

February 5, 2019

Roosevelt/Clark

Public Hearing – TIF Designation Developer Designation



Rahm Emanuel
Mayor



CHICAGO DEPARTMENT OF
PLANNING & DEVELOPMENT

David Reifman
Commissioner

AGENDA

1. The Basics of TIF
2. Roosevelt/Clark TIF District Designation
3. Redevelopment Project and Developer Designation

ROOSEVELT/CLARK: UPDATED MAP BOUNDARIES

PREVIOUS:



REVISED:

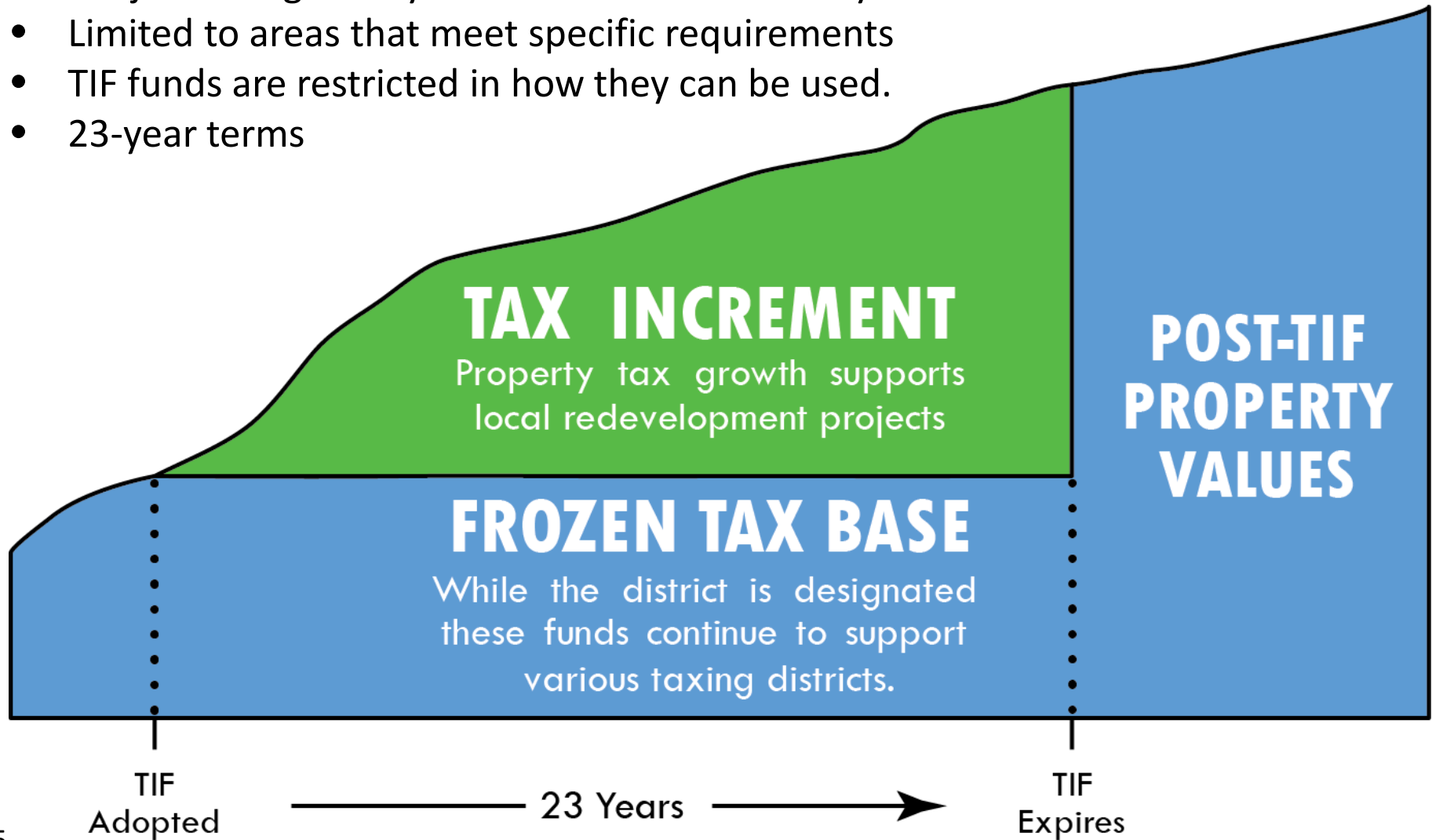


ROOSEVELT/CLARK: UPDATED BOUNDARY DETAILS



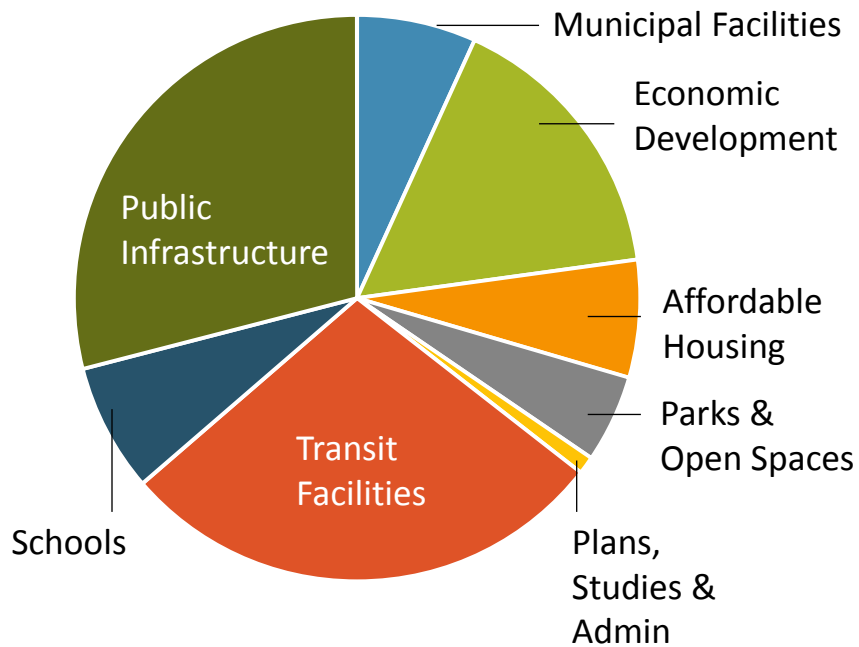
TIF PROGRAM: OVERVIEW

- Generates resources for economic and community development improvements
- Subject to regulatory framework established by the State
- Limited to areas that meet specific requirements
- TIF funds are restricted in how they can be used.
- 23-year terms

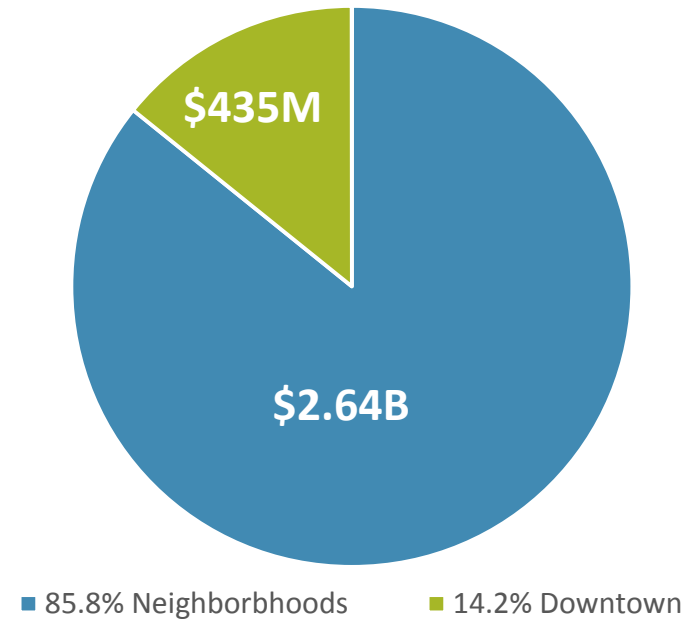


TIF PROGRAM: ALLOCATIONS, 2011 – 2018

Total allocations by type



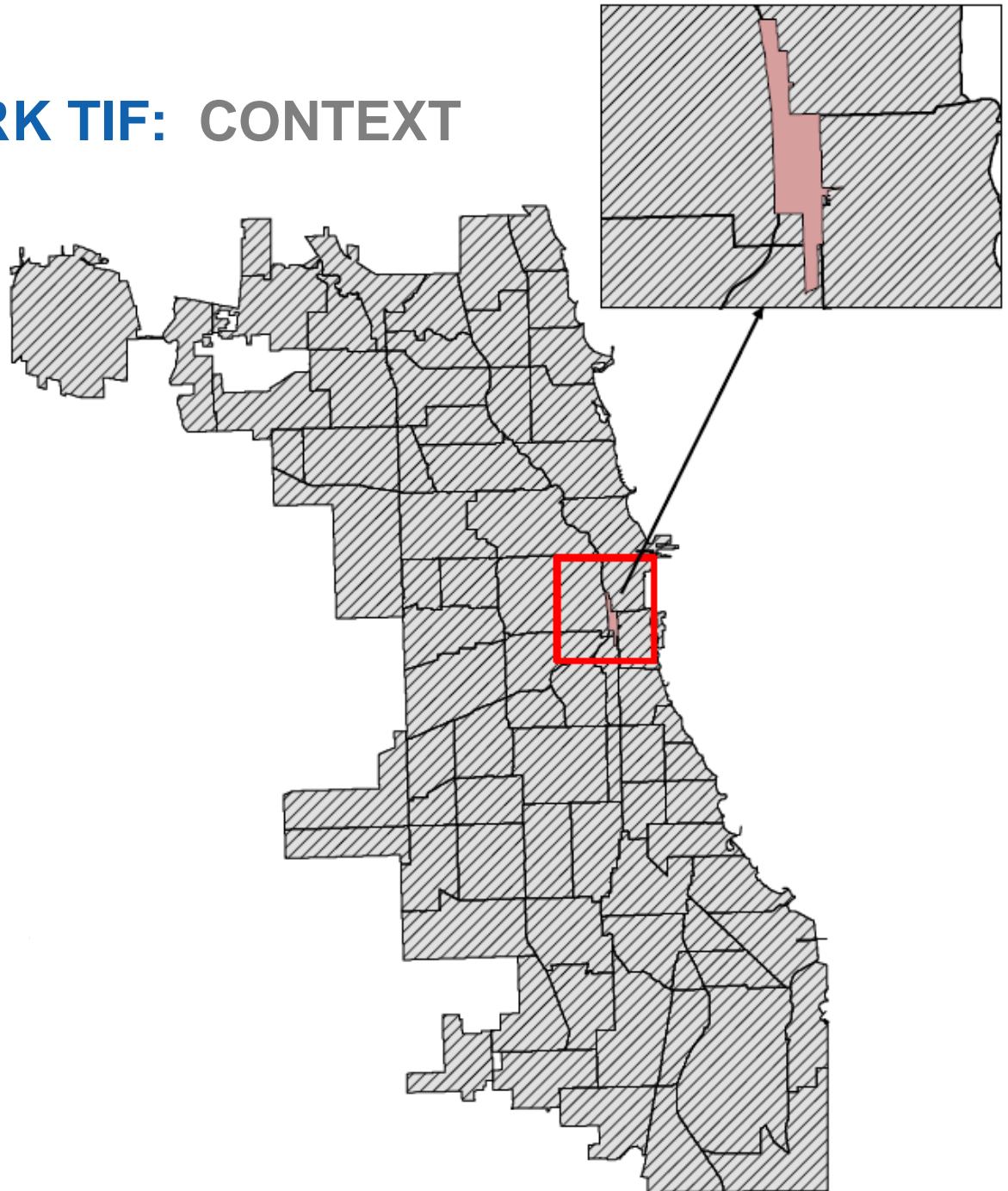
Total allocations by location





ROOSEVELT/CLARK: **DISTRICT DESIGNATION**

ROOSEVELT/CLARK TIF: CONTEXT



ROOSEVELT/CLARK TIF: OVERVIEW

WHAT IS IT?

141 total acres - the majority of which is vacant.
Qualifies as a blighted area per TIF Act

WHY IS IT BEING CREATED?

Address the lack of public infrastructure in the area and the issues that has created, including the vacancy of the 78 site for more than 40 years.

HOW WILL FUNDS BE USED?

Funds pledged for the construction of public infrastructure

ROOSEVELT/CLARK TIF: ELIGIBILITY FACTORS

Per the TIF Act, the area qualifies as a Blighted Area

IMPROVED AREA	VACANT AREA
Obsolescence	Obsolete Platting
Lack of Community Planning	Environmental Remediation
Inadequate Utilities	Unused Disposal Site
Deterioration	
Deleterious Land Use	

ROOSEVELT/CLARK TIF: ELIGIBILITY FACTORS



ROOSEVELT/CLARK TIF: ELIGIBILITY FACTORS



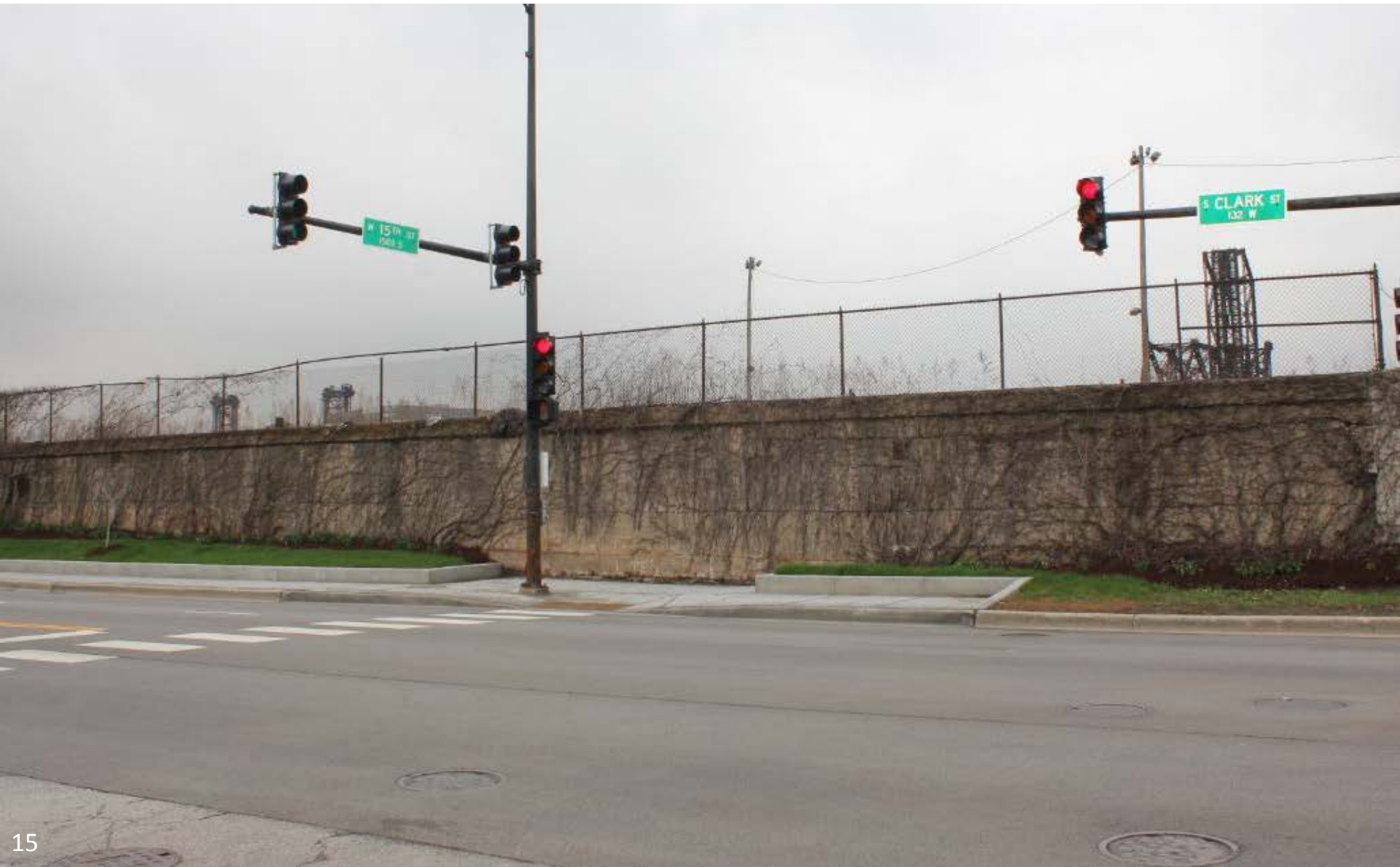
ROOSEVELT/CLARK TIF: ELIGIBILITY FACTORS



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ROOSEVELT/CLARK TIF: ELIGIBILITY FACTORS



ROOSEVELT/CLARK TIF: REDEVELOPMENT GOALS

1. Develop the area as a jobs center, including a dense, mixed-use residential community
2. Provide better access to all transportation modes
3. Develop the area as mixed-use including a jobs center and residential community

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






ROOSEVELT/CLARK TIF: REDEVELOPMENT BUDGET

• Public Works Improvements	\$605 million
• Site Preparations	\$25 million
• Surveys, Analysis, Legal Costs	\$25 million
• Affordable Housing Construction*	\$20 million
• Job Training	\$20 million
• <u>Interest Costs</u>	<u>\$5 million</u>



\$700 million

*Does NOT include affordable housing provided through ARO obligation.

ROOSEVELT/CLARK TIF: PROPOSED IMPROVEMENTS

	New CTA Station	\$364.6 M
	Relocated Metra Tracks	\$84.5 M
	Clark Street Improvements	\$79.0 M
	15 th Street Construction	\$13.0 M
	Seawall Construction (50%)	\$10.1 M
TOTAL INFRASTRUCTURE		\$551.2 M

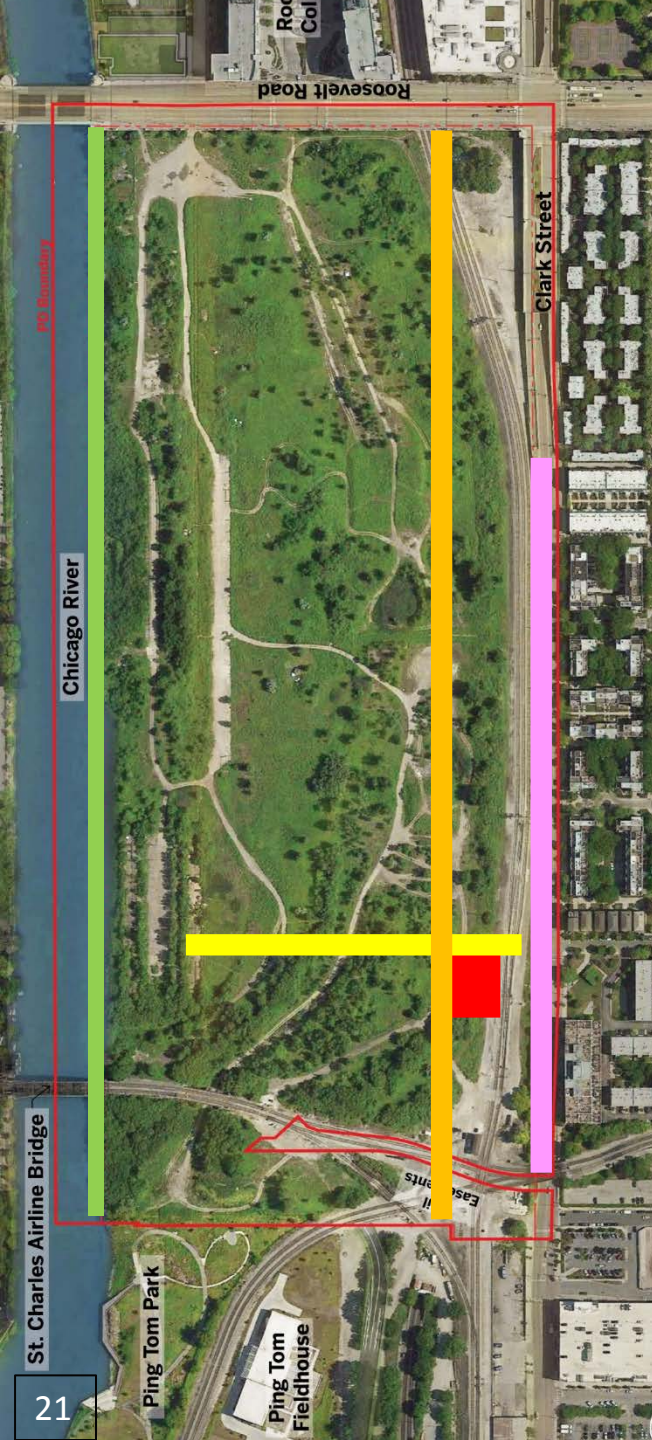
PREVIOUSLY PLANNED IMPROVEMENTS

	Taylor Street Bridge Construction
	Wells/Wentworth Connector










ROOSEVELT/CLARK: **REDEVELOPMENT PROJECT & DEVELOPER DESIGNATION**



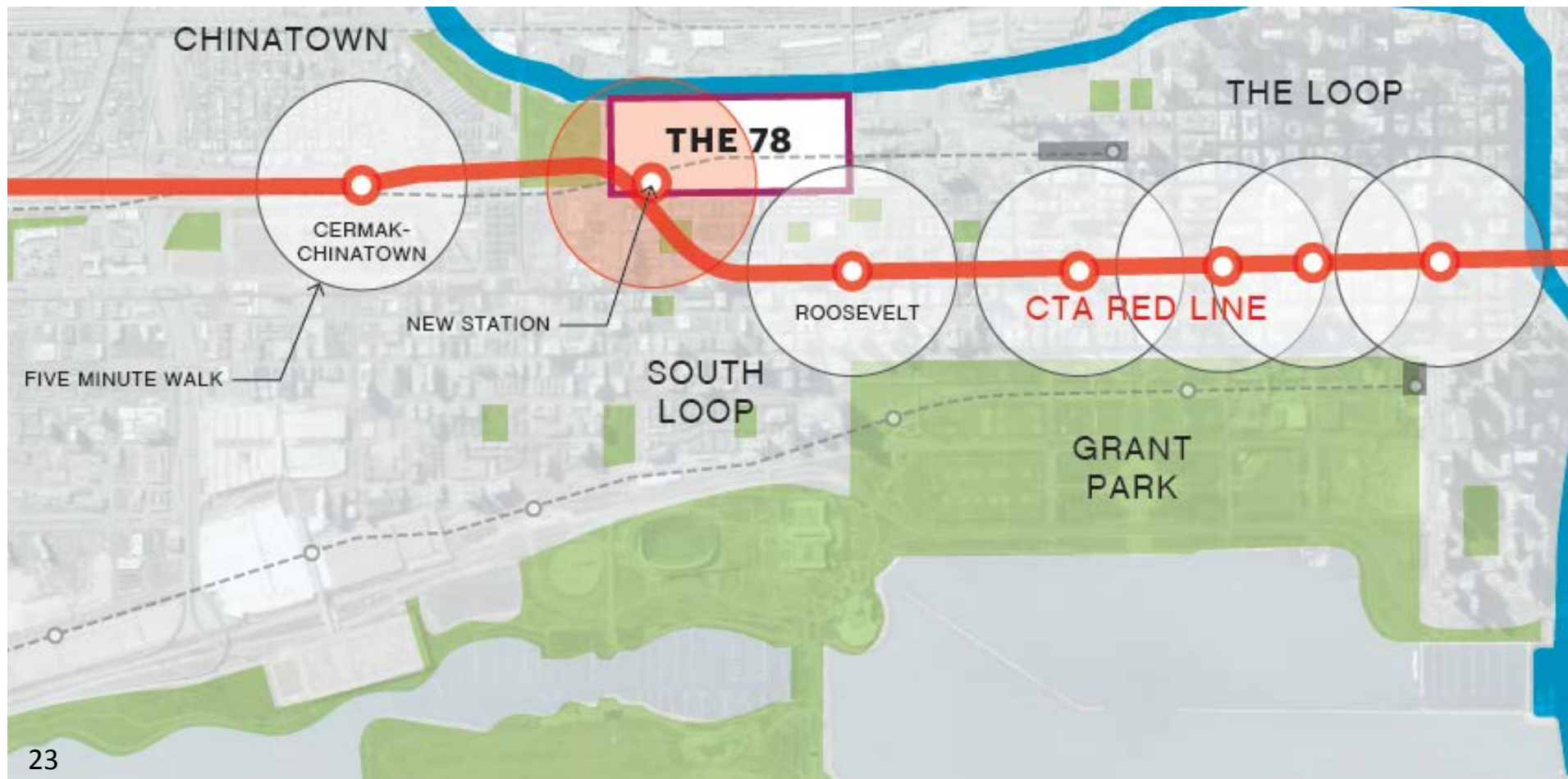
NEW PUBLIC INFRASTRUCTURE: PROJECT OVERVIEW AND BUDGET

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REDEVELOPMENT AGREEMENT: STRUCTURE

- TIF will be used for **public infrastructure** - not private development costs.
- Related Midwest will construct infrastructure projects on behalf of the City and will be **reimbursed** for those costs.
- The City has **financial protection** – TIF is only provided as increment is generated.

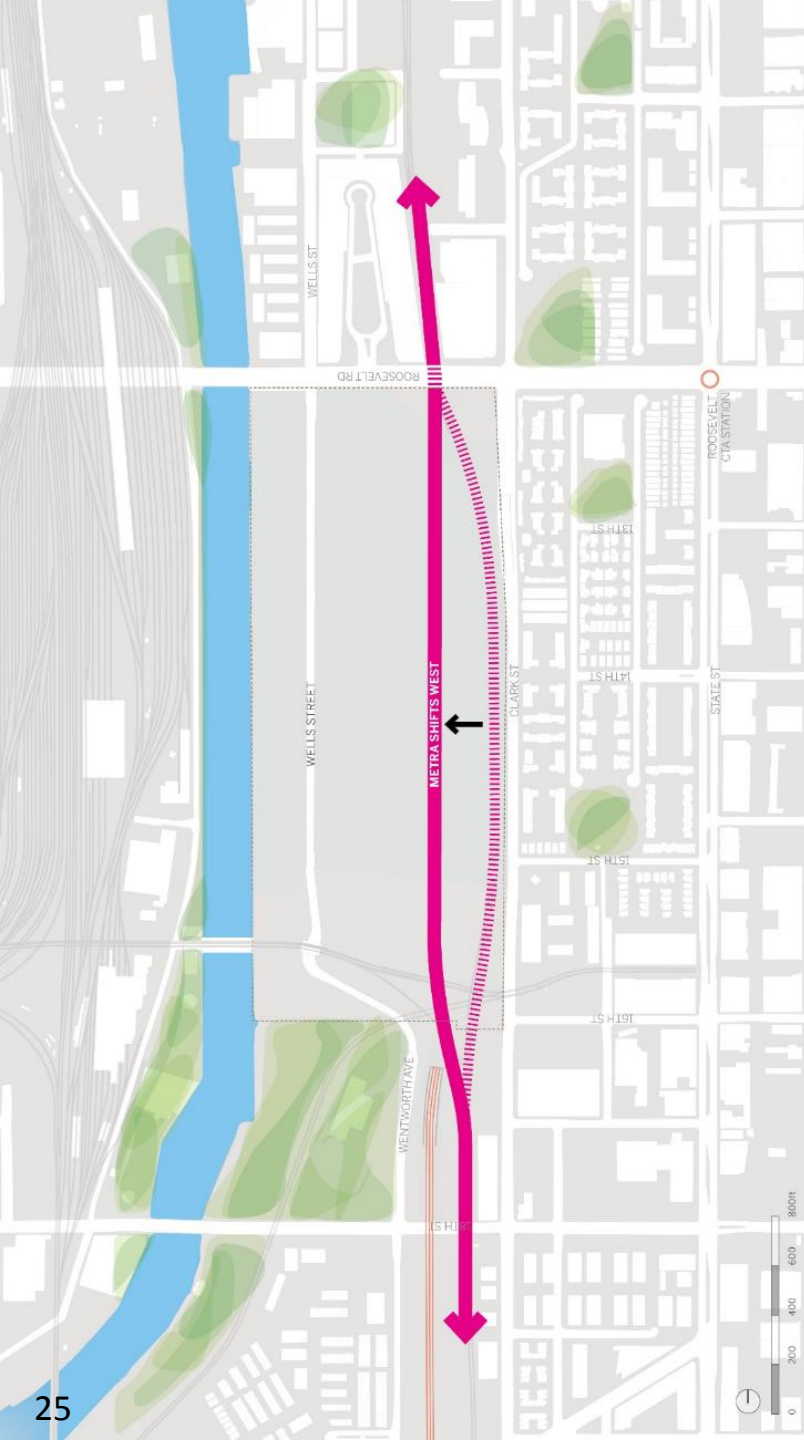
PUBLIC INFRASTRUCTURE: 15TH STREET CTA STATION



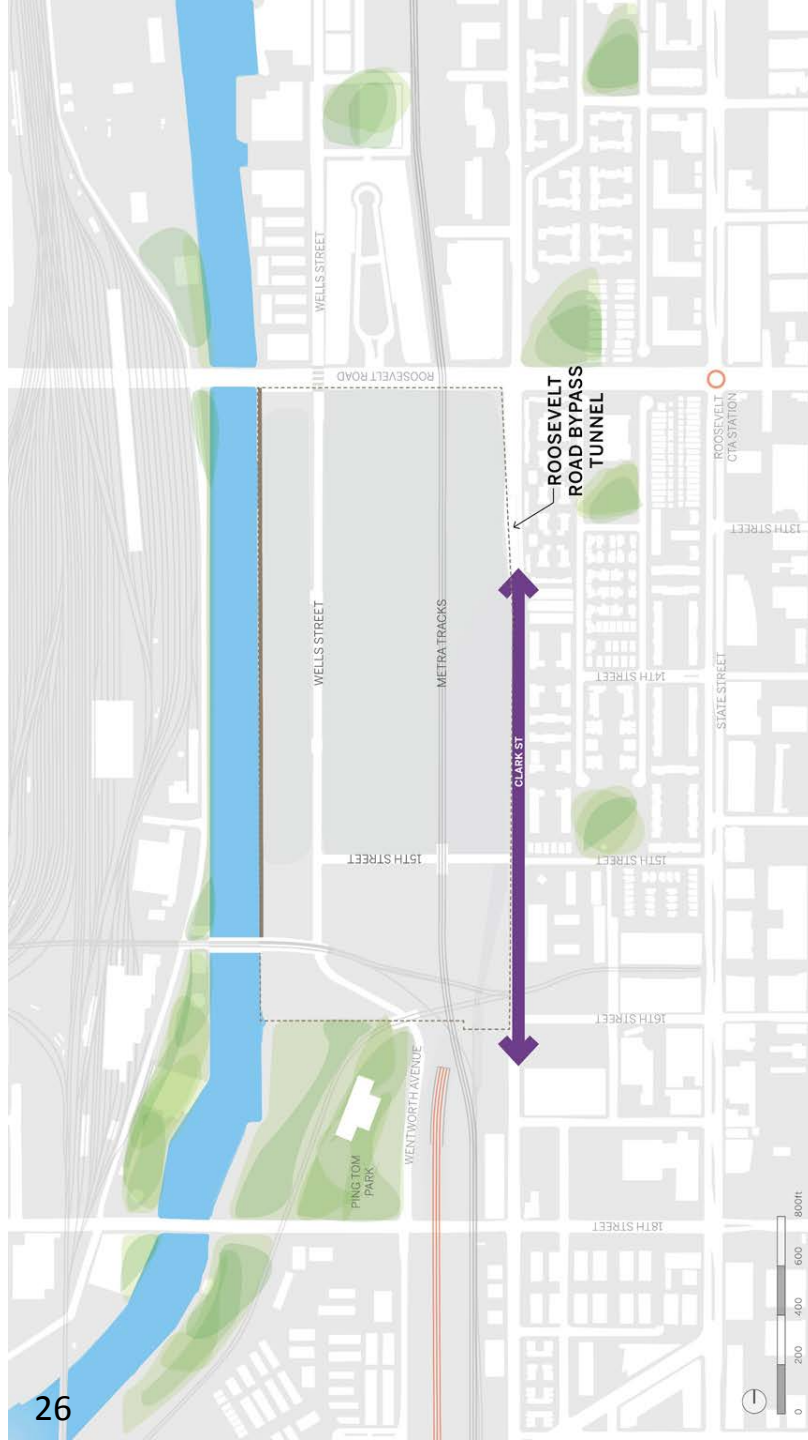
PUBLIC INFRASTRUCTURE : 15TH STREET CTA STATION



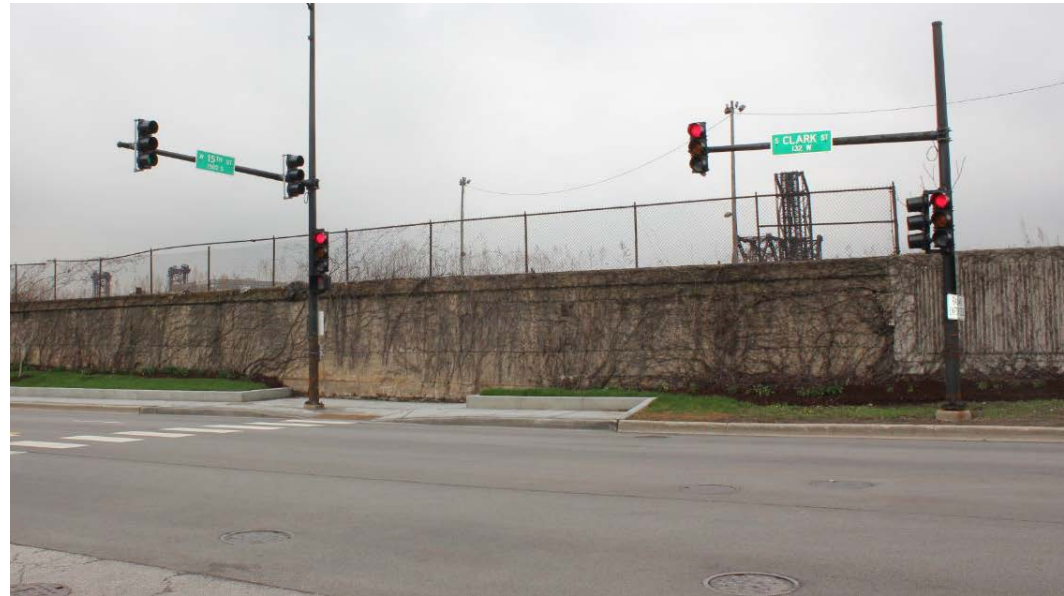
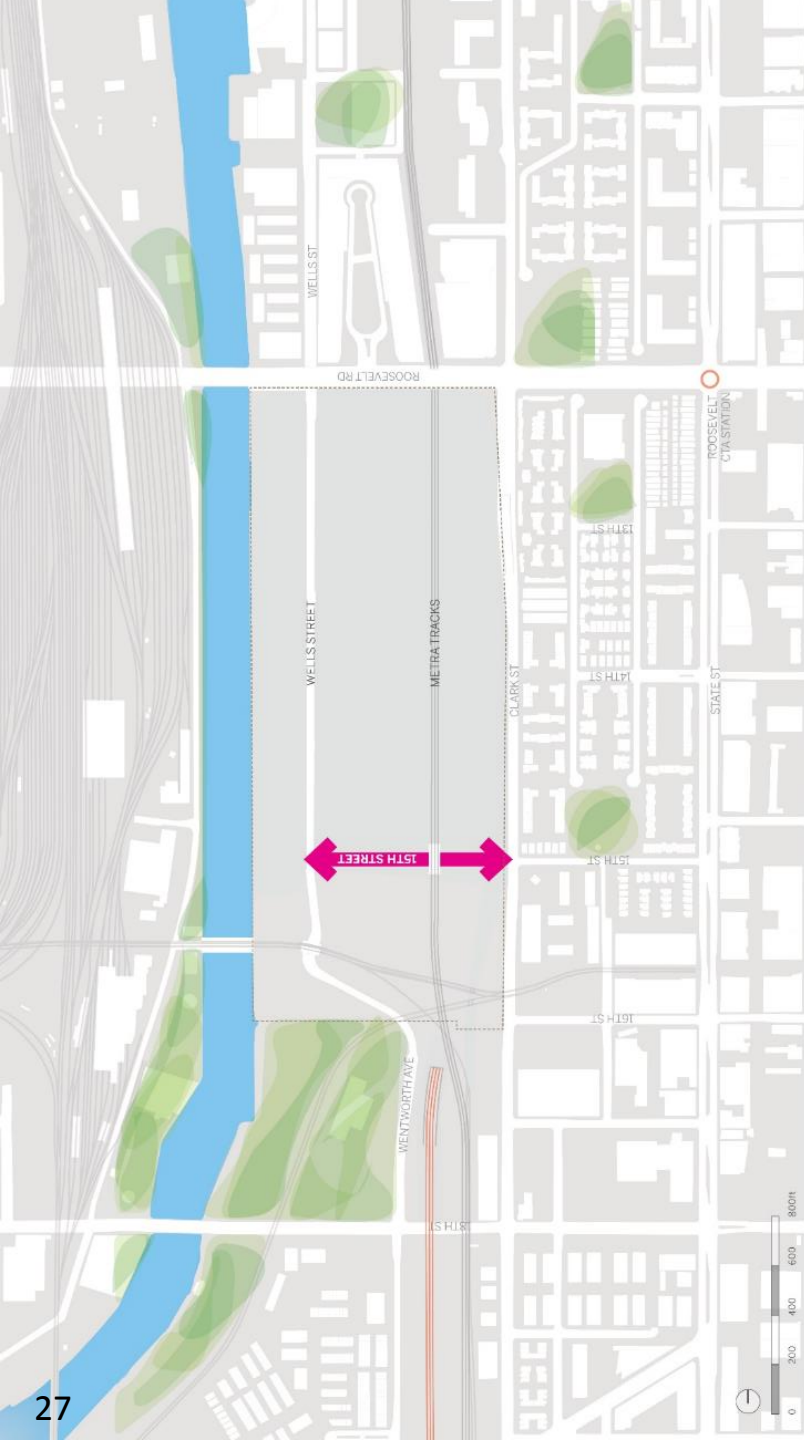
PUBLIC INFRASTRUCTURE: METRA REALIGNMENT



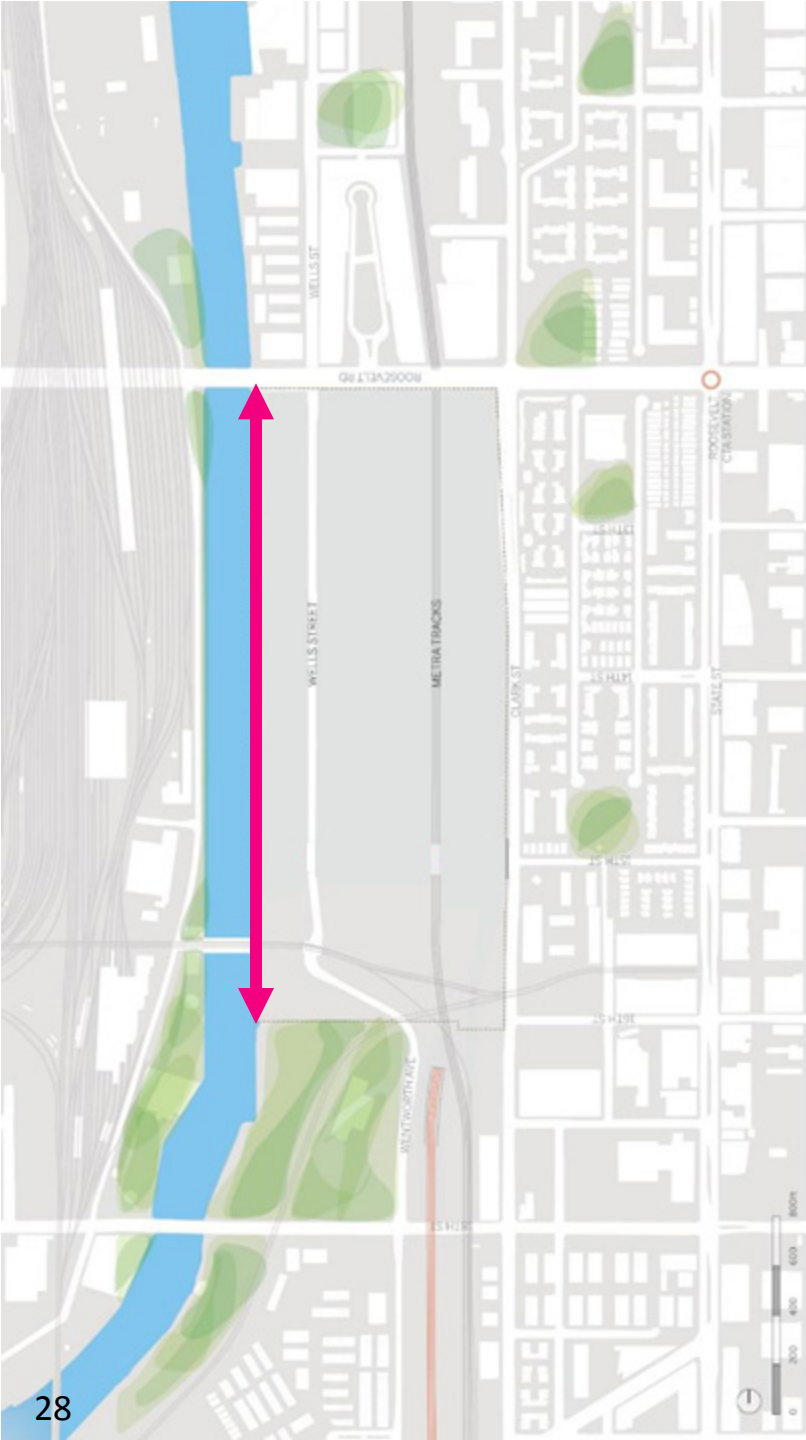
PUBLIC INFRASTRUCTURE: CLARK STREET IMPROVEMENT

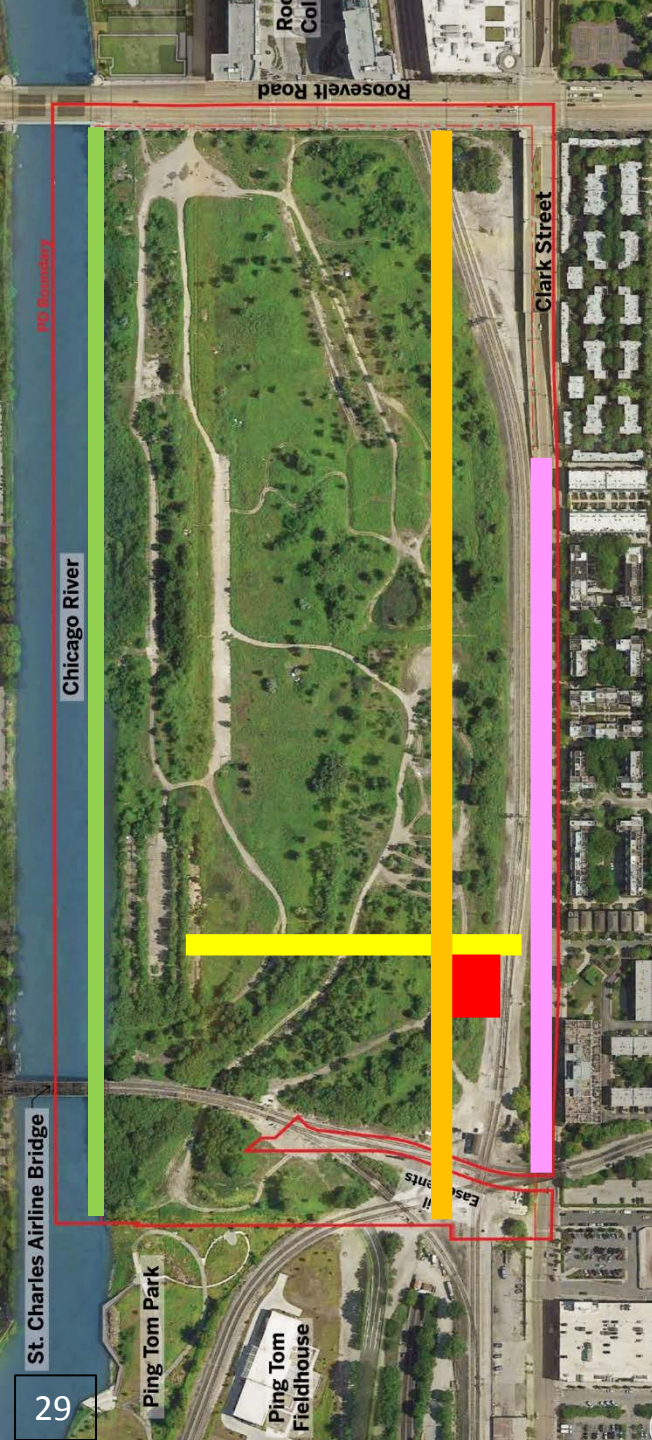


PUBLIC INFRASTRUCTURE: 15TH STREET CONSTRUCTION








PUBLIC INFRASTRUCTURE: SEAWALL RECONSTRUCTION



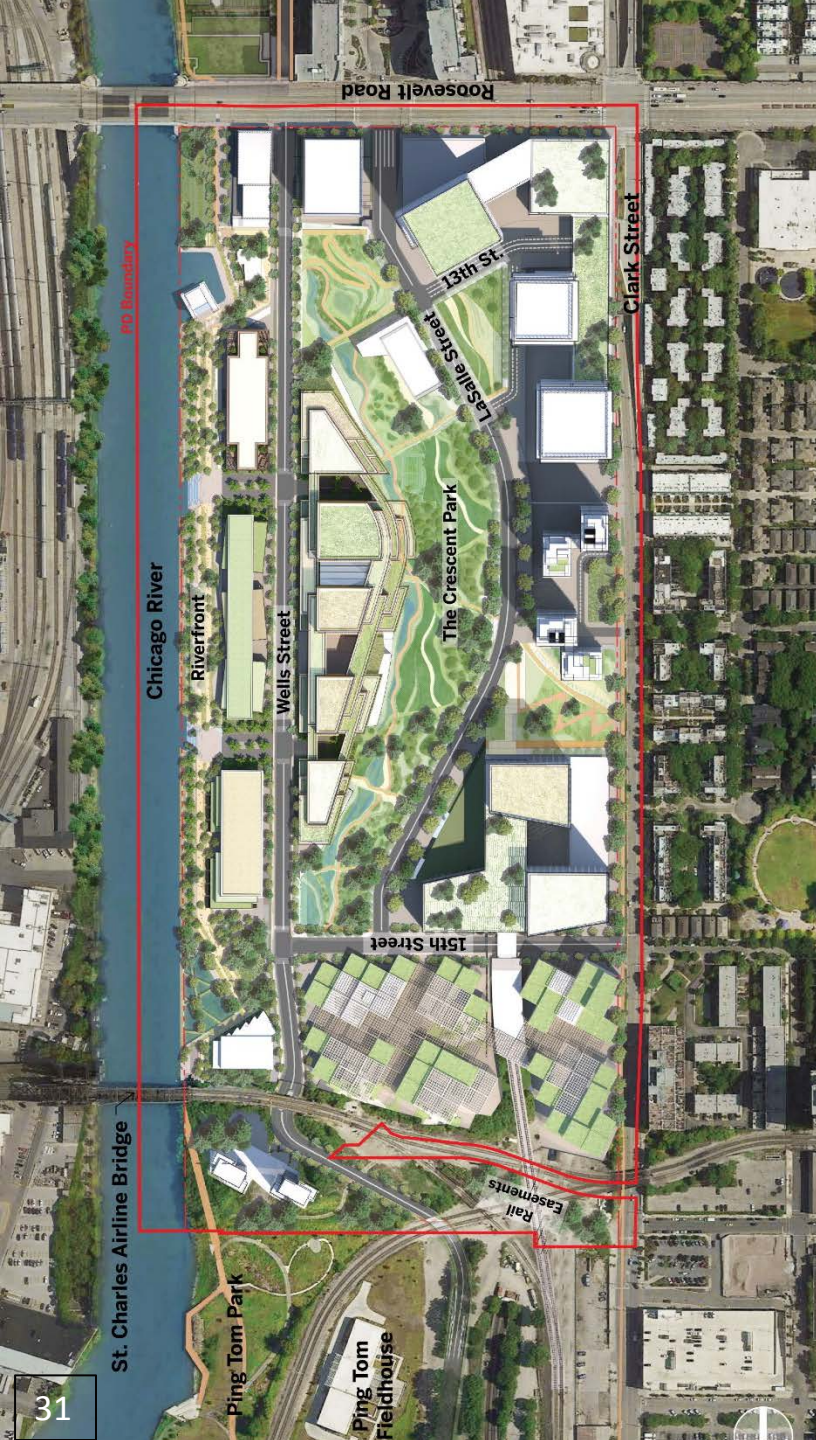


NEW PUBLIC INFRASTRUCTURE: PROJECT OVERVIEW AND BUDGET

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REDEVELOPMENT AGREEMENT: FINANCIAL STRUCTURE

- Related Midwest to undertake the development of public infrastructure improvements to the City's specifications.
- The Developer will be reimbursed through increment generated from Roosevelt/Clark TIF District.
- Project will potentially use an SSA to provide additional security.



REDEVELOPMENT AGREEMENT: CITY-WIDE BENEFITS

- \$7 billion dollars private investment
- 24,000 new permanent jobs
- 10,000 new construction job
- 2,000 new affordable housing units, which includes up to \$200 million in ARO funds
- \$25 million Neighborhood Opportunity Bonus payment
- 12 acres of public open space
- 100-foot wide river walk

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Roosevelt/Clark

*Public Hearing – Eligibility
Criteria*

*Redevelopment Plan
Developer Designation*



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BACK UP SLIDES

TIF PROGRAM REFORM 2011-2018

Support for Neighborhoods

86% of citywide TIF allocations have been directed toward neighborhood projects.

Annual Surplus Strategy

Applies to any district that has a 25% or more uncommitted cash balance, resulting in \$1.2 billion returned to taxing bodies since 2011.

Freeze in Downtown Spending

No new, non-infrastructure spending in seven downtown districts since 2015.

Improved Transparency

The City publishes spending allocation on the open data portal as well as all relevant Redevelopment Agreements and Annual Reports.

Consistent progress to reduce program breadth and scope

Since 2011, the number of designated TIF districts citywide decreased by 15%, from 162 to 138 districts.

- 24 terminations/repeals
- 9 expirations
- 9 designations

By 2026, TIF districts citywide will decrease to 49 districts, due to current expiration schedules of 89 existing districts.



Legend

- Roosevelt Clark TIF Jan 2019
- River South TIF



PIN 17-21-210-137

Cottontail Park

15th St.

16th St.

Clark St.

State St.



The 78 ARO Obligation

Under the 2015 ARO, the following requirements would apply

Total units in project	ARO requirement	Units	Notes
10,000	20% (required because of TIF)	2,000	<p>Under the 2015 ARO,</p> <ul style="list-style-type: none"> • At least 25% of ARO obligation (500 units) are “Required Units” • “Required Units” could be built either off-site (within 2 miles and in higher income area) or on-site • Remaining 75% could be paid in-lieu



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AFFORDABLE REQUIREMENTS ORDINANCE

The 78 ARO Obligation

Under the PD, we negotiated the following ARO mix

	ARO units	Units	Notes
On-site	At least 5%	500+	Units should be distributed throughout development
Off-site	Up to 10%	500-1,000	Off-site units must be <ul style="list-style-type: none"> • Within two miles AND/OR <ul style="list-style-type: none"> • At least 50% of off-site units must be built in Pilsen-Little Village Pilot area • City would provide credit for units built in the Pilsen-Little Village Pilot in partnership with Non-Profit Affordable Housing developments
In-lieu fee	At least 5%	500+	2019 fee: \$182,748/unit 500 units = \$91 million



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AFFORDABLE REQUIREMENTS ORDINANCE

Where do the in-lieu fees go?

\$91 million in-lieu would be deposited into the Affordable Housing Opportunity Fund (AHOF), where it is split 50:50 between

- Chicago Low Income Housing Trust Fund, which provides rental subsidies for very-low income households AND
- Affordable housing construction, preservation, and rehab units and programs across the City

\$91 million would provide

- Trust Fund Rental subsidies for 300 families at risk of homelessness – for 15 years AND
- 150 new long-term affordable units - and/or funding for affordable housing programs including Homeowner Improvement Grants and PEAR

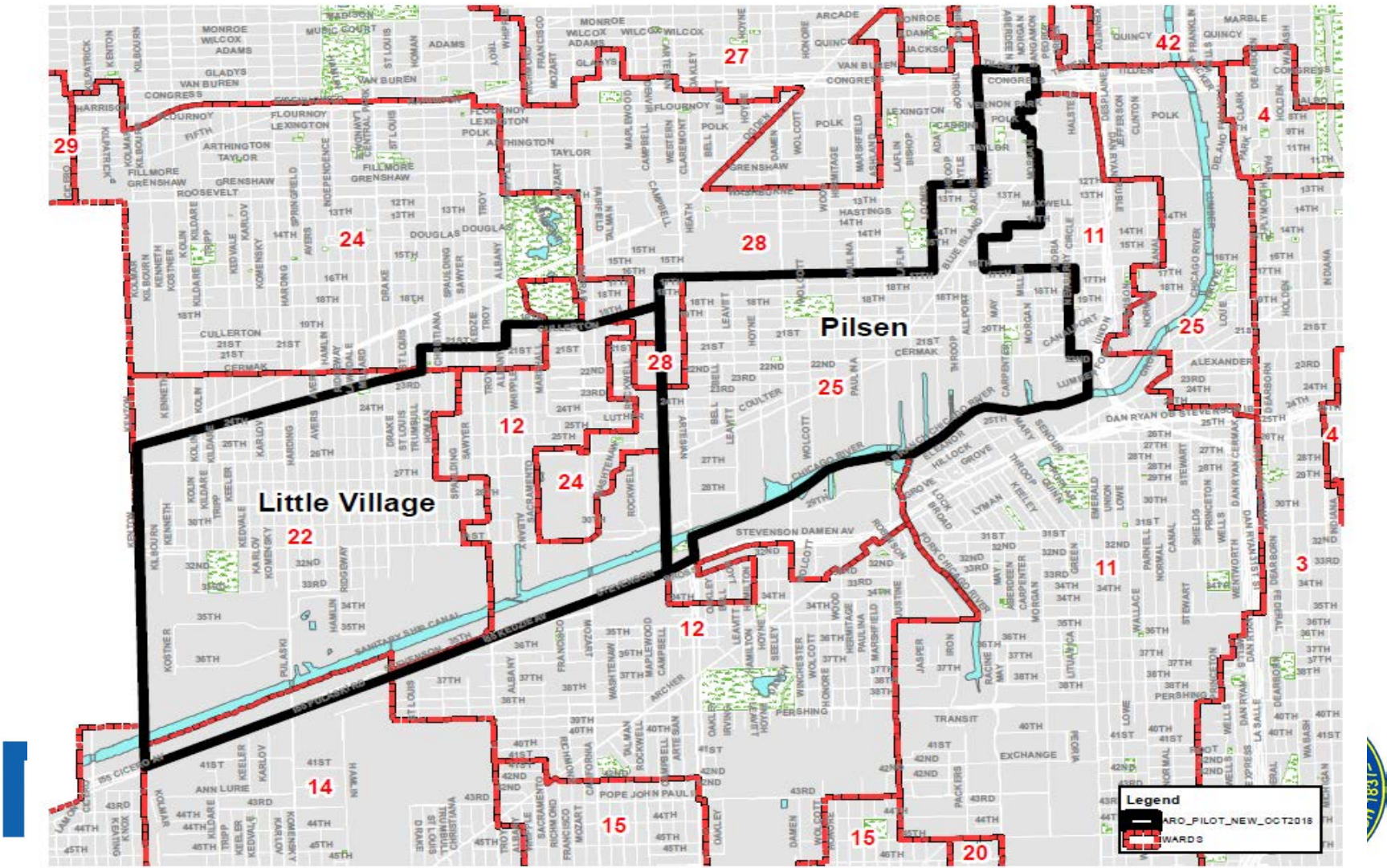


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AFFORDABLE REQUIREMENTS ORDINANCE

Pilsen- Little Village Pilot Boundaries



AFFORDABLE REQUIREMENTS ORDINANCE