Economic Geography ›
Volume 86, 2010 - Issue 3

Original Articles

Selling City Futures: The Financialization of Urban Redevelopment Policy

Rachel Weber

Pages 251-274 | Published online: 22 Oct 2015

Cite this article

Full Article | Figures & data | References | Citations | Metrics

Reprints & Permissions | Read this article | Share

abstra

This arti ... ancial
markets ... -seeking
capital p ... cities or
instrume ... rd those
local go ... assets into
new ... due to the
actions ... om 1996
through ... borrowed
money u ... F). TIF allows
municipa ... es from
designat ... of these
speculat ... ts in ways
that mad ... rol over the

processes of development and property tax assessment. In doing so, Chicago not only attracted billions of dollars in global capital but also contributed to a dangerous oversupply of commercial real estate.

Key Words:

public finance risk real estate Tax Increment Financing capital switching

Acknowledgments

The author would like to thank her interview subjects for their cooperation and Andrew Greenlee, Jeremy Thompson, and Joanne Miller for their assistance with this article. Philip Ashton, Nik Theodore, three anonymous reviewers, and the editors of Economic Geography provided deep insight and sage advice.

Notes

1 RDAs are 100-plus page contracts approved by the city council and signed by the
project c ... the
conduct ... dualized
terms fo ... ity and the
develope ... 996 and
2007 an ... eriod.

2 These ... opers),
includi ... d Ship Canal
distr ... million of
debt) ge ... of
Chicago

3 Almost ... ver, it
became ... es as it
relied m ... uance in
1998, fo ... orporation,

which analysts agreed boosted the TIF bonds to “investment grade” (Shields 1998b). Insurance expands the universe of investors because some of the stigma of the unrated issuance is lifted.

4 This figure does not include projects financed by the Small Business Investment and Neighborhood Improvement Funds.

5 While laudable, city administration resisted additional public benefit obligations such as when, in 2006, the mayor vetoed what became known as the “Big Box Ordinance.” This law would have required large-scale chain retailers to pay “living” wages (a minimum hourly wage of $10 and fringe benefits of $3 an hour). At the time, the retailer Target was the anchor tenant in several TIF-funded projects that were not yet complete, and it threatened to pull out of these deals if the ordinance became law. The mayor’s veto placated Target and allowed the TIF projects to continue, albeit off schedule.

6 These figures are based on data provided by the Neighborhood Capital Budget Group (2006). On the other hand, bonds also come with significant coverage and debt service requirements, and the issuance costs can be higher than those for notes.

7 For example, the City increased its commitment from $41.6 million to $52 million in a $150.9-million mixed-use project on Chicago’s North Side, called Wilson Yards, after the project e … the loss of initial in…

Relat…

Information for

Authors
R&D professionals
Editors
Librarians
Societies

Open access

Overview
Open journals
Open Select
Dove Medical Press
F1000Research

Opportunities

Reprints and e-prints
Advertising solutions
Accelerated publication
Corporate access solutions

Help and information

Help and contact
Newsroom
All journals
Books

Keep up to date

Register to receive personalised research and resources by email

Sign me up