City of Chicago
Department of Community Development

STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
REQUESTING APPROVAL OF THE REDEVELOPMENT PLAN FOR THE
PROPOSED CHICAGO LAKESIDE DEVELOPMENT PHASE 1 TIF
REDEVELOPMENT PROJECT AREA, REQUESTING DESIGNATION OF THE AREA
AS A REDEVELOPMENT PROJECT AREA, AND REQUESTING ADOPTION OF TAX
INCREMENT ALLOCATION FINANCING FOR THE AREA
JANUARY 12, 2010

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name: Chicago Lakeside Development Phase 1
Location: 79th / Lake Shore Drive aka Route 41
Ward and Alderman: 7th / Ald. Sandy Jackson
Community Area: South Shore
Requested Action: Approval of the redevelopment plan for the proposed TIF
Redevelopment Project Area, designation of the area as a
redevelopment project area, and adoption of tax increment
allocation financing for the area.
Goal of TIF District: Redevelopment of a long vacant former steel facility into a
mixed-use community

II. AREA DESCRIPTION

Street Boundaries: Route 41 on the north and east, east 83rd Street on the
south, and South Brandon Avenue on the west
Land Area: Approximately 87 acres
Land Uses: Vacant; former steel facility
Current Conditions: Vacant land, devoid of structures, foundations of former
steel plant still present, demolition debris scattered
throughout site.
III. FEASIBILITY STUDY

The Area qualified as “vacant blighted” under the State TIF Act. The Area must exhibit at least one of seven blighting factors to qualify; the Area exhibited three factors. The parcels exhibited a combination of three sub-criteria which resulted in one factor, and two additional factors.

1a. Obsolete Platting (Vacant Land Factor 1 sub-criteria)
1b. Deterioration of structures or site improvements in neighboring areas (Vacant Land Factor 1 sub-criteria)
1c. The Area has incurred Illinois Environmental Protection Agency remediation costs (Vacant Land Factor 1 sub-criteria)
2. The Area consists of unused rail yards, rail tracks, or railroad right-of-way (Vacant Land Factor 3)
3. The Area consists of an unused disposal site, containing earth, stone, building debris or similar materials (Vacant Land Factor 5)

IV. REDEVELOPMENT PLAN

The Plan for the Area includes many new uses, such as single and multi-family residential units and new retail uses. The Plan will provide a framework for the first phase of a larger plan to redevelop the entire former South Works site. It is envisioned that this Area will be part of an entire new community along the southern shore of the City’s lakefront.

V. LAND ACQUISITION

No parcels have been identified for acquisition.

VI. HOUSING IMPACT STUDY

A housing impact study is required if implementation of a proposed redevelopment plan will result (directly or indirectly) in the removal of 10 or more inhabited residential units, or if the proposed TIF district contains 75 or more inhabited residential units and the City is unable to certify that displacement of 10 or more inhabited residential units will not occur. The proposed TIF district does not contain any residential units so a housing impact study was not required nor completed.
VII. BUDGET

1. Analysis, Administration, Studies, Surveys, Legal, Marketing, etc. $25,000,000

2. Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation 55,000,000

3. Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation Costs 10,000,000

4. Public Works & Improvements, including streets and utilities, parks and open space, public facilities (schools & other public facilities) (Note 1 below) 55,000,000

5. Job Training, Retraining, Welfare-to-Work 1,000,000

6. Financing costs 10,000,000

7. Relocation costs 1,000,000

8. Interest subsidy 5,000,000

Total Eligible Redevelopment Project Costs (Notes 2-5 below) $162,000,000

VIII. PUBLIC NOTIFICATION
The taxpayers and owners of properties located in the proposed district were notified by regular and certified mail of today’s public hearing not less than 10 days prior to the meeting. The City also made a good faith effort to notify by mail all residents of the proposed district, and at a minimum mailed a notice to each residential address within the proposed district. Notice of the public hearing was made in the Suntimes on December 22, 2009 and December 29, 2009. Notice of the public hearing was also made by mail, at least 45 days prior to the hearing, to all taxing districts having taxable property in the proposed TIF area and to the Illinois Department of Commerce and Economic Opportunity (DCEO).

IX. COMMUNITY SUPPORT
Alderman Jackson endorses this action and has provided a letter of support (see exhibits for
copy). The proposed TIF designation was presented to the community at a meeting held on January 7, 2010. The Plan was well-received by the community. Attendees, none of whom live in the proposed TIF district, had questions regarding the TIF plan and future plans for the site. In addition, the Developers for the proposed Phase 1 plan have presented the development plan at various community meetings in the past two years.

X. JOINT REVIEW BOARD

As required by state law, the Joint Review Board (JRB) met to consider the proposed TIF designation on December 4, 2009 at 10:00 A.M. in Room 1003a, City Hall, 121 N. LaSalle Street. The JRB is an advisory board that consists of representatives of certain affected taxing bodies, a City representative, plus a public member. The JRB voted to recommend the proposed TIF designation.

XI. RECOMMENDATION

The Department of Community Development requests that the commission recommend to the City Council approval of the redevelopment plan for the proposed Chicago Lakeside Development Phase 1 Tax Increment Financing Redevelopment Project Area, recommend designation of the area as a Redevelopment Project Area, and recommend adoption of tax increment allocation financing for the area.
EXHIBITS

Redevelopment Area Map
Land Use Map
Alderman's Letter of Support
November 9, 2009

Sent via fax 312-744-5892
Mary B. Richardson-Lowry
Chairman
Community Development Commission
City Hall Room 1000
121 North LaSalle Street
Chicago, IL 60602

Re: Chicago Lakeside Tax Increment Financing

Dear Chairman Richardson-Lowry:

Please be advised that I am in support of the designation of the proposed Chicago Lakeside Tax Increment Financing Redevelopment Project Area Plan. This TIF designation and future project will bring much needed economic development and job opportunities into the 7th Ward.

If you have any questions or desire any further information, please contact me or my Chief of Staff, Bonita M. Parker at 773-375-9180.

Sincerely,

Sandi Jackson
Alderman, 7th Ward
COMMUNITY DEVELOPMENT COMMISSION
OF THE
CITY OF CHICAGO

RESOLUTION 10 - CDC - ___

RECOMMENDING TO THE CITY COUNCIL OF
THE CITY OF CHICAGO
FOR THE PROPOSED

REDEVELOPMENT PROJECT AREA:

APPROVAL OF THE REDEVELOPMENT PLAN,
DESIGNATION AS A REDEVELOPMENT PROJECT AREA
AND ADOPTION OF TAX INCREMENT ALLOCATION FINANCING
CHICAGO LAKESIDE DEVELOPMENT PHASE 1

WHEREAS, the Community Development Commission (the "Commission") of the City of Chicago (the "City") has heretofore been appointed by the Mayor of the City with the approval of its City Council ("City Council," referred to herein collectively with the Mayor as the "Corporate Authorities") (as codified in Section 2-124 of the City's Municipal Code) pursuant to Section 5/11-74.4-4(k) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"); and

WHEREAS, the Commission is empowered by the Corporate Authorities to exercise certain powers set forth in Section 5/11-74.4-4(k) of the Act, including the holding of certain public hearings required by the Act; and

WHEREAS, staff of the City's Department of Community Development has conducted or caused to be conducted certain investigations, studies and surveys of the Chicago Lakeside Development Phase 1 area, the street boundaries of which are described on Exhibit A hereto (the "Area"), to determine the eligibility of the Area as a redevelopment project area as defined in the Act (a "Redevelopment Project Area") and for tax increment allocation financing pursuant to the Act ("Tax Increment Allocation Financing"), and previously has presented the following documents to the Commission for its review:

Eligibility Report - Chicago Lakeside Development Phase 1 Redevelopment Project Area (the "Report") attached hereto as Exhibit B; and
Chicago Lakeside Development Phase I Tax Increment Financing Redevelopment Plan and Project (the "Plan") attached hereto as Exhibit C; and

WHEREAS, prior to the adoption by the Corporate Authorities of ordinances approving a redevelopment plan, designating an area as a Redevelopment Project Area or adopting Tax Increment Allocation Financing for an area, it is necessary that the Commission hold a public hearing (the "Hearing") pursuant to Section 5/11-74.4-5(a) of the Act, convene a meeting of a joint review board (the "Board") pursuant to Section 5/11-74.4-5(b) of the Act, set the dates of such Hearing and Board meeting and give notice thereof pursuant to Section 5/11-74.4-6 of the Act; and

WHEREAS, the Report and Plan were made available for public inspection and review since October 29, 2009, being a date not less than 10 days before the Commission meeting at which the Commission adopted Resolution 09-CDC-63 on November 10, 2009, fixing the time and place for the Hearing, at City Hall, 121 North LaSalle Street, Chicago, Illinois, in the following offices: City Clerk, Room 107 and Department of Community Development, Room 1000; and

WHEREAS, notice of the availability of the Report and Plan, including how to obtain this information, were sent by mail on November 27, 2009 which is within a reasonable time after the adoption by the Commission of Resolution 09-CDC-63 to: (a) all residential addresses that, after a good faith effort, were determined to be (i) located within the Area and (ii) located outside the proposed Area and within 750 feet of the boundaries of the Area (or, if applicable, were determined to be the 750 residential addresses that were outside the proposed Area and closest to the boundaries of the Area); and (b) organizations and residents that were registered interested parties for such Area; and

WHEREAS, notice of the Hearing by publication was given at least twice, the first publication being on December 22, 2009, a date which is not more than 30 nor less than 10 days prior to the Hearing, and the second publication being on December 29, 2009, both in the Chicago Sun-Times or the Chicago Tribune, being newspapers of general circulation within the taxing districts having property in the Area; and

WHEREAS, notice of the Hearing was given by mail to taxpayers by depositing such notice in the United States mail by certified mail addressed to the persons in whose names the general taxes for the last preceding year were paid on each lot, block, tract or parcel of land lying within the Area, on December 17, 2009, being a date not less than 10 days prior to the date set for the Hearing; and where taxes for the last preceding year were not paid, notice was also mailed to the persons last listed on the tax rolls as the owners of such property within the preceding three years; and

WHEREAS, notice of the Hearing was given by mail to the Illinois Department of Commerce and Economic Opportunity ("DCEO") and members of the Board (including notice of the convening of the Board), by depositing such notice in the United States mail by certified mail addressed to DCEO and all Board members, on November 13, 2009, being a date not less than 45 days prior to the date set for the Hearing; and
WHEREAS, notice of the Hearing and copies of the Report and Plan were sent by mail to taxing districts having taxable property in the Area, by depositing such notice and documents in the United States mail by certified mail addressed to all taxing districts having taxable property within the Area, on November 13, 2009, being a date not less than 45 days prior to the date set for the Hearing; and

WHEREAS, the Hearing was held on January 12, 2010 at 1:00 p.m. at City Hall, Room 200, 121 North LaSalle Street, Chicago, Illinois, as the official public hearing, and testimony was heard from all interested persons or representatives of any affected taxing district present at the Hearing and wishing to testify, concerning the Commission's recommendation to City Council regarding approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; and

WHEREAS, the Board meeting was convened on December 4, 2009 at 10:00 A.M.,(being a date at least 14 days but not more than 28 days after the date of the mailing of the notice to the taxing districts on November 13, 2009 in Room 1003A, City Hall, 121 North LaSalle Street, Chicago, Illinois, to review the matters properly coming before the Board to allow it to provide its advisory recommendation regarding the approval of the Plan, designation of the Area as a Redevelopment Project Area, adoption of Tax Increment Allocation Financing within the Area and other matters, if any, properly before it, all in accordance with Section 5/11-74.4-5(b) of the Act; and

WHEREAS, the Commission has reviewed the Report and Plan, considered testimony from the Hearing, if any, the recommendation of the Board, if any, and such other matters or studies as the Commission deemed necessary or appropriate in making the findings set forth herein and formulating its decision whether to recommend to City Council approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; now, therefore,

BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF CHICAGO:

Section 1. The above recitals are incorporated herein and made a part hereof.

Section 2. The Commission hereby makes the following findings pursuant to Section 5/11-74.4-3(n) of the Act or such other section as is referenced herein:

a. The Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be expected to be developed without the adoption of the Plan;

b. The Plan:
(i) conforms to the comprehensive plan for the development of the City as a whole; or

(ii) the Plan either (A) conforms to the strategic economic development or redevelopment plan issued by the Chicago Plan Commission or (B) includes land uses that have been approved by the Chicago Plan Commission.

c. The Plan meets all of the requirements of a redevelopment plan as defined in the Act and, as set forth in the Plan, the estimated date of completion of the projects described therein and retirement of all obligations issued to finance redevelopment project costs is not later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 5/11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year of the adoption of the ordinance approving the designation of the Area as a redevelopment project area and, as required pursuant to Section 5/11-74.4-7 of the Act, no such obligation shall have a maturity date greater than 20 years;

d. To the extent required by Section 5/11-74.4-3(n)(6) of the Act, the Plan incorporates the housing impact study, if such study is required by Section 5/11-74.4-3(n)(5) of the Act;

e. The Plan will not result in displacement of residents from inhabited units.]

f. The Area includes only those contiguous parcels of real property and improvements thereon that are to be substantially benefitted by proposed Plan improvements, as required pursuant to Section 5/11-74.4-4(a) of the Act;

g. As required pursuant to Section 5/11-74.4-3(p) of the Act:

(i) The Area is not less, in the aggregate, than one and one-half acres in size; and

(ii) Conditions exist in the Area that cause the Area to qualify for designation as a redevelopment project area and a blighted area as defined in the Act;

h. If the Area is qualified as a "blighted area", whether improved or vacant, each of the factors necessary to qualify the Area as a Redevelopment Project Area on that basis is (i) present, with that presence documented to a meaningful extent so that it may be reasonably found that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part or vacant part, as applicable, of the Area as required pursuant to Section 5/11-74.4-3(a) of the Act;
i. If the Area is qualified as a "conservation area," the combination of the factors necessary to qualify the Area as a redevelopment project area on that basis is detrimental to the public health, safety, morals or welfare, and the Area may become a blighted area; [and]

Section 3. The Commission recommends that the City Council approve the Plan pursuant to Section 5/11-74.4-4 of the Act.

Section 4. The Commission recommends that the City Council designate the Area as a Redevelopment Project Area pursuant to Section 5/11-74.4-4 of the Act.

Section 5. The Commission recommends that the City Council adopt Tax Increment Allocation Financing within the Area.

Section 6. If any provision of this resolution 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 resolution.

Section 7. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 8. This resolution shall be effective as of the date of its adoption.

Section 9. A certified copy of this resolution shall be transmitted to the City Council.

ADOPTED: _______________________, 2010

List of Attachments:
Exhibit A: Street Boundary Description of the Area
EXHIBIT A

Street Boundary Description of the
Chicago Lakeside Tax Increment Financing
Redevelopment Project Area

The Area is bounded approximately by Route 41 on the north and east, east 83rd Street on
the south, and South Brandon Avenue on the west.