000.

Chairman Pat Dowell 23:26
Vice Chair Conway

Vice Chair Conway 23:28
just was was asked for samp and one of the shooters are no no. And was a gun recovered at the scene. Yeah. Based on the the testimony the two officers in the gun recover I'd be asked to be recorded to know on this. Thank you.

Chairman Pat Dowell 23:45
What did you say? I didn't hear you.

Vice Chair Conway 23:47
Yeah, I said based on the the two officers who were the shooters and their testimony of the imminent danger that they were in, as well as the recovery of the gun from the plaintiff. offender. I would ask the record as a no on this. Okay,

Caroline Fransik 24:02
to clarify. There was only one officer that was a shooter.

Caroline Fransik 24:07
But he was chased by two officers.

Caroline Fransik 24:09

Correct. Sorry.

Vice Chair Conway 24:10
That's all I got

Chairman Pat Dowell 24:10
Alderman Sposato

Alderman Sposata 24:13
Thank you Madam Chair. Good afternoon to you and good afternoon to my
Alder stalker repeat out there. Question, Caroline. This was a game hang
out where this incident happened at the hear you say earlier? According

Caroline Fransik 24:28
to the police officers testimony, yes.

Alderman Sposata 24:32
And I didn't ask him in the briefing, but it was just it was just an area
that yet we got frequent calls about 911 calls. You know,

Caroline Fransik 24:38
I have no idea.

Alderman Sposata 24:39
Okay. All right. And the three witnesses that witnessed the shooting. I
know you said there I believe they were playing cards with your friends or
his were strangers where they found a street. Can you give me some
clarification on that and the three witnesses that saw the shooting

Caroline Fransik 24:53
I based on my information they I don't believe that they were friends with
him however they did know of the decedent.

Alderman Sposata 25:00
All right. Oh, I know Ashley. And the officer got no time for this right?
No, they didn't actually suspend them or anything.

Caroline Fransik 25:11
correct

Alderman Sposata 25:11
Thank you. Thank you, Madam Chair.

Chairman Pat Dowell 25:14
Thank you Alderman Alderman Waguespack

Alderman Waguespack 25:17

who were the plaintiffs attorneys on this

Caroline Fransik 25:20

is Andrew strove, I believe Tony Romo Nucci Romanucci and Blandon and art eldritch. There's three different plaintiffs firms on this case.

Alderman Waguespack 25:25

And what why were there three different firms. Three different attorneys or three different firms, three different firms, three

Caroline Fransik 25:37

different plaintiffs firms. I don't know why they decided to.

Alderman Waguespack 25:40

But they all well, I can't ask you really they're splitting up the settlement I'm assuming

Alderman Waguespack 25:48

I don't know what they're doing with the sudden.

Alderman Reilly 25:52

Chairwoman. Can we have a roll call vote on this one.

Chairman Pat Dowell 25:56

You asked for a roll call. We'll take a roll call. Wanted to ask that. Just want to be clear The settlement was suggested by a judge or the magistrate.

Caroline Fransik 26:08

Yes, we attended settled several settlement conferences on his case. Ultimately, Judge magistrate Finnegan made a recommendation on this case, which both parties accepted.

Chairman Pat Dowell 26:20

Thank you You're calling the roll. Alderman calm when all the moonless bottom Alderman Hopkins, Alderman Hall. Alderman Mitchell Alderman hares. Alderman Beale, Alderman Lee, all Alderman Ramirez Alderman Quinn. Alderman Lopez, Alderman more Alderman. Curtis. Alderman O'Shea Alderman Taylor. Alderman Mosley mostly all the men Rodriguez all the men Scott Augmon. Seto Lopez, Vice Mayor Burnett Alderman Ervin. Is this the settlement? Yes, this is Macintosh after Josh. Oh yes. All the mentality Farrell Alderman Cardona Alderman Waguespack Yes, aldermen Rodriguez Sanchez. I want to count you towards quorum. Did I count you to what's alderman Ramirez Rosa alderman Vegas Alderman mitts. Arguments bizarro. Alderman Vasquez. Alderman Reilly Alderman Knutson. Alderman Martin. Alderman Silverstein? Yes. Chairman dals. A Yes. The item passes committee by a vote of 21 or five against. We will report this out at the next city

council meeting. Thank you very much, Carolyn. The next. Settlements 13 B is Rodriguez vs. Rivera. At all case number 18 c v 7951. In the amount of 5.5 million. We will have this settlement report from deputy Corporation Counsel Jessica Belka.

Jessica Felker 29:00

Good afternoon, as the Chair said, I'm Jessica Felker and Deputy Corporation Counsel for Scrl. And I'm here to present Ricardo Rodriguez versus Corbera. At all, the law department is recommending a settlement of 5.5 million in this reverse convictions lawsuit. This lawsuit was filed on December 3 2018 Plaintiff Pardo Rodriguez claims that he was wrongfully convicted the 1990 1995 murder of Rodney kampioenen as a result of former Chicago police or he claims that he was wrongfully convicted as the result of former Chicago police officers fabricating evidence withholding exculpatory evidence and charging Rodriguez maliciously and without probable cause. There's also a modal claim pending against the city. The murder of Mr. Camping in occurred at approximately 1:30am On December 6 1995. He was in front of an apartment building in Humboldt Park near Humboldt Park, talking with his friend when he was killed, but in a drive

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Transcript 5

Jessica Felker 0:00

Rodriguez became a suspect because an anonymous caller spoke to defendant Rinaldo Rivera, and asked if Rodriguez who was then in custody was being charged with a fatal shooting of Easter camping. And then Mr. Ben orbera claims a confidential informant told him that Rodriguez was bragging about the committing the murder. Mr. Command campins friend who was an eyewitness to the shooting, was shown a photo array where he thought Rodriguez looked like the shooter, but then later positively identified Rodriguez in a live lineup. Another witness who was almost shot during the drive by was reported as a tentative as tentatively identifying Rodriguez in a photo array, and then also positively identifying Rodriguez in a live lineup. Right where you guys was subsequently charged at the 9097 bench trial both of those witness testified as well as Kibera and Rodriguez was found guilty. And the years after the trial, Rodriguez challenged his conviction slowly obtaining affidavits he used to support his case, a witness who had himself been shot at sign two affidavits recounting his identification and, and then alleging in the second affidavit that Corbera told him who to identify that witnesses now deceased and he was not deposed in this matter. Rodriguez his mother and sister also signed affidavits that Rodriguez was home with them at the time of the murder. They said that Rodriguez was on the couch at about 1030 or 11. And still

there when they woke up. The sister claims that she would have heard a door opening and he left during the night. A new witness also came forward and claimed he saw the shooter who he said was a black man and not Rodriguez. He also said that a black police officer came to him and told him to leave the scene. Mr. Cabinets friend, however, still stands by his identification as robbery of Rodriguez the shooter. In 2018, the state's attorney agreed to vacate Rodriguez conviction and he was released after 22 years in custody. Rodriguez petition for a certificate of innocence but it was opposed by the state's attorney and the court denied it. In this lawsuit, Rodriguez claims that he is innocent that he has an alibi that no physical evidence ties into the crime and the Corbera who asserted his fifth amendment privilege not to testify in this lawsuit and has been accused of framing dozens fabricated the anonymous tip and the confidential informant and coerce the witnesses to identify Rodriguez. Rodriguez believes he was framed because of what bears personal animus towards him. The defense in this case is made difficult because Guevara is not testifying and he is asserting the Fifth Amendment. Unfortunately, his partner in this investigation Ernest Halverson, who would have had knowledge of these events is deceased, and so he cannot rebut any of the allegations. Also others who would have had their comp, others who have had their convictions overturned and claimed to have been framed by povera will likely be permitted to testify against Provera. In this case, a \$5.5 million settlement is fiscally prudent, the settlement would be much less than a 22 to \$44 million in damages, Rodriguez will likely seek a trial. If he wins, then he will also be entitled to attorneys fees. We estimate that through trial plaintiffs attorneys fees would likely be three 4 million. The judge like the previous case, the judge in this case, after a settlement conference recommended the party settle at 5.5 million, and that settlement was accepted by both parties. The city will also avoid further outside, outside counsel fees if this settles now. So summary judgment and expert briefing will move forward. If this doesn't settle and then trial that could result in an additional \$1.5 million in outside counsel fees. A lot of permanent air for recommend settlement in this case. open question.

Chairman Pat Dowell 4:08

Thank you, Miss Felker. I want to first acknowledge all the Minuchin who is not a member of that committee, but is here as well. Any questions on this one? Alderman Vasquez?

Alderman Vasquez 4:19

Yes, thank you very much. Um, this is a pretty challenging one for me to hear at settlements. I just had a couple questions. Where is Officer Guevara now?

Jessica Felker 4:32

He's retired and living in Texas. Is

Alderman Vasquez 4:34

he is he collecting any pensions from the city with

Jessica Felker 4:39

the Pension Board would be able to tell you definitively but it's been reported that he is Yes.

Alderman Vasquez 4:46

Next question. I have is how much has the city paid out thus far for anything related to Dor?

Jessica Felker 4:52

We've settled two other cases and we've gone to trial and two other cases. The the total for those cases is approximately \$55 million in what we paid, or in what was awarded, or what we settled for. I will tell you that about \$4 million was covered by our insurance policy is to be accurate. Okay,

Alderman Vasquez 5:15

thank you for that. I think what's really challenging for me is in understanding and seeing in the news like what currently is happening, Mr. Rodriguez in the cases for home invasion and kidnapping, and then thinking about the amount of money we're paying now because of one officer who shouldn't have never been on the force when we bring up police accountability cases and the costs of what is incurred by officers who shouldn't be on the force. This is an exact example of what we talk about, and why I love to hear for the apple pie or other officers to say this is not somebody should have ever been on the force because we're paying not only in the cost that we have paid in settlements, we see about 100 million per year. If not more, it's also the cost of public safety. Because there's individuals who should be held accountable that could be well on the streets, and currently have cases going on due to the lack of folks having the integrity when they have a badge on to do the work. So I will be in support of the settlement. But I want to make sure that people are clear about why we're here in the first place. Because when we talk about police accountability, it's not being anti police or anything. It's about examples like officer Guevara, who's currently right now retired in Texas collecting money. Thank you very much.

Chairman Pat Dowell 6:32

Thank you. Alderman Vasquez, Alderman Lee.

Alderman Lee 6:38

Thank you, Madam Chair. Just to follow along Alderman Vasquez is questioning. Are there any? Are there any other pending cases for Guevara? Yes,

Unknown 6:48

there's 33 other pending cases against Ronaldo Guevara.

Alderman Lee 6:51

All I need to know thank you

Chairman Pat Dowell 6:57

and others with more to come. Any other questions on this one? Alderman Taylor.

Alderman Taylor 7:08

What relationship do y'all have with the pitch and will How does that even work? Because I'm confused on how somebody still get a pension. And you said 33 cases?

Jessica Felker 7:16

Correct. The law department is not the Pension Board. It's a completely separate entity. They they follow the law is they're obligated to so I can't answer your question.

Alderman Taylor 7:31

I didn't expect you to out. My question was who talks to the lot who talks to the Pension Board? Because I'm confused on how he is 30 You said 30 333 lawsuits that we're either cases pending or we pay for correct I'm confused are people still get their pensions? I'm so confused.

Jessica Felker 7:51

I understand. They're following the law and what they're required to do. I believe the this I again I'm not an expert, but I believe the only reason that they can take away a pension at this time. By Illinois law is if somebody is convicted of a felony arising out of their scope of employment or welfare arising out of their duties or has never been convicted of a felony. Again, I am not an expert on that. So the Pension Board might have more to say but that's my understanding.

Alderman Taylor 8:22

Thank you. Thank you, Madam Chair.

Unknown 8:24

Thank you. Seeing no other questions, I have can I get a motion to move to pass on this item? So moved by Alderman Vasquez recommending to pass all those in favor signify by saying aye. Aye. All those opposed, suppose in the opinion of the Chair, the eyes habit to do pass recommendation will be reported out at the next city council meeting. Thank you very much, guys. Our last settlement agreement is 13. See, Nathan Jones, a minor by his guardian and Mother Erica boy versus City of Chicago at all. Case number

2022 1 001735. In the amount of \$45 million. We are joined by Deputy Corporation Counsel Margaret Mendenhall-Casey to give us a quick glimpse of this case in Casey,

Margaret Mendenhall-Casey 9:31

thank you Chair and good afternoon. Committee on Finance. On April 10 of 2021 Chicago police officer Frezz a turn to a traffic stop on a Volkswagen for disregarding a stop sign. The Volkswagen disobeyed officer Prez's signals to stop officer Perez pursue the Volkswagen at a top speed of 67 miles per hour before turning off his emergency equipment and slowing down his car. Seconds later, the Volkswagen continued into the intersection of grand and Damon disregarded a red light and crash into a Toyota as a result of the crash. Nathan Jones a 15 year old passenger in the Volkswagen was rendered permanently and totally disabled, claiming 24/7 air for the remainder of his life. The plaintiff alleges the city through officer Perez was willful and wanton in its pursuit. That apart Department of Law recommends settlements in the amount of \$45 million with \$25 million paid by the city's excess insurance carriers and \$20 million paid by the city of Chicago. Officer Perez was on patrol around 8pm When he saw a Volkswagen driven by a Coolio rags and occupied by the plaintiff, Nathan Jones The Volkswagen disregarded stop signs that here on in Erie while on Wood Street off a surprise activated his lights and sirens to perform a traffic stop. The Volkswagen continued on wood and also Fred's accelerated to catch up in the process for as failed to stop for stop signs at Erie and Ohio while on wood. The Volkswagen in turn onto grand from wood the Volkswagen proceeded to accelerate and Officer press follow accelerating up to a top speed of 67 miles per hour. seconds after the officer extinguishes extinguish his emergency lights and began to slow down. The Volkswagen drove through a red light at grand and Damon in crash into a Toyota with a right of way. About one minute pass between officer Perez initially saying the Volkswagen commit the traffic infraction and the accident. body worn camera and pod footage capture portions of the pursuit there is no in car camera footage of the pursuit. Officer Perez arrested the driver Khalil rags and recovered a handgun from the center counsel. In total five occupants were in the Volkswagen while some passengers initially filed litigation. Those lawsuits have all been dismissed except for Nathan Jones is Coolio rags. The fleeing offender pled guilty to reckless driving and gun charges and has completed his three year sentence. Rags is a named party in this lawsuit the court ruled that a jury cannot hear evidence about the recovered gun. often surprises Sergeant lieutenant and Commander all found the pursuit violated the general orders. Nathan suffered a traumatic brain injury as a result of this accident. Following a six week hospitalization. He went to surely Ryan ability lab for four months. Nathan was discharged from Sharlee Ryan in October of 2021 and went to a nursing home for five months. In March of 2022. He left the nursing home and went to live with his family. Nathan is nonverbal, cannot dress or bathe independently and requires assistance for

all activities. He wears diapers in his bed through a feeding to Nathan's family is his primary caregiver. Thus far, approximately \$2 million has been expended on Nathan's medical care. Nathan's physicians from stroke Charlie Ryan and stranger believe his condition will not improve and that he has a normal life expectancy. Nathan's expert Dr. Shepherd apply his permanent physical and cognitive injuries require 24/7 nursing care for the remainder of his life. Dr. Shepherd believes Nathan has a normal life expectancy Bakhtiyar Kony Nathan's expert Life Care planner believes Nathan requires 24/7 nursing care for the remainder of his life. Battery arconi believes Nathan will have a normal life expectancy living until about 2074. The largest expense in the Life Care Plan is nursing care at approximately \$600,000 a year. Plaintiffs experts opined that Nathan's future medical care will cost approximately \$42 million thus, Nathan's alleged total medical care including both past and future care is valued at \$44 million. Given the injuries and potential medical damages, the Department of Law notified the city's six excess insurance carriers the excess insurance carriers have their own legal departments all evaluated this case thoroughly. The six excess carriers and their retrained attorney reviewed the evidence and agreed with the city's decision to settle for \$45 million by paying more than half of the settlement at \$25 million. There is a significant likelihood that the city will be found guilty and assess a portion of the fault concerning this accident. The jury will likely apportion fault between the city and Khalil RAVs. However, a party found responsible for any percentage of fault under Illinois law is responsible for all of a plaintiff's claim medical expenses. Therefore, if the city is found even 1% responsible under Illinois law, the city must pay all of Nathan's medical expenses Nathan's past and future medical expenses are valued at \$44 million. If the city is found even one person responsible, it will likely be required to pay at least \$44 million in addition to medical damages. Plaintiff is also seeking damages for past and future pain and suffering and past and future loss of normal life. damages which the plaintiffs allege are valued at over \$100 million went to alleges this case is valued again. At over \$100 million, and after negotiation with a judge, the city settled for \$45 million roughly Nathan's alleged medical expenses, the city is self insured up to \$20 million. Therefore \$25 million will be paid by the city's excess insurance carriers and \$20 million will be paid by the city.

Chairman Pat Dowell 17:02

Any questions from members of the committee? Alderman Waguespack.

Alderman Waguespack 17:06

Thank you, Chairwoman. First question is I didn't see too many facts about what happened to the driver of the Toyota.

Margaret Mendenhall-Casey 17:15

In terms of the driver of the Toyota they did not file they did not file litigation in this matter. They there were two individuals inside of the vehicle. One individual allege what we call soft tissue injuries. A sore neck a sore back another individual inside of the Toyota do claim more substantial injuries. However, the occupants of the Toyota did not file litigation against the city of Chicago.

Alderman Waguespack 17:49

Did they file against rags driver of the other vehicle

Margaret Mendenhall-Casey 17:51

to my knowledge, no

Alderman Waguespack 17:57

so that's very interesting that they basically, there must have been was there damage to their vehicle?

Margaret Mendenhall-Casey 18:01

There was damage to their vehicle and both of the occupants had varying degrees of injuries. The record reflects that. However, I do not know what would have influenced their decision here. I do know that they did not file litigation. The only litigation pending against the city of Chicago from this incident is pertaining to Nathan Jones at this point.

Alderman Waguespack 18:16

And their insurance get involved at all or nothing.

Unknown 18:34

In turn, the insurance for the Volkswagen

Alderman Waguespack 18:37

Toyota drivers or both actually the Toyota and the Volkswagen,

Margaret Mendenhall-Casey 18:42

as to the Volkswagen there, to my knowledge and evidence in the record is that there was no insurance for that as well as wagon if there was insurance, those policies are normally capped at about \$50,000, which is you know, as you know, all the name would be nominal in this case. In terms of the the occupants of the Toyota, I'm not certain as they did not file litigation and there are no allegations that the Toyota was responsible for the accident. The evidence in the record reflects that the Toyota had the right of way at the time of the accident.

Alderman Waguespack 19:20

How far did the pursuit vehicle go the Volkswagen after officer Perez turned off his lights and stopped the pursuit?

Margaret Mendenhall-Casey 19:29

The evidence in the record is that approximately a block pass or let me rephrase that the evidence in the record is that there was approximately a block between officer Perez extinguishing his emergency signals and beginning to slow down and the accident occurring

Alderman Waguespack 19:52

and that block is I mean, when you looked at that block, could they have seen the police officer extinguishes lights? Or is there any was there any video evidence from that intersection?

Margaret Mendenhall-Casey 20:02

So I think the question that you're getting at aldermen here is the inquiry around proximate cause if the officers extinguished their lights and began to slow down, how can the plaintiff prove or how would the plaintiff attempt to prove that the city was a proximate cause of this accident? I'll talk a little bit about the proximate cause jury instructions in Illinois so the proximate cause jury instructions reflect that if a party is a if the party is a cause of the accident, if the party contributed to the accident, then the product can be found to be a proximate cause. So in Illinois, a party can be found to be a proximate cause even if they weren't the greatest cause, even if they weren't the most recent cause, or even if they weren't the largest cause in Illinois, and we've seen this play out in a number of our lawsuits in our litigation, if a party is even found to be really one link in that chain of causation, then a jury can find that a party is a proximate cause. And in this case, as I've previously mentioned, if the city is found even 1% responsible under Illinois law the city would be responsible for all of the plaintiffs medical bills and that's not even talking about claims that will be made for loss of normal life, past and future pain and suffering past and future. So that is why we are making the recommendation of the settlement in this matter.

Alderman Waguespack 20:56

When you do the determination of that contribute contributing factors. Can you argue that it is an insignificant portion or proportion of what contributed to the accident at that point?

Unknown 22:08

Sure. So if if we were to try this case if we were to proceed to trial, we certainly would argue that the sole cause of this accident is Khalil rads in his bad driving. But we're making this recommendation because that that argument as I've said earlier, is not likely to succeed. I even I have the proximate cause your instructions here and I can read that to you, verbatim aldermen,

Alderman Waguespack 22:23

and just before you do that, so there's a difference between going to trial and arguing that versus you settling that I'm sorry, I don't quite understand that. You mentioned that if he went to trial, you would argue that but you're not going to trial. So you're not taking on that position. A proportion of of what the Mr. Rags would be held accountable for

Margaret Mendenhall-Casey 22:44

I think I understand the question is certainly think that Mr. That Leal rags that there is a portion of responsibility in their accident on Kalil rags. I also know under Illinois law when we're talking about medical expenses if the city is found even 1% responsible, we are responsible for all of the medical injuries \$44 million. So while there could be argument and perhaps even a successful argument that rags is also responsible, I do not think that a as we call sole proximate cause argument are saying that rats is 100% responsible, that there is a significant chance of success on that such that it merits taking a case to trial that could place the city at exposure 100 million or over dollars.

Alderman Waguespack 24:03

Could you go ahead and read that?

Margaret Mendenhall-Casey 24:05

Sure, of course. So proximate cause and this is from the Illinois pattern jury instructions, which really set out the instructions that parties are generally allowed to give to juries when they're considering particular issues of law, are proximate cause the instruction says, When I use the expression proximate cause, I mean a cause that in the natural ordinary course of events produced the plaintiff's injury. It need not be the only cause nor the last or nearest cause. It is sufficient if it combines with another cause, resulting in the injury. If you decide that the that a defendant was negligent, or in this case will form one is a standard, and their willful and wanton conduct was a proximate cause of the injury to the plaintiff. It is not a defense, that something or someone else may have been a cause of the injury. However, if you decide that the defendants conduct was not a proximate cause of the plaintiffs injury, then your verdict should be for the defendant. So as we can see here, it lays out that proximate cause doesn't mean doesn't mean or there can be more than one proximate cause. And something can be a proximate cause if it's not the last cause, if it's not the greatest cause if it combines with another cause to lead to the injury, and that is why in this case, the Department of Law is recommending settlement for plaintiff's medical bills because if we go to trial, we're at exposure of medical bills, pain and suffering past and future loss of normal life, past and future which the plaintiff has valued at over \$100 million.

Chairman Pat Dowell 25:52

Here's me, I'm sorry, you cannot address the committee. This is a committee meeting the public is not part of this deliberation. Alderman Waguespack.

Alderman Waguespack 26:08

Think I think that answers my questions. Chairwoman.

Chairman Pat Dowell 26:12

Thank you.

Alderman Waguespack 26:12

I had I think this ties into vehicle pursuits in general and this was the direction that we you know, as we hear more of this you know, that if the policy then is tied into this proximate connection to any vehicle pursuit, we are essentially saying we cannot pursue any vehicle in the future. I mean, is that kind of the direction that we're going then? Because any officer whoever turns on his lights now or start to proceed, turns them off? Something else happens within that engagement, even even not proximate? In this case, we were they were already a block away before anything happened. And I understand you know, the argument there. But is this leading into the stronger no Chase policy?

John Hendricks 27:07

I don't think it's the beginning of

Chairman Pat Dowell 27:09

Mr. Hendricks, could you please identify yourself? And that's my last question.

John Hendricks 27:12

I'm sorry. I'm John. Hendricks. I'm the Managing deputy for litigation overall. First, a, I would suggest if you got some other questions, we'd be happy to take those off of public needs.

Unknown 27:29

Yeah, so I was gonna say you don't have to answer if it's related to that strategy issue,

John Hendricks 27:35

but what I did want to want to comment on your question, because I think it's an important one is that the jury instruction is not new. And the findings of liability are not new. What's really new in this case, is the significant injury. So I don't think that this case sets a new standard in terms of liability or potential liability. But I do think it's concerning that the state law is written in such a way that the city would be on the hook for this

Alderman Waguespack 28:12

okay. Thank you. Thank you, Chairman. Appreciate and Miss Mendenhall. Thank you for going through that.

Chairman Pat Dowell 28:18

Alderman Martin as your as a point of clarification, because there are other aldermen ahead of you.

Alderman Martin 28:22

That's correct.

Chairman Pat Dowell 28:23

All right. point of clarity.

Alderman Martin 28:23

I wondered if you know approximately when the state codified that language around proximate cause and if you don't know if you can share that with the chair.

Unknown 28:34

Just give me one second to think I do have the answer to that. My recollection is that the change regarding proximate cause in particular, occurred support. I will submit that to the chair. I'm not going to make a guess here. Thank you all. Thank you.

Chairman Pat Dowell 28:53

Thank you, Miss Casey, Alderman Sigcho Lopez.

Alderman Sicho Lopez 28:58

Thank you, Chairwoman. My question is and if he is was asked during the briefings. The officer involved in his case his disease officer on active duty was always in this duty and I know that was asked to CPD directly but when a civil was the answer to questions

Margaret Mendenhall-Casey 29:21

Sure, Ottoman officer for us is not on desk duty. I mean, you're still on active duty.

Alderman Sicho Lopez 29:29

I think just in terms of I think some of the questions in terms of protocols that you believe that, you know, with the Chicago Police Department are responding yet, until these cases properly settled. Don't want to speculate but I do think is important to get in general, just in terms of procedures, that CPD follows you know, so I don't know there's, you know, the this is protocol. Again, I'm not assuming any kind of wrongdoing. All I'm saying is that the the the answer from CPD, I'm not sure they got an answer why it was a case of there's a protocol on this

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Transcript 6

Alderman Taylor 0:02

Thank you, Madam Chair.

Chairman Pat Dowell 0:05

Thank you Alderman Taylor, Alderman LaSpata.

Alderman LaSpata 0:07

Thank you, Chair. There's not much I can say better than Alderwoman Taylor's have said if only I would add. The streets we're talking about are formerly in the first board. And I think of the countless people that I care about, including myself, who just as easily could have been the person injured in this crash. And I will only say it goes without saying but it ought to be said that our profoundest sympathies go to Ms. Boyd. I can only start to imagine the grief that she's burying every day, trying to care for her son and thinking about the future that she wanted for him. So this reaches her in any sense that I just want to share my profound sympathies and sadness for what happened to her. So that's all.

Chairman Pat Dowell 1:02

Thank you. Thank you. Alderman was Sparta. Alderman Ervin?

Alderman Ervin 1:10

Thank you. Thank you, Madam Chair. be perfectly honest with you. I think that the ultimate Taylor kind of summed up a lot of things that were stated on one point was that the settlement I mean, though, fortunate the city's on for \$20 million anything above the 20 million has been paid via harvesters. Are they on board with this particular settlement that's being proposed?

Chairman Pat Dowell 1:42

He's asking whether or not the additional insurers are on board with this decision that we're voting on today. The settlement agreement.

Margaret Mendenhall-Casey 1:52

Thank you for that clear clarification chair and yes, Alderman Ervin. The city's excess insurance carriers are on board with this settlement. And additionally, if I can pivot back briefly to the question from our point of clarification from Alderman Martin, in terms of the proximate cause jury instructions, the information I have is that they were modified in August of 2021.

Chairman Pat Dowell 2:26

Alderman Ervin, Did you have any other questions?

Alderman Ervin 2:26

That is all. Yeah, this is this is just a very tragic case. You know, and unfortunately is part of the part of the job that we don't like but it's something that we have to do to take care of his family. So thank you madam chair

Chairman Pat Dowell 2:45

Thank you Alderman. Alderman Vasquez.

Alderman Vasquez 2:49

Thank you, Madam Chair. I have questions that are kind of along the same lines as auditor Waguespack but from a different direction. I know when we have conversations with the public. They talk to us about the cheese policy. And they feel like the officers are restricted. But there are rules in place for a reason and then looking at not only the tragedy that caused the family and this young man, but like the amount of fiduciary responsibility were responsible for here. Also highlights that and I guess my question is either here or through the Chair, if you could provide what this officer did that was against the case policy in a way that provides clarity for our members. Because I think that would be important to know.

Margaret Mendenhall-Casey 3:39

Sure, I am happy to provide that but now but I'll just thank you for giving me the opportunity to submit through the chair. I have with me the general order that was in place at the time of this incident is general order geo 30301 Emergency Vehicle Operations. This policy was issued on August 10 of 2020. And going to section Roman numeral five prohibitions. The personal policy says that members will not engage in a motor vehicle pursuit whenever the most serious offense wanted for is, number one a traffic offence. So if this matter were to proceed to trial the plaintiffs will argue that officer Perez through his pursuit violated the general order. The ones specifically saying that officers are not to engage in pursuits where the most serious offense is for a traffic violation. And as I previously stated, the evidence in the record is that the Sarge, the lieutenant and the commander found that this pursuit was not within policy. An additional fact that will lead the plaintiff to argue that this person was in violation of the general orders is Officer Perez's failure to call or contact OEMC to let his sergeant know that he was pursuing so that his Sarge will have the opportunity to approve the pursuit or call it off. So those are the two main allegations here pursuing for traffic infraction and pursuing without notifying OEMC that is what the plaintiff will argue.

Alderman Vasquez 4:38

Okay, I appreciate that because I didn't when when it gets framed publicly that officers are being handcuffed from for chasing these violent criminals, that what we're talking about here was very reasonable and protocol that if somebody's running through a stoplight that doesn't then mandate a chase. And that if you're going to get involved in that situation, and you're making the call so others are involved and so I just wanted those details to be shared. I know there were how many individuals in the car with Nathan,

Margaret Mendenhall-Casey 6:06

there were a total of five individuals that were in the car with Nathan.

Alderman Vasquez 6:09

Okay. And there was there was a gun that was found in the vehicle, but are there Cheetos on where it was found? Who might have had it?

Margaret Mendenhall-Casey 6:18

Sure. So in my apologies to clarify five people in total in the car, including Nathan, in terms of where the firearm was recovered, it was recovered in the center counsel. Nathan was a backseat passenger and the judge in this case has said that no evidence of the Recover firearm will be allowed to be presented to the jury if we have to go to trial.

Alderman Vasquez 6:44

Thank you. The reason why I wanted all those things mentioned and this speaks to the experience of myself and a lot of kids who have grown up in this city. We've all not all, a lot of us, depending on the situations we've grown up in had been in vehicles with multiple folks our age. I can't say in my own history that there hasn't been some situation where I may have been in a car with somebody else who had a weapon on them. When you think about the fear of a 15 year old and thinking that an officer might be pulling up behind you, as well as the history of profiling. I think there's just a lot of context that may not be brought to this whole story, but I think there's a history that we know in this country in the city about these interactions are different with different folks and so, the reason why I mentioned that is although it may seem to some who have not had that history or experience that that the way people respond when there's a officer or a light turn on behind you might seem irrational. It's not if you're concerned about what that can end up being. And so it is an incredibly sad story. It's incredibly sad when you think about what happened to this young man. In here, in this case, it was it was not necessarily a conflict, but there's just so much that could have been done differently. And so I will be in support. I understand how challenging it is and how much it's going to cost the city but when we think about the cost of family, I don't think there's any amount that is able to replace what's being lost there. I do also think that when we talk about our current youth out there that are engaged in any level of activity that

could go into the criminal territory, that that this story is something that also needs to be shared. And so I hope that the family is able to hear and obviously when we get past all this, what's happening right here to a child, I think is more of a deterrent than what a lot of people think. Messaging is out there for kids out there who have no idea what situation they'd be jumping into when they're in vehicles or what kind of life they think they're potentially getting involved in AI. I'm terribly sorry, to the family. As a CD I know we have to do the right thing is difficult it is but I hope that if anyone isn't seeing what the story is, if you're a kid out there, second guessed anything that you're putting yourself into, because we wouldn't want anybody and not to put responsibility on victims of human car crash or anything but it's incredibly complicated. And so I thank you for the answers. Thank you Madam Chair.

Chairman Pat Dowell 9:10

Thank you Alderman Vasquez. Alderman Taliaferro

Alderman Taliaferro 9:17

Thank you, Madam Chair. I too will be supporting this. These facts are very tragic. And but I wanted to ask because it sounds like when you were talking proximate cause a little bit earlier, that there may have been more than one party that could have been liable in his case for the injuries. And with that, could we have an if we if the answer is yes. Did we seek any contribution from anybody that may have been jointly liable from the insurance companies that may have been jointly liable?

Margaret Mendenhall-Casey 9:57

Sure, I'm happy to answer that question in terms of a proximate cause and then joined in several liability. So in this particular case, the name parties are Lille rags, the city of Chicago and Officer Perez is the city's employee with insurance, the vehicle that lil rouse was driving was uninsured, even if it wasn't sure those policies are normally capped at \$50,000. So it would be a very nominal amount, but there's no insurance there. In terms of Cleal rads. If we were to proceed to trial, we would argue that Khalil rads was only responsible what we call the sole proximate cause. That argument is unlikely to succeed based on how we have seen these pursuits go forward and based on how the law is, is structured to say that you can be a proximate cause if you're not the last cause you're not the greatest if you're in combination with other causes. And additionally, the way Illinois law is structured is that if the city is found, even 1% responsible, the city will be responsible for all of the medical bills here. And the evidence in the record is that the medical bills are \$44 million dollars. Right.

Alderman Taliaferro 11:23

I understand that. But I'm what I'm asking is. Did you seek any joint liability against the gentleman that you mentioned, because it was the \$800 million lottery tomorrow? He's all scot free if I'm not mistaken. So I'm asking if you saw any type of joint liability against him?

Margaret Mendenhall-Casey 11:43

Sure. So I guess we did file a we filed a counterclaim for contribution against Mr. Rags. If we were to proceed to trial, we will argue that Mr. rads is the one that is responsible. How, however, we have to really evaluate the case based on how things are set up today. And not how things may be set up in the future. So what that practically looks like is if we settled the case today, with Nathan and his family and perhaps the medical bills are higher the settlement is what it is. If we settle the case today, and Nathan or excuse me, Mr. Rags at this point, is not able to come to contribute. The settlement is what it is. But really when we are thinking about evaluation of the case, we're evaluating it with all of the facts and evidence that we have right now, at this point in time. We really can't project into the future when evaluating the case. But I do hear you I understand you and we did file a counterclaim for contribution against Mr. Rad.

Alderman Taliaferro 12:21

I think you should.

Chairman Pat Dowell 12:59

Thank you alderman Taliafarro. vice mayor Burnett.

Vice Mayor Burnett 13:05

Thank you, Madam Chair. I just would be remiss if I did not. First of all, thank you for having the briefings for all of us about these days and thank the attorneys for explaining the detail to us at the briefings about these things. I appreciate the fact that you know, we've asked a myriad of questions and some good questions that have come out of this, but there was some good questions that came out in a briefing. So I just want folks to know that some of us already asked our questions. We didn't ask it publicly because we asked it at the briefing. So I just wanted to thank you very much for all the information you have shared with us and follow the things that we're learning. You know, like, for instance, the when the insurance kicks in, that the insurance policy that the city has, that's why some of us didn't pay for, to the insurance. So I just want to thank you for all of your explanation, and I thank the chairman for having to briefings for

Chairman Pat Dowell 14:06

Thank you, Vice Mayor and I would encourage all of the members of the committee in those that are not members to attend when you can because I think they're very informative and important. I will say, prior to filming

this feed, I did not always go to briefings and I see the importance of attending them now. So So I just want to put that on everyone's mind. You know, finally I just wanted to say that as a mother. This case was very devastating to me personally. And you know, Alderman Taylor, I thank you for, you know, keeping us sensitive about the decisions that we're making. In this body. And if there are no further questions on this Alderman Alderman Curtis. I'm sure I am supporting this one but can I be recorded as a non be yes. Thank you, man. Record, you know, on the on B. Okay, so can I get a motion to move to pass on item 13 C. So moved by Alderman Harris. All those in favor signify by saying aye. Aye. Opposed? In the opinion of the Chair the eyes habit and this do pass recommendation will be reported out at the next city council meeting. I want to thank everyone for being here this today. I know this was a long meeting. But There being no further business before the committee can I get a motion to adjourn Alderman Alderman Lee moves to adjourn all those in favor signify by saying aye. Opposed nay? In the opinion of the Chair The eyes have it We're adjourned and have a nice afternoon.

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