

Statement

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Commissioner
Chicago Department of Aviation**

**2014 Budget Hearing
Chicago City Council
Committee on Budget and Government Operations**

October 29, 2013

Introduction

We are pleased to present the proposed 2014 Budget for the Chicago Department of Aviation (CDA). This proposed budget provides for operations, maintenance and debt service of Chicago O'Hare and Midway International Airports.

2013 continues to be a very big and historic year for Chicago's airports.

- We commissioned new Runway 10C-28C under the O'Hare Modernization Program.
- O'Hare welcomed four international carriers that together will create \$515 million in annual economic impact for the region.
- Midway had the busiest year in its 85-year history with more than 19.5 million passengers in 2012 and it has added service to 12 new markets including two international markets this year.
- We implemented 1-Stop and Automated Passport Control to improve efficiency and reduce passenger wait times for customs processing at O'Hare.
- We opened a new \$55 million Consolidated Rental Car Facility at Midway.
- The CDA secured a \$288 million TIFIA loan from the USDOT to help finance construction on an \$800 million multi-modal joint-use facility at O'Hare that will create 3,000 construction and 100 permanent jobs.
- We launched a completely redesigned and more user-friendly FlyChicago website for O'Hare and Midway.
- We are nearing completion of a \$26 million redevelopment of O'Hare's International Terminal 5 concessions program.
- We are introducing several new, exciting retail and service concessions at O'Hare.

Chicago Department of Aviation Mission

The CDA independently manages both O'Hare and Midway International Airports as Enterprise Funds, segregated and separate from all other City funds. As Enterprise Funds, the airports are independent, self-supporting entities reliant upon the funds generated at each respective airport and do not receive any local taxes or revenues. Revenues consist of those from landing fees and terminal rents derived from the airlines, as well as revenue generated from car rental, parking, food and beverage and retail. Combined, these revenues cover the full cost of airport operations, maintenance and debt service and the costs incurred by other City departments providing support to the CDA.

All major capital improvement projects at Chicago's airports are also financed without the use of city property tax and/or state tax revenues. Funding for these projects comes from airline-backed bonds, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs) and Federal Airport Improvement Program (AIP) funds.

The CDA manages and accounts for airports in a manner similar to that of a business venture, with a premise of increasing value to “our shareholders” which include our airline partners, the business community, the traveling public and the City of Chicago.

The Chicago Department of Aviation’s core mission is the following:

- Ensure safe and efficient travel through O’Hare and Midway International Airports.
- Enhance economic activity and job creation within the City of Chicago and the region.
- Continue to grow Chicago’s airports’ competitive positions in the global aviation marketplace.
- Provide the very best services and amenities in an environment that reflects Chicago’s rich, diverse and unique character.
- Successfully implement the O’Hare Modernization Program (OMP).
- Continue to be the international leader in airport sustainability by integrating environmental best practices into all aspects of the airports.

State of the Industry

Consolidation among U.S. airlines has left fewer competitors in the marketplace. In 2008, Delta Air Lines and Northwest Airlines merged to become the new Delta. In 2010, United Airlines and Continental Airlines merged to become the world’s largest airline. That same year, Southwest Airlines acquired AirTran Airways, and is now in the process of integrating into a single brand. This year, US Airways and American Airlines announced their intention to merge.

Consolidation has helped airlines implement strategic and structural changes to achieve positive net margins. Airports have been affected differently.

Fortunately, the Chicago market has grown thanks to the commitment of our major carriers: United, American and Southwest Airlines.

Economic Power of Chicago’s Airports

Chicago’s airports continue to be powerful economic engines, generating nearly \$45 billion in economic activity and 540,000 jobs in our city, the region and state. In addition, the OMP will create up to 195,000 new jobs and add \$18 billion to the region’s economy. Approximately 45,000 badged employees work at Chicago’s airports.

O’Hare and Midway provide significant tax revenue to the City’s Corporate Fund. In fact, Chicago’s airports were responsible for providing more than \$122.7 million in tax revenue to the City in 2012, compared with \$113.6 million in 2011.

State of the Airports

Chicago’s airports continue to maintain their financial and operational strength. An airport’s operational strength is measured by its volume of passengers and operations.

	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>Percent</i>
<u>Passenger</u>	<u><i>Actual</i></u>	<u><i>Projected</i></u>	<u><i>Projected</i></u>	<u><i>Change</i></u>

	<u>Budget</u>	<u>Budget</u>
Personnel Svcs.	\$181,426,000	\$186,556,000
Contractual Svcs.	243,856,000	253,582,000
Travel	122,000	120,000
Commodities	23,232,000	23,811,000
Equipment	10,453,000	11,049,000
Debt Service	458,332,000	507,047,000
Specific Purpose	<u>47,393,000</u>	<u>47,394,000</u>
	\$964,814,000	\$1,032,759,000
CDA	\$311,714,840	\$325,202,819
Supporting Depts.	<u>653,099,160</u>	<u>707,556,181</u>
	\$964,814,000	\$1,032,759,000

There was a \$67.945 million increase in the overall O’Hare budget which is mostly attributed to increases in new contracts, contractual price escalations and debt service.

Safety and Security

Ensuring safety and security for travelers and airport employees is the CDA’s top priority. A full complement of Chicago Police Department officers, Aviation Security officers and private security guards, as well as more than 30 federal, state and local partner agencies, support the CDA’s multi-layered safety and security mission.

In 2013, the CDA implemented an online airport badging application process at both airports to improve efficiency.

A Facilities Inspection Team Program comprised of the CFD Fire Prevention Bureau, CDA terminal managers, CDA Assistant Chief Operating Engineers, CDA Real Estate and CDA Safety employees was also created to identify hazards and risks and coordinate the necessary corrective actions to mitigate. This program has resulted in reduced insurance premiums for both airports.

We implemented a security checkpoint wait time monitoring pilot program at Midway which utilizes Bluetooth and WiFi technology to provide real-time data to the TSA so they can better manage checkpoint wait times. A similar program was launched at O’Hare in September 2013. The CDA expects to complete the pilot program in 2014 and select a vendor to install a permanent technology to monitor wait times.

The CDA regularly hosts and participates in classes and exercises with its federal, state, city and airport partners in order to test its preparedness to react and respond to any type of incident.

In 2013, a new Chicago Fire Department Command (CFD) Van 2-7-8 was added to the airports’ fleet of emergency response vehicles. The command van is compliant with the National Incident Management System (NIMS). It features state-of-the-art communications equipment (cellular, radio and satellite), a conference room equipped with communications equipment and large screen monitors, built-in video cameras and basic amenities for command staff.

The CDA and CFD will conduct a full-scale airport emergency exercise at O'Hare in 2014 which is required by the FAA to be completed every three years.

Health and safety of airport employees

The health and safety of airport employees is also a priority for the CDA. Empowering and motivating employees to maintain good physical health and overall well-being are an important part of the CDA's ability to manage and operate the airports.

In addition, the fourth Annual Safety, Health and Wellness Expo will be held November 19th at O'Hare and November 20th at Midway. The event is intended to increase employee safety awareness on the job, and to empower CDA employees to improve their health and well-being through a variety of health screenings, education and activities to support positive lifestyle changes. Participants include Gatorade, Costco, Healthways, Chicago Department of Public Health and many more.

Airport Operations

The CDA works tirelessly behind the scenes to ensure safe and efficient operations at O'Hare and Midway.

Both airports continually meet FAA safety guidelines and standards routinely monitored during FAA compliance and airfield inspections. Midway received a perfect score on the FAA Part 139 annual inspection in 2013 and O'Hare passed with flying colors.

Human Resources/Training

The CDA has partnered with the American Association of Airport Executives (AAAE) to develop comprehensive online training for the Security and Airfield Operations (Part 139) divisions of O'Hare and Midway. Both trainings are required by the TSA and FAA and support the CDA's mission of bringing more online content training to its employees. This training is web-based and includes a Learning Management System (LMS) that scores tests and tracks employee training. With this system, the CDA can train hundreds of employees without incurring additional personnel cost. The CDA completed O'Hare and Midway Security Identification Display Area (SIDA) training. In 2014, Midway expects to complete the AAAE Midway Part 139 Certification Online Training.

The CDA is in the process of upgrading its Labor Management System (LMS) to include automation of disciplinary appeal and review forms; creation of auto send emails of pre-discipline notices to Union representatives; and automatic close out of untimely union responses to grievances. Upgrades are scheduled to be complete by November 1, 2013.

Community Outreach, Transparency and MBE/WBE/DBE Participation

The CDA is committed to seeking any and all available opportunities for M/W/DBEs to participate in aviation related work. We continue to engage in significant outreach efforts to ensure that any and all firms in Chicago are aware of upcoming CDA contracting opportunities. To that end, the CDA either hosted or participated in 20 outreach sessions all over the City.

Similarly, the CDA has already issued more than 200 web alerts in 2013 to over 12,000 subscribers that include announcements for bid package opportunities, job openings and upcoming events; as well as a wide variety of positive news stories about Chicago's two airports and the Department's current activities, special programs and accomplishments.

Our outreach efforts have proven to be successful. M/W/DBE payments on all CDA contracts this past budget year is over \$262 million or 43 percent of all contract payments.

Similarly, to engage small businesses this year, the CDA issued its first Small Business Enterprise contract for the Residential Sound Insulation Program. The CDA anticipates advertising two to three additional small business initiatives in the upcoming year.

In September 2013, the CDA announced it will provide up to \$1.6 million in funding over three years to Skills for Chicagoland's Future for worker training and direct placement program assistance to help unemployed Chicago residents obtain positions at companies that contract with O'Hare. The funding comes from damages collected by the CDA from contractors who failed to meet the requirement of the Chicago Residency Ordinance, which specifies that penalties collected must be utilized for such worker training programs.

This summer, 40 Chicago-area high school and college students served as "Airport Ambassadors" at O'Hare and Midway as part of the One Summer Chicago Program. The students shadowed managers in various divisions, attended professional development sessions, visited Lewis University, and most importantly, learned about career opportunities within aviation and the value of providing great customer service to passengers.

Air Service Development

New air service added or announced since 2009 has helped Chicago enhance its stature as a global transportation gateway while generating additional jobs and more than \$2.4 billion in local annual economic activity.

Four new entrant carriers began international service at O'Hare in 2013 – Airberlin to Berlin, Germany; Qatar Airways to Doha, Qatar; Austrian Airlines to Vienna, Austria; and Hainan Airlines to Beijing, China. ANA added another daily flight to Tokyo in September 2013.

Chicago's existing carriers at O'Hare continue to add new domestic and international service. At Midway, Southwest/ AirTran Airways began new international service to the Dominican Republic and Jamaica in 2013.

Growing Travel and Tourism to Chicago and the U.S.

O'Hare and Midway play a key role in the travel and tourism industry for Chicago and for the United States. Travel and tourism is an important economic engine and job creator. International visitors spend an average of over \$4,000 per trip to the U.S. Every 33 visitors to the U.S. creates one American job.

Under the leadership of Mayor Emanuel, our focus on growing tourism to Chicago has never been greater. The Mayor has set an ambitious goal of attracting 50 million visitors to the city per year by 2020. Chicago's airports will play a key role in making that happen. In 2013, Commissioner Andolino became a member of the board of directors for Choose Chicago. The CDA and Choose Chicago will continue to work closely together to grow tourism and visitation to Chicago.

I am also Chair of the Gateway Airports Council (GAC). This group is part of the U.S. Travel Association and is comprised of over a dozen U.S. gateway airports that are ranked highest in terms of international passenger traffic. Our primary goals are to increase financing options for airport infrastructure and operations, and improve facilitation and entry for foreign travelers entering the U.S. We are urging Congress to increase the cap on the passenger facility charge (PFC), which has remained at \$4.50 for over 13 years. Uncapping the PFC will generate billions in additional dollars for airport construction projects that enhance capacity, safety and efficiency, while generating thousands of jobs. We are also urging Congress to provide increased funding for U.S. Customs and Border Protection (CBP) staff and initiatives such as Automated Passport Control at our gateway airports to improve the re-entry process for U.S. and international travelers.

World Routes 2014

The CDA is preparing and planning for the World Routes Forum in Chicago on September 20-23, 2014. This aviation industry event will bring more than 3,000 delegates to Chicago. We worked closely with Choose Chicago, the Chicagoland Chamber of Commerce, World Business Chicago and the Illinois Restaurant Association to bring this prestigious event to Chicago. It is only the second time this event will be held in the U.S. The forum further strengthens awareness of Chicago as a global market and serves as a catalyst for additional air service growth. In addition, we are working with the International Civil Aviation Organization (ICAO), The World Bank and DePaul University to hold an event in conjunction with the World Routes conference to celebrate the 70th anniversary of the Chicago Convention.

Enhancing the Travel Experience

From offering award-winning concessions to helping passengers travel smarter and quicker through technological advances, the CDA is continually evaluating and improving the passenger experience at O'Hare and Midway.

U.S. Entry Process at O'Hare

In the summer of 2013, the CDA, CBP and our airline partners worked collaboratively to implement Automated Passport Control (APC) and 1-Stop at O'Hare Terminal 5 to expedite processing of arriving international passengers. 1-Stop offers international passengers arriving without checked baggage with proper documentation expedited processing through CBP's primary inspection area.

The APC system at O'Hare offers U.S. and Canadian passport-holding passengers an automated process through CBP's Primary Inspection area. There are 32 automated kiosks that scan passport information and customs declaration forms. O'Hare is the first U.S. airport to implement this new technology. APC has already significantly increased

the flow of passengers through primary inspection, reduced CBP wait times and “misconnects.” The Department intends to install the APC system at Midway in early 2014.

Concessions

The CDA’s award-winning Concessions Program offers travelers high-quality products and services, provides opportunities for local businesses and promotes sustainability. Featuring a wide range of options, passengers will find something for everyone within the terminals of each airport.

We have raised the bar for airport dining and diversified our offerings. We’ve introduced fresh, healthy options, unique Chicago flavor, more sit-down restaurants and food that rivals some of the best you can find anywhere in town.

At Midway, 10 restaurants have been deemed “F.I.T. City Establishments” by health organizations that are part of “Building a Healthier Chicago”. FIT City Establishments cook with plant-based oils, and offer at least two menu choices that contain main ingredients like fresh fruits and vegetables.

As of September, 2013, all sixteen of MAC One’s stores at Midway have been designated with “Leader” status pursuant to the CDA Sustainable Airport Manual Concessions and Tenants Chapter. These designations are awarded by the CDA in recognition of outstanding performance and lasting contributions to sustainable airport practices.

As shown below, concessions sales per enplanement grew steadily between 2009-2012 at both airports and is projected to increase at O’Hare in 2013. Concessions sales per enplanement is used in the aviation industry to show the performance of an airport’s concession program. It shows the average amount each passenger who departs from the airport spends on concessions.

	<i>Midway</i>		<i>O’Hare</i>	
	<i>Sales</i>	<i>Sales per Enplane.</i>	<i>Sales</i>	<i>Sales per Enplane.</i>
2009	65,304,000	7.62	298,311,000	9.31
2010	69,081,000	7.80	327,620,000	9.85
2011	74,738,000	7.90	356,357,000	10.73
2012	78,555,400	8.05	369,041,800	11.11
2013 ⁽¹⁾	81,486,800	7.96	381,722,000	11.44

⁽¹⁾ 2013 annual projection based on sales through August 31

In January 2013, the CDA received City Council approval to enter into agreements for 13 new specialty retail concessions locations in O’Hare’s domestic terminals. The retail outlets are opening in phases beginning September 2013 through April 2014.

Terminal 5 Concessions Redevelopment

The biggest and most exciting concessions enhancement is occurring in our international terminal. Thanks to the leadership of Mayor Emanuel and the Chicago City Council, we

reached an agreement with Westfield that provides outstanding results for our airport, the traveling public and the City. The redevelopment will create over 400 new concession jobs by the time it's complete.

Westfield began the \$26 million redevelopment program in 2012. The work includes a renovated interior, new, upgraded restrooms, a redesigned and more efficient TSA checkpoint and enhanced retail and dining offerings past the security checkpoint.

To date, Westfield has opened 13 new concessions spaces post-security while maintaining an active terminal.

The new dining options that have already opened include Tortas Frontera by Rick Bayless, Big Bowl by Lettuce Entertain You, Kofe powered by Intelligentsia and Tocco, a local concept featuring rustic Italian fare. More innovative, high quality dining establishments from Lettuce Entertain You are coming as part of a new airside food court. The Goddess & Grocer, a local gourmet deli shop, will open pre-security early next year.

For retail, local chocolatier Vosges Haut Chocolat, Swatch, 2 new duty-free stores by Dufry, four new Hudson stores and O'Hare's first-ever spa/salon, XpresSpa have already opened. Next month, a local shop called I Love Chicago will open with products such as original artwork and unique accessories by local artists. More new retail to come includes luxury shops from renowned designers Michael Kors, Salvatore Ferragamo, Emporio Armani, and a luxury watch boutique.

Since the redevelopment began in earnest in July 2012, sales have increased by over 15 percent, even with fewer concessions units open as the program transitions from pre- to post-security.

As shown below, concessions sales per enplanement continues to increase at Terminal 5.

2011:	\$15.78 (prior to redevelopment)
2012:	\$16.80 (6.5 percent increase over 2011)
2013 (forecast):	\$18.51 (10.1 percent increase over 2012)
2014 (forecast):	\$26.00 (41 percent increase over 2013)

Technology

The CDA's website, FlyChicago.com, has more than three million unique visitors each year. In May 2013, the CDA and its airport Wi-Fi provider, Boingo, launched "The Good Stuff" portal, which provides travelers at both airports with complimentary Wi-Fi access to over 30 websites. Limited time complimentary Wi-Fi service was also offered periodically throughout the year through sponsorship opportunities.

Growing Non-Airline Revenue

The CDA entered into an agreement in 2013 to develop, install and operate new indoor commercial advertising concessions at both airports. The new advertising platform will replace static ads with interactive, digital displays and will generate approximately \$25 million annually. In addition, for the first time the CDA has procured an outdoor

advertising agreement that will generate the greater of \$100,000 per year or 50 percent of gross revenues from ad sales for outdoor advertising at Chicago's airports, including O'Hare Airport Transit System (ATS) cars and stations.

In 2014, Midway will focus on concessions improvements and parking service improvements to grow non-airline revenue. The CDA will evaluate the optimal solution for the concessions program at Midway including expansion of space, procuring a high yielding operator and improving the customer experience. The parking infrastructure will also be evaluated to ensure that the facility capacities are available to meet the traveler's needs.

In September of 2013, the CDA commenced a Parking Management Access Control Technology (PARCT) project, which will automate the Parking System at O'Hare. The new system will provide enhanced customer service with Pay-on-Foot kiosks, space count and parking guidance.

Capital Improvement Program

The CDA is committed to reinvesting in its facilities in order to remain competitive, and keep up with the demand of passenger travel and cargo operations. The airports' ongoing Capital Improvement Program includes maintenance projects as well as enhancements to terminals, runways, roadways, security, airport services and amenities.

In 2014, Midway's capital improvement program is estimated at \$74 million including a major runway reconstruction project, residential sound insulation work and parking lot improvements.

O'Hare's capital improvement program for 2014 is estimated at \$130 million including replacing the International Terminal roof system and terminal core upper level roadway expansion joints; upgrading of the east cooling tower and the modernizing of the heating and refrigeration (H&R) plant's chillers; and reconstruction of critical airside apron pavement areas.

O'Hare Modernization Program (OMP)

On October 17, 2013, we opened the newest runway at O'Hare – Runway 10C-28C. At 10,800-feet in length and 200-feet in width, Runway 10C-28C will accommodate the largest aircraft that fly today, including the Boeing 747-8 and the A380. Runway 10C-28C represents the final component of OMP Phase 1. The total cost of Runway 10C-28C, including 19 enabling projects, was approximately \$1.3 billion.

On October 7, 2013, we opened a new taxiway built as part of OMP Phase 2A. Taxiway Zulu (Z) provides a new route for aircraft to taxi to the terminal and cargo areas from Runway 9L-27R. The operational benefits created by Taxiway Z include shorter taxi times and improved taxiing procedures, which will result in substantial fuel savings for airlines and reduced emissions at the airport. The cost of this project was approximately \$93 million.

Runway 10C-28C and Taxiway Z are vital components of the OMP, an \$8 billion reconfiguration of O'Hare's airfield and facilities to prepare for growth in the 21st century. The OMP is one of the largest civil infrastructure projects in the nation. It is transforming O'Hare's airfield from an outdated system of intersecting runways into a modern parallel runway configuration.

Construction is underway for another new runway and new air traffic control tower on the south airfield as part of OMP Phase 2A; both will open in 2015. The cost for these projects combined is estimated to be \$541 million.

The Completion Phase 2B projects include a new runway on the north airfield, another runway extension and the Taxiway Lima Lima (LL) Project. In September 2013, O'Hare received nearly \$92 million to fund construction of the Taxiway LL project, providing greater operational efficiency and flexibility at O'Hare. This investment was made possible by a \$10 million AIP grant from the FAA; and United and American, who have committed \$78.4 million in funding, with the remaining \$3.5 million funded from passenger facility charges.

When the OMP is completed, O'Hare will have eight runways: six east-west parallel runways and two crosswind runways. The OMP will create up to 195,000 new jobs and \$18 billion in annual economic activity.

Airport Development

In 2013, the CDA announced plans for a new multi-modal joint-use facility and ATS Extension project at O'Hare. This project will relocate and consolidate rental car facilities into a joint use rental and public parking structure. The extended ATS and relocation of shuttle bus operations will reduce air emissions and enhance transit connectivity for the airport and non-airport users. In 2014, we will continue our efforts by procuring \$14.1 million worth of construction contracts to build the facility.

In 2013, the Chicago City Council approved an agreement between the CDA and Chicago Perishable Center, Inc. to develop a perishable cargo center at O'Hare. The center will be the first of its kind in Chicago. It will vastly increase the speed, availability, variety and freshness of perishable goods such as flowers, food and medicine delivered to the Chicago region. The center will open in 2014 and operate from existing cargo space just east of International Terminal 5.

In 2013, we expect to break ground on the O'Hare Northeast Cargo Center. It will be a nearly \$200 million, state-of-the-art facility that will expand and enhance the efficiency of O'Hare's airport cargo operations and lead to the creation of thousands of new jobs. The 65-acre, 820,000 square foot facility has the potential of doubling O'Hare's cargo operations once fully operational. It will accommodate up to 15 of the newest generation of Boeing 747-800 freighters.

Sustainability at Chicago's Airports

The CDA has a long and distinguished history as a leader in airport sustainability. Beginning with the creation of the OMP Sustainable Design Manual (SDM) in 2003 which has evolved into the Sustainable Airport Manual (SAM), the CDA continues to

advance a wide array of industry-leading sustainability initiatives into airport planning, operations, maintenance, concessions and tenants at O'Hare and Midway.

Since 2007, we have sponsored the Airports Going Green conference, which has become the aviation industry's leading sustainability forum. This year's event will be held on November 12-14.

Goats and sheep have long been used to control vegetation and remove weeds. The CDA is now taking advantage of this cost-effective, natural method. A pilot program launched in 2013 allows for 25 grazing animals and their herder to graze up to 120 acres of land at O'Hare.

On Earth Day 2013, the CDA announced a new Green Concessions Policy and Guide to Green Concessions Operations. The Policy is intended to provide concessionaires at the airports with guidance and standards for providing a healthier, more environmentally-friendly environment and experience. It includes the ban of Styrofoam and petroleum-based plastic disposable consumer containers and utensils; and the procurement of green-only cleaning products.

Being a Good Neighbor: Reducing Noise

The CDA is sensitive to the issue of noise impacts to communities surrounding O'Hare and Midway. In cooperation with the O'Hare and Midway Noise Compatibility Commissions, our goal is to minimize the impact to communities surrounding Chicago's airports. The CDA manages one of the world's most robust sound insulation programs for homes and schools. To date, the CDA has insulated more than 17,500 homes around O'Hare and Midway.

In 2013, the CDA updated its Part 150 Noise Compatibility Study for Midway, which formally establishes a noise contour for the Midway area and will allow its Residential Sound Insulation Program to be eligible for federal grants.

In spring 2013, the CDA completed sound insulation of approximately 3,000 homes for Phase One of the OMP, which included new Runway 10C-28C. To raise awareness about the airspace changes due to the opening of Runway 10C-28C, the CDA, together with the O'Hare Noise Compatibility Commission and FAA, held numerous public outreach meetings. These included open house meetings in the communities surrounding O'Hare over the last 12 months, where officials from each agency provided information and answered questions from residents. The CDA also held numerous briefings with elected officials and their staff from surrounding areas including congressmen, aldermen and mayors.

The CDA will continue to work closely with the airport noise commissions, FAA and elected officials to reduce the impact of aircraft noise on surrounding communities.

Honoring and Serving Our Military

The CDA's partnership with the United Service Organization (USO) of Illinois continues to grow and we are constantly working to honor former and current military members at Chicago's Airports.

This year, the CDA held its second Military Appreciation Month in May. Active military personnel were offered special discounts at food, beverage and retail outlets at both O'Hare and Midway.

We also support Honor Flight Chicago, which hosts World War II veterans on a day trip from Midway to Washington, D. C. to visit the National War Memorials.

In October, the USO of Illinois celebrated the grand reopening of its new USO center facility in Terminal 3 at O'Hare. The new USO center was made possible in part through the support of American Airlines and the CDA, which took lead rolls in renovating the facility. The space is in addition to the USO's other facility in Terminal 2 at O'Hare, providing a "home away from home" for thousands of military and military families every year.

Connecting to the Community

In September 2013, more than 700 runners, walkers and aviation enthusiasts participated in Midway's first-ever run on the airfield. The Midway Fly Away 5K was presented by Southwest Airlines and the CDA, with proceeds from the run benefiting Special Olympics Chicago. The event raised more than \$5,000.

O'Hare hosted the fifth annual Law Enforcement Torch Run Plane Pull in September 2013. Twenty-person teams comprised of law enforcement and safety personnel, as well as the general public, faced off with a 90-ton UPS Airbus A300 aircraft. The event raised more than \$135,000 for Special Olympics Illinois.

The CDA and United Airlines partnered on a 5K/10K "Run on the Runway" and Community Day event at O'Hare in September to benefit and raise awareness of the Wounded Warrior Project. The event raised more than \$24,000.

Awards

We are pleased to share that our airports and our leadership have received several awards over the last year:

- The CDA received the Airport Safety Award from the Federal Aviation Administration Great Lakes Region.
- The CDA received a "Project of the Year" award from the Federation of Women Contractors (WTC) for the Residential Sound Insulation Program.
- The CDA was honored by the Construction Industry Service Corporation (CISCO) with a "Public Body of the Year" award.
- Commissioner Andolino received a "Women Who Move the Nation" aviation sector award from the Conference of Minority Transportation Officials (COMTO).
- O'Hare's Automated Passport Control (APC) received an award for "Best Immigration Initiative" from Future Travel Experience
- Tortas Frontera at O'Hare received USA TODAY Travel's 10Best.com Reader's Choice Award
- CDA Managing Deputy Commissioner Jonathan Leach was selected as one of *Airport Business* magazine's "Top 40 under 40"

- CDA Managing Deputy Commissioner Joseph O'Connor, Jr. received the O'Hare Wings of Vision award from the Interfaith Chapels of Chicago.
- I am honored to receive the Motorola Solutions Foundation Excellence in Public Service Award in December 2013.

Chicago's Aviation Future is Bright

In 2013, the CDA took significant steps towards making Chicago's airport system the world's best by making the investments and decisions necessary to enhance our status as a global transportation center. The future looks even brighter.

We continue to invest in all aspects of our airports. Another new runway is scheduled to open in 2015 at O'Hare, Runway 10R-28L. Our cargo facilities are expanding and will include parking for the largest freighter aircraft such as the B747-8. The concessions program will continue to be enhanced with RFPs for food, beverage and retail at both airports. We are continuing to improve our passenger amenities and services with cutting-edge technology. A new consolidated rental car/public parking facility at O'Hare will provide enhanced connectivity to our terminals. And we are strengthening our connectivity to the world by pursuing new air service and carriers.

Under Mayor Emanuel's leadership, the CDA will continue to strive to make Chicago's airports not only the busiest, but most importantly, the best; and ensure our airports continue to be the economic engines for Chicago and the region.

2013 continues to be a historic year for Chicago's airports, and we have enjoyed celebrating our major accomplishments with you. We look forward to continuing to work closely with you to make Chicago's airports "best-in-class" destinations that are truly representative of our world-class city

Thank you.

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Chicago Department of Aviation

2014 Budget Hearing

MBE/WBE/DBE Data

Period: 10/1/2012 – 9/30/2013

Total Purchases: \$608,754,945 (Total) / \$367,201,541 (M/WBE/SBE) / \$241,553,404 (Federal)

\$26,362 \$111,503,792 (30% of Non-Federal) \$35,556,588 (10% of Non-Federal) \$115,139,953 (48% of Federal) \$262,226,695 (43% of Total)

SBE	MBE	WBE	DBE	Total MBE/WBE/DBE/SBE Purchases
	<u>M/DBE Purchases</u>	<u>WBE Purchases</u>		
WBE only	n/a	\$35,556,588 (10%)		
Asian	\$26,233,311 (4.3%)	n/a		
African-American	\$67,071,686 (11.1%)	n/a		
Hispanic	\$82,878,376 (13.6%)	n/a	Total	
Total Spending	\$176,183,373 (29.0%)	\$35,556,588 (10%)	\$211,739,961(35%)	

Staffing Data

(As of 9/30/2013)

(10/1/2012 – 9/30/2013)

Department Ethnicity and Gender				
	Male	Female	Total	%
Asian	27	4	31	2%
African-American	279	131	410	32%
Hispanic	180	44	224	18%
Native American	0	1	1	0%
White	527	85	612	48%
Total	1013	265	1278	100%
	79%	21%		

New Hires Ethnicity and Gender				
	Male	Female	Total	%
Asian	8	0	8	2%
African-American	137	32	169	50%
Hispanic	70	9	79	23%
Native American	0	0	0	0%
Undeclared	0	0	0	0%
White	76	8	84	25%
Total	291	49	340	100%
	86%	14%		

Department Managers Ethnicity and Gender				
	Male	Female	Total	%
Asian	2	1	3	6%
African-American	9	4	13	26%
Hispanic	4	0	4	8%
Native American	0	0	0	0%
White	25	6	31	60%
Total	40	11	51	100%
	79%	21%		

Interns

School	Gender	Race
DeVry University	Female	African-American
Monmouth College	Male	African-American
Southern Illinois University	Male	White
Illinois Institute of Technology (IIT)	Male	Asian

Chicago Department of Aviation - 2013

