

O2019-1679 TIF Funds for Acquisition of 3737 W Cortland
Mayor Rahm Emanuel **Housing and Real Estate**

Intro Date: March 13, 2019

Headline: Authorizes the use of \$3.28 million in funds from the Pulaski TIF to acquire 4.42 acres adjacent to the 606, commonly known as 3737 W Cortland, from the Trust for Public Land (TPL).

Background: The last reported fund balance from the Pulaski TIF was \$9.3 million and is anticipated to receive approximately \$3.4 million annually in property tax revenue. The project is located in the 26th ward.

Summary: The ordinance would authorize the Department of Planning and Development to enter into a purchase agreement with TPL for the property. As a condition of the purchase, the City agrees to construct and maintain no fewer than 150 affordable housing units on the property, and to maintain public parkland adjacent to the 606.

According to an appraisal commissioned by the City, the “shovel-ready” value of the property is:

- \$2.31 million at its current manufacturing zoning; and
- \$7.3 million if re-zoned to residential (RT-4)

The demolition and remediation costs to make the property “shovel-ready” are estimated at \$6.7 million.

Based on those figures, the City and TPL agreed on the \$3.28 million purchase price. The City will have the option to cancel the sale prior to closing if demolition and remediation costs exceed \$6.7 million.

Immediate Fiscal Impact: Utilization of up to \$3.28 million in TIF funds.

Long-Term Fiscal Impact: The terms of the sale would obligate the City to develop and maintain 150 units of affordable and construct and maintain public parkland, although no there is no specific timeline for those requirements. There is not enough information contained in the purchase agreement to accurately quantify the costs of those obligations.

Co-sponsors:

Additional Considerations: