

S U B S T I T U T E **O R D E R**

WHEREAS, small businesses contribute significantly to the cultural fabric of Chicago by providing opportunities for upward mobility and strengthening Chicago's diverse economy; and

WHEREAS, it has become increasingly expensive to open and maintain a small business in Chicago due to many factors, including commercial rents, federal tariffs, inflation, professional service fees, labor and overhead costs, and consumer habits; and

WHEREAS, small businesses are too frequently forced to manage high opening and operating costs due to these factors; and

WHEREAS, the City of Chicago ("City") must continuously review—and when appropriate adjust—its licensing and permitting regulations, operations, and fees to ensure that they are not outdated, unnecessary, or creating undue hardship for small businesses; and

WHEREAS, the City's existing licensing, permitting, and inspection systems were developed and modernized at different times and are not consistently sharing information effectively, and the database that stores key business application information (IRIS) was built in 1999 and needs critical updates to prevent disruptions in service; and

WHEREAS, the timeline to receive a businesses license is unpredictable, ranging from two to nine weeks after submission of a license application based in part on the number and nature of inspections required by the Municipal Code; and

WHEREAS, in order to open a restaurant with an enclosed, weatherized sidewalk cafe, a small business must navigate at least three City portals: the Building Permit Portal, the Inspection, Permitting & Licensing Portal, and the Business Direct Portal, as well as obtain reviews from the relevant City departments and the local Aldermanic office; and

WHEREAS, to put up a business sign on the public way alone requires two permits—one submitted as a hard copy and the second submitted online—and separate reviews from the Department of Transportation, the Bureau of Zoning, the Department of Buildings, the Department of Business Affairs & Consumer Protection, and the local Aldermanic office; and

WHEREAS, in 2023, the State of Pennsylvania began adopting a series of reforms intended to reduce administrative burdens on small businesses, including efforts to improve the transparency and efficiency of business licensing and permitting across State government; and

WHEREAS, as a result of these reforms, Pennsylvania reduced the timeline to receive an initial corporate license from eight weeks to as few as two days; and

WHEREAS, Pennsylvania is undertaking longer-term efforts to improve coordination among agencies and streamline businesses' access to licensing and permitting services, while continuing to work to integrate modernized technological systems across State government; and

WHEREAS, New York City is following suit by auditing their licensing and permitting process and promising to cut fees and timelines in order to improve outcomes for their small businesses; and

WHEREAS, the City has made coordination and streamlining of services for small businesses a priority through the *Cut the Tape for Small Business* initiative. The priorities set forth in this Order would further invest in the coordination of services across departments to build upon modernization efforts to seamlessly administer the requirements for license applicants and improve the experience for small business owners; and

WHEREAS, the City maintains a Small Business Licensing website that includes general overviews of business license application processes and requirements and links to relevant websites. However, this website does not include relevant permitting information or allow for direct permit or license applications, instead redirecting to Chicago Business Direct. Nor does this website include inspection requirement information, status information for small businesses' permit and license applications, the status of the small businesses' debt check, or general or personal expected review timelines; now, therefore,

BE IT ORDERED, that we, the Members of the City Council of the City of Chicago, hereby direct the Business, Economic & Neighborhood Development Team in the Mayor's Office ("BEND Team") and the Department of Business Affairs & Consumer Protection to formulate an implementation plan for a "One-Stop Shop Business Licensing and Permitting Portal" through which small businesses in Chicago can (1) apply for or renew all licenses or permits, (2) request and reschedule inspections, (3) coordinate directly with the most relevant City Department liaisons, and (4) find accurate information including the status of their permit or license application, the status of their inspection request, and information about inspection requirements; and

BE IT FURTHER ORDERED, that the implementation plan shall evaluate whether the One-Stop Shop Business Licensing and Permitting Portal can be developed as a new unified front-facing portal, a reconfigured interface integrating existing City-operated portals and systems, or a combination of these approaches, and shall identify the technological and operational changes necessary to support the recommended approach; and

BE IT FURTHER ORDERED, that in crafting this implementation plan, the BEND Team, with the full participation of the Department of Technology & Innovation, the Department of Business Affairs & Consumer Protection, the Department of Buildings, the Department of Public Health, the Fire Department, and the Department of Transportation, shall assess the functional processes related to applicable licenses, permits, inspections, applications, certificates, or other required approvals by the City for small businesses; and

BE IT FURTHER ORDERED, that the implementation plan should include at a minimum the following information regarding all business licenses issued by the Department of Business Affairs & Consumer Protection: (1) name, (2) issuing City department, (3) initial and renewal fees, and (4) legislative process by which the fee for the required approval can be amended (e.g., City, State, or federal legislation, rule, or regulation); and

BE IT FURTHER ORDERED, that the implementation plan should take into consideration existing City-operated portals, websites, directories, and other search engines where small businesses can locate initial and renewal approval requirements, including but not limited to IRIS, Hansen 7, IPS 11, IPI, and BRYCER; and

BE IT FURTHER ORDERED, that the implementation plan should include the estimated cost for new or updated systems and the qualifications of third-party vendors that might need to support such a project; and

BE IT FURTHER ORDERED, that the implementation plan should include a summary of the common reasons for application denials, the stages in which applications are most often denied, the frequency in which a single application requires multiple inspections, and the average timeline to key steps of applications; and

BE IT FURTHER ORDERED, that the Director of Process Improvement shall submit this implementation plan to the City Council by February 28, 2027. Within 30 days after plan submission, the Director of Process Improvement and representatives from all relevant departments shall appear at a subject-matter hearing of the City Council's Committee on License & Consumer Protection to discuss the contents of the implementation plan.



Matthew J. Martin
Alderman, 47th Ward