



Dear Neighbor,

The enclosed materials are being provided to inform you of proposed plans to continue modernizing the Chicago Transit Authority's (CTA) Red Line, the CTA's busiest rail line and the backbone of the City's public transportation system.

CTA's "Red Ahead" program was created in 2012 to rebuild tracks, stations and structure throughout the Red Line, and to provide better, faster commutes and meet the demands of growing ridership. The first part of "Red Ahead" -- the Red Line South reconstruction -- was completed in 2013. CTA has also completed or begun station reconstruction at Clark/Division, 95th Street, and Wilson along the Red Line. CTA is now moving forward with the Red and Purple Modernization (RPM) project.

RPM will modernize a transit corridor that is nearly 100 years old and will no longer be able to handle additional trains to meet rising demand, including a 40 percent jump in rush hour ridership over the last five years. Improvements will involve new tracks, bridges, and viaducts -- resulting in faster and smoother rides -- as well as wider platforms, fully ADA accessible stations, more frequent service, and vastly improved amenities. This investment benefits CTA riders and surrounding neighborhoods, and will enhance the quality of life for all current and future residents of the City.

In moving the RPM project forward, the City and CTA can leverage more than \$1 billion in federal funding for Phase One of the project -- which will pay for half the total amount of Phase One. A local match is required to secure these federal funds. Without the federal funding, Chicagoans would have to pay the full cost of the project.

The Red Line improvements and a proposed Transit TIF will be discussed at an upcoming public meeting on September 13th that will include a presentation by CTA and City of Chicago staff followed by a comment period, during which members of the public can ask questions or provide input about the Transit TIF. The attached materials include the date and location of the meeting, along with information about the proposed Transit TIF district that may include your property.

Please note that this does not impact Chicago Public Schools, as they are excluded from the Transit TIF under the State legislation.

You do not have to take any action, however, should you have any questions, please call the CTA at 1-888-YOUR-CTA, which is also indicated on the attached notice.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dorval R. Carter Jr.".

Dorval R. Carter Jr., President
Chicago Transit Authority

A handwritten signature in black ink, appearing to read "David L. Reifman".

David L. Reifman, Commissioner
Chicago Department of Planning and Development

**NOTICE OF PUBLIC MEETING TO TAXING DISTRICTS, RESIDENTS,
TAXPAYERS AND INTERESTED PARTIES**

NOTICE is hereby given that on September 13, 2016, at 6:00 pm, the Department of Planning and Development of the City of Chicago (the "City") will hold a public meeting at Sullivan Athletic Center, 2323 North Sheffield Avenue, Chicago, Illinois 60614, for the purpose of enabling the City to advise the public, taxing districts having real property in the proposed Red and Purple Modernization (RPM) Phase One Project Redevelopment Project Area (the "Area"), taxpayers who own property in the Area, residents in the Area and interested parties who have registered on the Interested Parties Registry for the Area, as to the City's intent to prepare a redevelopment plan ("Redevelopment Plan") for the proposed Area, to designate the Area as a redevelopment project area as defined in the Illinois Tax Increment Allocation Redevelopment Act, as it may be amended from time to time (65 ILCS 5/11-74.4-1 et seq.) (the "Act") and to use tax increment financing pursuant to the Act to finance all or a portion of eligible redevelopment project costs deemed necessary or appropriate in accordance with the proposed Redevelopment Plan, and to receive public comment. This notice is being given pursuant to Section 5/11-74.4-6(e) of the Act.

The purpose of establishing the Area as a redevelopment project area under the Act is to finance the development, expansion, or rehabilitation of new or existing transit passenger stations; transit maintenance, storage, or service facilities; or rights of way for use in providing transit services (collectively, the "Public Transit Purposes"). In determining whether to designate the Area as a redevelopment project area, the City will determine whether the Area qualifies as a "Redevelopment Project Area," as that term is defined and used in the Act, which may include qualification as a conservation area, a blighted area, a combination of a conservation area and a blighted area, or an area within a transit facility improvement area. To accomplish these goals, the proposed Redevelopment Plan may provide that the City may carry out certain public improvements in the Area, enter into redevelopment agreements for the construction of public improvements, finance a portion of the costs of such improvements using funds from the special tax allocation fund described in the Act (the "Fund") and issue one or more series of obligations secured by such funds.

Tax increment financing is a means of stimulating development and redevelopment in a qualified redevelopment project area that allows a municipality, such as the City, to receive and use for eligible redevelopment project costs the incremental or increased property tax revenue generated within the redevelopment project area attributable to the increase in the equalized assessed value of all taxable real property over that attributable to the base or initial equalized assessed values certified by the County Clerk for the year in which the redevelopment project area is designated, subject to the terms and conditions of the Act.

All interested persons will be given an opportunity to be heard at the public meeting. At the public meeting, any interested person or representative of an affected taxing district may be heard orally and may file, with the person conducting the meeting, statements that pertain to the subject matter of the meeting.

The City may establish more than one Redevelopment Project Area within the Area Boundaries described in Exhibit 1 for the Public Transit Purposes.

For additional information about the Area and to submit comments and suggestions regarding the development of the Area, please contact:

Chicago Transit Authority
567 West Lake Street
Chicago, Illinois 60661
ATTENTION: Customer Service Representative
Telephone: 888-YOUR-CTA (888-968-7282)

Exhibit 1: Street Boundary Description of the Area

The area being considered for the Area is generally described as being within the following boundaries (the “Area Boundaries”): an area within one-half mile in any direction from the right of way of the CTA Red Line, south of Devon Avenue and West Sheridan Road and north of Division Street. A map of the Area Boundaries is available at www.cityofchicago.org/TIF. The Red Line is visibly apparent as an elevated structure north of Wisconsin Street. South of Wisconsin Street, the Red Line runs underground, following a general path south between Sheffield Avenue and Bissell Street, then turning southeast underneath Clybourn Avenue to Division Street, and then east underneath Division Street to State Street.

The Area will not include any portion of Lake Michigan or, except as described below, any property that is located within an existing Redevelopment Project Area (collectively, the “Existing Areas”) created under the Act, including the Devon/Sheridan Redevelopment Project Area, the Hollywood/Sheridan Redevelopment Project Area, the Bryn Mawr/Broadway Redevelopment Project Area, the Lawrence/Broadway Redevelopment Project Area, the Clark/Montrose Redevelopment Project Area, the Wilson Yard Redevelopment Project Area, the Clark/Ridge Redevelopment Project Area, the North Branch (South) Redevelopment Project Area, the Weed/Fremont Redevelopment Project Area, the Near North Redevelopment Project Area, the Goose Island Redevelopment Project Area or the Montrose/Clarendon Redevelopment Project Area. In connection with establishing the Area, the City may remove from one or more Existing Areas certain parcels of land located within the Area Boundaries, in order to include such parcels in the Area. Maps of the Existing Areas can be viewed at the following links: <http://webapps1.cityofchicago.org/ChicagoTif/> and www.cityofchicago.org/TIF.

Exhibit 2: Proposed Area Boundary – attached



Modernizing the Red Line--*supporting the future of public transit in Chicago*

Why Transit Matters to Chicago

- CTA is the backbone of Chicago's transportation system—1.6 million riders each weekday, more than 500 million each year
- Connects millions to jobs, education and economic opportunity
- Proven to attract employers and jobs to Chicago
- Leverages private investment in communities
- Rail ridership has grown: CTA provided more than 240 million rail rides in 2015 across the region – an all-time record
- ***To modernize and grow to meet Chicago's future transit needs, investment is needed now***

Red and Purple Modernization (RPM)

- Second of three major projects of **Red Ahead** program upgrading CTA's busiest rail line
- Corridor is nearly 100 years old—nearly 40 years beyond its useful lifespan—and no longer will be able to handle additional trains to meet increasing ridership and alleviate crowded conditions.
- Rush-hour ridership is up 40 percent over last five years
- Project will rebuild tracks, stations and structure from Belmont to Howard, and Purple Line to Wilmette. Will also create track bypass north of Belmont to remove bottleneck and allow for more trains/better service/future growth
- Follows major Red Line investments including \$425 million Red Line South reconstruction/station rehabilitation (2013), new \$280 million 95th Street bus and rail terminal (to be completed in 2018) and \$203 million construction of a new Wilson Red-Purple transfer station (completed by end of 2017)

Transit TIF for Phase One of Red and Purple Modernization

The CTA is currently seeking more than \$1 billion in federal funding for Phase One of RPM: rebuilding stations and tracks from Lawrence to Bryn Mawr and creating a Red-Purple Bypass. But in order to secure those federal funds, Chicago must provide local matching funds.

In June, strong, bi-partisan legislation passed by the Illinois General Assembly provided a funding mechanism for critical projects to improve Chicago transit: Transit TIF. The bill specified that funds from Transit TIF can be used only for specified Chicago transit projects

Chicago Public Schools is not impacted since it is excluded from the Transit TIF.

To leverage the more than \$1 billion in federal funding for the project – which could pay for half the total amount of Phase One--the City proposes establishing a Transit TIF to provide a portion of the matching funds required.

How does Transit TIF work?

Transit TIF (tax increment financing) is an economic development tool to support investment in large-scale, long-term transit projects. Such projects are typically funded by a mix of federal, state and local dollars. Transit TIF would provide some of those local dollars.

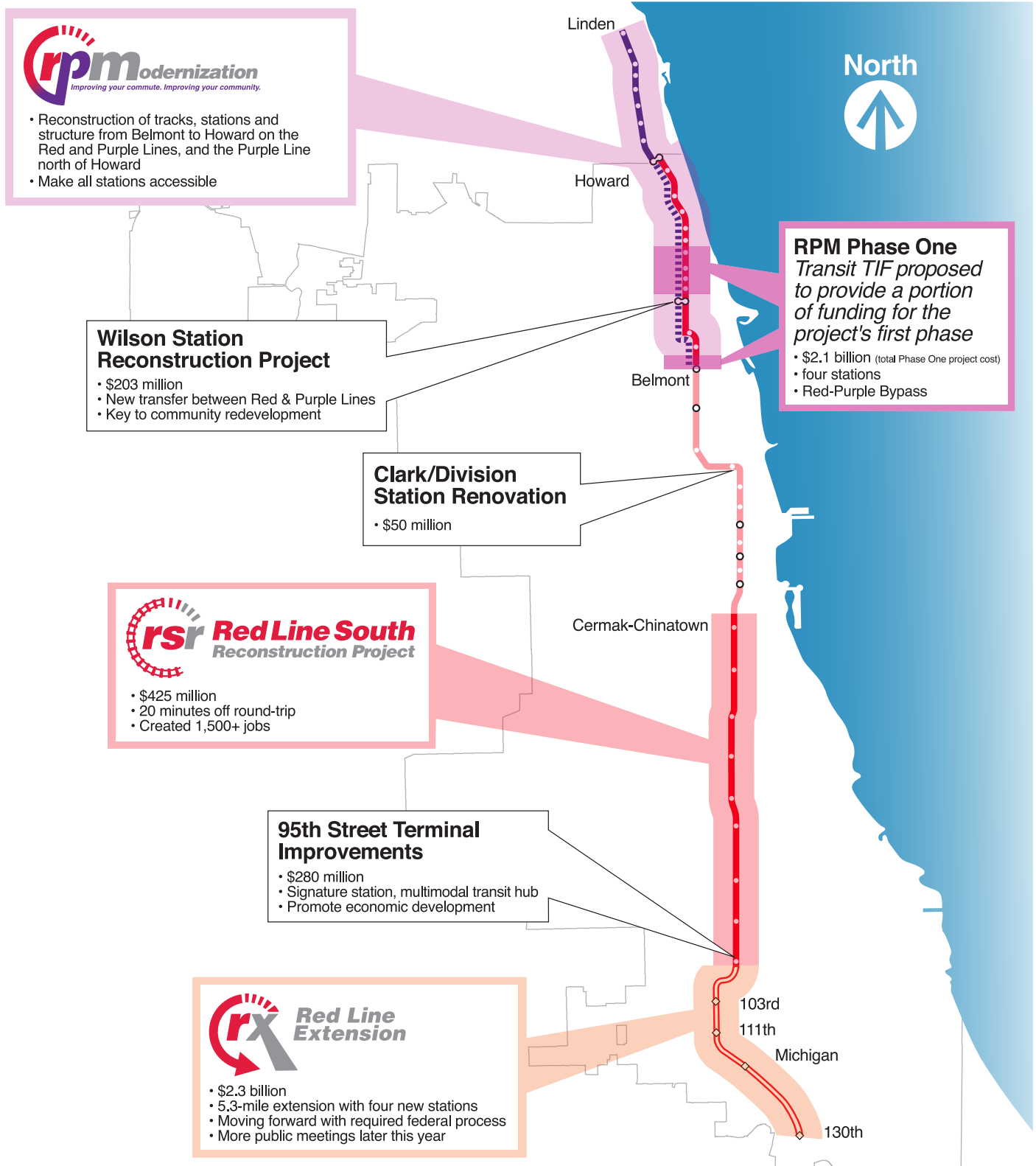
To designate a Transit TIF district, Chicago first establishes a “base” value for all properties located in the district. This base value is then frozen for the life of the district.

Once a base is established, Transit TIF funds are created by growth in property value, known as increment, that occurs because of the investment in transit.

For more information: www.transitchicago.com/rpmproject



Improving the Red Line from End to End



Legend

- *Limits of Proposed RPM Redevelopment Project Area Boundary may be adjusted to reduce the Redevelopment Project Area. Existing TIF Districts are excluded from the RPM Redevelopment Project Area. Existing TIF District boundaries are approximate. Some Existing TIF District boundaries may be revised to include parcels in the RPM Redevelopment Project Area.

