

## **REMARKS ABOUT THE CORTLAND/CHICAGO RIVER TIF**

### **Alderman Michele Smith, 43rd**

As we know, the Lincoln Yards development expects to receive almost \$1 billion dollars in public money for infrastructure for the 30,000 person, \$6 billion dollar development. But, today at a **public meeting on this mega - TIF**, serious questions still plague what may be the largest TIF in the history of our City.

There is no public information describing how these TIF funds would be generated or spent, what the public benefit is, and there are false choices claiming TIF is the only way to pay for this infrastructure. Most fundamentally we do not know **whether this land has been fairly assessed**.

Ald. Scott Waguespack and I believe it is only right that our new Cook County Assessor, Fritz Kaegi, is allowed to review the assessments on all 300 Lincoln Yards properties before a mega - TIF is pushed forward.

These properties were assessed under the old Berrios regime and some of the properties were represented for years by the law firm of Klafter and Burke, which was only recently fired by Sterling Bay in the midst of the scandal at City Council.

Burke and Klafter convinced Former Assessor Berrios or the Board of Review to lower the estimated value on at least 7 Sterling Bay properties. That decision slashed taxes on 7 properties - a total of 28 percent and saved the developer \$328,272 in property taxes for one year, according to a Chicago Sun-Times analysis. That's millions of dollars over the life of this TIF.

Towards that end, Scott Waguespack and I are right now moving to obtain the records on the history of the assessments of Lincoln Yards properties contained within this TIF district. We want to know how much the Former Assessor cut taxes on the other hundreds of properties in the proposed TIF district.

The largest TIF district ever proposed in Chicago deserves real scrutiny because this is not only about fairness.

**It is laughable to think that these properties, which are part of the biggest “land rush” in the City according to the Sun-Times, and which sold for millions of dollars an acre, deserved reductions in value.**

Let's talk about just one example. The former Fleet Management site was sold to Sterling Bay for \$105 million dollars. That site, even today, is still assessed – at zero. That means that every single dollar of taxes generated from this property, which is worth at least \$105 million, will go to the developer – and none to schools, parks or the taxpayers' needs.

**What those lowered assessments did do is reduce the "base" of this proposed TIF - which means taking more money from the public and giving more right back to the developers when they build.** The assessment of these properties must be reviewed before billions of taxpayer dollars are handed over to developers.

The City claims the developer bears the risk of building infrastructure, but, the fine print of the TIF reveals something else:

**Chicago will actually reimburse the developer for building infrastructure-with interest and management fees. So there is no risk to this developer. But there is to taxpayers.**

Equally troubling, there is no clear legal obligation binding the developer to actually build specific infrastructure. This lack of transparency is more than disturbing, it is insulting to citizens.

Claims are made that we must act now because there are no alternative forms of funding to build this infrastructure. But that's simply not true – there are, for example, federal and state capital funds, which have been used to build so much of our infrastructure. In fact, during the planning of this project, the City said that TIF funding would be the last resort for funding – not the first, and often only source according to the TIF documents.

Let's be clear – some of this infrastructure is needed now and has been for years. But the City is now telling us that the only way to build this

infrastructure is to approve a massive development that will exacerbate some of the very traffic problems we now have. That's not right.

And, finally, we know any TIF must show a public benefit. In this case, the greatest public benefit would be the North Branch Park Preserve.

The land to make the park a reality is the General Iron site – which is part of this proposed TIF. This is the time for the City to secure the only remaining parcel to create a true public benefit in this massive TIF.

We should delay consideration of this proposed TIF district.