



Office of the City Clerk

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Legislation Text

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RESOLUTION

WHEREAS, the New Markets Tax Credit Program was established as part of the Community Renewal Tax Relief Act of 2000, which incentivizes business and real estate investment in low-income communities of the United States via a federal tax credit for businesses and development projects in areas with high rates of poverty and unemployment; and

WHEREAS, the program is administered by the United States Treasury Department's Community Development Financial Institutions (CDFI) Fund and allocated by local Community Development Entities (CDEs) across the United States including in Chicago; and

WHEREAS, nationally between 2003 and 2015, \$42 billion in direct new markets tax credit (NMTC) investments were made in businesses and these NMTC investments leveraged nearly \$80 billion in total capital investment to businesses and revitalization projects in communities with high rates of poverty and unemployment; and

WHEREAS, the NMTC investment injects \$200 million into Chicago developments each year, concentrated on the City's West and South sides; and

WHEREAS, according to Crain's Chicago Business, the NMTC is vital for qualifying developments, accounting for a quarter of their financing, with the rest coming from other private and public sources; and

WHEREAS, the NMTC has helped finance 123 Chicago developments since being implemented in 2001, whose costs totaled \$1.6 billion, many of which would not have been possible without the credit; and

WHEREAS, Chicago Neighborhood Initiatives, a local CDE, has been able to deploy \$80 million to hospitals, industrial facilities, charter schools and community centers since 2010 and created 700 permanent jobs and 1,500 construction jobs; and

WHEREAS, the NMTC has supported transformative neighborhood developments, such as the Whole Foods in Englewood, Method Factory in Pullman, Metrosquash in Woodlawn, and Breakthrough Urban Ministries in Garfield Park; and

WHEREAS, the NMTC made possible Testa Produce's new Back of the Yards distribution facility which covers 95,000 square feet and cost \$20 million; and

WHEREAS, projects funded by the NMTC create jobs, celebrity chef Rick Bayless' food incubator in Garfield Park will alone create 150 jobs in its first year of operations and 900 more over 5 years; and

WHEREAS, nationally NMTC investments have created 1 million jobs at a cost of \$20,000 per job to the federal government; and

WHEREAS, the NMTC remains vital for ongoing projects including Whole Foods' regional distribution center in Pullman, which will create 150 permanent jobs; and

WHEREAS, developments made possible by the NMTC create a sense of community and safe spaces for Chicago's young people; and

WHEREAS, the current proposed tax bill by the United States House of Representatives would eliminate the NMTC immediately; and

WHEREAS, the United States Senate version of the bill leaves a sunset date for the NMTC program on December 31, 2019;

WHEREAS, the City of Chicago has continually relied on this date and seeks to provide continued opportunities for developers, businesses and residents in the City of Chicago; NOW THEREFORE,

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

That the City Council of the City of Chicago does hereby urge the Illinois United States Congressional delegation to oppose the proposals in the Tax Cuts and Jobs Act that change the New Markets Tax Credit Program from which numerous Chicago developers, businesses, and residents benefit.

BE IT FURTHER RESOLVED: that a suitable copy of this resolution be presented to the Chicago delegation of the United States House of Representatives and the United States Senators from Illinois.

BE IT FURTHER RESOLVED: that the Commissioner of the Department of Planning and Development appear to address the impact of eliminating the New Markets Tax Credit.

Alderman, 14th Ward

**speMoore
Alderman, 49th Ward**