

CORTLAND/CHICAGO RIVER TIF DISTRICT DESIGNATION

Community Meeting: November 14, 2018



WHY ARE WE HERE?

Overall goal for the evening is to provide more information on the proposed designation of the Cortland/Chicago River TIF district.

Presentation will address **three critical questions:**

1. What is the Cortland/Chicago River TIF?
2. Why is the City designating the Cortland/Chicago River TIF?
3. What will be done if the Cortland/Chicago River TIF is designated?

TONIGHT'S AGENDA

How We Got Here: North Branch Framework

The Basics of TIF

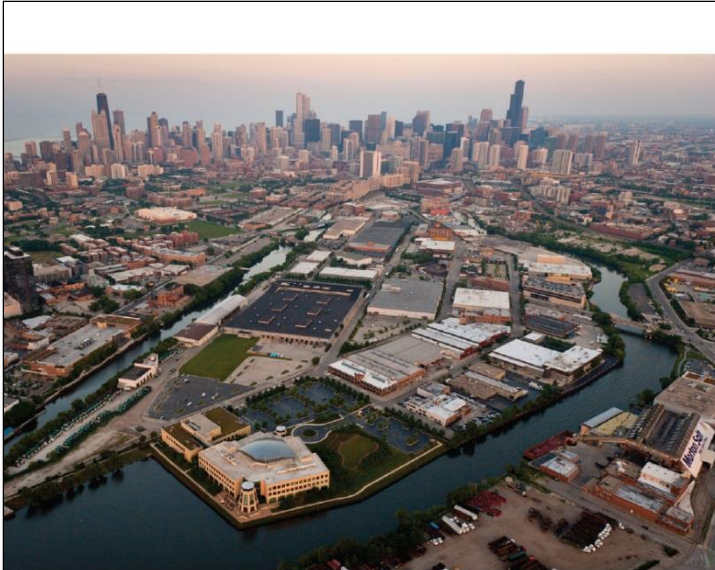
Cortland/Chicago River TIF

Planned Projects

Next Steps

Questions

NORTH BRANCH FRAMEWORK



MAYOR EMANUEL'S INDUSTRIAL CORRIDOR MODERNIZATION

NORTH BRANCH FRAMEWORK

City of Chicago ★ Department of Planning and Development ★ Department of Transportation ★ May 2017

Approved by the Chicago Plan Commission on May 18, 2017, the North Branch Framework Plan establishes a **vision to modernize the corridor's land use, transportation and open space assets on behalf of the entire city.**

A COMMUNITY-BASED PLAN

More than **800 participants** contributed in a 10-month process that included:

- 6 Public meetings
- 6 Neighborhood meetings
- 6 Open houses
- 66 Emails and 49 letters
- 53 Maps created via sMap
- 192 original sMap comments

CITY-WIDE PUBLIC BENEFITS

In addition to critical infrastructure improvements, new development in the **North Branch Corridor** will create significant benefits throughout Chicago.

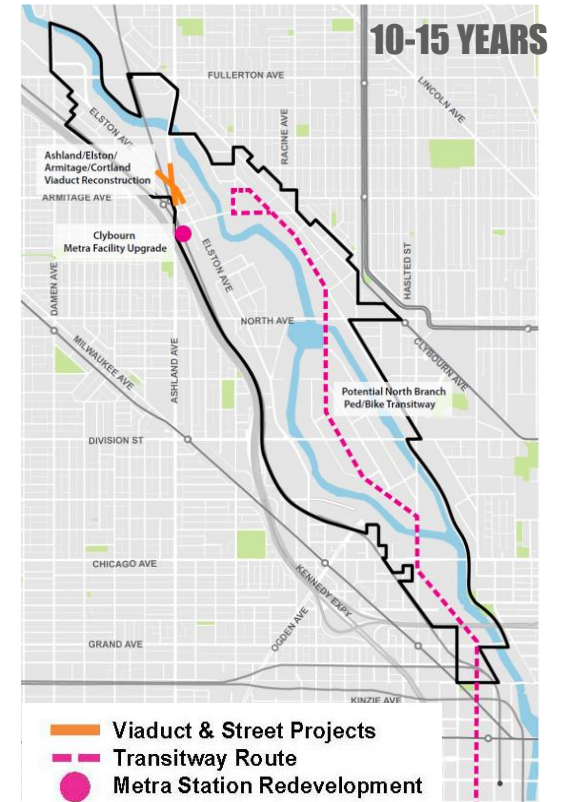
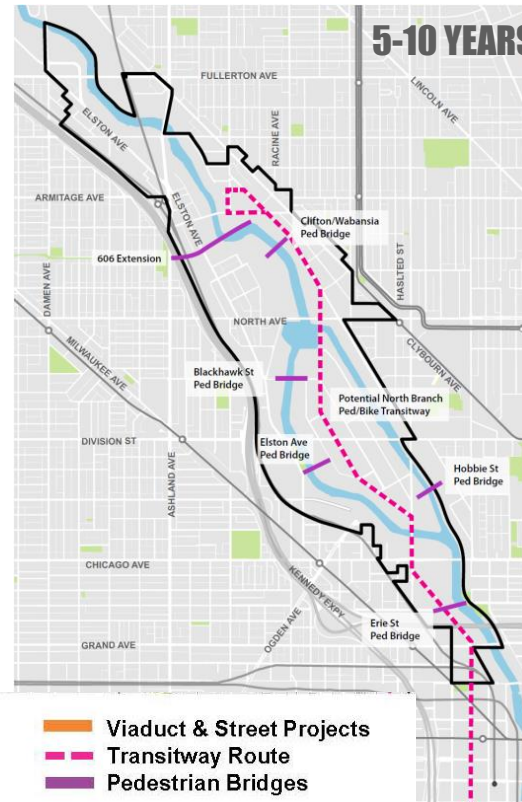
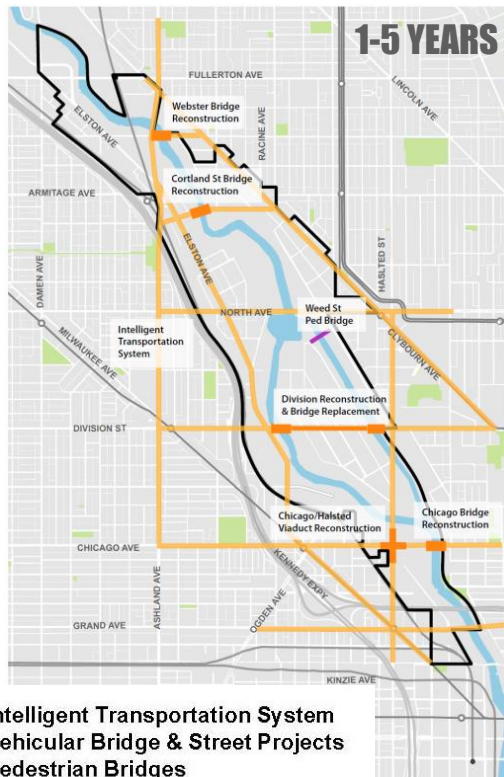
CITYWIDE BENEFITS:

- \$10 billion dollars in new private investment.
- 40,000 new permanent jobs
- 30,000 new construction jobs, including 10,000 for minority- and women-owned businesses.
- 2,000 units of new affordable housing units
- \$80 million in Downtown Density Bonus payments
- \$50 million in North Branch Bonus payments
- \$50 million in Industrial Corridor System fees
- Per the North Branch Framework, more than 60 acres in open space will be developed with at least 10 acres dedicated to active recreation

Figures are all estimates and subject to future development.

NORTH BRANCH INFRASTRUCTURE

The North Branch Framework Plan outlined **needed infrastructure improvements** throughout the North Branch Corridor, including transportation improvements.



NORTH BRANCH FUNDING

The North Branch Framework Plan also **defined funding mechanisms** needed to complete the infrastructure projects.

- ✓ **INDUSTRIAL CORRIDOR SYSTEM FEE**
approved by City Council in July 2017
- ✓ **NORTH BRANCH CORRIDOR BONUS**
approved by City Council in July 2017
- ✓ **DOWNTOWN DENSITY BONUS**
approved by City Council in May 2016

Other funding sources that are anticipated to be heavily relied upon include:

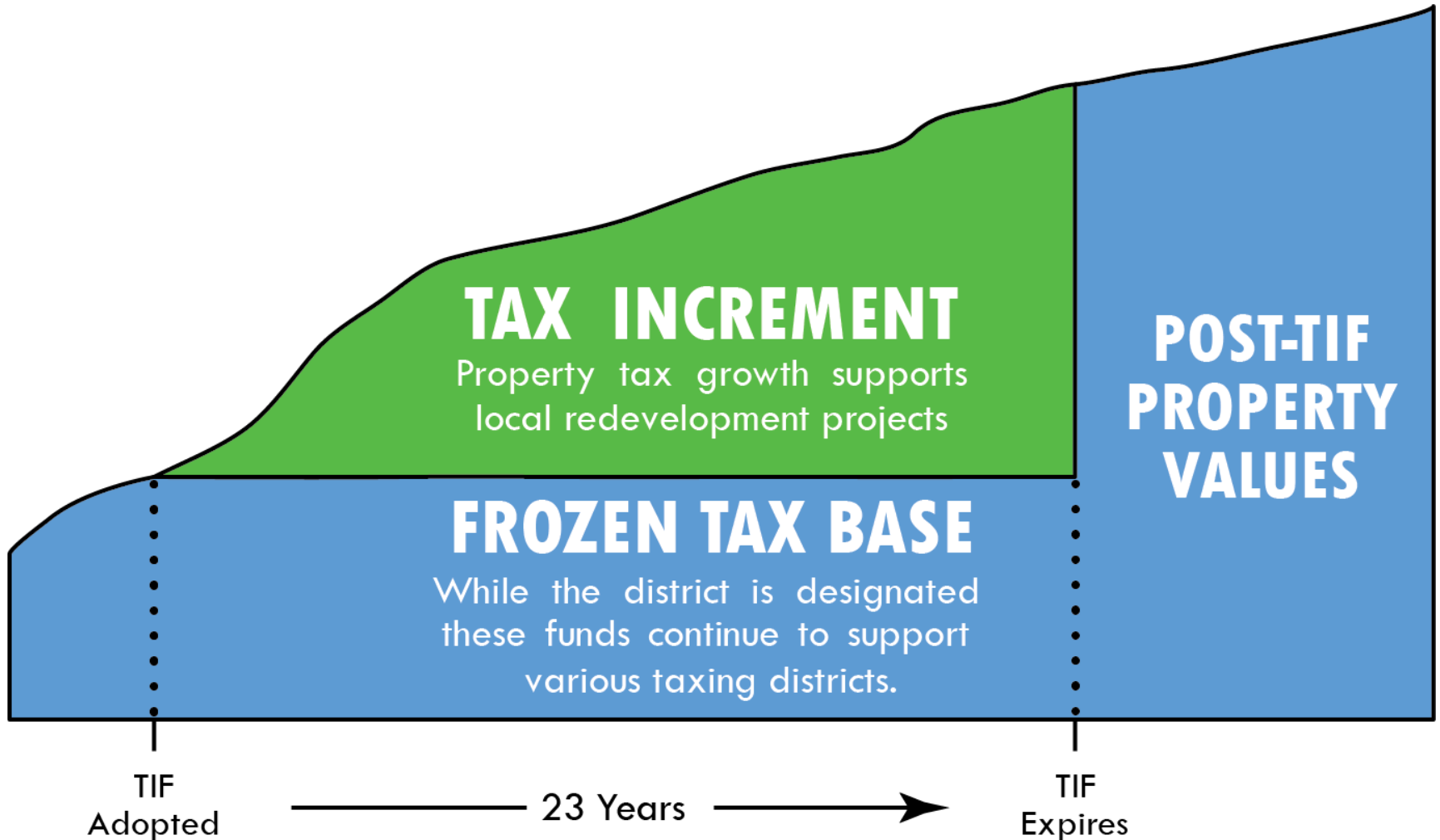
STATE AND FEDERAL FUNDS
PLANNED DEVELOPMENT CONTRIBUTIONS

➡ **TAX INCREMENT FINANCING**
currently under consideration: Cortland/Chicago River

WHAT IS TIF?

- A financial tool that generates resources for economic and community development improvements
- Regulatory framework established by the State
- City designates an area that captures increasing property taxes over a 23-year term
- TIF is limited to areas that meet specific requirements
- TIF funds are restricted in how they can be used. Major eligible costs include:
 - Public infrastructure and facilities
 - Affordable housing
 - Environmental remediation and site prep
 - Rehabilitation of existing buildings
- Cortland/Chicago River is unique: funds are generally limited to the development of public infrastructure

HOW DOES TIF WORK?

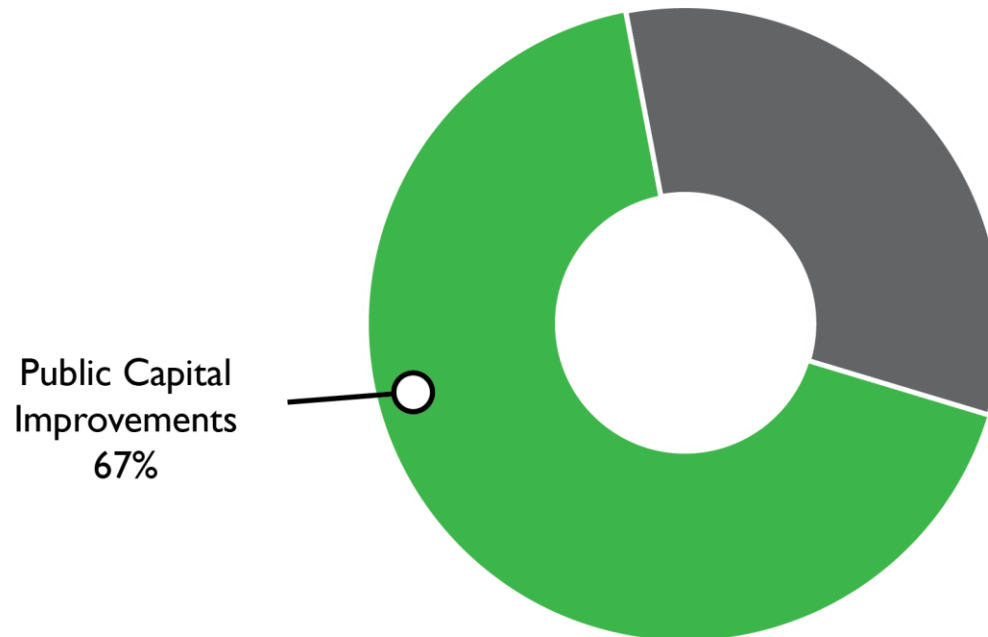


TIF ALLOCATIONS: CITY-WIDE



All allocations from May, 2011 to October, 2018

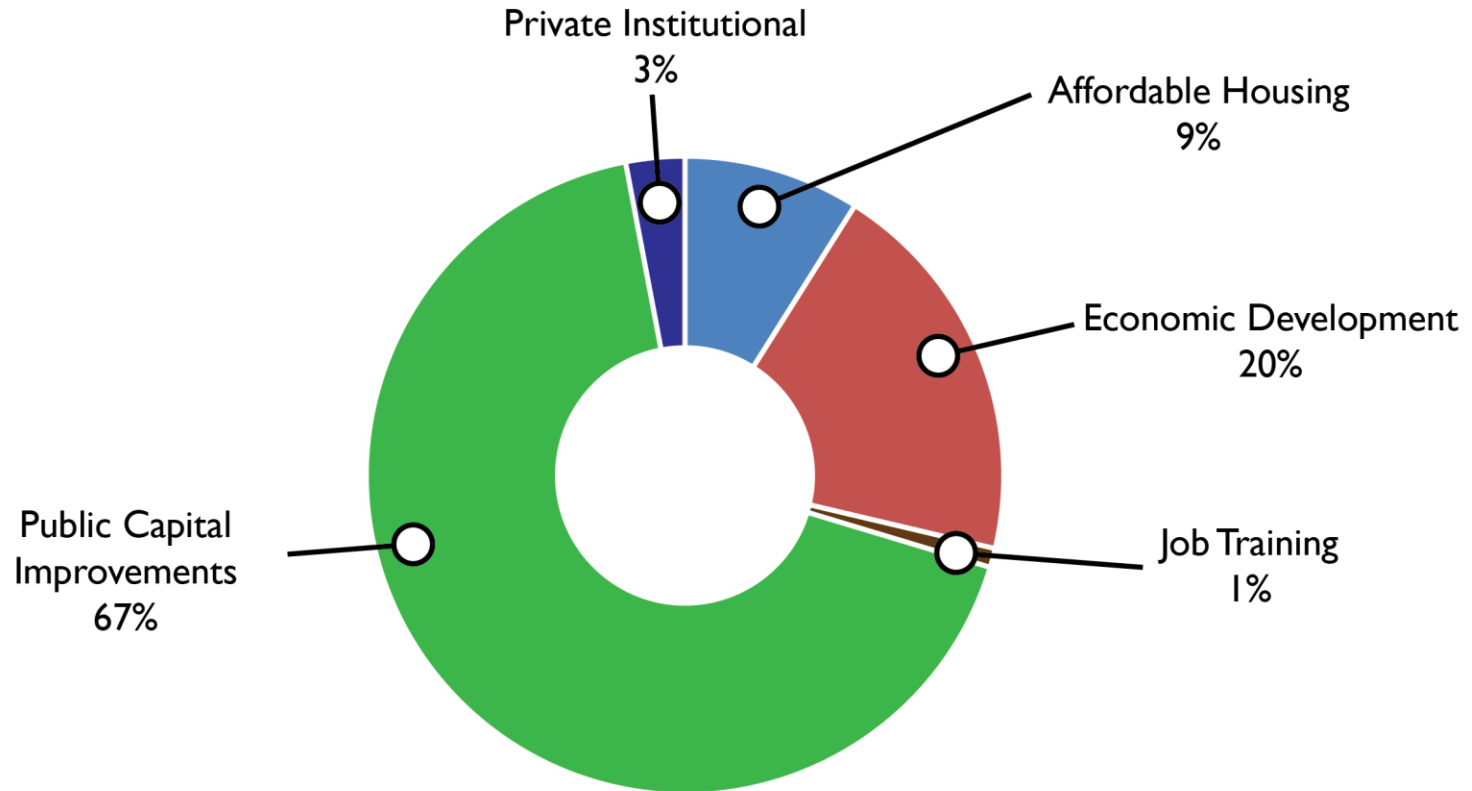
TIF ALLOCATIONS: CITY-WIDE



All allocations from May, 2011 to October, 2018

More information can be found in the 2018 City of Chicago Annual Financial Analysis (page 105)

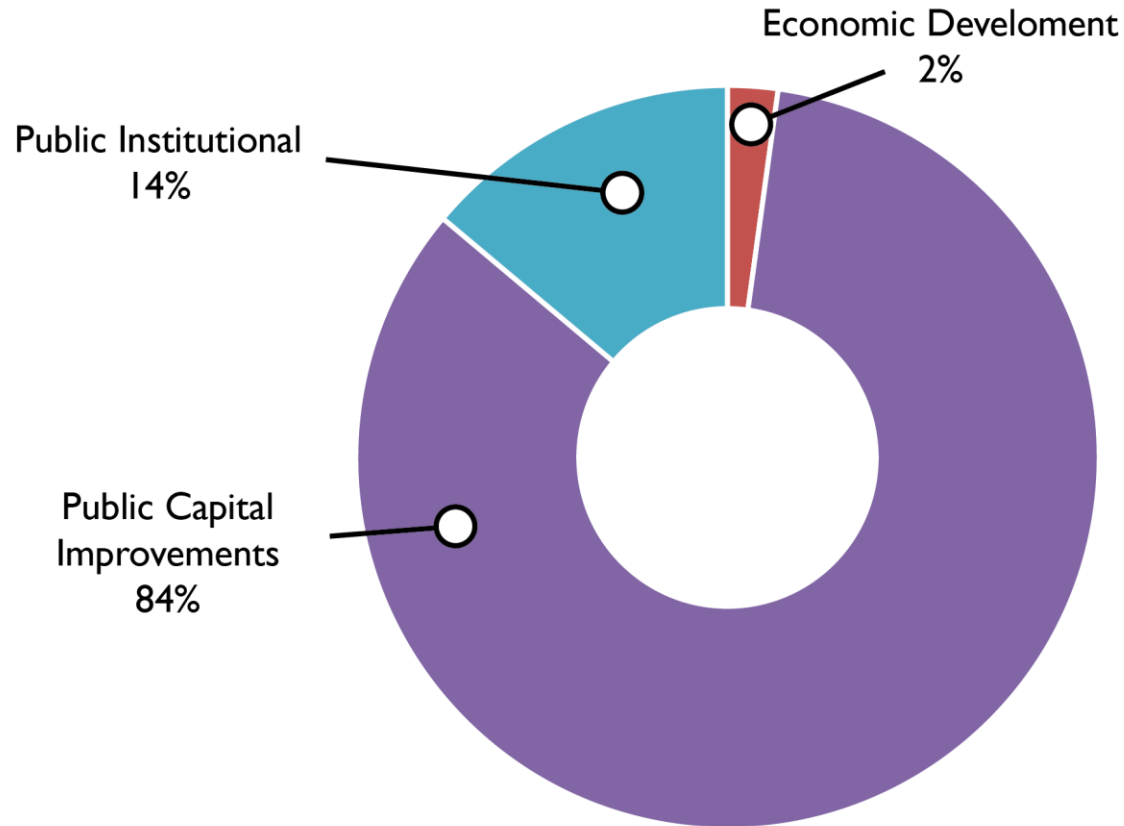
TIF ALLOCATIONS: CITY-WIDE



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TIF ALLOCATIONS: NORTH BRANCH



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CORTLAND/CHICAGO RIVER TIF

WHAT IS IT?

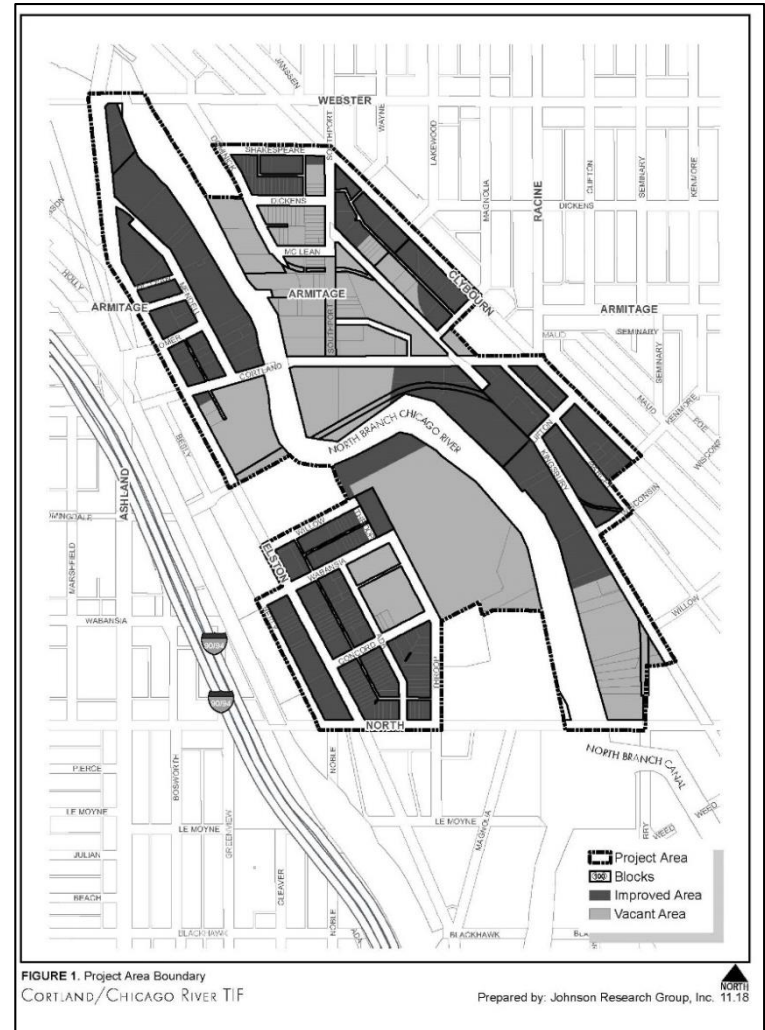
- 168 total acres in the former North Branch PMD
- Qualifies as a blighted area per TIF Act

WHY IS IT BEING CREATED?

- Supports implementation of North Branch Framework

HOW WILL FUNDS BE USED?

- Funds pledged primarily to infrastructure development



TIF ELIGIBILITY FACTORS

BLIGHTED AREA ELIGIBILITY FACTORS

| IMPROVED AREA | VACANT AREA |
|--------------------------|---|
| Obsolescence | Obsolete Platting |
| Deterioration | Environmental Remediation |
| Excessive Land Coverage | Deterioration of Structures in Adjacent Areas |
| Inadequate Utilities | Declining or Lagging EAV |
| Declining or Lagging EAV | |

OBSOLESCENCE



OBSOLESCENCE



DETERIORATION



DETERIORATION



DETERIORATION



EXCESSIVE LAND COVERAGE



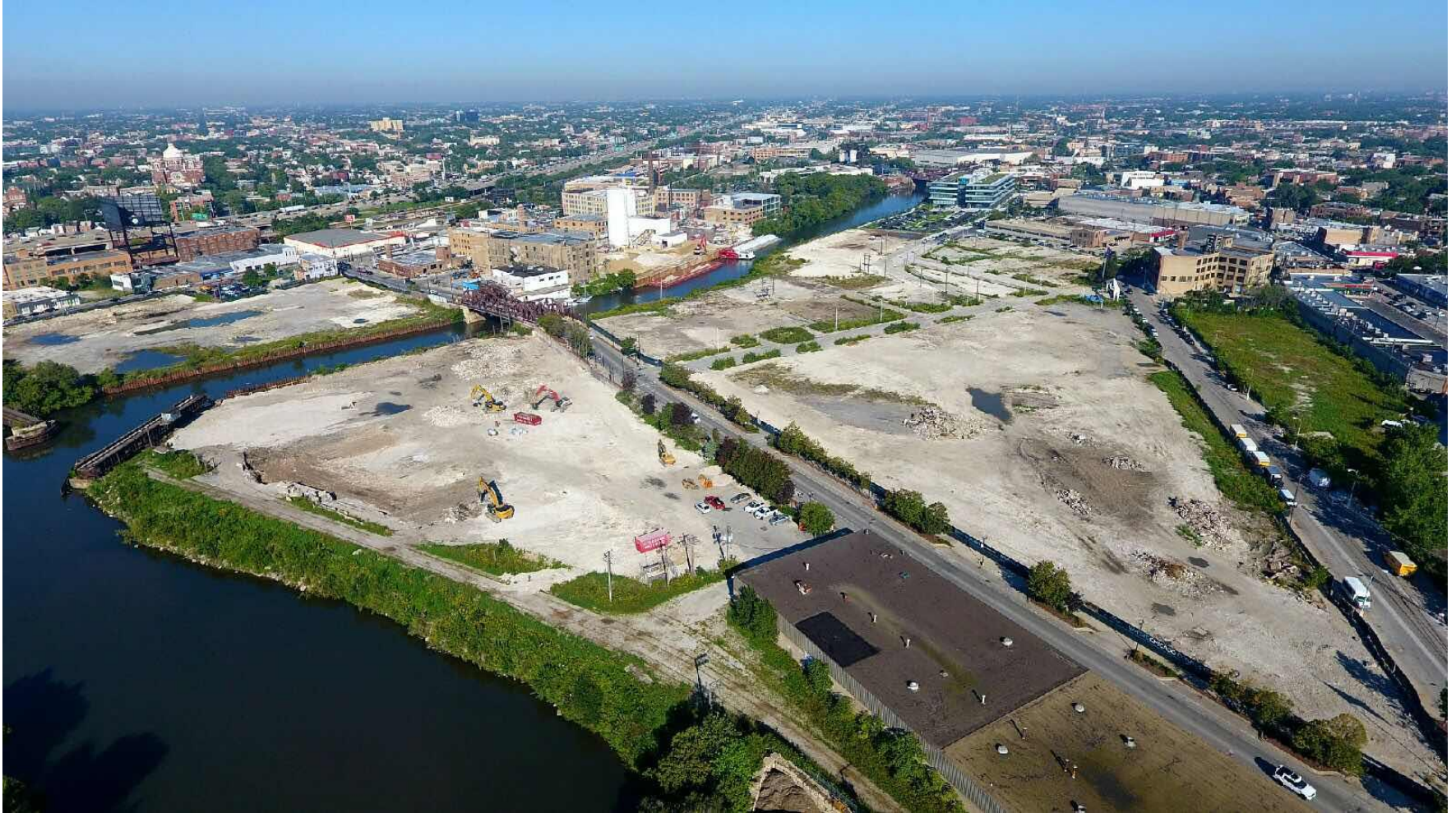
EXCESSIVE LAND COVERAGE



EXCESSIVE LAND COVERAGE



OBSOLETE PLATTING



OBSOLETE PLATTING



ENVIRONMENTAL REMEDIATION



REDEVELOPMENT GOALS

The TIF goals follow those of the North Branch Framework:

1 Maintain the area as an important economic engine and vital job center within the North Branch Industrial Corridor and the City of Chicago

2 Provide better access for all transportation modes

3 Build upon the area's unique natural and built environment

The critical objective for the TIF is to be a source of funds for public infrastructure

CITY'S APPROACH FOR THIS TIF

- The use of **TIF will primarily be focused on infrastructure** - not private development costs.
- Private developers may construct infrastructure on behalf of the City or in partnership with CDOT and will be **reimbursed** once projects are completed and accepted by the City.
- **Risk is with development, not the City** – TIF is only provided as increment is generated.
- No agreement using TIF funds for infrastructure construction will be made with developers without **City Council approval**.

MODERNIZING THE CORRIDOR

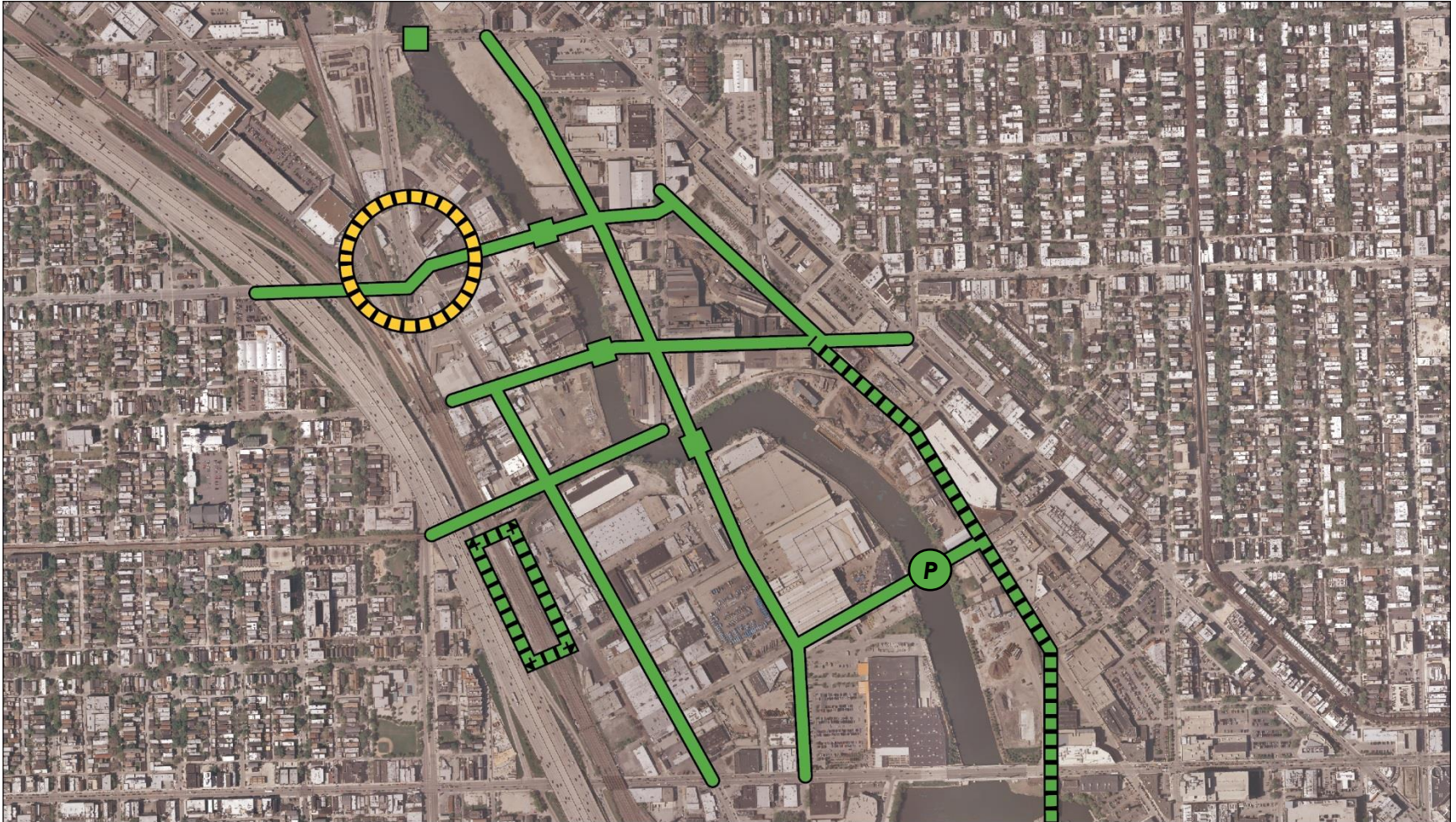


IMPROVE EXISTING STREETS



ESTIMATED COST: \$100 million

FIXING A CRITICAL INTERSECTION



ESTIMATED COST: \$150 million

TRANSIT IMPROVEMENTS



ESTIMATED COST: \$200 million

THE 606 EXTENSION



ESTIMATED COST: \$100 million

KEY PUBLIC INFRASTRUCTURE NEEDS

IMPROVE EXISTING STREETS

\$100 million

DEVELOP NEW STREETS

\$150 million

ADDRESS ELSTON, ASHLAND, AND ARMITAGE

\$150 million

TRANSIT IMPROVEMENTS

\$200 million

606 EXTENSION

\$100 million

Figures are for the estimated infrastructure needs across all funding sources – not just TIF.

NEXT STEPS

| DATE | PROPOSED ACTION OR MEETING |
|-------------------|---|
| November 14, 2018 | Community Meeting |
| December 11, 2018 | Community Development Commission Introduction |
| January 4, 2019 | Joint Review Board |
| February, 2019 | Community Development Commission Public Hearing |
| February, 2019 | Plan Commission Review |
| April, 2019 | Finance Committee Hearing |
| April, 2019 | City Council review |

ALL DATES ARE TENTATIVE AND SUBJECT TO CHANGE

UPCOMING COMMUNITY MEETING:

*Lincoln Yards Planned Development
November 29 at Renew Chicago (1001 N. Crosby St.)*



THANK YOU!



**DO YOU HAVE
QUESTIONS?**

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cityofchicago.org/dpd