

OFFICE OF THE MAYOR CITY OF CHICAGO

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**CONTACT:** Mayor's Press Office 312.744.3334 press@cityofchicago.org

## MAYOR EMANUEL ANNOUNCES CITY COUNCIL APPROVES FIRST-OF-ITS-KIND POP-UP LICENSE

New license structure allows innovative entrepreneurs to test concepts, businesses to utilize vacant store fronts

Mayor Rahm Emanuel and the Department of Business Affairs and Consumer Protection (BACP) today announced the City Council passage of a new ordinance, co-sponsored by Alderman Emma Mitts and Alderman Michele Smith, that streamlines the process for short-term "pop-up" stores, including restaurants, to operate in the city. This is part of the Mayor's ongoing small business reforms that makes it easier to do business in the city and expands economic opportunity in every neighborhood. This new license supports Chicago's businesses and entrepreneurs the ability to test new concepts, the use of underutilized retail spaces, and bring unique retail experiences to Chicago residents.

"I am committed to making it easier to do business in Chicago and to expand those opportunities to every corner of the city," said Mayor Emanuel. "Chicago is home to some of the most innovative and forward-thinking entrepreneurs and this new license - which is the first-of-its-kind in the nation will allow businesses to easily test out new business ideas and locations."

The new licenses will support the small business community, allowing them to experiment in new locations with limited regulatory and investment burdens. It also will bring vibrancy to neighborhoods by filling vacant storefronts and providing expanded and varied retail options to all Chicagoans. Landlords looking to rent out their space for pop-up restaurants, cafes or retail stores will be able to obtain a low-burden pop-up host license.

"We've listened to the small business community that has been calling for retail and food pop-ups for a long time and we are leading the way with a new model to support small business growth," said Rosa Escareno, Commissioner of BACP. "We are very excited to create a new licensing structure to give pop-up users and hosts this opportunity to increase entrepreneurship and allow vacant store-fronts and restaurants a new way to maximize their space. We want to make this process as easy as possible for everyone."

"Creating a business license that supports fledgling businesses to afford finding new customers, while helping fill vacant storefronts and bring new vibrancy to communities is exactly the kind of business model Chicago needs," said Alderman Emma Mitts. "This is another example of how we

have been working with communities to help them build economic opportunities and support small business."

With this new license, entrepreneurs and restaurateurs will be able to obtain a short-term, inexpensive pop-up user license to highlight their business or products in a temporary location. Previously, most business owners seeking to operate temporary establishments were required to get a full two-year business license. The new license gives businesses the option of a five-, 30-, 90-, 180-, or 365-day license, depending on their business activity, with pop-up restaurants limited to a maximum 90-day license. A business would be able to use a single pop-up license at multiple locations during the license period. In addition, locations that want to host pop-up restaurants will be able to obtain a separate pop-up host license, benefitting from a streamlined process offering the ability to host multiple pop-up restaurants during their license period.

"In 2017, the South Shore Chamber of Commerce along with community and business partners hosted a successful retail pop-up festival during the holiday season," said Tonya Trice, Executive Director of the South Shore Chamber of Commerce. "This allowed budding entrepreneurs an opportunity to test their business model while also affording established business owners the opportunity to try the South Shore community as a location. I am thrilled Business Affairs and Consumer Protection is expanding the framework to allow for this innovative and creative business model in the city of Chicago."

Chicago area chambers of commerce will be helping to spread the word about pop up possibilities by competing in a contest to design a Chicago Pop-Up logo and slogan. Neighborhood residents will know something exciting is coming to a vacant store-front near them when they see the Pop Up logo in the window. Additionally, the City will be working with students at the School of the Art Institute to showcase design possibilities for pop-up stores to inspire businesses.

Restauranteurs and food providers will see additional benefits from this license. Existing restaurants will be able to operate a pop-up at a different location without obtaining an additional license or paying an extra fee. Existing dining establishments can also obtain a supplemental license and host pop-ups when they are not actively operating. Further, existing shared kitchen operators will also be able to host pop-up users.

This ordinance is part of a slate of small business initiatives that Mayor Emanuel announced at the end of April in his "Small Business Brief" to lift the regulatory burden on Chicago's entrepreneurs, simplify the licensing process and reduce the burden of inspections. On June 27, the first of the Mayor's small business ordinances was passed by City Council, creating a start-up license fee and allowing sidewalk cafés to operate year-round. The start-up license fee permits all new Limited Business Licensees to obtain a 2-year license for a 1-year price. In the coming months, the City will be creating a license inspection checklist to reduce confusion for new business owners and roll-out night and weekend inspection shifts to better accommodate business owners.

These new initiatives are part of the Mayor's ongoing commitment to make small business growth a priority of his administration, including:

- Reducing the fees for numerous licenses, benefiting 10,000 business owners.
- Cutting the total number of business licenses from 117 to 40.
- Streamlining inspections to help reduce the number of inspections for more than 2,000 businesses and helping businesses open an average of 30 days faster.

- Doubling health inspection passage rates and helping participating restaurants open an average of 45 days earlier through the Restaurant Startup Program.
- Working with more than 70 delegate agencies to bring indispensable business support to neighborhoods.