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2021 Budget Hearing
Chicago City Council
Committee on Budget and Government Operations

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CDA independently manages both O’Hare and Midway International Airports as enterprise funds, separate and distinct from all other City funds, which is to say no local or state tax dollars are part of our budget. Likewise, all major capital improvement projects at Chicago’s airports are financed without the use of city or state tax revenues. Funding instead comes from airline revenue-backed bonds, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs) and federal Airport Improvement Program (AIP) funds.

The proposed 2021 operating budgets for O’Hare and Midway are $467.8 million and $118.1 million, respectively — decreases from last year, done consciously and in close collaboration with our airlines and airport stakeholders to reflect the current environment.

The CDA team is 1,600 strong and takes enormous pride in our mission of connecting Chicago to the wider world. Over the past several months it has taken a certain amount of courage just to come to the airport every day, especially early on when so little was known about COVID-19, other than that air travel might facilitate its spread. Many people felt more at-risk at our airports, including our team — but closing down or going remote wasn’t an option. So, I want to acknowledge that dedication, as well as that of the wider airport community, which is comprised of more than 52,000 badged employees across both airports. More than half of whom live in the City, from every neighborhood.

A year ago, the world looked very different, and not just because we were meeting in person in Council chambers. It was a moment of boundless optimism and possibility. O’Hare had reestablished its status as the busiest airport in the world, and a generational airfield reconfiguration program was paving the way for the transformational $8.5 billion O’Hare 21 capital program, anchored by the major terminal redevelopment projects, that this Council had the vision and foresight to approve — and which will cement O’Hare’s place as a world-class hub and powerful economic engine for decades to come. Midway — the “busiest square mile in the aviation world” — continued to be a key cog in Southwest’s network and handles as many passengers as airports like San Diego and Tampa.

Then COVID hit, and so much has changed. On April 14, 87,500 people boarded an airplane in the United States. Typically, that number would exceed 2.2 million. Passenger traffic rallied slightly over the summer — but the pace of recovery has been slow, due almost entirely to the stubbornness of COVID-19. The industry is riding a plateau and anticipating the slowest holiday travel season in memory.

We are not despairing, however, because we have history on our side. This industry has experienced downturns and system shocks before and always recovered. Aviation is resilient, and so, too, is this City and our airports. Let me touch on a few highlights:

To address the evolving challenges of the pandemic and develop a coordinated approach, CDA convened a Reconstitution Task Force with representatives from every facet of the airport ecosystem — including Chairman O’Shea. One initiative has seen dozens of Customer Service Ambassadors spending more than 2,000 volunteer hours in the terminals reinforcing our public health guidelines and policies — and distributing nearly 6,000 masks.

We are trending toward capturing our highest ACDBE participation ever at both airports this year, at over 40% at O’Hare and 56.5% at Midway. Because this has been a uniquely challenging time for these concessionaires, we worked with this Council to develop a Concessions Relief Program to leverage roughly $40 million of our CARES Act funds toward providing operational breathing room amid all this uncertainty. We are also collaborating with DPS on a program to deploy certified Assist Agencies like the Illinois Black Chamber; Chatham Business Association; AAABNA; the WBDC; and the Suburban Minority Contractors Association to provide support for small businesses impacted by the COVID-19.
As Mayor Lightfoot has made clear, we cannot and will not allow COVID to derail our commitment to equity and inclusion. In 2020, CDA has spent more than $138 million with M/WBE certified firms — 34 percent of our total spend and a $40.6 million increase over 2019. We’re currently tracking 10.5% percent spend with African American-owned firms; 10.6% with Hispanic-owned firms; and 5.6% with Asian-owned firms. CDA has spent $28.5 million with women-owned firms.

And we are not resting on our laurels. As O’Hare 21 progresses, equity and inclusion will continue to be at the forefront of everything we do. In coordination with our construction managers, we are focused on providing information, training, and support to small and diverse-owned firms interested in qualifying to bid and successfully pursue work. This includes an aggressive outreach program that quickly transitioned to virtual in the COVID era, and that still reached 1,200 jobseekers. It’s also worth noting that City bid incentives apply to work procured by the CMRs over the course of this program. Best-in-class Integrity Monitors and other compliance mechanisms will be in place to ensure the execution of O’Hare 21 lives up to our commitments. The Diversity Working Group, currently chaired by Aldermen Ervin and Maldonado — and previously by Aldermen Sawyer and Villegas – was established by this Council when O’Hare 21 was approved, and we’re looking forward to continuing this important collaboration.

Since my first days at CDA, I have challenged my team to reimagine how contracts are conceived and awarded at our airports. This process takes time, but one example I’m particularly proud of is our utilization of the Target Market Program, through which we currently have six contracts totaling approximately $250 million earmarked — with many more in development.

We are also collaborating with CPS and City Colleges on various workforce development initiatives, like an aviation and logistics curriculum at Olive-Harvey College. Alderman Curtis, our vice chair, has been a leading voice on this matter. And we were pleased to continue our collaboration with MOPD on accessibility issues, which in 2020 included a series geared toward engaging CPS students with disabilities. Our capital program provides many opportunities to make our facilities more accessible and convenient for the wide range of users that they must accommodate.

From the Mayor on down, we all know there’s more work to do to develop a workforce that looks like and benefits all of Chicago. Nurture a talent pipeline. Certify more firms. Whether it’s the relaunch of the City’s workforce development program C4, or the “Planes, Trains, and Automobiles” initiative to foster even greater collaboration between CDA, CDOT, and CTA, we are proud to be a part of this broader citywide effort.

It has been a challenging year, but this City and this industry have been tested before — and always emerged stronger. We are determined to see this crisis through, and to play a central role in Chicago’s recovery. I look forward to discussing these — and other items — in greater depth.

Respectfully submitted,
Jamie L. Rhee