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2025 Budget Hearing
Chicago City Council
Committee on Budget and Government Operations

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Chairman Ervin, Vice Chairwoman Lee, and esteemed members of the Committee on Budget and Government Operations:

Thank you for this opportunity to present the Chicago Department of Aviation's 2025 budget. Our collaboration over the past years has been instrumental in strengthening O'Hare and Midway, and I am deeply grateful for your support. Together with Mayor Brandon Johnson and his administration, we've enhanced security, addressed noise concerns, and continued to position Chicago as a leading global transportation hub.

I want to extend a special thanks to Chairman O'Shea, Vice Chairman Curtis and all the members of the Aviation Committee for your leadership and for championing our shared vision of airports as vital economic engines for our city and region. The strength of our airports reflects the strength of this partnership, allowing us to achieve transformative improvements at both O'Hare and Midway that have expanded services and enhanced traveler experience.

Our airports operate independently of local or state tax dollars, funded instead by airline-backed bonds, Passenger Facility Charges, Customer Facility Charges, and federal support. This financial model keeps operations sustainable while allowing us to focus on the needs of travelers, businesses, and the communities surrounding our airports.

At the CDA, we believe our airports should reflect Chicago's diversity and create opportunities for all. Through July of this year, we achieved a 33 percent participation rate in contracts with diverse businesses, totaling over \$172 million with certified minority- and women-owned business enterprises (M/WBE). We remain focused on creating even more opportunities in 2025 as we advance key capital projects at both airports.

We are also working with the Law, Procurement and Business Affairs departments to refine our small business initiatives, ensuring small and local businesses have pathways to

participate in airport projects. These initiatives are essential as we continue to foster economic opportunity across our city and engage new firms.

Community engagement remains at the heart of our work. In 2024, we took part in over 145 community events, including job fairs, business outreach programs, and contracting symposiums, ensuring that local businesses and workers play a role in our success. As we advance ambitious projects, this outreach will remain central to our mission of connecting Chicagoans of all backgrounds to opportunities that can transform lives.

Our success in the Airport Concessions Disadvantaged Business Enterprise (ACDBE) program is a testament to our commitment to diversity and inclusion. At Midway, where we recently completed a major concessions redevelopment, we have achieved a 56 percent ACDBE participation rate — the highest reported rate of any airport in the country. O’Hare is also a leader in this area, with a participation rate exceeding 35 percent and far exceeding the 10 percent FAA requirement. We are working to maintain and grow these numbers through our ORDERUp Request for Proposals, an innovative concessions program designed to expand the diversity and quality of dining and retail options at O’Hare. ORDERUp encourages small, local, and diverse businesses to take part, ensuring economic opportunities at O’Hare are accessible to a broader range of vendors. This program will enhance the passenger experience while supporting Chicago’s vibrant business community.

The O’Hare 21 capital program is a major component of our vision for the future of O’Hare as a world-class airport. We are making tremendous progress on key projects, including Satellite Concourse 1, set for completion in 2028. Under Mayor Johnson’s leadership, we continue to work with our airline partners to assess the operational and financial impacts of the Terminal Area Plan’s sequencing.

Other notable O’Hare 21 developments include Terminal 5’s new six-story parking structure, which opened last week, providing additional parking options for travelers. In addition, we are making significant progress on the 8,000-foot stormwater diversion tunnel, which will redirect water to Lake O’Hare. These investments are essential to ensure that O’Hare remains a top-tier global hub, meeting demand and providing a high-quality experience for travelers.

Chicago’s airports are critical economic engines, supporting over 700,000 jobs and contributing more than \$70 billion to our region’s economy. O’Hare 21 will create tens of thousands of new construction jobs and generate hundreds of millions of dollars in contracting opportunities for small, diverse businesses over the next decade.

Our airports continue to grow in air service and connectivity. Passenger traffic at our airports is up 6.6 percent this year, and we are now serving nearly as many destinations as we did before the pandemic. On the international front, we reached a notable milestone with service to three Italian cities, and I’m pleased to share that a fourth destination, Naples, is coming in 2025.

In addition to expanding infrastructure, we are committed to building a workforce that reflects the best of Chicago. Through our partnership with City Colleges, we have developed the CDA Career Prep program, which has provided over 180 students with a strong foundation to pursue careers in aviation. We also launched activity books with patriotic themes and guides on union trades, as well as a “Passport to Your Aviation Career” guidebook for high school students interested in apprenticeships or internships that can lead to union careers, whether or not they attend college. Additionally, our “Airport Employment Guide” highlights pathways to a wide range of airport jobs, including opportunities designed to support returning citizens.

This spring, we joined the Hidden Disabilities Sunflower program, an initiative that raises awareness of hidden disabilities among our airport teams. This effort is part of our broader collaboration with the Mayor’s Office for People with Disabilities to make our airports more accessible and welcoming for all travelers.

Our budget proposal for 2025 supports these initiatives with operating budgets of \$662.6 million for O’Hare and \$169.6 million for Midway. This investment is essential as we prepare to address key challenges, including the expiration of federal COVID-19 relief funding. The \$873.1 million in federal relief over the past few years was instrumental in helping us manage through the pandemic, allowing us to stabilize rates and maintain high standards of service. With this funding now expiring, we are working closely with airline partners to make necessary adjustments, ensuring we continue to deliver the quality experience passengers expect.

Our commitment to sustainability continues to drive significant improvements. This year, we implemented energy-efficient upgrades in Terminal 5 and integrated high-performance materials in capital projects, reducing long-term costs while benefiting the environment. These initiatives are essential as we work to build an airport system that meets the highest standards of operational efficiency and environmental stewardship.

Cargo is another area where O’Hare continues to excel. In 2023, we processed over 1.9 million metric tons of cargo, making O’Hare the sixth busiest cargo airport in the U.S. and thirteenth globally. The Northeast Cargo campus, completed with Mayor Johnson’s support, has vastly expanded our capacity and positioned Chicago as a leader in global shipping. The final phase of this development was notably led by BOWA Construction, a Black-led team — the first of its kind for major cargo development at a U.S. airport.

Midway Airport has also seen transformative developments through the Midway Modernization Program, the largest capital program at Midway in nearly 20 years. The TSA can now process twice as many passengers per hour, and recent investments in the concessions program have brought new amenities and dining options for travelers. In January, we opened a new USO Center, and in September, Midway welcomed its first shared-use lounge, The Club MDW.

The daily success of O'Hare and Midway relies on the dedication and expertise of countless partners, from our elected representatives and federal delegations to the communities surrounding our airports. This includes our airline partners, airport contractors, members of organized labor, and numerous City departments. Your commitment to operational excellence makes our airports a continued source of pride for Chicago.

The 2025 budget proposal before you reflects our commitment to equity, inclusion, sustainability, and operational excellence. It ensures that O'Hare and Midway can continue to grow and meet the evolving needs of travelers, while also positioning Chicago as a leader in the global aviation industry. With your support, we can look forward to an exciting future for our City's airports as vital drivers of economic growth and gateways to the world.

Respectfully submitted,

Jamie L. Rhee