

CITY OF CHICAGO • OFFICE OF THE MAYOR

FOR IMMEDIATE RELEASE May 20, 2020

CONTACT: Mayor's Press Office 312.744.3334 <u>press@cityofchicago.org</u>

CITY COUNCIL APPROVES DEPARTMENT OF AVIATION RELIEF PACKAGE TO PROVIDE FINANCIAL ASSISTANCE FOR AIRPORT CONCESSIONAIRES

Ordinance provides assistance to locally owned small businesses at both O'Hare and Midway airports hit hard by COVID-19

CHICAGO – City Council today approved a concessions relief program that was introduced last month by Mayor Lori E. Lightfoot and the Chicago Department of Aviation (CDA) to provide financial assistance to concessionaires at O'Hare and Midway International Airports. These vendors have been hit particularly hard by the Coronavirus-2019 (COVID-19) pandemic and its effects on the global aviation industry, and this package provides the necessary assistance to help these businesses to continue operations.

"Many airport concessionaires are small, local, and diverse businesses. They are the lifeblood of our airports, providing local flavor and culture to the traveler experience," said Mayor Lightfoot. "The slowdown in travel has had a profound impact on these businesses, and we are determined to provide the kind of assistance that ultimately may make the difference between staying in business or closing for good."

The concessions relief program grants CDA the authority to provide financial relief to airport concessionaires – including restaurants, shops, advertisers and rental car operators – groups that by and large did not receive direct assistance from the federal government beyond what is generally available to small businesses. This temporary relief can take the form of rent reductions, adjustments to minimum rent, rent deferral, reduced security deposit or letter of credit requirements, relaxation of mandatory minimum or maximum operating space requirements, short extensions of term to extend amortization of costs, and authorization of operational alternatives (like kiosks, mobile carts, etc.), or other relief consistent with FAA guidance and legal requirements.

"We all know that these are not ordinary times at Chicago's airports, and, unfortunately, one of the parties that has been hit the hardest is our concessionaires



CITY OF CHICAGO • OFFICE OF THE MAYOR

- which have not had access to the same kinds of federal resources as the airlines," said Chicago Department of Aviation Commissioner Jamie L. Rhee. "This is a creative approach to bridge that divide and provide some real relief — and some breathing room — for these critical airport businesses. Supporting our entire concessions community and keeping them operating during these unprecedented times will lead to the continued health of the full Chicago airport system moving forward, beyond COVID-19."

Last week, in a further effort to assist concessionaires, CDA teamed up with the Department of Procurement Services (DPS) to announce a program that enlists established Assist Agencies to provide support and technical services for small, diverse airport businesses, including concessionaires that are ailing because of COVID-19. Resources that foster and enable business sustainability and job retention will be a particular focus.

"Our airport concessionaires employ tens of thousands of Chicagoans, and there's not a neighborhood in this city that wouldn't feel it if these companies are no longer able to operate," said Alderman Matt O'Shea (19th Ward), Chairman of the City Council Aviation Committee. "This is a creative and badly needed plan to provide assistance to small, local, and diverse businesses."

In its ongoing commitment to transparency and accountability, all relief associated with the concessions relief program must have the approval of the City's Corporation Counsel and Chief Financial Officer, and CDA will submit a report to the Aviation Committee quarterly on the status of all relief granted. Relief may not exceed three years, and will include workforce retention requirements.

While official passenger traffic data at Chicago's airports do not yet reflect the true impacts of the COVID-19 pandemic, the Transportation Security Administration (TSA) has indicated that passenger throughput at its security screening checkpoints nationwide has dropped by 90% nationwide since the pandemic began. According to industry analysts, airlines canceled 65% of all scheduled flights in April. While O'Hare – the busiest airport in the world by operations in 2019 – continues to accommodate a high volume of flights, daily operations in May are typically a third of what they would normally be, while Midway is operating at approximately 50%. As a result, many airport concessionaires are closed, or operating at greatly reduced hours.

"Our goals are simple: that we have sustainability and continuity amongst our concessions partners; that they're employing people; and that they're able to pay us back," said Rhee.



CITY OF CHICAGO • OFFICE OF THE MAYOR

Since the earliest days of the pandemic, CDA has been in consultation with its fellow airport operators to come up with solutions for common problems. Airports Council International – North America (ACI-NA), the advocacy group for airport operators – has regularly brought together its members to share best practices and strategies during the COVID-19 pandemic. CDA is a member in good standing of ACI-NI, and Commissioner Rhee sits on its U.S. Policy Council.

"The Chicago Department of Aviation's membership in ACI-NA strengthens the entire airport industry. It is important for airports like Chicago O'Hare and Chicago Midway to have a seat at the table as we begin the recovery process following the significant disruption the travel industry has experienced as a result of the coronavirus health pandemic," said ACI-NA President and CEO Kevin M. Burke. "Airports have greatly benefited from learning about the best practices being implemented at Chicago's airports to ensure the health and safety of the traveling public as we navigate this complex crisis. At the same time, Chicagoans are being well served by its airports through the mutual exchange of best practices and industry intelligence being shared among our nation's leading airports."

"Every airport in the country is facing the same set of challenges, and every airport also has its own unique operational standard," Rhee said. "Working with ACI-NA and our sister airports – particularly other large hubs – to come together and talk these issues through fosters creative solutions – and is a great benefit to Chicago's aviation community."

For more information, or to enroll in the program, visit <u>http://www.flychicago.com/business/home</u>

####

About the Chicago Department of Aviation (CDA)

The Chicago Department of Aviation (CDA) is self-supporting, using no local or state tax dollars for operations or capital improvements at O'Hare and Midway International Airports. Chicago's airports offer service to over 260 nonstop destinations worldwide, including 47 foreign countries, combined. Together, Chicago's airports serve more than 100 million passengers each year, and generate approximately \$60 billion in annual economic activity for the region. Please visit <u>www.flychicago.com</u> to learn more about the Chicago Department of Aviation.

About ACI-NA

Airports Council International – North America (ACI-NA) represents local, regional, and state governing bodies that own and operate commercial airports in the United States and Canada. ACI-NA member airports enplane more than 95 percent of the domestic and virtually all the international airline passenger and cargo traffic in North America. Approximately 380 aviation-related businesses are also members of ACI-NA, providing



goods and services to airports. Collectively, U.S. airports support more than 11.5 million jobs and account for \$1.4 trillion in economic activity – or more than seven percent of the total U.S. GDP. Canadian airports support 405,000 jobs and contribute C\$35 billion to Canada's GDP. Learn more at www.airportscouncil.org.