

TRANSFORMING A 100-YEAR-OLD INDUSTRIAL CORRIDOR

Through Private Investment In Public Infrastructure Projects



IN 2017

THE CHICAGO PLAN COMMISSION APPROVED THE NORTH BRANCH FRAMEWORK PLAN-

An ambitious vision to transform 760 acres of neglected, industrial land by modernizing the corridor's land use and investing in transportation and open space improvements on behalf of the entire City.

Given limited City financial resources, a Tax Increment Financing (TIF) district was identified by the North Branch Framework Plan as a viable tool to fund public infrastructure improvements.

The Cortland/Chicago River TIF:

- Reconnects the Street Grid
- Provides Critical Infrastructure including Streets and Bridges
- Improves Access and Reduces Congestion
- 30% participation by Minority Business Enterprises (MBEs)
- 10% participation by Women Business Enterprises (WBEs)

This TIF district allows city residents to realize the benefits of new public roads, bridges, transit and river access sooner by using private sector dollars to finance their construction.

Private development interests provide the funding needed to build these projects and are only reimbursed after they are completed and delivered to the City.

The Cortland/Chicago River TIF

The Big 3 Things You Should Know...

1

The Cortland/Chicago River TIF will only fund public infrastructure; Sterling Bay will front-fund the projects and only be reimbursed after the development generates new property tax revenue (known as "increment")

2

The TIF will not reduce or divert current funding for Chicago Public Schools or the City of Chicago.

3

None of the TIF funds currently exist. These funds will only be generated after development occurs and begins to generate increment.

THE CORTLAND/CHICAGO RIVER TIF DISTRICT

THE CORTLAND/CHICAGO RIVER TIF IS A TOOL TO FINANCE CRITICAL PUBLIC INFRASTRUCTURE IMPROVEMENTS THROUGHOUT THE TIF DISTRICT.

The 168 acres within the district suffer from decades of neglect, lack of infrastructure investment and limited transit access. **There is an urgent need to address these infrastructure issues today.** Typically, local government pays for infrastructure and public works projects. However, the City does not have the resources to pay for these critical improvements.

The Cortland/Chicago River TIF enables private sector funds to be used to finance and construct public benefits such as streets, bridges, utilities, transit services, river access and other important public investments.

LIKE EVERY TIF DISTRICT IN ILLINOIS, THE CORTLAND/CHICAGO RIVER TIF WAS APPROVED USING A PROCESS DEFINED BY STATE LAW:

- 1 State law authorizes and defines eligibility criteria for every TIF district in Illinois
- 2 The City conducts an eligibility study to determine if a proposed TIF district meets state requirements and prepares a redevelopment plan
- 3 Upon establishment of the size, scope and increment level, TIFs are subject to a public approval process, including approvals by the Joint Review Board, Community Development Commission and City Council
- 4 Following legislative approval, use of TIF funds for any approved project requires City Council authorization pursuant to a redevelopment agreement
- 5 Any increases in the project budget or extension of a TIF lifespan would have to be approved by the Illinois General Assembly and/or City Council

A 4-YEAR PUBLIC DISCUSSION

NORTH BRANCH FRAMEWORK PLAN, LINCOLN YARDS PLANNED DEVELOPMENT AND CORTLAND/CHICAGO RIVER TIF PUBLIC PROCESS AND APPROVAL TIMELINE

//2016

Community Process

- JUNE - DECEMBER 6 Public meetings on corridor modernization initiative (North Branch Framework Plan)

//2017

Community and Legislative Process

- FEBRUARY - J JULY 16 Public meetings
- MARCH North Branch Framework Plan published
- MAY Chicago Plan Commission recommends approval of Framework Plan
- JUNE Framework Plan introduced into City Council
- J JULY City Council approves Framework Plan

//2018

Community Process - Lincoln Yards Development and Cortland/Chicago River TIF Development

- JULY - DECEMBER 18 Stakeholder meetings on PD 3 Community surveys on PD
- JULY Initial public meeting on PD
- NOVEMBER City sponsored public meeting on TIF District 2nd Public meeting no PD

//2019

Community and Legislative Process - Lincoln Yards Development and Cortland/Chicago River TIF Development

- JANUARY - FEBRUARY 7 Stakeholder meetings on PD
- JANUARY Chicago Plan Commission recommends approval of Lincoln Yards PD
- FEBRUARY Community Development Commission approves TIF District
- MARCH Chicago City Council approves Lincoln Yards PD
- APRIL Chicago City Council approves TIF District

FACTS ON PUBLIC BENEFITS FROM THE CORTLAND/CHICAGO RIVER TIF DISTRICT AND LINCOLN YARDS DEVELOPMENT

Jobs and Equity Opportunity Engine

23,000+

Permanent jobs will be created

10,000

Construction jobs will be created during the course of the 10-year project buildout

30%

Participation by Minority Business Enterprises (MBEs)

10%

Participation by Women Business Enterprises (WBEs)

- The TIF funds do not currently exist. They will be generated over the term of the TIF as the Lincoln Yards development generates the increment to fund the public infrastructure.
- This TIF is dedicated to creating public infrastructure the City would normally pay for, with these projects being funded up-front by the developer of Lincoln Yards. Only if the development generates increment will the developer be eligible for reimbursement from the TIF.
- Chicago Public Schools will continue to receive revenue from properties within the TIF district. The total of all property tax dollars collected for CPS is set by state law and cannot be altered by the City. When a TIF is created, the existing tax levy continues to flow to local taxing bodies.
- 600 on-site affordable housing units and payment of \$39 Million into the Affordable Housing Opportunity Fund.
- \$4.1 Billion in new, annual economic output upon completion of Lincoln Yards, with over \$110 Million in total fees contributed to the City of Chicago's Industrial Corridor Fund and North Branch Corridor bonus program.
- Sterling Bay is also directly funding over \$300 Million in non-reimbursable public infrastructure improvements.



LINCOLN YARDS

THE CORTLAND/CHICAGO RIVER TIF DISTRICT

HOW LINCOLN YARDS WILL TRANSFORM A 100-YEAR-OLD INDUSTRIAL CORRIDOR

HOW THIS TIF DISTRICT WORKS

Using private investment to finance public infrastructure improvements

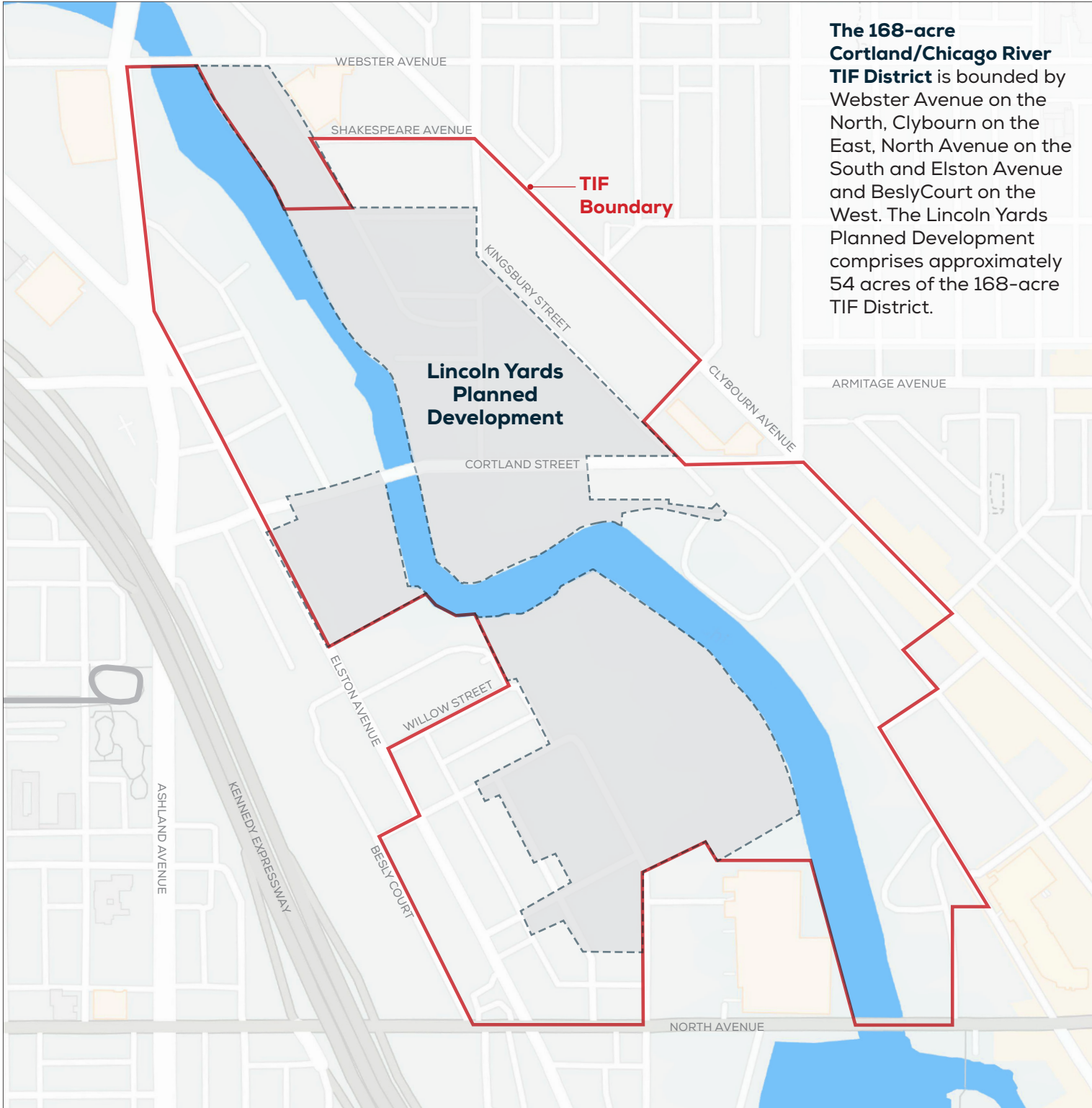
The Cortland/Chicago River TIF district is distinct from other TIF districts in that all proceeds are dedicated exclusively to publicly owned infrastructure. No Cortland/Chicago River TIF funds can be used for private development costs.

In this TIF district, public infrastructure projects will be front-funded by Sterling Bay. The TIF district will reimburse Sterling Bay for its investment only when and if the development generates sufficient increment.

These projects will be closely monitored by the City to ensure each public works project is properly authorized, designed and constructed.

Sterling Bay bears the risk

for infrastructure improvements. Only when the TIF produces revenue and the work is completed and approved by the City does Sterling Bay begin to be reimbursed - over 23 years - for its investment.



The 168-acre Cortland/Chicago River TIF District is bounded by Webster Avenue on the North, Clybourn on the East, North Avenue on the South and Elston Avenue and BeslyCourt on the West. The Lincoln Yards Planned Development comprises approximately 54 acres of the 168-acre TIF District.

TIF PUBLIC INVESTMENTS

Getting Started

The below represent the first slate of projects approved by the City Council in April 2019

A	ARMITAGE AVENUE EXTENSION AND BRIDGE	\$76,475,000
B	ARMITAGE AVENUE VIADUCT	\$53,950,000
C	CONCORD PLACE EXTENSION AND BRIDGE	\$24,150,000
D	CORTLAND STREET IMPROVEMENTS	\$12,075,000
E	DOMINICK STREET EXTENSION AND BRIDGE	\$107,870,000
F	DOMINICK STREET FINAL CONDITION	\$7,245,000
G	FUTURE ELSTON AVENUE REALIGNMENT (CDOT) WITH NEW VIADUCT UNDER UP	\$85,330,000
H	KINGSBURY STREET EXTENSION/ IMPROVEMENTS	\$21,735,000
I	SEA WALL IMPROVEMENTS EAST/NORTH BANK (50%)	\$20,930,000
J	SEA WALL IMPROVEMENTS WEST/SOUTH BANK (50%)	\$24,955,000
K	SOUTHPORT AVENUE IMPROVEMENTS (KINGSBURY TO CLYBOURN)	\$3,220,000
L	WABANSIA AVENUE AND WILLOW STREET IMPROVEMENTS (ELSTON TO THROOP)	\$15,295,000
M	606 EXTENSION: PEDESTRIAN BIKE TRAIL	\$34,615,000

Total Budget Costs \$487,830,000

