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City Hall
121 N. LaSalle St.
Room 107
Chicago, IL 60602
www.chicityclerk.com

Legislation Details (With Text)

File #: O2022-2001
Type: Ordinance
File created: 6/22/2022
Status: Passed
In control: City Council
Final action: 7/20/2022
Title: Amendment No. 2 to Canal/Congress Tax Increment Financing Redevelopment Project and Plan regarding statutory requirement of project completion and debt obligation retirement
Sponsors: Lightfoot, Lori E.
Indexes: Amendment
Attachments: 1. O2022-2001.pdf

Date	Ver.	Action By	Action	Result
7/20/2022	1	City Council	Passed	Pass
7/18/2022	1	Committee on Finance	Recommended to Pass	
6/22/2022	1	City Council	Referred	

OFFICE OF THE MAYOR

CITY OF CHICAGO

LORI E. LIGHTFOOT
MAYOR

June 22, 2022

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

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing an amendment to the Canal/Congress Tax Increment Financing Redevelopment Plan and Project.

Your favorable consideration of this ordinance will be appreciated.

ORDINANCE

WHEREAS, pursuant to ordinances adopted on November 12, 1998, and published in the Journal of the Proceedings of the City Council of the City of Chicago (the "Journal") for such date at pages 81881 to 81991, and under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4.1 et seq., as amended (the "Act"), the City Council (the "Corporate Authorities") of the City of Chicago (the "City"): (i) approved a redevelopment plan and project (the "Original Plan") for a portion of the City known as the "Canal/Congress Redevelopment Project Area" (the "Area") (the "Plan Ordinance"); (ii) designated the Area as a "redevelopment project area" within the requirements of the Act (the "Designation Ordinance"); and (iii) adopted tax increment financing for the Area (the "TIF Adoption Ordinance," and, together with the Plan Ordinance, the Designation Ordinance, all as amended, shall be referred to collectively herein as the "TIF Ordinances"); and

WHEREAS, pursuant to an ordinance adopted on June 19, 2002 and published in the Journal for such date at pages 88204 to 88215 (the "Amendment Ordinance"), the Corporate Authorities approved Amendment Number 1 to the Original Plan (the Original Plan, as amended, shall be referred to herein as the "Plan"); and

WHEREAS, the Plan established the estimated dates of completion of the redevelopment project described in the Plan and of the retirement of obligations issued to finance redevelopment project costs to be not more than twenty-three (23) years from the date of the adoption of the Designation Ordinance, and the Corporate Authorities made findings in the Plan Ordinance and the Amendment Ordinance that such date was not more than twenty-three (23) years from the date of the adoption of the Designation Ordinance, in accordance with the provisions of Section 11-74.4-3(n)(3) of the Act in effect on the date of adoption of the TIF Ordinances; and

WHEREAS, the City anticipates that the Illinois General Assembly may adopt a bill (the "Bill") which would amend the Act to, among other things, change the dates set forth in Section 11-74.4-3(n)(3) of the Act by which redevelopment projects in the Area must be completed and obligations issued to finance redevelopment project costs must be retired to be no later than December 31 of the year in which the payment to a municipal treasurer as provided in Section 11-74.4-8(b) of the Act is to be made with respect to ad valorem taxes levied in the thirty-fifth calendar year after the year in which the ordinance approving a redevelopment project area was adopted; and

WHEREAS, the Corporate Authorities desire to amend and supplement the Plan to conform to Section 11-74.4-3.5(c) of the Act, as amended by the Bill, in accordance with the procedures set forth in amended Section 11-74.4-3(n)(3); now, therefore,

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

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

SECTION 2. Approval of Amendment Number 2 to the Plan. "Amendment No. 2 to the Canal/Congress Tax Increment Financing Redevelopment Project and Plan" (the "Amendment Number 2"), a copy of which is attached hereto as Exhibit A, is hereby approved. As amended hereby, the Plan shall remain in full force and effect.

1

SECTION 3. Finding. The Corporate Authorities hereby find that the estimated dates of completion of

the redevelopment project described in the Plan, as amended by Amendment Number 2, and of the retirement of obligations issued to finance redevelopment project costs set forth in the Plan, as amended by Amendment Number 2, conform to the provisions of Section 11-74.4-3(n)(3) of the Act, as amended by the Bill.

SECTION 4. Invalidation of Any Section. 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 remaining provisions of this ordinance.

SECTION 5. Superseder. All ordinances (including, without limitation, the TIF Ordinances, as amended by the Amendment Ordinance), resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflicts.

SECTION 6. Effective Date. This ordinance would be in full force and effect immediately upon (1) the Bill becoming law and (2) the passage and approval of this ordinance.

EXHIBIT A

. Amendment Number 2 to the Canal/Congress Tax

Increment Financing Redevelopment Project and Plan

1. In Section V entitled "Redevelopment Project," the first sentence in the second paragraph under the sub-section H entitled "Issuance of Obligations" shall be deleted and replaced with the following:

"All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired no later than December 31 of the year in which the payment to the City Treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the thirty-fifth calendar year following the year in which the ordinance approving the Redevelopment Project Area was adopted."

2. In Section X entitled "Phasing and Scheduling," the third paragraph shall be deleted and replaced with the following:

"The estimated date for completion of Redevelopment Projects is no later than December 31, 2034."

3. In Exhibit II: "Estimated Redevelopment Project Costs," shall be deleted and replaced with the following:

<u>Eligible Expense - Amendment No. 2</u>	j	<u>Estimated Costs</u>
Analysis, Administration, Studies, Surveys, Legal, Marketing, j etc^	:	\$2,500,000
Property Assembly including Acquisition, Site Prep and I Demolition, Environmental Remediation	:	\$5,000,000
Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation cost	--	\$37,000,000
<i>Public Works & improvements, including streets and utilities, ' parks and open space, public facilities (schools & other public > facilities) [1]</i>		<i>\$115,384,666</i>
Relocation Costs	-	\$1,000,000
Job Training, Retraining, Welfare-to-Work		\$1,000,000
Day Care Services	- ■	\$1,000,000
Interest Costs	!	\$1,000,000
TOTAL REDEVELOPMENT COSTS [2] [3]	r	\$163,884,000 [4]

■ This category may also include paying for or reimbursing (i) an elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Plan.

²Total Redevelopment Project Costs represent an upper limit on expenditures that are to be funded using tax increment revenues and exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs. Within this limit, adjustments may be made in line items without amendment to this Plan, to the extent permitted by the Act.

³The amount of the Total Redevelopment Project Costs that can be incurred in the Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Project Area only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Project Area, but will not be reduced by the amount of redevelopment project costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated from the Project Area only by a public right-of-way.

⁴All costs are in 2022 dollars and may be increased by five percent (5%) after adjusting for inflation reflected in the Consumer Price Index (CPI) for All Urban Consumers for All Items for the Chicago-Gary-Kenosha, IL-IN-WI CMSA, published by the U.S. Department of Labor.

Additional funding from other sources such as federal, state, county, or local grant funds may be utilized to supplement the City's ability to finance Redevelopment Project Costs identified above.