



City of Chicago



O2022-3794

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 11/16/2022

Sponsor(s): Lightfoot (Mayor)

Type: Ordinance

Title: Issuance and transfer of various Tax Increment Financing (TIF) funds to augment Metra Realignment and 15th Street Components overseen by CDOT for University of Illinois Discovery Partners Institute project at 1501 S Wells St

Committee(s) Assignment: Committee on Finance

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OFFICE OF THE MAYOR
CITY OF CHICAGO

LORI E. LIGHTFOOT
MAYOR

November 16, 2022

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Transportation, I transmit herewith an ordinance authorizing the issuance of TIF funds to support the development of enabling infrastructure for the University of Illinois' Discovery Partners Institute.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours

A handwritten signature in black ink that reads "Lori E. Lightfoot".

Mayor

ORDINANCE

WHEREAS, to induce certain redevelopment pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the "Act"), in accordance with the provisions of the Act, pursuant to ordinances adopted on April 10, 2019, the City Council ("City Council") of the City of Chicago (the "City"): (1) approved and adopted a redevelopment plan (the "Redevelopment Plan") for the Roosevelt/Clark Redevelopment Project Area (the "Redevelopment Area") of the City; (2) designated the Redevelopment Area as a "redevelopment project area" pursuant to the Act; and (3) adopted tax increment allocation financing for the Redevelopment Area (such ordinance, the "TIF Ordinance"); and

WHEREAS, ad valorem taxes which, pursuant to the TIF Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City for deposit by the Treasurer into a redevelopment project area special tax allocation fund established to pay redevelopment project costs (as defined in the Act) and obligations incurred in the payment thereof are known generally as "Increment," and Increment from the Redevelopment Area shall be known herein as "Roosevelt/Clark Increment"; and

WHEREAS, The Board of Trustees of the University of Illinois, a public corporation ("University of Illinois") plans to build a structure (the "DPI Innovation Hub") to house the Discovery Partners Institute, consisting of an approximately 200,000 square-foot innovation hub, including laboratory, classroom and meeting spaces, at 1501 South Wells Street in the Redevelopment Area that will support an adjacent campus of technology-oriented developments; and

WHEREAS, the DPI Innovation Hub is expected to generate \$200 million per year in public and private sector technology research and development investments in focus areas including: technology talent development, applied research and development, and business building; and

WHEREAS, the DPI Innovation Hub is expected to facilitate training of 7,000 individuals annually and has a primary purpose of connecting residents from under-represented groups with quality education and job opportunities in information technology, healthcare, transportation and logistics, and manufacturing; and

WHEREAS, certain enabling infrastructure is needed to accommodate the DPI Innovation Hub within the Redevelopment Area generally between West Roosevelt Road and South Archer Avenue (the "Project") including two components: (a) a new segment of West 15th Street connecting South Wells Street and South Clark Street and all associated infrastructure necessary for the street (the "15th Street Component"), and (b) a realignment of railroad infrastructure used by the Commuter Rail Division of the Regional Transportation Authority ("Metra") along its Rock Island District line and a new railroad grade separation structure over the new West 15th Street (the "Metra Realignment Component"); and

WHEREAS, the Department of Transportation of the City ("CDOT") desires to use a portion of the Roosevelt/Clark Increment in an amount not to exceed \$85,000,000 ("City Funds") for the purpose of wholly or partially funding certain costs of the Project (the "TIF-Funded Improvements") to the extent and in the manner provided in this ordinance and the DPI IGA and Metra IGA (each as defined below); and

WHEREAS, the Redevelopment Plan contemplates that tax increment financing assistance would be provided for public works or improvements, such as the Project, within the boundaries of the Redevelopment Area; and

WHEREAS, pursuant to Section 5/11-74.4-4(q) of the Act, the City can use Increment from one redevelopment project area for eligible redevelopment project costs in another redevelopment project area that is either contiguous to, or is separated only by a public right of way from, the redevelopment project area from which the Increment is received so long as the applicable redevelopment plans permit such use (the "Transfer Rights"); and

WHEREAS, to induce certain redevelopment pursuant to the Act, in accordance with the provisions of the Act, pursuant to ordinances adopted on November 12, 1998, the City Council: (1) approved and adopted a redevelopment plan (the "Canal/Congress Redevelopment Plan") for the Canal/Congress Redevelopment Project Area (the "Canal/Congress Redevelopment Area") of the City; (2) designated the Canal/Congress Redevelopment Area as a "redevelopment project area" pursuant to the Act; and (3) adopted tax increment allocation financing for the Canal/Congress Redevelopment Area; and

WHEREAS, the Redevelopment Area is either contiguous to, or is separated only by a public right of way from, the Canal/Congress Redevelopment Area; and

WHEREAS, the Canal/Congress Redevelopment Plan permits the exercise of Transfer Rights with respect to Increment from the Canal/Congress Redevelopment Area ("Canal/Congress Increment") and the Redevelopment Plan permits the receipt of Increment pursuant to Transfer Rights; and

WHEREAS, it is anticipated that the City may, in its discretion, exercise its Transfer Rights pursuant to the Act, the Canal/Congress Redevelopment Plan, and the Redevelopment Plan to use Canal/Congress Increment in an amount up to \$85,000,000 as part of (and not in addition to) the City Funds; and

WHEREAS, CDOT will oversee implementation of the Project in close coordination with the University of Illinois and Metra; and

WHEREAS, CDOT expects the University of Illinois to undertake planning, design, construction, and related activities necessary to build the 15th Street Component; and

WHEREAS, CDOT expects Metra to undertake planning, design, construction, and related activities necessary to build the Metra Realignment Component; and

WHEREAS, in consideration of costs for the Project incurred or to be incurred by or on behalf of the University of Illinois, the City desires to enter into an intergovernmental agreement with the University of Illinois whereby the City shall use City Funds to pay for or reimburse the University of Illinois for the TIF-Funded Improvements related to the 15th Street Component of the Project (the "DPI IGA"); provided that the total amount of City Funds to be paid under both the DPI IGA and the Metra IGA, collectively, shall not exceed \$85,000,000; and

WHEREAS, in consideration of costs for the Project incurred or to be incurred by or on behalf of Metra, the City desires to enter into an intergovernmental agreement with Metra

whereby the City shall use City Funds to pay for or reimburse Metra for the TIF-Funded Improvements related to the Metra Realignment Component of the Project (the "Metra IGA"); and

WHEREAS, pursuant to an ordinance adopted by the City Council on April 10, 2019 and published in the Journal of Proceedings for the City Council for such date at pages 98,319 through 98,404, the City entered into a redevelopment agreement ("RDA") dated as of May 15, 2019 between the City, through CDOT and through its Department of Planning and Development ("DPD"), and the Developer (as defined in the RDA); and

WHEREAS, the City desires to enter into an amendment (the "Amendment") to the RDA reflecting (a) the deletion of each reference to Metra Realignment and 15th Street Construction (each as defined in the RDA), and (b) revisions to reflect such deletions, including without limitation reducing the amount of City Funds and revising the Project Budget and corresponding item MBE/WBE Budgets (each as defined in the RDA) attributable to Metra Realignment and 15th Street Construction; and

WHEREAS the City intends to apply the corresponding MBE/WBE commitments in the RDA towards the work to be performed pursuant to the DPI IGA and the Metra IGA; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Commissioner of CDOT (the "CDOT Commissioner") and a designee are each hereby authorized, subject to approval by the City's Corporation Counsel, to negotiate, execute and deliver the DPI IGA and such other supporting documents as may be necessary to carry out and comply with the provisions of the DPI IGA, in such form as shall be approved by the persons executing the DPI IGA on behalf of the City.

SECTION 3. The CDOT Commissioner and a designee are each hereby authorized, subject to approval by the City's Corporation Counsel, to negotiate, execute and deliver the Metra IGA and such other supporting documents as may be necessary to carry out and comply with the provisions of the Metra IGA, in such form as shall be approved by the persons executing the Metra IGA on behalf of the City.

SECTION 4. The Commissioner of DPD (the "DPD Commissioner"), the CDOT Commissioner and their respective designees are each hereby authorized, subject to approval of the City's Corporation Counsel, to negotiate, execute and deliver the Amendment and such other supporting documents as may be necessary to carry out and comply with the provisions of the Amendment, in such form as shall be approved by the persons executing the Amendment on behalf of the City.

SECTION 5. If any provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this Ordinance.

SECTION 6. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance,

the provisions of this ordinance shall control. If any section, paragraph, clause, or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the other provisions of this ordinance.

SECTION 7. This ordinance shall take effect upon its passage and approval.