



OFFICE OF THE MAYOR
CITY OF CHICAGO

FOR IMMEDIATE RELEASE

March 5, 2014

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Financing Approved For New McCormick Place Hotel

The development of a 1,200-room "headquarters hotel" adjacent to the McCormick Place convention center on the Near South Side will be supported with up to \$55 million in Tax Increment Financing (TIF) through a financial plan approved today by City Council.

The \$421.5 million project at the northeast corner of Cermak Road and Prairie Avenue is being designed to accommodate large groups that hold conventions and shows at McCormick Place. Projected to create 3,700 temporary construction jobs and 600 permanent jobs, the hotel will include banquet and meeting rooms, restaurants, retail space, and offices.

"This is a true partnership between the City and McCormick Place that will fill a long-standing need by conventioners and other visitors," said Andrew J. Mooney, commissioner of the Department of Planning and Development, which administers the City's TIF program. "In addition to improving the competitiveness of the City as a business destination, the hotel will generate new taxes and jobs while supporting the area's planned revitalization as a mixed-use entertainment district."

The hotel will be owned by the Metropolitan Pier and Exposition Authority (MPEA) and managed by a private hotel operator. MPEA, which owns and operates McCormick Place and Navy Pier, is in the process of acquiring the site. The adjacent American Book Company building, a designated City landmark at 320 E. Cermak, will be incorporated into the hotel complex.

A headquarters hotel is part of MPEA's "Elevate Chicago" expansion initiative, which includes a 10,000-seat events center planned for the northwest corner of Cermak and Prairie and a smaller hotel planned for the southeast corner of Cermak and Michigan Avenue. Thirty six hundred permanent jobs are projected to be created through the Elevate Chicago plan.

The TIF assistance will partly reimburse MPEA for acquisition and TIF-eligible construction expenses involving the hotel complex exclusively. Additional financing will come from MPEA revenue bonds. Construction could begin later this year.

The hotel is projected to generate more than \$66 million from lodging fees and \$11 million in hotel taxes every year.

With nearly 9.9 million room nights booked in Chicago last year, hotel occupancy in 2013 was the highest ever at more than 75 percent, according to recently released visitor statistics by Choose Chicago, the City's official marketing organization.

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Land Transfer Will Support New Near South Athletic Field

A land transfer approved today by City Council will support the development of a \$5.6 million athletic field on the Near South Side for use by Jones College Preparatory High School and area residents.

Under the plan, the Chicago Housing Authority (CHA) will provide approximately 3.5 acres of land near 24th and Federal streets to Chicago Public Schools (CPS) for the development of the athletic field and a running track. The site was previously occupied by a portion of the CHA's recently demolished Harold Ickes Homes.

In exchange for the Ickes land, CHA will receive 9.8 acres of City- and CPS-owned land surrounding the former Near North High School at 1450 N. Larabee St., which the CHA will use for the ongoing, mixed-income redevelopment of the Cabrini Green public housing complex.

Jones, occupying a half city block at 606 S. State St., has no outdoor athletic facility. Construction of the field will be supported by \$4.3 million in Tax Increment Financing (TIF) approved by City Council in March 2013. The \$1.3 million balance will be paid for by CPS.

Design and construction of the field will be managed by the Public Building Commission.

The remainder of the 7.5-acre Ickes site is being planned for a mix of public, affordable and market rate housing.

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TIF Approved for New Annex at North Side Elementary School

A financial plan approved by City Council today will allocate \$16.5 million in Tax Increment Financing (TIF) for the construction of an addition to John C. Coonley Elementary School in North Center.

The three-story, 34,000-square-foot annex at 4046 N. Leavitt St. will include 12 classrooms, a cafeteria, and kitchen. The existing cafeteria and kitchen at the Chicago Public School facility will be converted to classrooms upon the annex's completion.

Total project cost is estimated at \$16.6 million. The \$100,000 balance will be paid for by the Chicago Board of Education.

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Vacant Building Rehab Program Approved for Northwest Side

A City financing program that helps restore vacant and foreclosed apartment buildings will be expanded in a portion of Humboldt Park through a plan approved today by City Council.

The Multi-Family TIF Purchase-Rehab program, which provides grants to help private developers purchase and rehabilitate vacant and foreclosed rental buildings, will be made available within the Division/Homan Tax Increment Financing (TIF) district.

Grant amounts are determined by the percentage of apartments that are leased at affordable levels to income-qualified tenants over a 15-year period. Minimum building size is six units and maximum grant amounts are up to 50 percent of a project's total cost.

The program will be managed by Community Investment Corp., a Chicago-based lender specializing in multi-family rehabilitation financing.

The Division/Homan TIF district is generally bounded by North, California, Walton and Hamlin avenues.

The program is already active within the Ogden/Pulaski, Chicago/Central Park, and Humboldt Park TIF districts.

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Garden and Park Expansion Projects Approved for Southwest, Northwest Sides

Two new gardens and a pair of park expansion projects will be supported through financial measures approved today by City Council.

SRB Community Spirit Garden

SRB Community Spirit Garden in Jefferson Park will be developed on .13 acres of vacant, City-owned land at Higgins and Central avenues, which will be sold for \$1 to the NeighborSpace land trust and made available for community use. Planned improvements include entry gates, signage, a walking path, shed, benches and native plantings. The site will be managed by community residents and members of the nearby St. Robert Bellarmine parish.

Excel Academy of Englewood Garden

Chicago Public Schools' Excel Academy of Englewood, 7121 S. Morgan St., will receive \$128,000 in Open Space Impact Fees for the construction of a garden on the school campus. The fees will pay for design, asphalt removal, artwork, growing beds and benches. Planned in cooperation with Openlands conservation agency, the .07-acre garden will be maintained by students, staff and community residents. Open Space Impact Fees are used to create and enhance open spaces each of the City's 77 community areas.

Limas Playground Park

Limas Playground Park at 2410 S. Trumbull Ave. in South Lawndale will be expanded onto .08 acres of adjacent land through \$47,000 in Open Space Impact Fees. The funds will be used by the Chicago Park District to acquire the property from a private owner.

Beilfuss Park

Beilfuss Park at 1725 N. Springfield Ave. in Humboldt Park will be improved with fencing, trees and landscaping through \$38,000 in Open Space Impact Fees. The improvements will be part of a .28-acre expansion onto adjacent property being leased from the Chicago Department of Water Management. The balance of the \$65,000 project will be paid by the Chicago Park District.

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