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OFFICE OF THE MAYOR
CITY OF CHICAGO

BRANDON JOHNSON
MAYOR

June 21, 2023

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 the execution of the 3rd amendment to the Fullerton/Milwaukee TIF Redevelopment Project and Plan.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "BJ", with a long horizontal line extending to the right.

Mayor

ORDINANCE

WHEREAS, pursuant to ordinances adopted on February 16, 2000, and published in the Journal of Proceedings of the City Council of the City of Chicago (the "Journal") for such date at pages 86178 to 86396, 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 "Fullerton/Milwaukee Redevelopment Project Area" (the "Area") (the "Original 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 Original Plan Ordinance and the Designation Ordinance, referred to herein collectively as the "TIF Ordinances"); and

WHEREAS, the Corporate Authorities amended the Original Plan Ordinance pursuant to an ordinance adopted on May 11, 2005 and published in the Journal for such date at pages 47331 to 47471 ("Amendment No. 1") and an ordinance adopted on July 6, 2011 and published in the Journal for such date at pages 2076 to 2084 ("Amendment No. 2" and together with the Original Plan and Amendment No. 1, 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 December 31, 2024; and

WHEREAS, the Illinois General Assembly adopted HB2518 (the "Bill") on May 25, 2023, which would amend the Act to, among other things, change the dates set forth in Section 11-74.4-3.5(c) 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 Section 11-74.4-3(n)(3) of the Act, and to provide that the extension of the estimated completion date of the Area shall be no later than December 31, 2027; and

WHEREAS, Section 11-74.4-3(n)(9) of the Act authorizes a municipality to amend a redevelopment plan without a joint review board meeting or hearing, provided that the municipality gives notice of any such changes by mail to each affected taxing district and registrant on the interested party registry, to expend tax increment revenues for redevelopment project costs so long as the changes do not increase the total estimated redevelopment project costs set out in the redevelopment plan by more than 5% after adjustment for inflation from the date the plan was adopted; and

WHEREAS, the Corporate Authorities further desire to amend and supplement the Plan, in accordance with the procedures set forth in Section 11-74.4-3(n)(9) of the Act, to increase the total estimated redevelopment project costs set forth in the Plan by no more than 5% after adjustment for inflation from the date the Plan was adopted;

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 3 to the Plan. "Amendment No. 3 to the "Fullerton/Milwaukee Tax Increment Financing Redevelopment Plan and Project," a copy of which is attached hereto as Exhibit A, is hereby approved.

SECTION 3. Findings. The Corporate Authorities hereby find that 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 set forth in the Plan, as amended by Amendment No. 3, conform to the provisions of Section 11-74.4-3(n)(3) and Section 11-74.4-3.5(c) of the Act as amended by the Bill. The Corporate Authorities further hereby find that the total estimated redevelopment project costs set forth in the Plan, as amended by Amendment No. 3, conform to the provisions of Section 11-74.4-3(n)(9) of the Act.

SECTION 4. Invalidity 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), resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflicts.

SECTION 6. Effective Date. This ordinance shall take effect upon the later of (1) the Bill becoming law and (2) the passage and approval of this ordinance.

EXHIBIT A

AMENDMENT NO. 3 TO THE FULLERTON/MILWAUKEE TAX INCREMENT FINANCING
REDEVELOPMENT PLAN AND ROJECT

1. Under Section VI (“Redevelopment Project”), under the subsection “Nature and Term of Obligations to be Issued,” the second paragraph is deleted and replaced with the following:

“The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31, 2027. 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.”

2. Under Section VI (“Redevelopment Project”), under the subsection “Estimated Project Costs,” Table P-2: Estimated Redevelopment Project Costs is replaced with the following table (associated footnotes to Table P-2 in the Plan not amended):

Table P-2: Estimated Redevelopment Project Costs

ELIGIBLE EXPENSE	ESTIMATED COST*
Analysis, Administration, Studies, Surveys, Legal, Marketing, etc.	\$3,000,000
Property Assembly including Acquisition, Site Preparation, Demolition, Environmental Remediation	\$30,945,000
Rehabilitation of Existing Buildings, Fixtures, and Leasehold Improvements and Rehabilitation Cost	\$57,000,000
Affordable Housing Construction	\$41,900,000
Public Works and Improvements, including streets and utilities, parks open space, public facilities (schools & other public facilities) (1)(2)	\$52,000,000
Job Training, Retraining, Welfare to Work	\$2,000,000
Relocation Costs	\$1,700,000
Interest Subsidy (Developer Interest Costs)	\$7,100,000
Day Care	\$100,000
TOTAL REDEVELOPMENT COSTS (3)(4)(5)(6)	\$195,745,000

* Exclusive of Capitalized interest, issuance costs, and other financing costs

3. Under Section IX (“Other Elements of the Redevelopment Plan”), under the subsection “Date of Completion,” the existing paragraph is deleted and replaced with the following:

“The Redevelopment Project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31, 2027.”

4. Under Section IX (“Other Elements of the Redevelopment Plan”), under the subsection “Implementation Schedule,” the existing paragraph is deleted and replaced with the following:

“A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area. It is anticipated that City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of incremental property taxes by the City. The estimated date for completion of Redevelopment Projects is no later than December 31, 2027.”