

2016 Budget Hearing Statement, Committee on Budget and Government Operations
Maria Guerra Lapacek, Commissioner
Department of Business Affairs and Consumer Protection

Good Morning Chairman Austin and members of the City Council. My name is Maria Guerra Lapacek, Commissioner of the Department of Business Affairs and Consumer Protection. Thank you for your time. I would like to take this opportunity to highlight the hard work and dedication of my team.

BACP

Team BACP has 167 employees in six divisions and is responsible for the following:

- Licenses nearly 55,000 businesses with over 49 different license types, including liquor licenses;
- Prepares more than 5,500 Public Way Use ordinances and permits, including more than 1,250 sidewalk café permits and almost 4,000 permits for other commercial uses of the public way;
- Licenses approximately 10,000 public passenger vehicles, including taxis, liveries, rideshares, pedicabs and horse drawn carriages;
- Licenses more than 15,000 public chauffeurs;
- Licenses 98 mobile food trucks (58 cook on board trucks & 40 food dispensers)
- Processes more than 12,000 consumer complaints per year, including complaints regarding retailers, public passenger vehicles, and various types of fraud and deceptive practices;
- Ensures payment and collection of a projected \$27,000,000 in revenue to the City from cable television and video service providers operating within the City.
- Processes and monitors resolution of approximately 800 incoming cable and video service customer complaints.
- Enforces truck weight to protect City bridges, streets, and infrastructure.
- Enforces Public Vehicle License and Operating requirements to ensure Public Safety.

Every day, we get closer to the Mayor's vision of having the most small business friendly City in the country. To that end, his efforts to establish the Small Business Center to be a one-stop shop to further support business owners to seamlessly navigate the licensing process continues to be our top priority. Other initiatives to provide services for small business include:

- The launch of the restaurant start-up which has been utilized by more than 1,000 restaurants and reduced restaurant start-up time by one-third.
- Reducing the overall number of business licenses by 60% from 117 to 49 licenses, saving more than 10,000 local small businesses over \$2 million annually.
- We are now completing the process of going "paperless" by the end of this year. We have been working very closely with the Department of Innovation and Technology to bring this streamlined process to entrepreneurs.
- Some of the growth in the Small Business Center over the past 10 months is due to the addition of the "express lane" to more quickly process minor transactions and avoid long waits at City Hall, which has reduced wait times by 50 percent.
- BACP will continue to expedite license issuance, work with new businesses coming into the fold, and work with new industries not only to get them licensed but also to create partnerships that support small business growth as has been the case with food truck industry, which now consists of nearly 100 small operators.

We consistently listen to business owners, consumers, stakeholders to make sure we are doing all we can to make starting, running and maintaining a successful business as simplified as possible. BACP maintains strong relationships with community organizations and ward offices to ensure the resources available at City Hall are circulated throughout the neighborhoods.

As you know, BACP also prepares more than 5,500 Public Way Use ordinances and permits, including more than 1,250 sidewalk café permits and almost 4,000 permits for other commercial uses of the public way.

- For this reason, it makes sense to further expand the one-Stop "Permit Intake Center". The BACP Business Consultants assist small business owners with business-related permits issued by other City departments. To date, the Center has accepted over 600 occupancy placard applications and starting this month, a Department of Buildings employee will be detailed to the SBC to enhance customer service.
- We successfully rolled out a tiered special event food license to make it possible for vendors at neighborhood festivals to have the business license they need for their entire season. We released a revised and relaxed sidewalk café permit process, resulting in a more streamlined permit experience.

BACP continues to fund our Neighborhood Business Development Centers, and through training we continue to increase their capacity to assist small businesses right in their neighborhoods. Our education efforts continued through free informative business education workshops offered twice per week. To date, we have hosted and produced nearly 70 workshops reaching almost 2000 entrepreneurs and small business owners. Our largest outreach events are the 'Small Business Center on the Road Series' which takes City Hall resources into five neighborhoods each year. Some of our on-site partners include ACCION, the Women's Business Development Center, The Law Project, SCORE, and the IRS, offering free financial, legal, business and tax advice. Each expo has an influential keynote speaker, such as Laura Schwartz, Israel Idonije and Bill Rancic and offers several free workshops, tax and legal clinics and free headshots. As of our last expo in September, there have been about 1500 attendees to date. BACP also attended roughly 70 outreach events for alderman, NBDCs and community organizations.

Access to capital has traditionally been a challenge for small entrepreneurs. We are tackling this problem with three initiatives; the Chicago Microlending Institute, Seed Chicago and the Small Business Opportunity Centers.

Expanding Access to Capital throughout the City is of great importance. In 2012 the Mayor launched the Chicago Micro-lending Institute to help businesses access loans up to \$25,000. The program was funded by an initial investment by the City of \$2M has provided 223 micro loans to small businesses representing more than \$2.3 million in affordable capital. With the average size of these micro loans being \$10,000, these are small, but meaningful loans which have added or maintained 873 jobs help start new businesses and keep small businesses running and growing. Last year, the City invested an additional \$1 million to provide critical loans to help support roughly 300 new businesses by 2016 and ensure that the program can be self-funding through 2016.

Seed Chicago is our crowdfunding "kickstarter" program. To date, almost \$400,000 was raised for 32 projects.

The Small Business Opportunity Centers provide one-on-one financial coaching, help prepare business owners for borrowing, and connect business owners to the right capital resource. To date, we have eight throughout the city that have provided loan counseling to 167 businesses, some of which are minority and female owned. The SBOCs have closed 21 loans totaling \$1.9 million dollars.

In addition to business assistance, we are also tasked with enforcing the laws against business who do not follow the municipal code. The business compliance and enforcement division investigates and regulates businesses and issues enforcement. BACP investigators conduct targeted investigations of unscrupulous and fraudulent business practices throughout the City and investigate consumer complaints.

This year we created a new database as a tool to verify Third Party processors and licensed expeditors. This is a consumer protection tool and business friendly system to help business owners identify professional and recommended expeditors.

BACP handles more than 12,000 consumer complaints per year, including complaints regarding retailers, public passenger vehicles, and various types of fraud and deceptive practices. In addition, this year we began enforcement of the City's Minimum Wage Ordinance and Plastic Bag Ban.

Some of the investigations this year targeted valet parking companies, commercial tax preparers, immigration service providers, and retailers that abused back-to-school supply shopping. We are constantly using plans of operation to more closely monitor businesses that are presenting problems in our communities. This year we have conducted 25 remediation conferences and 7 community meetings. Our efforts continued with public nuisance meetings and license discipline proceedings, which have resulted in 58 license suspensions, 68 revocations and 9 license surrenders. We also work closely with the Chicago Police Department on the summary closure ordinance, which allows us to close down a business that is considered a public safety threat.

BACP works closely with other city departments - Fire, Police, Streets and Sanitation, Public Health and Buildings to produce the monthly "Flagged Businesses List" that is posted on our website. By triaging data from various City departments, BACP identifies businesses that repeatedly violate City ordinances and create nuisance conditions in neighborhoods. Businesses on the flagged list are subject to frequent City inspections until the businesses are brought into compliance, or they risk disciplinary action. Since the project's inception in May 2012, 141 businesses have been placed on notice, 45 have reformed and come off the list, and 50 have been removed due to license revocation or closure. Between January and August 2015, 10 businesses on the Flagged List have had their licenses revoked.

Additionally, to create efficiencies, we have begun other collaborations such as working with the Financial Crimes Unit of the Chicago Police Department to more effectively investigate and prosecute home repair frauds and other consumer frauds. We are also part of the Chicago Consumer Fraud Task Force, which is comprised of representatives of the Attorney General's office, FBI, Federal Trade Commission, Better Business Bureau, and meet with them quarterly.

Over the past four years, Mayor Emanuel has made reforms to improve the quality of taxi service and expand access to safe new transit options for residents. Since taking office, we have made reforms that have:

- Improved the quality of the taxi fleet,

- brought the number of fuel efficient vehicles to 80 percent from 11 percent before taking office,
- more than doubled the number of wheelchair accessible vehicles, and
- boosted income for taxi drivers

Building on recent efforts to regulate the rideshare industry in Chicago and modernize the City's taxi fleet, Mayor Emanuel's 2016 budget includes new reforms that further strengthen the industry. The Mayor's budget proposal continues this record of reform by:

- Generating roughly \$48 million in new revenue, 80 percent coming from the rideshare industry [a total of \$64 million for the corporate fund will come from both industries under this proposal]
- Providing taxi drivers with the first fare increase in more than a decade, boosting driver incomes by up to \$10,000.
- Providing travelers with more options at the airports, in line with changes being made across the country.
- Creating roughly \$6.5 million for the city's accessibility fund, which we will use to subsidize a dramatic increase in the number of wheelchair accessible vehicles. We will increase them by a factor of six by 2022, bringing the total number of accessible vehicles to 1000.

The Taxicab Driver Fairness Taskforce was tasked with reviewing the City's current laws that regulate taxicab drivers and other pertinent issues to create and implement change and encourage growth in the transportation industry.

Our public passenger vehicles division licensed two new means of transportation this past year, Pedicabs and transportation network providers also known as TNPs. BACP is the regulating and licensing arm for the public vehicle industry in Chicago, including all public chauffeurs, taxicabs, livery vehicles, ambulances, mediacars and other charter sight-seeing vehicles. BACP is responsible for ensuring the safety and consumer protection of passengers traveling in and drivers of public passenger vehicles.

Last year, taxi driver fairness reforms put thousands of dollars back into the pockets of most drivers, reducing fines for violations and improving their experience with the City. This year we initiated the universal taxicab app program for City residents and visitors to electronically hail a City licensed taxicab or a wheelchair accessible vehicle and issued two requests for proposals. These apps will ensure underserved areas can dispatch quick transportation since all cabs will be required to be on the platform while working.

BACP offers so many positive programs that one of our challenges is effectively communicating all of our resources. This year, the BACP outreach team created 60 "Know Before You" campaigns which are all posted on our website. We redesigned our website to make it easier to find information, documents, rules and FAQs at www.cityofchicago.org/bacp and on the SBC website. We continue to utilize social media to get the word out. We have accounts on facebook, twitter, Instagram and Pinterest. Every month we share all of our new department literature with your offices and all of our partners.

Conclusion

In closing, BACP is looking forward to continuing to work with the City Council to foster and promote continued small business growth, simplification of Chicago's regulatory environment,

increase in access to data and resources, all while educating both businesses and consumers.
Thank you for your time.

MBE/WBE Contracting Data

Period: January to August 2015

Total Purchases: \$361,140.11

<u>MBE/WBE Spend</u>	
WBE:	\$7,314.95 (2%)
Asian MBE:	\$0.00 (0%)
African-American MBE:	\$66,080.00 (18.3%)
Hispanic MBE:	\$0.00 (0%)
Total Purchases:	\$73,394.95 (20.3%)

Staffing Data

Department Ethnicity and Gender				
	Male	Female	Total	%
Asian	6	4	10	6
Black	29	35	64	38
Hispanic	21	19	40	23
White	35	21	56	33
Total	91	79	170	100
	54%	46%		

New Hires Ethnicity and Gender				
	Male	Female	Total	%
Asian	1	0	1	20
Black	0	1	1	20
Hispanic	0	1	1	20
White	1	1	2	40
Total	2	3	5	100
	40%	60%		

Department Managers Ethnicity and Gender				
	Male	Female	Total	%
Asian	0	2	2	5
Black	5	3	8	21
Hispanic	8	5	13	34
White	8	7	15	40
Total	21	17	38	100
	55%	45%		

Interns

School	Gender	Race
Orr H.S.	Female	Black
Young H.S.	Male	Black
Philander Smith University	Female	Black
Indiana University	Male	Hispanic
Univ of Illinois @ Urbana	Male	Black
Olive-Harvey College	Female	Black
Northern IL University	Male	White
Armed Forces	Male	Black
Foreman H.S.	Female	Hispanic
Corliss H.S.	Female	Black
Corliss H.S.	Male	Black
Corliss H.S.	Female	Black
Austin H.S.	Female	Black
Austin H.S.	Male	Black
South Shore H.S.	Female	Black
Crane H.S.	Male	Black
Crane H.S.	Male	Black
Maria H.S.	Female	Black

Department of Business Affairs and Consumer Protection
 2016 Budget Department Request
 Department Summary Organization Chart

