

General Obligation Bonds Finance Major Redevelopment in Waukegan Illinois



Key Facts:

- The City of Waukegan, IL had a vision to transform 225 acres of underutilized space, a former Cardinal Health campus, to create the McGaw Business Center TIF Redevelopment Project Area
- The redevelopment of the site has added tens of millions of dollars to the tax base while bringing new jobs to the area
- Bernardi Securities served as Senior Managing Underwriter

“Today, more than ever before, our communities need a healthy and vibrant municipal bond market to help them grow and prosper. “
- Bernardi Securities



Background:

In November 2014, the city of Waukegan, IL adopted an ordinance to finance the project to redevelop the McGaw Business Center Redevelopment. Over the first 11 months of the project, eleven buildings including over one million square feet of the former Cardinal Health campus were demolished paving way for the project. The project has already greatly increased property tax revenues for the city, and the number is expected to rise much higher. Along with the increased taxes received, the project is expected to bring thousands of jobs to the area, further boosting the economic impact.

The site currently consists of approximately 2,200,000 square feet of industrial/warehouse space, with approximately 1,100,000 square feet of additional industrial space currently under construction. Today, that site has been transformed adding tens of millions of dollars to the tax base and has created many jobs offered by various Fortune 500 companies detailed below.



Project Details:

- The tax year 2014 base year Equalized Assessed Valuation (EAV) of the Redevelopment Project Area was \$13,115,257.
- In tax year 2019 the EAV has grown to **\$35,823,189** and produced additional incremental property tax revenues of **\$2,760,235**.
- The City anticipates the EAV and incremental property tax

revenues to grow as the construction and leasing of the additional buildings are completed and put on the County tax roll.

- New business brought to the site include: Amazon, Comcast, Walgreens, McKesson, Honeywell, Grainger, Yaskawa, Cardinal Health, Aon Hewitt and Tyco amongst many others.

Bond Issuance Details:

On March 4th, 2021, the City of Waukegan, Illinois issued \$43,995,000.00 Series 2021A and Series 2021B Bonds. Bernardi Securities, Inc. served as Senior Managing Underwriter on the transaction working closely with the City's advisor to ensure a successful borrowing for the City. Bond proceeds were used for financing/refinancing of the redevelopment project area.

The issuance followed a 2014 ordinance in which the city adopted a tax increment financing provision in connection with the redevelopment project. The tax increment and following bond issuance covers the costs of property acquisition, site preparation, environmental remediation, demolition, and the construction of certain public improvements set forth in the city's plan.

