Commonly Asked Questions about the Maryville Site

JDL Development Corporation first introduced its plans for the Maryville Project to both the community and the 46th Ward Zoning & Development Committee in the fall of 2012. Ald. Cappleman would like to thank the Zoning & Development Committee for their hard work with reviewing these plans that have contributed to some substantial revisions of this project. Over the past several months, various City Departments have also made some additional required revisions, including a reduction in the TIF ask by several million dollars.

TIF-related Questions

What is the justification for using any TIF money for this project, especially because it’s lakefront property?
Per the Dept. of Planning, it met the “if but for” clause, which basically means, *if but for this TIF, this property would likely remain abandoned and undeveloped*. The TIF process was initiated by previous Ald. Helen Shiller after she spoke with various residents and community organizations. While it was vacant, no developer stepped forward to develop it.

How was the TIF amount determined for this project?
When this TIF was originally approved by City Council in 2010, the amount was for $69M. In recent years, the City’s goal has been to provide the least amount of TIF dollars as possible to make a project work, and that amount has been reduced to $14M. The Dept. of Planning relies on a complex set of mathematical variables to determine this amount and then negotiates this amount with the developer. The goal is to have the lowest possible TIF subsidy that ensures a feasible development.

How will the $14M TIF be used in this proposed project?
TIF funds are intended only to offset eligible costs for Phase 1 of the project. Phase 1 of the revised project proposal is defined as the highrise building at the northwest corner of Montrose and Clarendon.

Which parcels of land will be purchased with the TIF money?
All of the property is being purchased at one time, so there is no differentiation between the purchase of the various parcels.

The TIF is currently empty, so how will the proposed $14 million be financed? Will a public debt be incurred and through what entity?
The developer will be carrying the debt, leaving no risk to the public.

TIFs have received so much negative press. Why should any TIF be trusted?
TIF (Tax Increment Financing) projects have rightfully received negative press because
there has not been enough oversight of them and some officials treated them as “free money” for various pet projects. However, TIF projects also serve a great purpose for generating more tax revenue for an area that generally isn’t doing well. Case in point, the Wilson Yard TIF project has encouraged an incredible amount of economic development within the ward.

It should also be noted that the number of TIF projects increased while federal and state dollars were decreasing for the same types of projects. TIFs do especially well in areas that already have some evidence that a community has other resources available to help the area thrive. The task is making sure TIF projects are done in an ethical and transparent manner.

**Doesn’t this TIF project take money from our schools?**
The answer is no. Currently, the boundaries for this TIF district are entirely on tax-exempt property and therefore, this property has never contributed any tax revenue to CPS. You can’t take away money that was never there.

**How can TIF funds be used for the JDL project when it doesn’t conform to the purpose of the TIF ordinance language?**
It does conform, otherwise the Dept. of Planning would not have allowed it.

**Why does this project need TIF money when JDL was willing to build at Grace and Halsted without public subsidy?**
The property at Halsted is in an area already commanding higher rents and no tear-down was required. The costs and projected returns of the two projects are very different.

**Couldn’t the TIF money generated by this project also be used for other needy projects in the Ward, such as the renovation of the Uptown Theatre?**

- The developer is asking for TIF funds only for the development of the first building, the returns from the second building will be developed on a market-rate basis and all increment generated will be available for other projects within the TIF area, including the Clarendon Park fieldhouse. If this TIF is highly successful and generates more TIF funds than anticipated, the City will cap the returns allowed to the developer, creating additional funds available within the TIF. These funds will be available for projects within Clarendon Park. Any unused TIF funds will be distributed to CPS and the City's taxing bodies as already mandated by State Law.
- The TIF dollars for the rehab of the Uptown Theatre will be covered by the TIF that the building is located in. The Uptown Theater is located in the Lawrence Broadway TIF, which has money available to assist with that project.

**Overall Planning Questions**

**Why can’t this project build more affordable housing?**
The Affordable Requirements Ordinance specifies when developers must set aside apartment units or money to build more affordable housing. The developer is meeting
those requirements.

There are 3 options:

1. A percentage of apartments are set aside for residents with an area median income (AMI) of 60% or less. *The advantage here is that more affordable apartments are built for those at this income level.*

2. Money that would have gone to affordable apartments is given to the Chicago Low Income Trust Fund, which provides rental subsidies to people with an AMI of 30% or less. *The advantage here is that people in the lowest income bracket benefit more.*

3. A combination of the two options above occurs.

It could be argued that Option 2 is a better option because this TIF project is within a census tract where 45% of the household income is $15,000 or less, and HUD discourages building more affordable housing in census tracts with exceptionally high rates of poverty. Also, the Uptown neighborhood has the highest rate of government subsidized units within the City of Chicago; 15 times higher than the median average found in Chicago’s other 76 community areas. *See the Ward Master Plan for more information about affordable housing in the 46th Ward.*

**Why doesn’t the ward have a base-case approach to evaluating project proposals? Would you be open to adopting this approach for major projects?**

This approach was presented to the current property owners and they declined to pursue this. It doesn’t have a base-case approach because no one can require private owners to initiate an RFP to obtain different proposals. We would be happy to support this process for future projects if the property owners are interested in this approach.

**How many market-rate small units are currently under renovation in the Ward?**

**When are these units due to enter the rental market in the Ward?**

There are a few hundred “micro units” *(studios and a few one bedrooms)* coming online with the Flats brand in the coming two years.

**What has the transportation study shown will be the effects of the additional parking spaces and grocery store traffic? Was a transportation study undertaken for both winter and summer traffic conditions?**

The Dept. of Planning reviewed the transportation studies done for this development and this proposal meets the high standards required by the City.

**Was a shadow study conducted?**

Sedgwick Properties, which previously submitted a development proposal for this site, did complete a shadow study. That report stated that there would be shadows cast on the NE parcel of property that would be donated to the Park District. The Dept. of Planning does not require a shadow study, but the 46th Ward Zoning & Development Committee may request another shadow study if they so choose.
Clarendon Park Community Center Questions

Why can’t we only spend TIF funds on rehabbing the Clarendon Park Community Center and not spend any money on the market-rate development?
Tax-exempt properties add some value to a neighborhood, but they don’t provide more tax revenue. More successful TIFs will keep their primary focus on projects that generate increased tax revenue. This increased tax revenue helps to pay for the TIF project and it will also help pay for rehabbing the Clarendon Park Community Center.

Why did the Dept. of Planning not specifically set aside TIF funds to rehab the Clarendon Park Community Center?
The City’s goal was to get the TIF ask down as low as possible. In 2010, that amount was $69M and that amount has now been reduced by almost 80% to $14M. The City would not allow the JDL proposal to roll the renovations to the field house into that initial project. Additional increment will need to be generated to create funds for the field house before it can move forward as a separate project.

What are the developer’s plans to rehab the Clarendon Park Community Center?  
The developer will not be part of the planning process for Clarendon Park. That conversation will include the community and the Park District when funds have been identified.

Will the community have a say in the programming that occurs at this community center?
The Chicago Park District, working with the Clarendon Park Advisory Council, will make the decisions about what happens at the Clarendon Park Community Center. They will also create a process for community feedback.

Mike Brown, Clarendon Park’s supervisor, along with the Clarendon Park Advisory Council have the task of programming at the community center. If you would like more say in the programming, ask the front desk at the Clarendon Park Community Center for more information about joining the Clarendon Park Advisory Council.

Plans to Demolish Cuneo Hospital Questions

Why isn’t Cuneo Hospital restored in this project?
- A for-profit developer expressed a desire to rehab this building. However, he wanted the building to be given to him for $1 and TIF guidelines don’t allow giving property over to market-rate developers for less than what a property is worth.
- During the 4 years the TIF has been in existence, one group of individuals put forth an effort in March of 2013 to have the Cuneo Hospital landmarked. However, the landmarking process did not move forward and on May 3, 2013 a demolition permit was approved, thus making it illegal to then begin the landmark process.
- Four public charrettes were held in the summer of 2012 to discuss various options to develop this site. In the report, there was no strong push to landmark or
preserve the Cuneo Hospital.

- Lastly, the 30+ members of the Zoning & Development Committee made the recommendation that this building be torn down and have the property given to the Park District. Ald. Cappleman agreed to support the committee’s recommendation.

JDL Proposal Questions
What aspects of the JDL proposal meet the goals of the Ward Master Plan?

- It promotes a family-friendly experience in a residential section of the Ward.
- It will improve and promote public safety standards by emphasising more “eyes on the street” with its development.
- It adheres to the City of Chicago Sustainable Development Standards
- It was vetted through an appropriate community process with the Zoning & Development Committee over a period of 15 months.

How does this proposal contribute to creating a family-friendly experience in the Ward?

- It would address an abandoned piece of property that has been vacant for many years, where there has been a lot of criminal activity.
- It will be providing rental apartments, some of them for families. The Ward has many buildings that consist of only SRO, studio or 1 bedroom units. This building will add approximately 100 units of high quality 2 and 3 bedroom units to the Ward housing stock.

How does the JDL plan contribute to sustainability of the Ward?

- The building will pursue a LEED Silver Certification.
- The development proposes to contribute additional green space to the Ward and increase the property owned by the Chicago Park District.
- This is a high-density mixed use development that is located in close proximity to public transportation. This type of development promotes walkability and lowers resident dependence on cars.

If there is a lot of vacant retail space and residential units in the ward, then how does JDL justify construction of additional space?

- Per the Ward Master Plan, residents in the Ward are spending close to half their money outside the ward for other shopping opportunities. We need more quality retail spaces for businesses that will provide more employment opportunities in the Ward.
- The area is also experiencing its lowest apartment vacancy rates in many generations, which is driving up the cost of rental housing. To slow down the increase in rents on the Northside, more market-rate rentals are needed.
- A quality mixed-use building provides retail options to meet the needs of the residents as well as offering additional retail options to the surrounding area.
Why does the current plan rely on using FAR that comes from the building on the east side of Clarendon?
JDL Development will be donating the land to the Park District in exchange for using the FAR (Floor Area Ratio) on this site for the development on the NW corner of Clarendon/Montrose.

How much parking is being provided? How was the amount of parking for the project determined? What is required by the City?

Dwelling Units - 749
A. South Building - 499
B. North Building - 250
Total Parking - 554
A. South Building - 451
B. North Building - 103
Commercial Space - 26,000 Sq. Ft.

Parking ratios are 1 to 1 for the first 100 dwelling units in each building and .6 to 1 for units thereafter, requiring 530 spaces for the residential units. North building 100 + 90, south building 100 + 240. The number of spaces is allocated differently between the 2 buildings, which is allowed under the PD as long as the parking allocation is called out in the bulk table. The additional 24 spaces are accessory to the retail space.