

## **S U B S T I T U T E** **O R D I N A N C E**

**WHEREAS**, as stated in Executive Order 2017-2, the City's largest and most impactful development projects—including but not limited to mixed office, retail and residential complexes, medical and academic institutions, and sports arenas—receive zoning approval as planned developments; and

**WHEREAS**, Executive Order 2017-2 directed the Department of Planning and Development to encourage the following goals for each planned development: (1) 26% M.B.E. and 6% W.B.E. participation, applicable to the total construction budget; and (2) 50% City resident hiring applicable to the total construction work hours; and

**WHEREAS**, according to the July 2024 report provided by the Department of Planning and Development to the Chicago Plan Commission (the "Report"), between September 2017 and June 2024, 100% of the qualifying projects approved by the Chicago Plan Commission committed to meet or exceed these goals; and

**WHEREAS**, according to the Report, between September 2017 and June 2024, at the time of permit review, proposed participation levels for approved projects averaged 24.3% M.B.E. participation, 5.8% W.B.E. participation, and 48.2% City resident hiring; and

**WHEREAS**, according to the Report, between September 2017 and June 2024, upon completion of projects and issuance of Certificates of Occupancy, final participation levels averaged 19.5% M.B.E. participation and 24.2% City resident hiring, while W.B.E. participation increased to 6.9%; and

**WHEREAS**, the above data is limited to developments that completed and submitted affidavits to the City and does not include developments that did not report adherence to utilization goals; and

**WHEREAS**, increased transparency regarding M.B.E. and W.B.E. utilization and City resident hiring outcomes will better inform the City Council and the public, increase transparency in development approvals, and encourage adherence to such goals; now therefore,

### **BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:**

**SECTION 1.** Chapter 2-45 of the Municipal Code of Chicago shall be amended by inserting a new section 2-45-150, as follows:

#### **2-45-150 Utilization Database.**

- (a) For the purposes of this section, the following definitions shall apply:

The term "City resident hiring utilization goal" means an aspirational goal for Chicago residents to perform a minimum number of work hours on the applicable project.

The term "commercially useful function" has the meaning ascribed in Section 2-92-670 of this Code.

The term "covered project" means any project that: (1) receives financial assistance, planned development approval, or other discretionary City approval; and (2) includes a commitment to meet or exceed M.B.E. and W.B.E. utilization goals or City resident hiring utilization goals.

The term "financial assistance" has the meaning ascribed in Section 2-44-085 of this Code.

The term "M.B.E." has the meaning ascribed in Section 2-92-670 of this Code.

The term "M.B.E. and W.B.E utilization goal" means an aspirational goal to utilize or award subcontracts to M.B.E.s and W.B.E.s, including but not limited to in connection with financial assistance, planned development approval, or other discretionary City approval.

The term "W.B.E." has the meaning ascribed in Section 2-92-670 of this Code.

(b) The Department shall create an online database to track outcomes associated with M.B.E. and W.B.E. utilization goals, and City resident hiring utilization goals that contains, at a minimum, the following information for each covered project:

(1) the name and business address of the owner and developer of the covered project;

(2) the address, ward, and a brief description of the covered project;

(3) any applicable M.B.E. and W.B.E. utilization goals and City resident hiring utilization goals;

(4) the date any financial assistance, planned development approval, or discretionary City approval was granted;

(5) the outcomes associated with the applicable M.B.E. and W.B.E. utilization goals and City resident hiring utilization goals, including a description of any good faith efforts, waivers, liquidated damages, or mitigating factors related to failure to meet such goals;

(6) the name and business address of any M.B.E. or W.B.E. subcontractor or supplier performing a commercially useful function on the covered project, including a

brief description of the work performed, or product or service supplied, by each subcontractor or supplier;

(7) the number of work hours completed by City residents compared to the total number of work hours; and

(8) any other information deemed necessary or useful by the Commissioner related to adherence to applicable M.B.E and W.B.E. utilization goals and City resident hiring utilization goals.

(c) The owner and developer of a covered project shall submit to the Department, in a form approved by the Commissioner, all of the information required under subsection (b) of this section, as available: (1) prior to Chicago Plan Commission approval; (2) concurrently with an application for permit review; and (3) concurrently with an application for a Certificate of Occupancy. Upon receipt, and subject to applicable law, the Department shall make all such information available to the public via an online dashboard.

(d) Each contract, planned development approval, or other document containing a M.B.E. and W.B.E. utilization goal or City resident hiring utilization goal shall incorporate terms necessary to implement and enforce this section.

**SECTION 2.** This ordinance shall take effect immediately upon passage and publication.