Legislation Details (With Text)

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File created:	11/14/2018	**In control:**	City Council
		Final action:	11/14/2018
Title:	Executive Order No. 2018-3 (Developer Requirements Regarding Redevelopment Agreements Involving Tax Increment Financing (TIF) Funds)		
Sponsors:	Emanuel, Rahm		
Indexes:			
Attachments:	1. F2018-60.pdf, 2. F2018-60 (V1).pdf		

Date	Ver.	Action By	Action	Result
11/14/2018	1	City Council	Placed on File	

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL MAYOR

November 7,2018

Anna Valencia City Clerk Room
107, City Hall Chicago, IL 60602

Dear Ms. Valencia:

1 transmit herewith for filing Executive Order No. 2018-3, which 1 have signed this date. Your prompt attention to this matter is appreciated.

Mayor

Sincerely,

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Executive Order No. 2018-3

WHEREAS, Illinois law created tax increment financing ("TIF") as a way to encourage economic growth in blighted, decaying, and underperforming areas in need of development or redevelopment; and

WHEREAS, the City of Chicago seeks to use this valuable and important financial tool carefully, by allocating TIF funds to projects, and in geographic areas, where the dollars invested will reap the greatest rewards for the community, and the City as a whole; and

WHEREAS, in order to efficiently and effectively use TIF, the City needs to be able to rely on plans that are proposed, and representations that are made, by potential recipients of TIF funds, both on their own behalf and in connection with potential tenants and other partners envisioned to participate in TIF projects; and

WHEREAS, it is essential that the City be able to rely on all participants in our TIF transactions to act in good faith, to carry through on the representations they make, to behave as good corporate citizens in all neighborhoods ofthe City, and to demonstrate, through their stated commitments and actions, that they have the well-being ofthe communities in which they transact business as well as the entirety ofthe City in mind; and

WHEREAS, in order to better guard against a lack of good-faith commitment and actions by outside parties to the City's detriment, it is important to put in place additional requirements and protections to ensure that the City's TIF dollars are used for the greatest benefit to all the neighborhoods of the City, according to the City's plans, and are only provided to those who have a genuine and longstanding commitment to the City and all of its neighborhoods; now, therefore,

I, RAHM EMANUEL, Mayor ofthe City of Chicago, do hereby order as follows:

(A) (1) No Department head or other City officer (collectively, "City Officer") may enter into a redevelopment agreement ("RDA") with any party ("Developer'*) involving the expenditure of TIF funds that will be used to develop retail uses of 25,000 or more square feet until the Developer submits to the City, at closing ofthe RDA, an affidavit attesting to the following:

i) that the Developer has received a sworn certificate signed within the last 60 days by a senior executive from each tenant leasing 25,000 or more square feet ofthe development stating that, effective as ofthe RDA closing date, the tenant has no plans to close any of its other retail locations within the City in the future;

ii) that the City is a third-party beneficiary ofany such certificate; and

iii) that the Developer understands that should any such tenant certificate prove to be false or misleading, the City shall have the right to declare the Developer in default and terminate the TIF transaction.

The City Officer shall not close the TIF transaction until the Developer provides the City with copies of all such tenant certificates.

(2) After the RDA closing, for any initial tenant of 25,000 or more square feet ofthe development which was not identified at the time ofthe RDA closing with whom the Developer plans to execute a lease, the Developer shall submit to the City affidavits attesting to the fact that it has received sworn certificates in conformance with subsection (A)(1) prior to and effective as ofthe initial lease or be in default

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under the RDA.

B) The requirements of subsection (A) may only be waived by action ofthe City Council.

C) If a City Officer determines at any time that a tenant certification submitted pursuant to Section (A) of this Order was at the time of its certification false or misleading, the City Officer will take all appropriate action, including referral of the matter to the Law Department for prosecution, to ensure that the City's interests are protected and that the maker(s) of the false or misleading statements receive appropriate consequences. Such consequences may include one or more of the following:

i) a declaration that the Developer is in default;
ii) termination of the TIF transaction; and
iii) prosecution pursuant to the City's False Statements Ordinance (Chapter 1-21) or False Claims Ordinance (Chapter 1-22).

Effective Date.

This Order shall take effect upon its execution and filing with the City Clerk.

Mayor

Received and filed November 7, 2018

City Clerk

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