



**REAL ESTATE:** Lakeview sale price might be a record for a Chicago-area grocery store. **PAGE 7**

**FOOD DELIVERY:** Asian-focused Chowbus is attracting money and attention. **PAGE 3**

# CRAIN'S

## CHICAGO BUSINESS

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# A LONG SIX MONTHS

After half a year of COVID-19, Illinois faces a future forever altered

BY STEPHANIE GOLDBERG AND A.D. QUIG

Since Illinois reported its first case of the novel coronavirus on Jan. 24, COVID-19 has cut through every aspect of life—from the most basic social interactions to education, health care and travel.

In a span of six months, 168,000 Illinoisans have tested positive for the virus and more than 7,300 have died. Roughly 1.5 million people have applied for unemployment benefits in Illinois since March, employers' costs have skyrocketed as they implement new safety measures and governments statewide face steep budget gaps and rising calls for relief. More than 4,000 Chicago-area businesses shut down as stay-home restrictions and fear of infection kept customers out of restaurants and stores. Meanwhile, as case rates rise in other states, leaders are bracing for a new surge.

But in the midst of the gravest public health crisis in generations, people are adapting to a new way of life, full of e-learning, mask wearing and socially distant celebrations. Whether the pandemic will lead to permanent work flexibility, bigger investments in public health and unemployment, or meaningful moves toward equity is still unknown.

But how did we get here? Crain's asked Chicago-area decision-makers, business leaders and workers how the first six months of the pandemic in Illinois—from the controversial calls to the most pivotal moments—have affected them and what life is going to look like in the future as a result. Here's what they said. (Interviews have been edited for length and clarity.)

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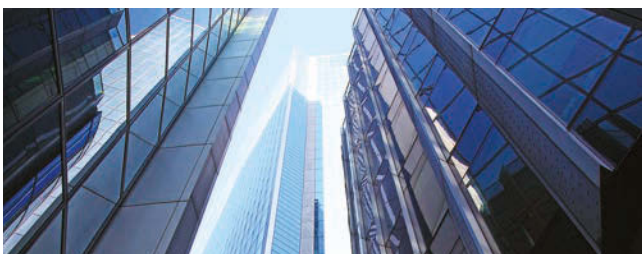
TO HEAR INTERVIEWS, go to [ChicagoBusiness.com/CovidStories](https://ChicagoBusiness.com/CovidStories).

TO HEAR HOW THIS PIECE CAME TOGETHER, visit [ChicagoBusiness.com/Daily-Gist](https://ChicagoBusiness.com/Daily-Gist) on Monday afternoon.



GETTY IMAGES

## CRAIN'S 2020 NOTABLE MINORITIES IN COMMERCIAL BANKING



These execs cover the spectrum of services. **PAGE 13**

## Corruption charges cut ComEd's power

Pritzker targets utility's prized pricing system

BY STEVE DANIELS

In a clear sign of how badly a bribery scandal has damaged Commonwealth Edison's political clout, Gov. J.B. Pritzker is set to pull the plug on a rate-setting plan the electric utility lobbied hard for.

Pritzker will oppose efforts to extend the so-called formula rate

regime when it expires in 2022. The news follows ComEd's July 17 admission that it had sought to bribe House Speaker Michael Madigan in return for favorable legislation, including formula rates.

"The governor is deeply concerned with ComEd's admissions of wrongdoing, and, as he said earlier this year, the time



Gov. J.B. Pritzker

of utilities writing the energy policy for the state of Illinois is over," spokeswoman Jordan Abudayyeh says in an email. "The governor is opposed to formula

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### MADELEINE DOUBEK

Key former ComEd officials did plenty to make sure Michael Madigan kept his grip on power through map drawing. **PAGE 2**



AP IMAGES

### JOE CAHILL

Two airline CEOs take dramatically different approaches to surviving the slowdown. **PAGE 4**



# OPINION

EDITORIAL

## Clean up pay-to-play, starting with ComEd

As public relations hits go, Commonwealth Edison's agreement on July 17 with the U.S. attorney to pay \$200 million in fines to avoid prosecution on bribery charges was certainly a doozy.

From afar, it might have looked like a black eye from a hockey puck flying at about 100 miles per hour.

And yet, even as that nightmare of a corporate scandal was laid out in painstaking detail by U.S. Attorney John Lausch, ComEd's parent company, Exelon, was having a fantastic day in the market.

The energy giant was one of the biggest gainers on the S&P 500 that Friday, its market cap jumping 3.5 percent to \$38.39 billion.

With that kind of salve, you might consider taking a hit like that, too.

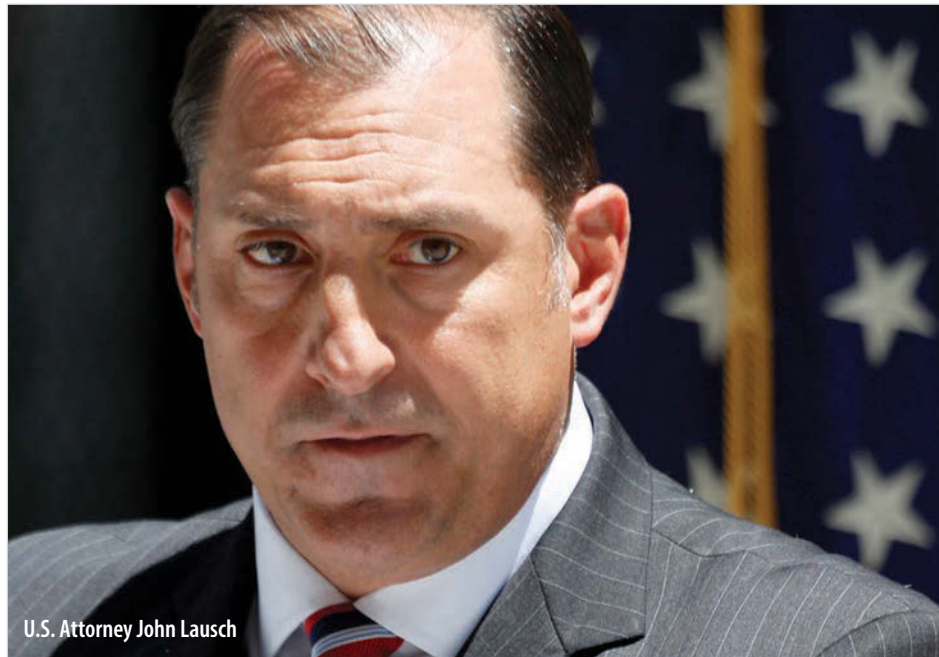
Clearly Wall Street dismissed the gravity of the charges and instead applauded the slap on the wrist that ComEd received for an alleged pattern of corporate bribery.

That's not even two minutes in the penalty box—for roughing up ratepayers.

As one smart Chicago leader would remark later: "It's behind them now and they all had a nice day in the market."

If you're saying to yourself that \$200 million is chump change compared to what the utility has made in terms of favorable rate hikes that now deserve even more scrutiny in the wake of the appalling charges laid out by Lausch, you'd be right. Except, guess who the chumps are in this scenario?

So consider this a starting point, and let's immediately begin hearing where reform goes from here. This is not the time for baby steps.



U.S. Attorney John Lausch

Cleaning up the pay-to-play in Springfield once and for all means that market forces start to take over from where the corruption ends. And that benefits everyone, including, believe it or not, ComEd, in the long run.

As our Steve Daniels reports, Gov. J.B. Pritzker is taking the first step by opposing extending the "formula rate" system—the 2011 Energy Infrastructure Modernization Act, which determines the utility's rates each year based on a formula rather than by state regulators who would have authority to set rates based on a thorough review—when it is up in 2022.

"The governor is deeply concerned with

ComEd's admissions of wrongdoing, and, as he said earlier this year, the time of utilities writing the energy policy for the state of Illinois is over," a spokesman for Pritzker told Daniels.

While we applaud the governor's stance on this, much more needs to be done to level the playing field for businesses and consumers who bore the brunt of a rigged system for years.

We should also, as Better Government Association President David Greising suggested last week, go back and look at the key 2016 legislation that favored ComEd and Exelon. Specifically, how much of the legisla-

tion committing ratepayers to help subsidize two downstate nuclear plants owned by Exelon to the tune of \$2.4 billion can be traced to ComEd's scheming in Springfield?

Additionally, much more needs to be done to make sure there is transparency in how ratepayer funds are used.

Illinois, for example, is still one of the few states that lets ratepayers subsidize charitable contributions utilities make. In the past, some of those organizations have testified on ComEd's behalf when it's lobbied legislators in Springfield, Crain's has reported.

Many other reforms may be put on the table starting this week when the Illinois Commerce Commission begins hearings on the ComEd mess. All should finally be taken seriously by lawmakers.

Unfortunately, it was clear last week that we have a long way to go.

House Energy Committee Chairman Ann Williams, D-Chicago, did her colleagues no favor when she rejected calls for public legislative hearings on the ComEd bribery scandal. Her reasoning was a bit hollow for us. "A legislative committee is not the appropriate place to investigate a criminal matter currently under the jurisdiction of the U.S. attorney's office," Williams said.

Never mind that ComEd had already confessed to the Springfield shenanigans laid out in the delayed prosecution, as political columnist Greg Hinz pointed out.

Also noted later in Hinz's story was an all-too-familiar scenario: Williams is the lead sponsor of the proposed Clean Energy Jobs Act, which would in fact help subsidize nuclear power plants owned by . . . you guessed it—Exelon.

The hits just keep on coming.

### YOUR VIEW

## Save our independent stages. Pass the Restart Act.

Chicago's live music venues make up the greatest percentage of businesses that are prohibited from opening until Illinois enters Phase 5 of Restore Illinois, when a COVID-19 vaccine or highly effective treatment is readily available. These venues were the first to close and will be the last to reopen.

The lights dimmed on Chicago stages beginning March 13. The consequences of a mandated shutdown became immediately apparent. A McKinsey study in April on the economic impact of COVID locally concluded that arts, entertainment and recreation is the second most vulnerable sector, with 71,305 individuals (88 percent of total sector employment) at risk of losing their jobs.

Businesses and workers in this sector benefit from one another, which means we also suffer with one another. Venues are interwoven into the fabric of their neighborhoods and communities for generations. For example, restaurants and bars along Clark Street benefit from people attending a concert at 38-year-old Metro in Wrigleyville.

In Pilsen, Thalia Hall has become an an-



Robert Gomez is owner of Subterranean and Beat



Katie Tuten is co-owner of the Hideout.

chor and, in less than a decade, has attracted numerous businesses and people from outside the area to visit. Not bound to events at permanent structures, the Silver Room Block Party has generated an estimated \$3.6 million for Hyde Park's and neighboring communities' businesses. Downtown Hyde Park Chicago notes in a 2018 impact report that the event's impact "is exponentially larger than the actual attendance. The economic impact, community outreach, social

engagement and community impacts are remarkable, independently and collectively."

Consider also the human component of live music venues: skilled workers with expertise in areas that often do not translate to other industries. For example, a lighting designer at a concert venue could do a similar job at a performance theater; a restaurant manager could do a similar job at a concert venue. What will the lighting designer and the restaurant manager do with their career's worth of specialty training when the performance theater and the concert venue no longer exist? The possibility of this and similar scenarios coming to fruition in the coming months is very real.

Chicago Loop Alliance's revised 2019 "Arts in the Loop Economic Impact Study" shows that concert, live music, arts and culture activities located within the Loop's 1.5-square-mile footprint generate \$2.25 billion, or \$187 million per city block annually through direct and related spending.

Should these businesses remain shut-

tered much longer, many will close for good. We are independently owned and operated businesses without the benefit of financial assistance from parent companies or Wall Street. With little warning, we were mandated to cease operations and precluded from many of the benefits offered by the CARES Act. In May, Sens. Mi-

**VENUES ARE INTERWOVEN INTO THE FABRIC OF THEIR NEIGHBORHOODS AND COMMUNITIES FOR GENERATIONS.**

chael Bennet, D-Colo., and Todd Young, R-Ind., introduced the Restart Act to provide Phase 5 businesses relief they have otherwise been ineligible to receive.

As both houses of Congress recess at the end of the month, we remind them of their constituents whose lives and livelihoods depend on the financial assistance the Restart Act would provide. We urge Congress to pass it and the president to sign it into law.