



DEPARTMENT OF BUSINESS AFFAIRS AND CONSUMER PROTECTION
CITY OF CHICAGO

MEMORANDUM

To: The Honorable Carrie M. Austin
Chairman, Committee on the Budget and Government Operations

From: Maria Guerra Lapacek
Commissioner
Business Affairs and Consumer Protection

CC: Samantha Fields
Mayor's Office of Legislative Counsel and Government Affairs

Date: October 24, 2016

Re: Request for Information from Annual Appropriation Committee Hearing

ID#: 70-01

The attached information is in response to questions posed at our department's hearing on Tuesday, October 18, 2016 to discuss the proposed 2017 budget.

Alderman Dowell asked for break of consumer complaints by type and location.

Response: In 2016 there have been 12,364 consumer complaints as of October 21, 2016. Please see the attached reports, a breakdown by ward of all complaints and a citywide breakdown of all complaints.

As always, please let me know if you have any further questions.

Complaints by Type Citywide	Number of complaints
Business and Employment Scams Complaint	40
Cab Feedback	7369
Cable TV Complaint	582
Consumer Fraud - General	1214
Consumer Retail - General	485
Financial Fraud Complaint	30
Fuel Pumps Complaint	122
Inaccurate Retail Scales	2
License/Business Information	44
Liquor License Violation Complaints	462
Minimum Wage Complaint	165
No Solicitation-Private Property	45
Operating Without Business License	890
Outdated Merchandise	55
Outdoor Nuisance Payphone	2
Public Vehicles	115
Renters and Foreclosure Complaint	118
Residential Motor Vehicle Repair	294
Small Business Lending	6
Tobacco: General	214
Tobacco: Sale to Minors	110
Sum per report:	12364



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Mayor's Office of Legislative Counsel and Government Affairs

Date: October 21, 2016

Re: Request for Information from Annual Appropriation Committee Hearing

ID#: 70-02

This memo is in response to questions posed at our department's hearing to discuss the proposed 2017 budget.

Alderman Dowell requested the number of Cease and Desist orders issued in 2016.

Response: BACP has issued 456 Cease and Desist orders (year to date 2016, as of 10/18/16).

As always, please let me know if you have any further questions.



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Date: October 21, 2016

Re: Request for Information from Annual Appropriation Committee Hearing

ID#: 70-03

This memo is in response to questions posed at our department's hearing to discuss the proposed 2017 budget.

Alderman Dowell requested information on the exact number of licenses for vacation rental compared to AirBnB.

Response: There are currently 120 licensed vacation rentals. At this time we are unable to compare vacation rental licenses to AirBnB because we currently do not license or register these units. License requirements for AirBnB go into effect Mid-December.

As always, please let me know if you have any further questions.



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Date: October 21, 2016

Re: Request for Information from Annual Appropriation Committee Hearing

ID#: 70-04

The attached information is in response to questions posed at our department's hearing on Tuesday, October 18, 2016 to discuss the proposed 2017 budget.

Alderman Dowell asked how many licenses have been revoked as a result of a CPD vice report / investigations.

Response: In 2016 there have been 10 business license revocations based on CPD-Vice case reports, and 20 business license revocations based on CPD-District case reports.

As always, please let me know if you have any further questions.



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From: Maria Guerra Lapacek
Commissioner
Business Affairs and Consumer Protection

CC: Samantha Fields
Mayor's Office of Legislative Counsel and Government Affairs

Date: October 25, 2016

Re: Request for Information from Annual Appropriation Committee Hearing

ID#: 70-05

This memo is in response to questions posed at our department's hearing to discuss the proposed 2017 budget.

Alderman Scott requested information on the number of CHICABS Apps (CURB and ARRO) downloads.

Response: We have contacted representatives of ARRO and CURB for the requested information; however, due to the sensitive nature of this information as well as the competitive relationship between ARRO and CURB as companies operating within the Chicago market, the companies wish to provide this information directly to Alderman Scott upon his request. Accordingly, ARRO and CURB encourage Alderman Scott to reach out to them directly to answer any of his questions and to engage him in a direct conversation.



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CC: Samantha Fields
Mayor's Office of Legislative Counsel and Government Affairs

Date: October 21, 2016

Re: Request for Information from Annual Appropriation Committee Hearing

ID#: 70-06

This memo is in response to questions posed at our department's hearing to discuss the proposed 2017 budget.

Alderman Smith requested information on how much the new AirBnB registration system will cost and where the funding is coming from.

Response: The task order includes time and materials and is not to exceed \$698,700. The funding will come from both DoIT and salvage from BACP operating funds.

As always, please let me know if you have any further questions.



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Date: October 21, 2016

Re: Request for Information from Annual Appropriation Committee Hearing

ID#: 70-07

This memo is in response to questions posed at our department's hearing to discuss the proposed 2017 budget.

Alderman Tunney requested information on the number of current business licenses and type of licenses for the 44th ward.

Response: As of October 20, 2016 there are 1,667 Business licenses in the 44th Ward. Please see attached list for a more detailed breakout of the licenses in the 44th ward.

As always, please let me know if you have any further questions.

44th Ward - Current Business Licenses

10/20/16

Totals By License Code

Code	License Description	Total
1002	Accessory Garage	12
1003	Public Garage	33
1006	Retail Food Establishment	377
1007	Wholesale Food Establishment	1
1009	Manufacturing Establishments	3
1010	Limited Business License	397
1023	Children's Services Facility License	12
1032	Animal Care License	9
1050	Public Place of Amusement	44
1056	Performing Arts Venue	6
1275	Filling Station	3
1329	Special Event Food	2
1470	Tavern	64
1471	Late Hour	10
1472	Music and Dance	9
1473	Not-For-Profit Club	1
1474	Package Goods	42
1475	Consumption on Premises - Incidental Activity	145
1477	Outdoor Patio	45
1480	Wrigley Field	22
1481	Caterer's Liquor License	4
1524	Massage Establishment	13
1609	Secondhand Dealer (No Valuable Objects)	3
1625	Raffles	6
1683	Secondhand Dealer (Includes Valuable Objects)	4
1781	Tobacco Retail Over Counter	56
2101	Valet Parking Operator	4
4404	Regulated Business License	151
4406	Peddler License	18
8340	Motor Vehicle Services License	8
8342	Food - Shared Kitchen	1
8344	Food - Shared Kitchen Long-Term User	11
Grand Total		1516

Regulated Business Licenses by Certificate Text

Code	Certificate Text	Total
4404	Assisted Living Establishment	1
	Bed and Breakfast Est.	2
	Body Piercing	2
	Clothing Alterations	7
	Expediter	1
	General Medical and Surgical Hospitals	2
	Health Club	8
	Home Occupation	77
	Home Repair	12
	Hotel	4
	Laundry	2
	Long Term Care Facility	1
	Residential Real Estate Developer	6
	Retail Sales of Gen. Merch.	4
	Storage or Use of Hazardous Materials	6
	Tanning Facility	5
	Vacation Rental	27
	(blank)	18
4404 Total	Total # of Certificate Texts *	185

* 151 Total Licenses - licenses can have multiple Certificate Texts



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CC: Samantha Fields
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Date: October 24, 2016

Re: Request for Information from Annual Appropriation Committee Hearing

ID#: 70-08

The attached information is in response to questions posed at our department's hearing on Tuesday, October 18, 2016 to discuss the proposed 2017 budget.

Alderman King requested information on whether any of the Department's professional services spending was with MBE/WBE certified businesses.

Response: The following information for professional services is for 2016:

Businesses

- An African American Hearing Officer is MBE certified and was paid \$2,507.
- An African American MBE certified business was paid \$1,350 for shredding services.
- A woman-owned WBE certified business was paid \$6,345 for silk screening services.

Analysis

- The total paid to MBE/WBE businesses for professional services in 2016 = \$10,202, which is 6.25% of the total spend (\$163,293).

- NOTE: A number of contracts utilized by the department for services are City contracts that are not entered into or held specifically by the department.

*Please see the 0140 attachment for details on all amounts spent.

As always, please let me know if you have any further questions.

2016: 0140

Freelancer Payment

ANTHONY MUGNALO	FREELANCER DIGITAL DESIGN WORK	\$18,462.50
DANIEL RIOS	CABLE 25 FREELANCER SERVICES	\$27,300.00
GABRIELLE NELSON	FREELANCER PAYMENT FOR CHANNEL 23	\$8,400.00
MARCELO ZAGALASKY	CABLE 25 FREELANCER SERVICES	\$22,200.00
MICHAEL REITER	VIDEOGRAPHY SERVICE CHARGES	\$3,340.00
VICTOR DIAZ	FREELANCER PAYMENT FOR CHANNEL 23 & 49	\$940.00
Total		\$80,642.50

Hearing Officer Payment

RAYMOND PROCESSER	HEARING OFFICER PAYMENT	\$12,299.50
ROBERT E. NOLAN	HEARING OFFICER PAYMENT	\$9,841.30
SAULTER TARVER	HEARING OFFICER PAYMENT	\$2,507.50
Total		\$24,648.30

Expo

	On SITE STYLING SERVICES FOR SMALL BUSINESS EXPO	
BOCAJ BEAUTY	EXPO	\$300.00
CITY COLLEGES OF CHICAGO	SMALL BUSINESS EXPO EXPENSES	\$2,098.00
CONSTANT CONTACT	MARKETING SMALL BUSINESS EXPO EXPENSES	\$3,318.00
DEAF COMMUNICATION BY INNOVATIONS, LLC.	INTERPRETING SERVICE FOR SMALL BUSINESS EXPO	\$468.00
DWIGHT K IRWIN	PHOTOGRAPHY SERVICE AT SMALL BUSINESS EXPO	\$1,100.00
INTERSECTION MEDIA	CHICAGO BUS TAIL	\$1,500.00
KUSANAYA CAFÉ	SMALL BUSINESS EXPO EXPENSES	\$260.44
LA CATEDRAL CAFÉ	SMALL BUSINESS EXPO EXPENSES	\$300.00
NICHOLE ZUMPE	PHOTOGRAPHY SERVICE FOR SMALL BUSINESS EXPO	\$550.00
ZALESKI & HORVATH MARKET CAFÉ	SMALL BUSINESS EXPO EXPENSES	\$300.00
RACHEL SMITH	PHOTOGRAPHIC SERVICE CHARGES FOR SMALL BUSINESS EXPO	\$350.00
THE SHRED AUTHORITY	SHREDDING SERVICES AT SMALL BUSINESS EXPO	\$1,350.00
Total		\$11,894.44

Food Truck Rally

SERVICE SANITATION	RENTAL & MAINTENANCE OF PORTABLE CHEMICAL TOILETS, SINKS, ETC.	\$875.00
MB Real Estate Svc.	PLAZA RENTAL FOR FOOD TRUCK RALLY	\$7,700.00
Total		\$8,575.00

MISCELLANEOUS

AAA RENTAL SYSTEM	FRIDAY 6:00 A.M. - 6:00 P.M.	\$324.00
AT&T TELE	TELECONFERENCE SERVICES	\$242.31
CARUSO, GINA	ONLINE SUBSCRIPTION FOR SURVEY MONKEY	\$228.00
CITY OF CHICAGO /MOPD	BACP OUTREACH EXP-BOOTH	\$175.00
DIME CHILD FOUNDATION	PREVENTION PROGRAM	\$27,521.00
GAMMAL, JOHN	PARKING FEES & PRO. SVC REIMBURSEMENT	\$68.25
CDW GOVERNMENT	QMATIC SYSTEMS ANALYST SUP	\$822.96
GUERRA, MARIA	DOMAIN NAME	\$27.34
IATR	2016 CONFERENCE REGISTRATION	\$1,290.00
ILLINOIS NOTARY DISCOUNT BOND	BASIC NOTARY PACKAGE	\$144.00
REEL ROOTS CREATIVE	PROF.HEADSHOTS AT SMALL BUSINESS CENTER	\$275.00

SILK SCREEN EXPRESS	PRINTING,SILK SCREEN-EMBROIDERY,DIRECT ON TO	
	GARMENT	\$6,345.35
VILLALPANDO, OSCAR	DOMAIN WEB RIGHTS FOR CABLE CHENNELS	\$69.96
Total		\$37,533.17

Total 0140 **\$163,293.41**



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CC: Samantha Fields
Mayor's Office of Legislative Counsel and Government Affairs

Date: October 21, 2016

Re: Request for Information from Annual Appropriation Committee Hearing

ID#: 70-10

This memo is in response to questions posed at our department's hearing to discuss the proposed 2017 budget.

Alderman Thompson requested data on how much money BACP generated through fines and how much money has been collected.

Response: As of August 31, 2016, BACP's Business Compliance Enforcement division has levied \$13,715,677 in fines and has collected \$6,691,357.

As always, please let me know if you have any further questions.



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Commissioner
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CC: Samantha Fields
Mayor's Office of Legislative Counsel and Government Affairs

Date: October 21, 2016

Re: Request for Information from Annual Appropriation Committee Hearing

ID#: 70-11

This memo is in response to questions posed at our department's hearing to discuss the proposed 2017 budget.

Alderman Arena requested information on where the current food truck stands are located and the new locations recently introduced.

Response: Attached is a map of the existing mobile food truck stand locations as well as the ordinance introduced by Ald. Reilly. For the record, Alderman Reilly introduced two new locations in the most recent ordinance. Specifically at 145 South Franklin Street and 140 South Clark Street (which replaces the former stand at 126 S. Clark Street).

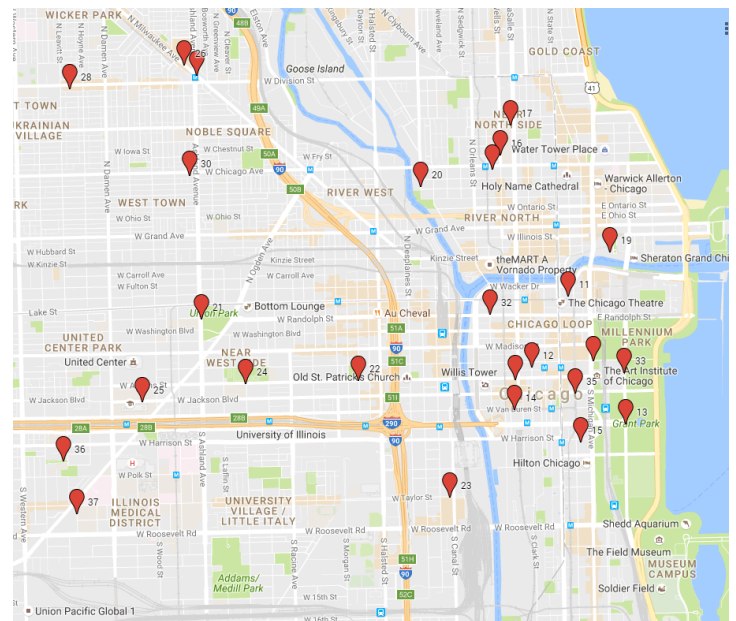
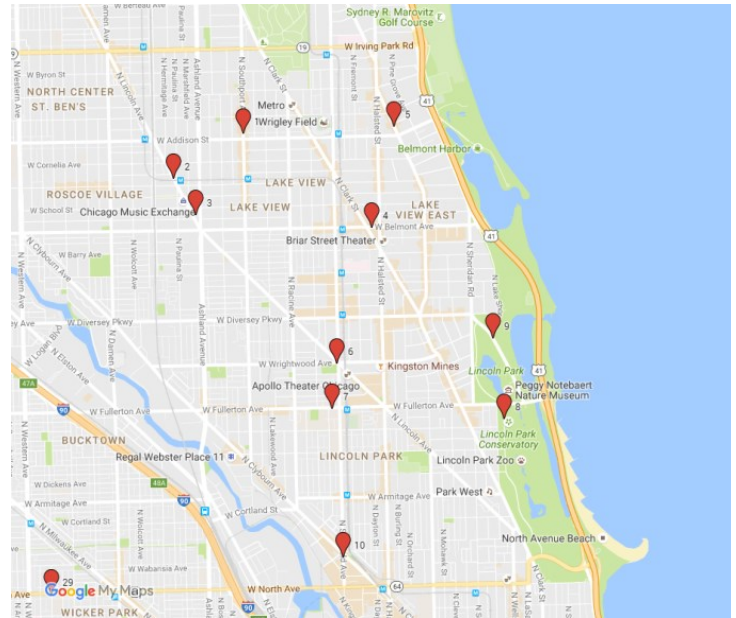
As always, please let me know if you have any further questions.

- “Food Stands” are designated parking locations where food trucks with a current Mobile Food Preparer or Mobile Food Dispenser business license may operate.
- Operators may park in the Food Stands as well as in legal parking spaces throughout the City for up to 2-hours.
- [Food truck ordinance](#) location restrictions and prohibitions apply when using legal parking spaces.

Food Stand signs are installed within a full block of the following address locations:

1. 3627 N. Southport Ave.
2. 3420 N. Lincoln Ave.
3. 3241 N. Lincoln Ave
4. 817 W. Belmont Ave.
5. 3628 N. Broadway
6. 1005 W. Wrightwood Ave.
7. 1030 W. Fullerton Ave.
8. 2342 N. Stockton Dr.
9. 2500 N. Cannon Dr.
10. 1760 N. Sheffield Ave.
11. 30 E. Lake St.
12. 126 S. Clark St.
13. 437 S. Columbus Dr.
14. 150 W. Van Buren St.
15. 65 E. Harrison St.
16. 831 N. Wells St.
17. 930 N. LaSalle St.
18. 219 W. Chicago Ave.
19. 450 N. Cityfront Plaza Dr.
20. 729-829 N. Larrabee St.
21. 149 N. Ashland Ave.
22. 902 W. Adams St.
23. 436 W. Taylor St.
24. 1400 W. Adams St.
25. 1851 W. Jackson Blvd.
26. 1262 N. Milwaukee Ave.
27. 1218 N. Milwaukee Ave.
28. 2135 W. Division St.
29. 1155 N. Oakley Ave.
30. 1615 W. Chicago Ave.
31. 200 S. LaSalle St.
32. 151 N. Franklin St.
33. 185 N. Upper Columbus Dr.
34. 105 E. Monroe St.
35. 300 S. Wabash Ave.
36. 2220 W. Campbell Park Dr.
37. 1030 S. Hamilton Ave.

- If you have questions regarding Food Stands, please contact us at 312-74-GOBIZ (744-6249).
- For complaints about Food Stand misuse (e.g. parking over two hours, parking with an expired or no business license, etc.) please call 311.
- For more information, please go to our [Mobile Food Truck Licenses](#) web page.





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CC: Samantha Fields
Mayor's Office of Legislative Counsel and Government Affairs

Date: October 25, 2016

Re: Request for Information from Annual Appropriation Committee Hearing

ID#: 70-12

This memo is in response to questions posed at our department's hearing to discuss the proposed 2017 budget.

Alderman Arena requested information on what Layer 3 is doing and what services they are offering.

Response: BACP is in the process of acquiring additional information on this new service. The attached letter to Layer 3 is an attempt to discover if they are providing service to the consumer as a traditional cable provider or if they are more like an internet streaming service or somewhere in the middle. Our goal is to ensure full compliance with all local and state regulations as they apply to cable system franchises. We will provide additional information through the chair as we receive it from this company.

As always, please let me know if you have any further questions.



DEPARTMENT OF BUSINESS AFFAIRS AND CONSUMER PROTECTION
CITY OF CHICAGO

October 24, 2016

Jeffrey T. Binder
Chief Executive Officer
Layer3 TV, Inc.
1660 Wynkoop Street
Suite 800
Denver, CO 80202

Dear Mr. Binder:

Pursuant to the Chicago Cable Communication Ordinance, Municipal Code of Chicago § 4-280-010 *et seq.*, I serve as the City of Chicago's Cable Administrator. In that role, I am charged with management of the City's cable franchise process and regulation of cable systems within Chicago.

In various advertising, regulatory and press statements, Layer3 TV, Inc. ("Layer3") refers to itself as offering, as of September 2016, cable service in the City of Chicago. On Layer3's website, you refer to your product as "the best entertainment experience in cable."¹ Various press accounts reported on Layer3's launch of "high-end cable service" in the city.² Layer3 itself described its service, in a Federal Communications Commission *ex parte* notice filing, as not "deliver[ing] video programming provided by its programming partners via the Internet, as compared to online video distributors."³

The Department of Business Affairs and Consumer Protection ("BACP") is not aware of a pending or issued Illinois Commerce Commission ("ICC") authorization for Layer3 to provide cable or video services.⁴ As such, please provide evidence of a pending application for ICC authorization or provide the City with the ICC docket number in which such authorization was granted. If Layer3 does not possess

¹ Welcome to Layer3 TV, *available at* <https://layer3tv.com/> (last visited Oct. 19, 2016).

² See, e.g., Robert Channick, *Layer3 TV launches cable service in Chicago*, CHICAGO TRIBUNE, Sep. 21, 2016, *available at* <http://www.chicagotribune.com/business/ct-layer3-cable-launch-chicago-0922-biz-20160921-story.html> (last visited Oct. 19, 2016).

³ Notice of Ex Parte Communication of Layer3 TV, Inc., FCC MB Docket No. 14-261, Nov. 10, 2015, *available at* <https://ecfsapi.fcc.gov/file/60001335005.pdf> (last visited Oct. 19, 2016).

⁴ See 220 ILCS 5/21-100 *et seq.*

ICC authorization to provide cable or video services and does not plan to seek such authorization as soon as possible, please contact my office so that the City and Layer3 can begin discussing the City's cable franchising process. No entity can "construct, install, maintain, or operate" a cable system in the City without first either obtaining an ICC-issued authorization or a City cable system franchise.⁵

BACP looks forward to working with Layer3 on this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,



Maria Guerra Lapacek
Commissioner

cc: Jeff Levine, Deputy Corporation Counsel
Jared Policicchio, Assistant Corporation Counsel
Lauren Wallace, Layer3, Company Counsel

⁵ See 220 ILCS 5/21-301(a) ("A person or entity seeking to provide cable service or video service in this State after June 30, 2007 (the effective date of Public Act 95-9) shall either (1) obtain a State-issued authorization pursuant to Section 21-401 of the Public Utilities Act (220 ILCS 5/21-401); (2) obtain authorization pursuant to Section 11-42-11 of the Illinois Municipal Code (65 ILCS 5/11-42-11); or (3) obtain authorization pursuant to Section 5-1095 of the Counties Code (55 ILCS 5/5-1095)"); Municipal Code of Chicago § 4-280-040(A)