

ORDINANCE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. Section 2-32-065 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, and by deleting the language struck through, as follows:

2-32-065 Treasurer's authority for financial education and outreach programs.

The ~~Treasurer city treasurer~~ shall have the authority to research, conduct educational programs, provide counseling and disseminate information regarding financial education, small business support, including support for employee ownership models, as defined in Section 2-25-300, and access to banking (for purposes of this section, collectively "financial programs") for residents of the City-city. The ~~Treasurer city treasurer~~ is authorized to organize, administer and deliver financial programs either directly or through agents. In furtherance of organizing, administering and delivering financial programs, the ~~Treasurer city treasurer~~ shall have the authority to: (1) award and apply for, and accept on behalf of the City-city, grants; and (2) enter into service agreements with public and private entities; and perform any and all acts, including the expenditure of funds subject to appropriation therefor, as shall be necessary or advisable in connection with such service agreements, including any renewals thereto.

SECTION 2. Section 2-32-622 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

2-32-622 Neighborhood economic development investments – Chicago Community Catalyst Fund.

(Omitted text is unaffected by this ordinance)

(b) *Purpose.* The purpose of the CCCF is:

(i) To invest its funds in one or more Investment Funds which will in turn invest their funds in businesses or organizations ("Project Investments") to achieve one or more of the following goals in the 77 community areas designated in Section 1-14-010 of this Code (the "Community Areas"): (1) sustain local economic growth, including by supporting employee ownership models, as defined in Section 2-25-300; :-(2) support improvements to public infrastructure; (3) stimulate job creation and development; (4) catalyze commercial, residential and industrial growth and development in economically underserved Community Areas; (5) increase attractiveness for job creation and retention; and (6) increase accessibility for Community Areas to capital funding.

(Omitted text is unaffected by this ordinance)

SECTION 3. Chapter 2-25 of the Municipal Code of Chicago is hereby amended by inserting a new Article III, as follows:

ARTICLE III. CENTER FOR BUSINESS OWNERSHIP SUCCESSION AND EMPLOYEE OWNERSHIP (2-25-300 et seq.)

2-25-300 Center for Business Ownership Succession and Employee Ownership.

(a) *Definitions.*

“Center” means the Chicago Center for Business Ownership Succession and Employee Ownership established under this section.

“Employee ownership models” means employee stock ownership plans and limited worker cooperative associations.

“Employee stock ownership plan” shall have the meaning ascribed in 26 U.S.C. §409.

“Limited worker cooperative association” shall have the meaning ascribed in 805 ILCS 317/10.

(b) *Establishment; Purpose.* There is hereby established within the Department of Business Affairs and Consumer Protection and office of the municipal government, which shall be known as the Chicago Center for Business Ownership Succession and Employee Ownership. The Center shall promote employee ownership as a succession strategy, particularly for small and medium-sized businesses, to retain jobs and sustain economic activity. The purpose of the Center is to support and encourage employee ownership models, which lead to significant economic, social, and community benefits such as ensuring business continuity, retaining jobs, building wealth for employees, and strengthening the local economy during periods of widespread business ownership transition.

(c) *Powers and Duties.* The duties of the Center shall be to:

(i) develop and disseminate educational materials to business owners, employees, and advisors regarding available employee ownership models, including the relative benefits and costs associated with the various different employee ownership models;

(ii) offer counseling and referral services to facilitate transitions to employee ownership models;

(iii) conduct workshops and outreach programs to raise awareness of employee ownership models, the potential benefits of transitioning to employee ownership models, and the opportunities for financial assistance, bid incentives, or other federal, State, and City policies and programs supporting employee ownership models;

(iv) collaborate with local organizations, chambers of commerce, and economic development agencies to leverage expertise;

(v) seek grant funding from private, public, and governmental sources to support the Center’s activities; and

(vi) assist the Department of Procurement Services in establishing guidelines for businesses with employee ownership models seeking to contract with the City, or otherwise implementing Section 2-92-610.

(d) *Report to City Council.* No later than March 1, 2026 and on or before March 1 of each year thereafter, the Center shall submit to the City Council Committee on Economic, Capital and Technology Development, or to its successor committee, a written report describing the activities undertaken by the Center during the previous year, along with recommendations for any amendments to this Code or any City rules or policies to support and encourage employee ownership models. The Chair of that committee may request the Commissioner, or their designee,

and representatives of the Center to appear at a hearing of the committee to explain and respond to questions about such annual report.

SECTION 4. Chapter 2-92 of the Municipal Code of Chicago is hereby amended by deleting Section 2-92-610 in its entirety, and by inserting a new Section 2-92-610, as follows:

2-92-610 Employee Ownership Models.

(a) *Owners of employee ownership models.* For the purposes of this chapter, the term “owned” shall be deemed to include employees owning a business enterprise under an employee ownership model, as defined in Section 2-25-300, including for the purposes of determining whether such business enterprise is qualifies as a “certification eligible business, as defined in Section 2-92-420, and for the purpose of participation in:

(1) the City's minority-owned and women-owned business enterprise programs established in Articles IV and VI of this chapter;

(2) the disadvantaged business enterprise program;

(3) other certification eligible business participation programs, including the veteran-owned business enterprise procurement program established in Article VIII of this chapter and the business enterprises owned or operated by people with disabilities program established in Section 2-92-586 of this chapter;

(4) the City's bid incentive programs provided in this chapter; and

(5) the construction and non-construction mid-sized business initiative procurement programs provided in this chapter.

(b) *Enhanced bid incentives for employee ownership models.* Notwithstanding anything in this chapter to the contrary, the amount of any bid incentive under this chapter for any business enterprise owned under an employee ownership model shall be increased by 100%.

SECTION 5. Section 16-14-060 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

16-14-060 Authorized uses.

The following uses are authorized uses of the Neighborhood Opportunity Fund:

(Omitted text is unaffected by this ordinance)

(e) incubation, mentoring, and training of small businesses that otherwise qualify as authorized uses under subsections (a) through (d) of this section, including by supporting employee ownership models, as defined in Section 2-25-300; and

(Omitted text is unaffected by this ordinance)

SECTION 6. This ordinance shall take effect 90 days after passage.

A handwritten signature in black ink, appearing to read 'Gilbert Villegas', with a stylized flourish at the end.

GILBERT VILLEGAS
Alderman, 36th Ward