

O2019-1397 TIF Funds for Sarah's Circle
Mayor Rahm Emanuel

Finance

Intro Date: March 13, 2019

Headline: Redevelopment Agreement with, and developer designation of, Sarah's on Sheridan LLC, with sponsor Sarah's Circle, Inc, for low income and interim housing units at 1105 W Leland Ave and 4654 N Sheridan Rd in Wilson Yard area.

Background: The last reported fund balance from the Wilson Yard TIF was \$14.7 million and is anticipated to receive approximately \$7.3 million annually in property tax revenue. The project is located in the 46th ward.

Summary: This ordinance allocates up to \$3.5 million in TIF funds from the Wilson Yard TIF for this project. The City is authorized to issue up to \$3.5 million in TIF bonds if necessary to fulfil this allocation. The total project costs are estimated to be \$18.4 million. Additional financing includes a \$14.9 million in equity from the developer (philanthropic donations). The funding will be used towards the acquisition of the property at 1105 W Leland/4654 N Sheridan (\$1.5 million), followed by demolition of the existing building and redevelopment of the property as a facility for the homeless, with thirty-eight affordable studio apartments, fifty transitional beds and space for supportive services. \$3,500,000 of TIF funds will be placed in a construct escrow account at closing, with \$875,000 released to the developer upon 25% of the project's completion, with the same amount being released upon 50% and 75% completion, \$437,500 being released upon 100% completion, and \$437,500 being released upon the issuance of the Certificate of Completion of Construction by DPD. The developer is to commence construction in 2019, and is to complete construction and commence operations at the facility no later than 2020.

Immediate Fiscal Impact: Utilization of up to \$3.5 million in TIF funds.

Long-Term Fiscal Impact: None identified

Co-sponsors:

Additional Considerations: