



CORTLAND/CHICAGO RIVER TIF FAQ

The City of Chicago is proposing the designation of the 168-acre Cortland/Chicago River Tax Increment Financing (TIF) district to enable construction of public infrastructure projects within a portion of the North Branch Industrial Corridor. The infrastructure projects were identified by community stakeholders for the North Branch Framework plan, which was adopted in 2017 by the Chicago Plan Commission to maintain the corridor as a jobs center while improving transportation and enhancing the natural and built environment.

Q: Does the area qualify as a TIF district?

A: Yes. The area's blighted conditions, which resulted from a long history of underutilized industrial land, qualify for a TIF designation under Illinois' TIF statute. Only properties that qualify under the statute are included within the district's proposed boundaries.

Q: Are there other TIF districts in the North Branch corridor?

A: Yes. Existing TIF districts in the corridor include the Goose Island TIF District, the River West TIF District, the North Branch-North TIF District and North Branch-South TIF District. A map of existing TIF districts can be viewed online at: www.cityofchicago.org/TIF.

Q: Why is another TIF district needed in this area?

A: Major public infrastructure improvements are needed to transition the area to a modern, mixed-use business corridor. Pending these infrastructure improvements, more than \$5 billion in anticipated private investment projects could move forward to help achieve North Branch Framework goals.

Q: What is an "infrastructure TIF?"

A: As an infrastructure TIF, the Cortland/Chicago River TIF District would be used exclusively to finance public works and infrastructure costs involving site preparation, environmental remediation, land acquisition, building rehabilitation and other expenses identified in the North Branch Framework. Other TIF districts may have other purposes, depending on area needs.

Q: What specific infrastructure projects are being considered?

A: Projects outlined in the North Branch Framework include new and improved streets; a realigned Armitage/Ashland/Elston intersection; the rehabilitation of vehicular bridges at Webster and Cortland; construction of new vehicular bridges at Dominic and Armitage; pedestrian bridges at key access points; a dedicated transitway; transit improvements; an extension of the 606 trail across the river; and other enhancements that improve access and circulation.

Q: How much money is the TIF district expected to generate?

A: The district is being planned to generate funding for approximately \$800 million in public infrastructure needs. The costs would be front-funded by developers who would be reimbursed with new tax revenues that are generated within the district, resulting in zero risk to taxpayers.

Q: How would TIF be used to reimburse developers that build the infrastructure?

A: Developers would finance the cost of public infrastructure like roads and bridges that will enable their private development projects to move forward. Future property taxes generated by their private projects, or increment, would be used to reimburse the developers for their expenditures on public infrastructure costs.

Q: If private developers pay for the infrastructure, who is responsible for construction?

A: Developers would also build the infrastructure. If the projects do not meet City standards, the developer would not be reimbursed.

Q: Would the TIF district enable any benefits beyond its boundaries?

A: With adequate infrastructure, an anticipated \$10 billion in private projects within the entire North Branch corridor could generate 40,000 permanent jobs, 30,000 construction jobs (including 10,000 construction jobs for minority- and women-owned businesses), 2,000 affordable housing units, and \$180 million in special development fees that would be allocated for community improvement projects throughout the city.

Q: What public oversight would be provided for TIF expenditures?

A: Projects financed by TIF would each be subject to a separate review and approval process that involves community meetings, public hearings and City Council consent.

Q: What open space is planned within the proposed TIF district?

A: The North Branch Framework anticipates the development of more than 60 acres of public open spaces, including 10 acres for ball fields, that would be created in conjunction with private development projects.

Q: Could the TIF be used to help purchase private land for additional open space?

A: The North Branch Framework does not include property acquisition goals or recommendations for private land to be purchased by the City and used for open space.

Q: Could the TIF district be terminated early?

A: Yes, TIF districts that meet their goals or are no longer needed for redevelopment initiatives are routinely terminated early by City Council.

Q: Would the TIF take money away from schools?

A: No, Chicago Public Schools and other taxing agencies operate on annual budgets that are fully funded according to state law.

Q: What other funding sources could support public infrastructure costs?

A: Other sources could include revenues from the City's Industrial Corridor System Fee and North Branch Corridor Bonus, which were implemented in 2017 as part of the North Branch Framework planning process. The Neighborhood Opportunity Bonus Program, adopted in 2016, could also fund projects within the southern portion of the corridor. State and federal funding sources could also be leveraged.

Q: What are the next steps for the proposed TIF designation?

A: The proposed designation will be introduced at the Community Development Commission (CDC) on Dec. 11, 2018, at City Hall to set dates for a Joint Review Board hearing, anticipated in January 2019, and a CDC hearing, anticipated in February 2019.

For more information about TIF, visit www.cityofchicago.org/tif.

For more information about the North Branch Framework, visit www.cityofchicago.org/dpd.

Questions or comments may be emailed to DPD@cityofchicago.org.