



Office of the City Clerk

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121 N. LaSalle St.
Room 107
Chicago, IL 60602
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Legislation Details (With Text)

File #: SO2016-6067

Type: Ordinance **Status:** Passed

File created: 6/22/2016 **In control:** City Council

Final action: 7/20/2016

Title: Implementation of redevelopment program for provision of Tax Increment Financing (TIF) assistance to address certain environmental conditions of vacant or unused land within Tax Increment Financing (TIF) areas

Sponsors: Mitts, Emma, Willie B. Cochran

Indexes: 79th/Southwest Highway T.I.F., Greater Southwest (East) T.I.F., Greater Southwest (West) T.I.F., Lake Calumet T.I.F., Roosevelt/Cicero Industrial Corridor T.I.F., Stony Island/Burnside Industrial T.I.F.

Attachments: 1. SO2016-6067.pdf, 2. R2016-453.pdf

Date	Ver.	Action By	Action	Result
8/3/2016	1	City Council	Signed by Mayor	
7/20/2016	1	City Council	Passed as Substitute	Pass
7/19/2016	1	Committee on Finance	Substituted in Committee	Pass
6/22/2016	1	City Council	Referred	

SUBSTITUTE ORDINANCE TAX INCREMENT FINANCING

WHEREAS, the City Council (the "City Council") of the City of Chicago (the "City") has enacted ordinances pursuant to which the City approved and adopted a certain redevelopment plan and project (a "Plan") for each area listed below, designated such area as a redevelopment project area and adopted tax allocation financing for such area, all in accordance with the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, et seq.), as amended (the "Act"): (a) the 79th Street/Southwest Highway Redevelopment Project Area (the "79th/Southwest Highway Area"), (b) the Greater Southwest Industrial Corridor (East) Redevelopment Project Area (the "Greater Southwest (East) Area"), (c) the Greater Southwest Industrial Corridor (West) Redevelopment Project Area (the "Greater Southwest (West) Area"), (d) the Lake Calumet Area Industrial Redevelopment Project Area (the "Lake Calumet Area"), (e) the Northwest Industrial Corridor Redevelopment Project Area (the "Northwest Area"), (f) the Roosevelt/Cicero Redevelopment Project Area (the "Roosevelt/Cicero Area") and (g) the Stony Island Avenue Commercial and Burnside Industrial Corridors Redevelopment Project Area (the "Stony Island Avenue/ Burnside Area")(all such areas, collectively, the "TIF Areas"); and

WHEREAS, the City, through its Department of Planning and Development ("DPD"), desires to implement a redevelopment program (the "Program"), to provide financing assistance for certain environmental site assessment reports, environmental remediation and site preparation activities on land in the TIF Areas for projects which address environmental conditions of vacant or unused land which the land owner will actively market to tenants or developers for commercial or industrial projects; and

WHEREAS, the Program will commence with pilot programs of an approximately three (3) year duration in the TIF Areas, will fund only activities that are in compliance with the redevelopment plans of such TIF Areas; and

WHEREAS, the City's obligation to provide funds under the Program may be met through (i) incremental taxes deposited in the special tax allocation funds of the TIF Areas, as applicable, or (ii) any other funds legally available to the City for this purpose (collectively, the "Funds"); and

WHEREAS, various individuals or entities (each, an "Applicant"), may own or acquire certain real estate located in both a TIF Area and within either an industrial corridor or the Roosevelt/Cicero Area (each, a "Targeted Area") within Chicago, Illinois, as further described on Exhibit A hereto (each, a "Property") and may seek to apply for assistance under the Program with respect to a Property (an "Application"); and

WHEREAS, funding under the Program will consist of grants of Funds in the form of reimbursement to the Applicant, subject to the maximum eligible reimbursable amounts described below: (a) up to \$5,000 per Property towards the cost of updating a Phase I environmental site assessment report ("Phase I"), (b) 50% of costs of a Phase II environmental site assessment report ("Phase II"), up to \$25,000 maximum assistance per Property, and (c) for environmental remediation measures necessary to address soil contamination identified in a Phase I and Phase II, the lesser of (i) hard costs or (ii) 50% of hard costs plus soft costs, up to \$100,000 maximum assistance per property, provided that to be eligible, the remediation must

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be conducted pursuant to a Site Remediation Program for the environmental remediation of the Property and overseen by the Illinois Environmental Protection Agency; and

WHEREAS, pursuant to Section 5/11-74.4-4(q) of the Act, the City can use ad valorem taxes allocated, collected, paid and deposited pursuant to the Act ("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, the City Council has enacted ordinances pursuant to which the City approved and adopted a Plan for each area listed below, designated such area as a redevelopment project area and adopted tax allocation financing for such area, all in accordance with the Act: (a) the Commercial Avenue Redevelopment Project Area (the "Commercial Avenue Area"), (b) the Galewood/Armitage Industrial Redevelopment Project Area (the "Galewood/Armitage Area"), and (c) the South Chicago Redevelopment Project Area (the "South Chicago Area"); and

WHEREAS, the Commercial Avenue Area is either contiguous to, or is separated only by a public right of way from, the Lake Calumet Area; and

WHEREAS, the Commercial Avenue Area Plan permits the exercise of Transfer Rights with respect to Increment from the Commercial Avenue Area ("Commercial Avenue Increment") and the Lake Calumet Area 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 and the Commercial Avenue Area and Lake Calumet Area Plans to use Commercial Avenue Increment in an amount up to \$3,500,000 as part of (and not in addition to) the Funds under the Program for Property in the Lake Calumet Area; and

WHEREAS, the South Chicago Area is either contiguous to, or is separated only by a public right of

way from, the Lake Calumet Area; and

WHEREAS, the South Chicago Area Plan permits the exercise of Transfer Rights with respect to Increment from the South Chicago Area ("South Chicago Increment") and the Lake Calumet 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 and the South Chicago Area and Lake Calumet Area Plans to use South Chicago Increment in an amount up to \$5,000,000 as part of (and not in addition to) the Funds under the Program for Property in the Lake Calumet Area; and

WHEREAS, the Galewood/Armitage Area is either contiguous to, or is separated only by a public right of way from, the Northwest Area; and

WHEREAS, the Galewood/Armitage Area Plan permits the exercise of Transfer Rights with respect to Increment from the Galewood/Armitage Area ("Galewood/Armitage Increment") and the Northwest Plan permits the receipt of Increment pursuant to Transfer Rights; and

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WHEREAS, it is anticipated that the City may, in its discretion, exercise its Transfer Rights pursuant to the Act and the Galewood/Armitage Area and Northwest Area Plans to use Galewood/Armitage Increment in an amount up to \$1,750,000 as part of (and not in addition to) the Funds under the Program for Property in the Northwest Area; and

WHEREAS, the City Council desires to authorize DPD to fund the Program in the TIF Areas in an amount not to exceed the amount indicated in parentheses for each TIF Area (which includes the Commercial Avenue Increment, the South Chicago Increment and the Galewood/Armitage Increment, as applicable), for an aggregate maximum amount for all TIF Areas of \$24,500,000: (a) the 79th/Southwest Highway Area (\$2,250,000), (b) the Greater Southwest (East) Area (\$1,000,000), (c) the Greater Southwest (West) Area (\$1,750,000), (d) the Lake Calumet Area (\$8,500,000), (e) the Northwest Area (\$5,000,000), (f) the Roosevelt/Cicero Area (\$5,000,000) and (g) the Stony Island Avenue/ Burnside Area (\$1,000,000); and

WHEREAS, the City Council desires to waive the provisions of Section 17-11-0506 of the Municipal Code of Chicago, as amended (the "Municipal Code") during a three (3) year pilot period with respect to any real estate located in a Targeted Area (a) which has been enrolled in that certain site certification program as implemented from time to time by DPD whose requirements include, without limitation, the submission of a deed or survey and certain other information with respect to such real estate (the "Site Certification Program") and (b) for which a zoning certificate (as that term is used in Section 17-11-0506 of the Municipal Code, as implemented from time to time by DPD) for a land use, building or parking lot that requires the submission of a landscape plan or the planting of street trees is issued (a "Zoning Approval"); now, therefore,

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

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. Subject to review of each Application by the Commissioner of DPD or a designee of the Commissioner of DPD (each, an "Authorized Officer"), the Authorized Officer is hereby authorized to make awards (each, an "Award") of Funds consistent with the terms of the Program and the maximum funding levels in each TIF Area specified in this ordinance, provided that the Applicant executes a written agreement (an "Agreement") containing the terms and conditions of the Award. The City shall exercise its Transfer Rights

pursuant to the Act and applicable Plans to use the Commercial Avenue Increment, the South Chicago Increment and the Galewood/Armitage Increment as part of (and not in addition to) the Funds.

SECTION 3. The Authorized Officer is hereby authorized to promulgate reasonable rules relating to the administration of the Program, consistent with the terms of this ordinance, including without limitation rules regarding compliance requirements, administrative procedures, deadlines for an Applicant to fulfill the terms of an Agreement, and procedures that will apply if the number of Applications, if successful, would exceed the available Funds.

SECTION 4. The Authorized Officer is hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver each Agreement and such other supporting documents as may be necessary to carry out and comply with the provisions of each Agreement or to implement this ordinance.

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SECTION 5. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code, 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 17-11-0506 of the Municipal Code shall not apply to any real property located in a Targeted Area and enrolled in the Site Certification Program for which a Zoning Approval is issued.

SECTION 6. This ordinance shall be effective immediately upon its passage and approval and shall be repealed of its own accord, without further action by the City Council, on August 1, 2019; provided, however, that such repeal shall not affect (a) the validity of Agreements signed before such date of repeal, or (b) the waiver of Section 17-11-0506 of the Municipal Code of Chicago with respect to real property located in a Targeted Area and enrolled in the Site Certification Program for which a Zoning Approval is issued before such date of repeal.

Emma Mitts Alderman, 37th Ward

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EXHIBIT A

See attached general boundary descriptions or a map of each industrial corridor and/or TIF area

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CHICAGO July 20, 2016

To the President and Members of the City Council:

Your Committee on Finance having had under consideration

A substitute ordinance authorizing the Commissioner of the Department of Planning and Development to make awards to the funding of a redevelopment program.

R2016-453

having had the same under advisement, begs leave to report and recommend that your Honorable Body pass the Substitute Ordinance transmitted herewith.

**This recommendation was concurred in by
vote of the members of the committee with
votc(s)).**

**(a viva voce
dissenting**

Please note that Aldermen Mitts and Cochran are the sponsors of this substitute ordinance.

Respectfully submitted

(signed)

Chairman

AgP^OVED