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Legislation Text

File #: F2022-52, **Version:** 1

Dkiwrtmknt of Law city of chicago

July 29, 2022

Ms. Anna M. Valencia
City Clerk
City of Chicago
121 North LaSalle Street
Chicago, Illinois 60602

Re: Proposed Kinzie Industrial Conservation Area Tax Increment Financing
Redevelopment Plan and Project Amendment No. 2 dated July 29, 2022 (the
"Amendment")

Dear Ms. Valencia:

I enclose the Amendment. Please make the Amendment available in your office as of this date for public inspection in accordance with the requirements of Section 5/11-74.4-5(a) of the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended. If you have any questions with respect to this matter, please contact me at 312-744-0205 or Ranti.Oseni2@cityofchicago.org <<mailto:Ranti.Oseni2@cityofchicago.org>>.

Ranti B. Oseni
Assistant Corporation Counsel

Enclosure

cc: Scott D. Fehlan Tim Jeffries,
DPD

KINZIE INDUSTRIAL CONSERVATION AREA TAX INCREMENT FINANCING REDEVELOPMENT PLAN AND PROJECT

Adopted Plan: June 10, 1998 Amendment No. 1: May 12,
2010

Amendment No. 2 July 29, 2022

**City of Chicago Lori E. Lightfoot,
Mayor**

Department of Planning and Development Maurice D. Cox,
Commissioner

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Prepared by:

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**Kinzie Industrial Conservation Area Tax Increment Financing Redevelopment Plan
and Project Amendment No. 2**

AMENDMENT NO. 2 EXECUTIVE SUMMARY

The Illinois General Assembly passed the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et.seq., as amended (the "Act") to provide municipalities with the mechanism to address blighted conditions, encourage private investment and to restore and enhance the tax base through development and redevelopment of project areas. To induce redevelopment pursuant to the Act, the Chicago City Council adopted three ordinances on June 10, 1998 approving the Kinzie Industrial Conservation Area Tax Increment Industrial Conservation Redevelopment Project and Plan (the "Original Plan"); designating the Kinzie Industrial Conservation Project Area (the "Original Redevelopment Project Area"); and adopting tax increment financing for the Original Redevelopment Project Area.

The Original Plan was amended on May 12, 2010, to allow for a 24th year thereby extending the Original Redevelopment Project Area to December 31, 2022, ("Amendment No. 1").

The Original Plan is being further amended to extend its term by 12 years for a completion date of December 31, 2034, amend the redevelopment project estimated costs, bring the Original Plan up to current City ordinance and policy standards, and identify updates to the General Land Use plan.

On and after November 1, 1999, no existing redevelopment plan may be amended if the redevelopment plan causes the displacement of residents from 10 or more inhabited residential units unless the municipality undertakes a housing impact study or certifies that such displacement will not result from the plan. The City hereby certifies that there will not be displacement of 10 or more inhabited units within the redevelopment project area. As such, a housing impact study is not required as part of Amendment No. 2.

The primary purposes of Amendment No. 2 are to update the vision and land use plan of the redevelopment project area and extend the term of the TIF to implement necessary public infrastructure and private investment projects. The adoption of Amended Plan No. 2, in tandem with other City of Chicago ("City") initiatives and plans, is intended to promote the development of a stable and predictable environment for a modern industrial employment center.

The Amended Plan No. 2 summarizes the analyses and findings of the consultant's work, which, unless otherwise noted, is the responsibility of Johnson Research Group, Inc. (the "Consultant"). The Consultant has prepared this Amended Plan No. 2 with the understanding that the City would rely: 1) on the findings and conclusions of the Amended Plan No. 2 to implement the Amended Plan, and 2) on the fact that the Consultant has obtained the necessary information so that the Amended Plan will comply with the Act.

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MODIFICATIONS TO THE ORIGINAL PLAN AND PROJECT

The changes to the Original Plan are presented section by section and follow the format of the Original Plan. Changes to the Original Plan are prefaced in italics and followed with the appropriate changes and replacement text. This document, entitled the Kinzie Industrial Conservation Area TIF Redevelopment Project and Plan - Amendment No. 2 ("Amendment No. 2") serves as a supplement to the sections of the Original Plan that remain unchanged.

1. INTRODUCTION

The following paragraph is added after paragraph two.

Since the Original Plan was adopted, the Project Area east of Ogden Ave, known as the Fulton Market Innovation District, has experienced a significant shift in employment trends away from traditional heavy manufacturing uses and moving and storage of goods to new job categories of information, technology and business support services. In recognition of these shifts and in an effort to preserve existing jobs, the City has developed a new vision for the Fulton Market Innovation District where traditional and innovative businesses coexist with mixed income residential uses that allows for new development while preserving the urban and historic character assets that make the area unique.

2. REDEVELOPMENT PROJECT AREA DESCRIPTION

The following paragraphs are added at the end of the subsection entitled, Current Land Use and Zoning:

Current land uses for the Project Area are illustrated in Figure 4d: Existing Land Use Update West: 2022 and Figure 4e: Existing Land Use Update West: 2022. Since the development of the Original Plan, industrial uses have given way to commercial and mixed-uses across more than half of the Fulton Market portion of the Kinzie TIF. These non-industrial uses are located largely east of Aberdeen Street while commercial uses are overtaking industrial uses in large numbers along Randolph Street. In 2016, downtown zoning was expanded to include the area east of Ogden Avenue and the Kinzie Corridor overlay district regulations which allow residential uses north of Lake Street were established in 2017 and subsequently amended in 2021.

The following text is added at the end of the subsection entitled, Access:

Since the adoption of the Original Plan, the City has invested over \$100 million on access-related improvement projects focused on increasing multi-modal access and connectivity. The most notable are the completion of a new Chicago Transit Authority ("CTA") Green Line Station at Lake Street and Morgan, the active construction of a new CTA Green Line station at Lake Street and Damen Avenue and exploration and planning of a new Metra station in the Kinzie Industrial Corridor. Additional infrastructure plans and projects address pedestrian access and include sidewalk and at-grade crossing improvements, American with Disabilities Act ("ADA") upgrades, bicycle path development, and viaduct improvements.

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3. ELIGIBILITY OF THE PROJECT AREA FOR DESIGNATION AS A CONSERVATION AREA

No changes to this subsection.

4. COMMUNITY PLANNING OBJECTIVES/REDEVELOPMENT PLAN GOALS AND OBJECTIVES

Section 4 is deleted in its entirety and replaced with the following:

In an effort to respond to changing industrial demands and maintain Chicago's place as a globally competitive manufacturing center, the City undertook an update of industrial land use policies in 2016. Through a series of studies, initiatives, plans and policies, the City hopes to activate the potential of select industrial corridors based on their individual characteristics, infrastructure requirements and market strengths.

The Amended Plan No. 2 is consistent with the City's most current plans and policies including Kinzie Industrial Corridor Framework Plan (2019), Fulton Market Innovation District Plan Update (2021), Planned Manufacturing District No. 4 as amended, Kinzie Corridor Overlay (2017), Fulton Market - Randolph Landmark District (2015), Transportation Vision Zero Action Plan, Fulton Market Flex Street Study (2021), Kinzie Industrial Corridor Infrastructure Study (2019), West Loop Design Guidelines (2017), the Central Area Plan (2009) and We Will Chicago (ongoing).

Redevelopment Plan Goals and Objectives

The goals for the Amended Plan are presented below.

1. Maintain and grow the Kinzie Industrial Corridor as an important economic engine and job center that provides vital support to local, regional, national and global businesses.
2. Support improvements to the multi-modal transportation network so it more efficiently serves industrial users, area employees and residents.
3. Protect and enhance historical and cultural assets through the reuse of existing buildings in efficient and

sustainable ways and ensure that new development complements the character of the corridor.

4. Promote mixed-use and mixed-income developments that strive to achieve 30% affordability where required, and 20% elsewhere, while meeting design excellence and urban design best practices.
5. Employ residents living in and surrounding the Redevelopment Project Area with jobs located in the Redevelopment Project Area and adjacent redevelopment project areas.
6. Enhance the tax base of the City and other taxing districts.

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The following objectives have been established in furtherance of these goals: Land Use

- Support mixed-income developments through continued development and improvement of City-supported affordability programs including but not limited to the Affordable Housing Ordinance.
- Allow new mixed-use, residential uses north of Lake Street that foster a pedestrian-friendly environment.
- Develop a coordinated system of linear parks, landscaped rights-of-way, and pocket parks to serve the needs of residents and employees, and unite the various parts of the community.
- Assemble under-utilized, obsolete and deteriorated property to create industrial sites that meet contemporary industrial development standards for existing business expansion and new development.
- Prepare brownfield sites for redevelopment through acquisition, screening, demolition and clearance, and site preparation.
- Strengthen the physical identity of the Redevelopment Project Area and provide a range of business support services that companies expect to find in a modern mixed-use environment.

Urban Design, Building and Site Development

- Promote creative building design and high-quality urban design for projects that undergo formal review and approval.
- Evaluate all public and private projects on the basis of the five key themes of DPD's Design Excellence Working Group including Equity, Innovation, Sense of Place, Sustainability, and Communication.
- Support the rehabilitation and adaptive reuse of contributing buildings within the Fulton Randolph Market Landmark District as well as landmark buildings outside the District to create an interesting dynamic between old and new structures.
- Promote the dining, arts, and cultural scene in the Fulton Market Innovation District to enhance the mixed-use vibrancy.
- Eliminate blighting conditions such as abandoned buildings, deleterious land uses and poorly maintained property within the Redevelopment Project Area.
- Better secure the physical environment in order to prevent vandalism and protect property, residents, employees and customers from theft and other crimes.

Transportation, Circulation and Infrastructure

- Ensure infrastructure coordination between public and private entities including between multiple public agencies.
- Prioritize pedestrian safety and experience through public infrastructure projects both small and large.

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- Improve multi-modal transit options with infrastructure and transit improvements that improve traffic circulation and consider alternative modes of transportation including biking, walking or scooters.
- Explore the multi-modal potential of Randolph Street to address safety, congestion, curbside management, bicycle infrastructure, and pedestrian experience.
- Provide the public infrastructure needed to accommodate modern production facilities, distribution centers and transportation hubs.
- Target capital improvement funding to projects that ensure utility improvements are undertaken to provide the capacity needed to serve existing, new and expanding industrial users; upgrade viaducts to maintain adequate clearances; rebuild streets to industrial standards; and provide sufficient parking to meet the needs of the area.
- Provide an industrial street pattern that provides access, separation from incompatible land uses, and the ability to control security.
- Improve expressway feeder arterials with signage, viaduct clearances and roadway geometry designs to assure easy access to the Kinzie Industrial Corridor, Fulton Market and Randolph Street.

Improve the condition of and access to commuter rail stations. Equity, Diversity

and Sustainability

- Encourage equity, diversity and resiliency practices in public and private projects that intentionally promote building wealth for historically marginalized communities.
- Strengthen linkages between companies and job training/placement agencies and continue to target local residents for workforce development initiatives.
- Establish job readiness and job training programs to provide residents living in and around the Redevelopment Project Area with the skills necessary to secure jobs in the Redevelopment Project Area and adjacent redevelopment project areas.
- Secure commitments from employers in the Redevelopment Project Area and adjacent redevelopment project areas to interview graduates of the Redevelopment Project Area's job readiness and job training programs.
- Foster employee training and the attraction of employees from adjacent neighborhoods.

5. REDEVELOPMENT PLAN

Numbered sentence 3 is deleted and replaced as follows:

3. Providing public improvements and facilities that may include, but are not limited to utilities, viaduct improvements, transit station and facility improvements, sidewalk and bicycle system improvements, lighting, signalization, parking and surface right-of-way improvements, and streetscape enhancements.

The following numbered sentence is added after numbered sentence 7:

8. Funds may be provided to developers for up to 50 percent of the cost of construction, renovation or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act.

6. REDEVELOPMENT PROJECT DESCRIPTION

Paragraph eight of this Section is deleted and replaced with the following paragraph:

The City requires that developers who receive TIF assistance for market rate housing set aside at least 20 percent of the units, unless otherwise specified, to meet affordability criteria established by the City's Department of Planning and Development or any successor agency. Some areas have a goal of 30% affordable units. Generally, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than 100 percent of the area median income, and affordable rental units should be affordable to persons earning no more than 60 percent of the area median income. From time to time, the City changes the affordability requirements and thresholds, and developers seeking TIF assistance or zoning changes will be required to comply with the City's affordability requirements in force at the time of commencing their project.

The subsection entitled Development Strategies/Redevelopment Activities within Section 6 is deleted in its entirety and replaced with the following:

The City proposes to achieve its redevelopment goals and objectives for the Project Area through the use of public financing techniques including, but not limited to, tax increment financing, to undertake some or all of the activities and improvements authorized under the Act, including the activities and improvements described below. The City also maintains the flexibility to undertake additional activities and improvements authorized under the Act, if the need for activities or improvements change as redevelopment occurs in the Project Area.

The City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

1. Property Assembly

To meet the goals and objectives of this Redevelopment Plan, the City may acquire and assemble property throughout the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program or other programs and may be for the purpose of: (a) sale, lease or conveyance to private developers; or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

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In connection with the City exercising its power to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing the Redevelopment Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Redevelopment Plan.

2. Relocation

Relocation assistance may be provided in order to facilitate redevelopment of portions of the Project Area and

to meet other City objectives. Business or households legally occupying properties to be acquired by the City may be provided with relocation advisory and financial assistance as determined by the City.

3. **Provision of Public Works or Improvements**

The City may provide (or assist other public bodies in providing) public improvements and facilities that are necessary to service the Project Area in accordance with this Redevelopment Plan and the comprehensive plan for development of the City as a whole. Public improvements and facilities may include but are not limited to the following:

a) *Streets and Utilities*

A range of individual roadway, utility and related improvement projects, from repair and resurfacing to major construction or reconstruction, may be undertaken.

b) *Pedestrian Safety and Experience*

Projects that enhance safety and the pedestrian experience may include improvements to at-grade crossings, viaduct underpasses as well as continuity and completeness of the sidewalk system, on-street bicycle lane system, as well as additional bicycle/scooter rental stations to increase transportation options and recreational opportunities within the community.

c) *Parks and Open Space*

Improvements to existing or development of future parks, open spaces and public plazas may be provided, including the construction of pedestrian walkways, stairways, lighting, landscaping and general beautification improvements may be provided for the use of the general public.

d) *Transportation Infrastructure*

Improvements and/or expansion of existing or future CTA Rapid Transit Stations, Metra commuter stations, and bus stops in the Redevelopment Project Area may be provided to support the increased demand resulting from future development within the Redevelopment Project Area.

4. **Rehabilitation of Existing Buildings**

The City will encourage the rehabilitation of public and private buildings that are basically sound or historically or architecturally significant. This includes properties individually designated as Chicago Landmarks, contributing properties to Chicago Landmark Districts, properties individually listed to the National Register of Historic Places, contributing properties to National Register of Historic Places-listed historic districts, and

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properties identified as either "orange" or "red" in the Chicago Historic Resources Survey.

5. **Job Training and Related Educational Programs**

Programs designed to increase the skills of the labor force that would take advantage of the employment opportunities within the Project Area may be implemented.

6. **Taxing Districts Capital Costs**

The City may reimburse all or a portion of the costs incurred by certain taxing districts in the furtherance of the objectives of this Redevelopment Plan.

7. **Interest Subsidies**

Funds may be provided to developers for a portion of interest costs incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project, subject to the limitations outlined in the next section.

8. **Affordable Housing**

Funds may be provided to developers for up to 50 percent of the cost of construction, renovation or

rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act.

9. Analysis, Administration, Studies, Surveys, Legal, etc.

Under contracts that will run for three years or less (excluding contracts for architectural and engineering services which are not subject to such time limits) the City and/or private developers may undertake or engage professional consultants, engineers, architects, attorneys, etc. to conduct various analyses, studies, surveys, administration or legal services to establish, implement and manage this Redevelopment Plan.

7. GENERAL LAND USE PLAN AND MAP

The following paragraphs are added after the first paragraph of this Section.

The Amended Plan No. 2 builds upon land uses outlined in the Original Plan and incorporates updates drawn from Kinzie Industrial Corridor Framework Plan (2019), Fulton Market Innovation District Plan Update (2021), Planned Manufacturing District No. 4 ("PMD No. 4") as amended, Kinzie Corridor Overlay (2017), Fulton Market - Randolph Landmark District (2015), Transportation Vision Zero Action Plan, Fulton Market Flex Street Study (2021), Kinzie Industrial Corridor Infrastructure Study (2019), Central Area Plan (2009), and We Will Chicago (ongoing).

PMD No. 4 has been modified twice since the adoption of the Kinzie TIF. In 2017, the boundaries of PMD No. 4 were amended, moving the eastern edge of the PMD from Hasted Street to Odgen Avenue. PMD No. 4 was amended again in 2019 to amend its subdistricts, creating distinctions between the more intense industrial uses of Subdistrict A west of Ashland Avenue and general industrial, office and business support service uses of Subdistrict B, east of Ashland Avenue.

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Since the original adoption of the Kinzie TIF, downtown zoning was expanded in 2016 to include the eastern portion of the project area (east of Ogden Avenue), the Kinzie Corridor overlay district regulations were established in 2017 and subsequently amended in 2021 to allow residential uses north of Lake Street.

In recognition of significant changes to zoning and planning policies since the 1998 adoption of the Original Plan, the General Land Use Plan of this Amended Plan No. 2 reflects an updated guide for future land uses, developments, and improvements within the Project Area. While industrial land uses remain the predominant land use category within the Redevelopment Project Area, the Amended Plan is intended to encourage growth and development as a modern industrial corridor. The general land uses for the Amended Plan are described below and illustrated in Figure 8. General Land Use Plan - 2022 Update.

The five bullet points in Section 7 are replaced with the following four bullets:

- Heavy Industrial: Allows for general to intense industrial and manufacturing uses as permitted within PMD No. 4 (a) and the underlying zoning districts. Commercial uses are limited to frontages on arterial streets including Western, Ashland, Ogden and portions of Grand avenues.
- Light Industrial: Allows for light industrial uses, office, and business support service uses as permitted under PMD No. 4 (b).
- Downtown Mixed-Use: The area coincides largely with the Fulton Market Innovation District in which traditional and innovative businesses and buildings coexist in a dynamic downtown environment. Land uses accommodate office, commercial, public, institutional and residential development.

In addition to uses allowed by the underlying Downtown Mixed-Use zoning, the area generally bounded by West Hubbard Street on the north, North Halsted Street on the east, West Wayman Street and West Carroll Avenue on the south and North Ogden Avenue on the west is subject to regulations of the Kinzie Corridor Overlay district. This district is intended to guide land use transitions from the area's former PMD zoning to a compatible mix of modern manufacturing and industrial uses with office and commercial uses.

- **Transitional Mixed-Use:** Located on the western end of the Redevelopment Project Area, this category is intended to transition from intense manufacturing and industrial activities of PMD No. 4 (A) to neighborhood residential and commercial uses. This category also applies to a single block at Grand Avenue between Armour and Bishop. A variety of uses may be appropriate under this category. The nature of these development projects will depend largely on market demand over the life of the Redevelopment Plan and Project. The intent is to eliminate existing land use conflicts and allow more cohesive land use patterns to evolve through redevelopment activities, with appropriate community support uses such as schools, places of worship, parks and open space.

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DESIGN CONTROLS AND CRITERIA

The first five bullets of Section 8 are deleted and replaced with the following bullets:

- Ensure that new development within the Redevelopment Project Area complies with the Zoning Ordinance, adopted plans and policies, and other applicable City development regulations.
- Restructure Redevelopment Project Area zoning to reflect the City's economic land use policy, focusing land-intensive and more noxious development in areas that are buffered from nearby residential areas.
- Foster design excellence in all public and private projects using the principles of equity and inclusion, innovation, sense of place, sustainability, and communication.
- Design buildings with a flexible approach to infrastructure delivery and interior systems, allowing buildings to support multiple uses over time.
- Prioritize infill and transit-oriented sites to promote density, urban activity, and efficient mobility.
- Promote creative building design in the FMID that incorporates mixed-use, mixed-income development that complements existing historic structures and preserves the unique urban character of the area.

9. REDEVELOPMENT PLAN AND PROJECT FINANCING

This first two paragraphs of Section 9 shall be deleted and replaced with the following:

The various redevelopment expenditures that are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed to be necessary to implement this Amended Plan No. 2 (the "Redevelopment Project Costs.")

In the event the Act is amended after the date of the approval of this Plan by the City Council of Chicago to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/11 -74.4-3(q)(11)), this Amended Plan No. 2 shall be deemed to incorporate such additional, expanded or increased eligible costs as Redevelopment Project Costs under the Amended Plan No. 2, to the extent

permitted by the Act. In the event of such amendment(s) to the Act, the City may add any new eligible redevelopment project costs as a line item in Table 1 or otherwise adjust the line items in Table 1 without amendment to this Amended Plan No. 2, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the total Redevelopment Project Costs without a further amendment to this Amended Plan No. 2.

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Eligible Redevelopment Costs

This subsection shall be deleted and replaced with the following:

Redevelopment project costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, or incidental to this Plan pursuant to the Act. Such costs may include, without limitation, the following:

- a) Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;
- b) The cost of marketing sites within the Project Area to prospective businesses, developers and investors;
- c) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- d) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification;
- e) Costs of the construction of public works or improvements including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
- f) Costs of job training and retraining projects including the cost of "welfare to work" programs implemented by businesses located within the Project Area;
- g) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- h) To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
- i) An elementary, secondary, or unit school district's increased costs attributable to

assisted housing units will be reimbursed as provided in the Act;

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- j) Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law or by Section 74.4-3(n)(7) of the Act;
- k) Payment in lieu of taxes, as defined in the Act;
- l) Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs: (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the Project Area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act, 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a;
- m) Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - 1. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - 2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 - 3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
 - 4. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) cost paid or incurred by the redeveloper for such redevelopment project, plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
 - 5. The cost limits set forth in paragraphs 2 and 4 above shall be modified to permit payment of up to 75 percent of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.
- n) Instead of the eligible costs provided for in (m) 2, 4 and 5 above, the City may pay up to 50 percent of the cost of construction, renovation and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment

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project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act;

- o) The cost of daycare services for children of employees from low-income families working for businesses located within the Project Area and all or a portion of the cost of operation of day care centers established by

Project Area businesses to serve employees from low-income families working in businesses located in the Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80 percent of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development;

- p) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
- q) If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 et. seq. then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the Project Area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

Estimated Project Costs

This subsection shall be deleted in its entirety and replaced with the following:

A range of redevelopment activities and improvements will be required to implement this Redevelopment Plan. The activities and improvements and their estimated costs are set forth in Table 1. Estimated Redevelopment Project Costs - 2022 Update. All estimates are based on 2022 dollars. Funds may be moved from one line item to another or to an eligible cost category described in this Redevelopment Plan at the City's discretion.

Redevelopment Project Costs described in this Redevelopment Plan are intended to provide an upper estimate of expenditures. Within this upper estimate, adjustments may be made in line items without amending this Redevelopment Plan.

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Table 1 shall be deleted in its entirety and replaced with the following: Table 1

ESTIMATED REDEVELOPMENT PROJECT COSTS - 2022 UPDATE

Eligible Expense

Estimated Cost

Analysis, Administration, Studies, Surveys, Legal, Marketing, etc. \$6,000,000

Property Assembly including Acquisition, Site Preparation and \$108,000,000 Demolition, Environmental Remediation

Rehabilitation of Existing Buildings, Fixtures and Leasehold \$496,000,000 Improvements, Affordable Housing Construction and Rehabilitation Costs

Public Works & Improvements, including streets and utilities, \$671,700,000 transit infrastructure, parks and open space, public facilities (schools and other public facilities)¹¹¹

Relocation Costs \$18,000,000

Job Training, Retraining, Welfare-to-Work \$100,000

Day Care Services 100,000

Interest Subsidy 100,000

TOTAL REDEVELOPMENT COSTS TM <³>

\$1,300,000,000 M

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 Amended Plan No. 2.

¹² Total 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.

¹³The 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.

¹⁴ All 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.

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Sources of Funds to Pay Redevelopment Project Costs

This subsection shall be deleted in its entirety and replaced with the following:

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds the City may deem appropriate. The City may incur redevelopment project costs which are paid for from funds of the City other than incremental taxes, and the City may then be reimbursed from such costs from incremental taxes. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible 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 revenues are received.

The Project Area may be contiguous to or separated by only a public right-of-way from other redevelopment project

areas created under the Act. The City may utilize net incremental property taxes received from the Project Area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or project areas separated only by a public right-of-way, and vice versa. The amount of revenue from the Project Area, made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Amended Plan No. 2.

The Project Area may become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.6-1, et seq.). If the City finds that the goals, objectives and financial success of such contiguous redevelopment project areas or those separated only by a public right-of-way are interdependent with those of the Project Area, the City may determine that it is in the best interests of the City and the furtherance of the purposes of the Amended Plan No. 2 that net revenues from the Project Area be made available to support any such redevelopment project areas, and vice versa. The City therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas and vice versa. Such revenues may be transferred or loaned between the Project Area and such areas. The amount of revenue from the Project Area so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Table 1 of this Amended Plan No. 2.

Issuance of Obligations

This subsection shall be deleted in its entirety and replaced with the following:

The City may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation, the City may pledge its full faith and credit through the issuance of general obligations bonds. Additionally, the

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City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs 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 Project Area is adopted (i.e., December 31, 2034, assuming City Council approval of the Amended Plan in 2022). Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of Redevelopment Project Costs, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Project Area in the manner provided by the Act.

Anticipated Equalized Assessed Valuation

This subsection shall be deleted in its entirety and replaced with the following:

Once the project has been completed and the property is fully assessed, the equalized assessed valuation ("EAV") of real property within the Redevelopment Project Area is estimated at \$2,121,370,596. This estimate has been calculated assuming that the Redevelopment Project Area will be developed in accordance with amended general

land use plan described in Figure 8: General Land Use Plan: 2022 of this Amendment No. 2.

The EAV assumes that the assessed value of property within the study area will increase substantially as a result of new development within the Redevelopment Project Area.

Calculation of the projected EAV is based on several other assumptions, including: 1) redevelopment of the Redevelopment Project Area will occur in a timely manner; 2) the application of a State Equalization Factor for Cook County of 3.2234 to the projected assessed value of property within the study area; and 3) an annual inflation rate of 3.0 percent. The projected tax rate and State Equalization Factor for Cook County are based on the actual most recent values for assessment year 2020.

Financial Impact on Taxing Districts

The following paragraph shall be added at the end of this subsection entitled "Financial Impact on Taxing Districts":

The Act requires an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Amended Plan No. 2 and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the Project Area and with the cooperation of the

Kinzie Industrial Conservation Area TIF Redevelopment Plan - Amendment No. 2 July 29, 2022

other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

Completion of the Redevelopment Project and Retirement of Obligations to Finance Redevelopment Projects Costs

This subsection shall be deleted in its entirety and replaced with the following paragraph:

The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs 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."

11. CITY OF CHICAGO COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION

This section shall be deleted in its entirety and replaced with the following:

The City is committed to and will affirmatively implement the following principles with respect to this Plan:

- A) The assurance of equal opportunity in all personnel and employment actions, with respect to the Redevelopment Project, including, but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status.
- B) Redevelopers must meet the City's standards for participation of 26 percent Minority Business Enterprises and 6 percent Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.
- C) This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
- D) Redevelopers will meet City standards for any applicable prevailing wage rate as ascertained by the Illinois

Department of Labor to all project employees.

The City shall have the right in its sole discretion to exempt certain small businesses, residential property owners and developers from the above.

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MODIFICATIONS TO ORIGINAL PLAN FIGURES

Changes to Figures included the Original Plan are prefaced in italics and noted below following each original figure title. The Amended Plan No. 2 figures are found on the following pages.

1. Redevelopment Project Area

No changes.

2. Kinzie & Near West Redevelopment Project Area Interface

No changes.

3. Planning Subdistricts

Figure 3 of the Original Plan is deleted and replaced with the following: Figure 3. Planning Subdistricts: 2022.

4. Existing Land Use

Figure 4a, 4b, and 4c of the Original Plan will remain and the following figures will be added:

Figures 4d. Existing Land Use West: 2022, and Figure 4e. Existing Land Use East: 2022.

5. Existing Zoning

Figure 5a, 5b, and 5c of the Original Plan will remain and the following figures will be added:

Figures 5d. Existing Zoning West: 2022; and Figure 5e. Existing Zoning East: 2022.

6. Proposed PMD Boundary

Figure 6. of the Original Plan is deleted and replaced with the following: Figure 6. PMD-4 Boundary and Subdistricts: 2022.

7. Industrial Circulation System

No changes.

8. General Land Use Plan

Figure 8. of the Original Plan is deleted and replaced with the following: Figure 8. General Land Use Plan: 2022.

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