

**TAX INCREMENT FINANCING
Ten (10) Year Status Report
2001-2011**

**105th/VINCENNES
Redevelopment Project Area
Designated October 3, 2001**



September 18, 2013

Pursuant to 65 ILCS 5/11-74.4-5

Prepared by
**CITY OF CHICAGO DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT
AND
S. B. FRIEDMAN & COMPANY**

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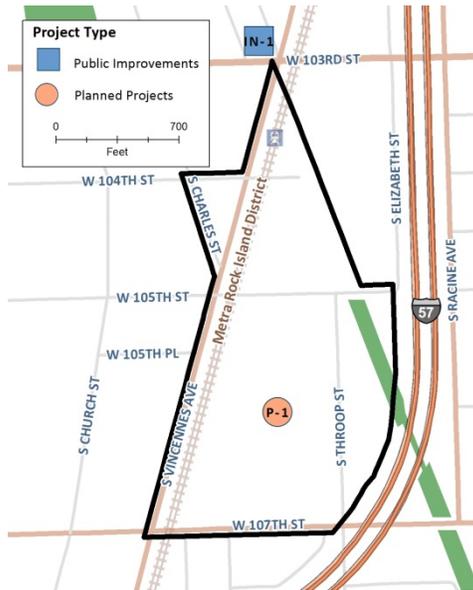
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Executive Summary



105th/VINCENNES REDEVELOPMENT PROJECT AREA

- Designated: October 3, 2001
- Expires: December 31, 2025
- 58 acres
- 8 parcels at time of designation

At the time of designation, the 105th/Vincennes Redevelopment Project Area (“RPA”) was characterized by a large portion of vacant and underutilized land, deteriorated and obsolete buildings, extensive fly dumping, building debris, high weeds, and junk storage. Many blocks in the 58-acre RPA are irregularly shaped due to the right-of-way, other rail lines, and the alignment of Vincennes Avenue. The RPA was created to assemble large tracts of vacant and underutilized land for redevelopment as a cohesive and distinct residential neighborhood that complements existing housing styles and types. Targeted development sites include the former Chicago Bridge and Iron Works property, which at the time of the TIF’s designation had suffered from long-term vacancy and extreme deterioration. Another key site involves an abandoned Cincinnati, Chicago and St. Paul Railroad right-of-way.

105th/Vincennes RPA Activity 2001 - 2011

INVESTMENT SUMMARY

- \$75,000 in TIF Funds allocated for public infrastructure improvements, including updated traffic signals

PROPERTY VALUE

- Equalized Assessed Value - Compound annual growth rate of 20.6 percent

Total TIF-Eligible Project Costs and Expenditures through 2011

Permissible Cost Category	Estimated Project Costs	Project Costs Through 2011	
		Expenditures	Percent of Total
1. Professional Services	\$ 1,300,000	\$ 58,454	4.5%
2. Marketing of Sites	[1]	\$ 0	N/A
3. Property Assembly & Site Preparation	\$ 6,200,000	\$ 0	N/A
4. Rehabilitation of Existing Public or Private Buildings	N/A	\$ 0	N/A
5. Public Works or Improvements	\$ 4,450,000 [1]	\$ 23,964	0.5%
6. Job Training and Retraining	\$ 300,000	\$ 0	N/A
7. Financing Costs	[1]	\$ 0	N/A
8. Capital Costs	\$ 1,300,000	\$ 0	N/A
9. Increased Education Costs	[1]	\$ 0	N/A
10. Relocation Costs	N/A	\$ 0	N/A
11. Payment in Lieu of Taxes	N/A	\$ 0	N/A
12. Interest Costs	\$ 400,000	\$ 0	N/A
13. Affordable Housing Construction	N/A	\$ 0	N/A
14. Day Care Reimbursements	\$ 200,000	\$ 0	N/A
Total Redevelopment Project Costs	\$ 14,150,000	\$ 82,418	0.6%

[1] Additional detail provided in Exhibit 2.

1. Redevelopment Project Area Information

In July 2010, the Tax Increment Financing (“TIF”) Allocation Redevelopment Act 65 ILCS 5/11-74.4-1, et seq. (“TIF Act”) was amended to require municipalities to assemble a status report covering the history and performance of TIF districts that have been in existence for 9 to 10 years. The TIF Act requires the report to detail:

1. The amount of revenue generated within the district;
2. Expenditures made for the Redevelopment Project Area (“RPA”), including TIF fund expenditures;
3. Status of planned activities, goals and objectives, including new and planned construction;
4. The amount of public and private investment within the TIF district; and
5. Other relevant evaluation or performance data.

The information summarized herein is for the reporting period from the TIF district’s inception through the end of the 2011 calendar year and the 2010 tax year. For informational purposes, certain other supplementary information, such as upcoming planned projects or more recent changes to the RPA boundary, is reported as of December 2012.

Detailed data on the 105th/Vincennes RPA was compiled to meet reporting requirements under the TIF Act and is presented in this Ten (10) Year Status Report (the “Report”). The Report contains various data from City of Chicago (“City”) departments, including audited financial statements, Redevelopment Agreements, Intergovernmental Agreements, capital improvement expenditures, and TIF-funded program databases (Small Business Improvement Fund, Neighborhood Improvement Program, and TIFWorks) to track financial and programmatic performance. Data sources are referenced throughout this Report.

Project Area Context and Background

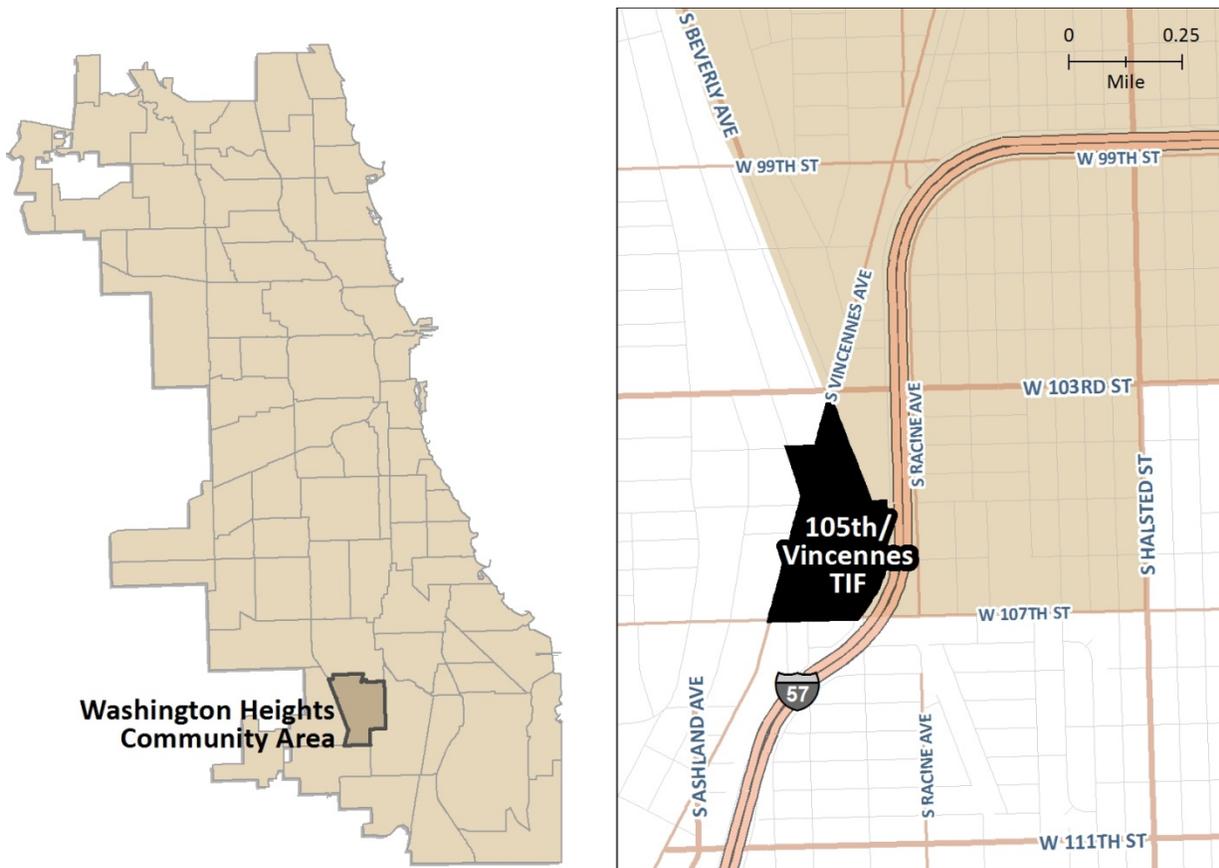
The approximately 58-acre 105th/Vincennes RPA is located in the Washington Heights community area on the city’s southwest side. The RPA is triangular in shape and is located on the east side of South Vincennes Avenue between 103rd and 107th Streets. The RPA boundary is shown in **Exhibit 1** on the following page.

The 105th/Vincennes RPA was designated as a TIF district on October 3, 2001, and is expected to expire no later than December 31, 2025.

A minor amendment to the 105th Street / Vincennes Avenue Tax Increment Financing Redevelopment Project and Plan (the “TIF Plan”) was approved in 2003.¹ All further references to the 105th/Vincennes TIF Plan in this Report are to the amended document.

¹ The related Eligibility Study was not revised or amended since its adoption in 2001. The amendment and original TIF Plan are provided on the City’s website at:

http://www.cityofchicago.org/content/dam/city/depts/dcd/tif/plans/T_111_105thVincennesRDP.pdf

Exhibit 1. 105th/Vincennes RPA**Conditions at Time of TIF Creation**

The 105th/Vincennes RPA was determined to be eligible for TIF designation as a “vacant blighted area” under the TIF Act, which requires that at least one eligibility factor be present to a meaningful extent and reasonably distributed throughout the RPA. The following eligibility factor was described in the 105th/Vincennes TIF Plan:

- The area qualified as a blighted improved area immediately prior to becoming vacant.

At the time of designation, the 105th/Vincennes Redevelopment Project Area (“RPA”) was characterized by a large portion of vacant and underutilized land, deteriorated and obsolete buildings, extensive fly dumping, building debris, high weeds, and junk storage. Many blocks in the 58-acre RPA were irregularly shaped due to the right-of-way, other rail lines, and the alignment of Vincennes Avenue. The RPA was created to assemble large tracts of vacant and underutilized land for redevelopment as a cohesive and distinct residential neighborhood that complements existing housing styles and types. Targeted development sites include the former Chicago Bridge and Iron Works property, which at the time of the TIF’s designation had suffered from long-term vacancy and extreme deterioration. Another key site involves an abandoned Cincinnati, Chicago and St. Paul Railroad right-of-way.

Goals and Objectives for the RPA

The overall goals of the RPA are to:

- Provide an improved quality of life in the RPA, the Washington Heights community area and the City through the elimination of the influences and manifestations of physical and economic deterioration and obsolescence within the RPA;
- Create an environment within the RPA that will contribute more positively to the health, safety and general welfare of the City, and preserve or enhance the value of properties adjacent to the RPA; and
- Establish an increased real estate tax base for the City and other taxing districts having jurisdiction over the RPA.

These goals are expected to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate additional private investments.

In furtherance of these overall goals of the RPA, the following ten (10) objectives were outlined in the TIF Plan:

1. **Reduce or eliminate those conditions that qualify the RPA as a blighted area;**
2. **Encourage a high-quality appearance of buildings, rights-of-way and open spaces,** and encourage high standards of design;
3. **Strengthen the economic well-being of the RPA** and the City by increasing taxable values and affordable housing opportunities;
4. **Assemble land into parcels of sufficient shape and size for disposition and redevelopment** in accordance with the TIF Plan and contemporary development needs and standards;
5. **Create an environment that stimulates private investment** in new construction and rehabilitation;
6. **Provide needed improvements or facilities in proper relationship to the projected demand for such facilities** and in accordance with present-day design standards for such facilities;
7. **Provide needed incentives to encourage a broad range of improvements, preservation, rehabilitation and new development;**
8. **Create new job opportunities for City residents** utilizing appropriate job training and hiring programs;
9. **Establish job training and job readiness programs** to provide residents of the City with the skills necessary to secure jobs in the RPA during the construction period; and

10. **Provide opportunities for women-owned and minority-owned businesses** to share in the redevelopment of the RPA.

Estimated Redevelopment Project Costs and Allocations

The estimated Redevelopment Project Costs outlined in the TIF Plan total \$14.2 million. Through 2011, \$82,400 has been expended on TIF-supported projects within the RPA, representing 0.6 percent of the estimated total Redevelopment Project Costs. **Exhibit 2** on the following page displays the estimated eligible costs of the TIF Plan and the expenditures through 2011 by statutory cost category.

Exhibit 2. Total TIF-Eligible Project Costs and Expenditures through 2011

Permissible Cost Category	Eligible Cost Description	Estimated Project Costs	Project Costs Expended Through 2011	
			Expenditures	Percent of Total
1. Professional Services	Costs of studies, surveys, administration and professional services	\$1,300,000	\$58,454	4.5%
2. Marketing of Sites	Cost of marketing sites within RPA to prospective businesses, developers, investors	[1]	\$0	N/A
3. Property Assembly & Site Preparation	Property assembly costs, including acquisition, demolition, site preparation and environmental site improvement costs	\$6,200,000	\$0	N/A
4. Rehabilitation of Existing Public or Private Buildings	Costs of rehabilitation, reconstruction, repair or remodeling, and replacement of existing public or private buildings or fixtures	N/A	\$0	N/A
5. Public Works or Improvements	Costs of construction of public works and improvements	\$4,450,000 [2]	\$23,964	0.5%
6. Job Training and Retraining	Cost of job training and retraining implemented by businesses or other taxing bodies, including "welfare-to-work" programs, advanced vocational or career education	\$300,000	\$0	N/A
7. Financing Costs	Financing costs, including interest and issuance costs	[3]	\$0	N/A
8. Capital Costs	Taxing districts' capital costs resulting from redevelopment project	\$1,300,000	\$0	N/A
9. Increased Education Costs	Costs of reimbursing school districts for their increased costs attributable to TIF-assisted housing projects	[4]	\$0	N/A
10. Relocation Costs	Relocation costs	N/A	\$0	N/A
11. Payment in Lieu of Taxes	Payments in lieu of taxes	N/A	\$0	N/A
12. Interest Costs	Costs of reimbursing developers for interest costs on redevelopment projects	\$400,000	\$0	N/A
13. Affordable Housing Construction	Costs of construction, renovation, rehabilitation of housing for low-income and very low-income households	N/A	\$0	N/A
14. Day Care Reimbursements	Costs of day care services and operational costs of day care centers for low-income families in RPA	\$200,000	\$0	N/A
TOTAL REDEVELOPMENT PROJECT COSTS [5]		\$14,150,000	\$82,418	0.6%

Source: 105th/Vincennes TIF Plan, dated May 12, 1997 (with revisions September 20, 2001) and amended August 29, 2003.

[1] Marketing expenses may be included in Professional Services category.

[2] Public Works or Improvements line item may include reimbursement of Capital Costs including schools, as noted in the 105th/Vincennes TIF Plan.

[3] Total Redevelopment Project Costs in TIF Plan exclusive of capitalized interest, issuance costs and other financing costs.

[4] Line item was not explicitly included in TIF Plan Redevelopment Project Costs.

[5] All costs may be increased by the rate of inflation reflected in the Consumer Price Index (CPI) for All Urban Consumers for All Items for the Chicago-Gary-Kenosha, IL-IN-WI CMSA, published by the U. S. Department of Labor. Increases in estimated Total Redevelopment Project Costs of more than 5 percent, after adjustment for inflation from the date of adoption of the TIF Plan, are subject to amendment procedures as provided under the TIF Act.

2. Redevelopment Project Area Revenues and Expenditures

This chapter provides information on the incremental property tax revenue generated and associated expenditures within the RPA from its inception through December 31, 2011. A summary of non-TIF City funds expended in support of projects through the 2011 calendar year is also presented.

Growth in EAV and Revenue Generated within RPA

Incremental property tax revenues are generated based on the growth in equalized assessed value (EAV) that arises during the TIF district's existence, as compared to the initial EAV at the time of the TIF's original adoption. The RPA's initial EAV as of October 3, 2001 was \$1,268,074.² As of December 31, 2011, the total taxable EAV (for tax year 2010) of the RPA was \$8,143,193, representing growth in property value of 542 percent from the initial EAV.³

Exhibit 3. Growth in EAV: Tax Year 2000 – 2010

Tax Year	EAV	% Increase from Initial EAV
2000 - Initial EAV [1]	\$ 1,268,074	--
2010 - Current EAV	\$ 8,143,193	542%

Source: Cook County Clerk.

[1] The RPA was designated in 2001 with initial EAV from tax year 2000

This growth in EAV in the RPA generated a total of \$1.6 million in incremental property tax revenue from 2001 through the end of 2011, as displayed in **Exhibits 4 and 5** on the following page. Property tax is collected in the year after taxes are levied, therefore these exhibits cover the period through tax year 2010, for which property taxes were collected in calendar year 2011.

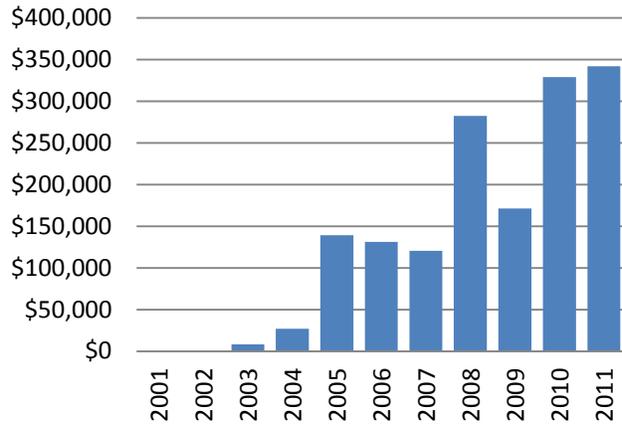
² Office of the Cook County Clerk, Certificate of Initial Equalized Assessed Valuation. Initial EAV is from tax year 2000, the most recent EAV available at the time of designation. The initial EAV was unchanged following the amendment of the 105th/Vincennes RPA boundary in August 2003.

³ Office of the County Clerk Tax Increment Agency Distribution Summary, Tax Year 2010.

Exhibit 4. Incremental Property Tax Revenue Collected, 2001 - 2011

Calendar Year	Incremental Property Tax Collected
2001	\$0
2002	\$0
2003	\$8,233
2004	\$27,224
2005	\$139,461
2006	\$131,496
2007	\$120,553
2008	\$282,661
2009	\$171,577
2010	\$329,008
2011	\$342,130
TOTAL INCREMENTAL PROPERTY TAX COLLECTED, 2001-2011	
	\$1,552,343

Exhibit 5. Annual Incremental Property Tax Revenue Collected



Source: TIF Annual Reports: Section (7)(D) in 2001-2009 Reports; Section 3.1 in 2010-2011 Reports. Property tax increment deposited in special tax allocation fund.

Transfers of TIF Funds

No funds were transferred (or “ported”) into the 105th/Vincennes tax allocation fund from adjacent TIF districts through December 31, 2011. No funds were transferred out from the 105th/Vincennes tax allocation fund to adjacent TIF districts through December 31, 2011.

City Expenditures within the RPA

From 2001 to 2011, \$82,418 in incremental property tax revenue was expended in support of projects within the RPA. Expenditures of TIF revenue over this period are presented in **Exhibit 2** (see page 7) by TIF-eligible cost categories outlined in the TIF Act.

Through 2011, the City of Chicago has not allocated or expended additional non-TIF resources in support of TIF-funded projects within the 105th/Vincennes RPA, as shown in **Exhibit 6** below.

Exhibit 6. Non-TIF City Investments in TIF-Supported Projects, 2001-2011

Source of Funds	Use of Funds	Allocation
No City controlled non-TIF resources have been allocated through December 2011.		

Source: City of Chicago Capital Management System database; 105th/Vincennes Redevelopment Agreements.

Declaration of Surplus Funds

No funds in the 105th/Vincennes tax allocation fund have been declared surplus through December 31, 2011.

3. Redevelopment Project Area Accomplishments

This chapter provides information on the status of TIF project activity, goals and objectives outlined in the TIF Plan. Detailed information on TIF-supported projects within the 105th/Vincennes RPA is provided, followed by a discussion of additional performance metrics relevant to the TIF district.

RPA Project Profiles – Major Accomplishments

Project profiles for TIF-supported projects within the 105th/Vincennes RPA that are underway or have been completed, as of December 31, 2011, are provided in **Exhibits 8 through 12** (see page 11).

Key project information presented includes total project costs, TIF investment (to date and expected), public-to-private investment ratio, permanent employment counts obligated under Redevelopment Agreements (“RDAs”), and additional community impacts resulting from or expected to result from these projects. The tables include public infrastructure improvements receiving funds through TIF. Projects that have been allocated TIF funds, but for which no TIF expenditures have occurred, are presented in **Exhibit 14** in the following section on planned projects (see page 14).

The public infrastructure projects receiving TIF investments, as reported in **Exhibit 12**, are displayed in **Exhibit 7** below (projects without defined locations are not mapped). Planned projects, as reported in **Exhibit 14**, are also featured in the map below.

Exhibit 7. TIF-Funded Project Map

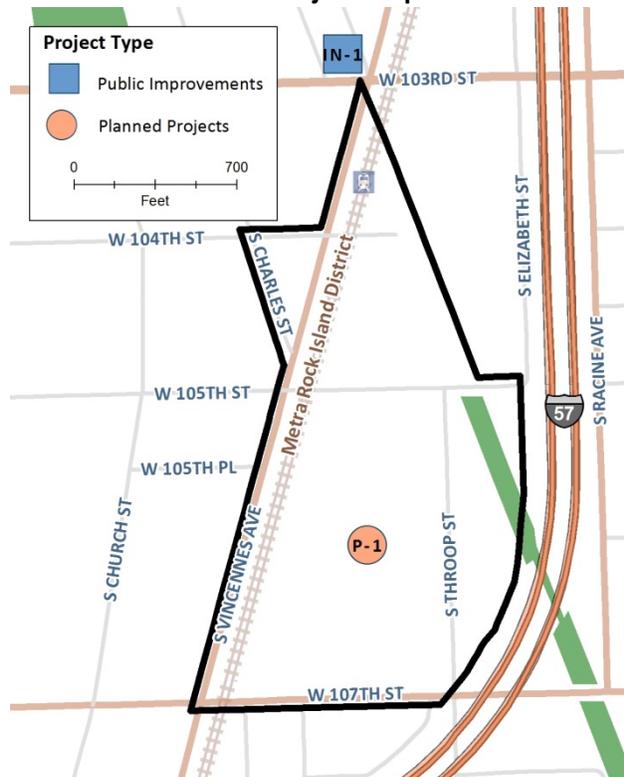


Exhibit 8. Redevelopment Agreement Projects

No Redevelopment Agreement Projects have received TIF funding through December 2011.

Source: City’s RDA and IGA database, dated November 6, 2012.

Exhibit 9. Redevelopment Agreement Projects: Community Impacts

No Redevelopment Agreement Projects have received TIF funding through December 2011.

Source: City’s RDA and IGA database, dated November 6, 2012.

Exhibit 10. Intergovernmental Agreement Projects

No Intergovernmental Agreement Projects have received TIF funding through December 2011.

Source: City’s RDA and IGA database, dated November 6, 2012.

Exhibit 11. TIF-Funded Programs

No TIF-Funded Programs have been established in the RPA through December 2011.

Source: City’s RDA and IGA database dated November 6, 2012, SBIF Grant Agreements provided by the City, TIFWorks Grant Agreements provided by the City, Housing Quarterly Reports.

Exhibit 12. Public Infrastructure Projects

Map ID	Project	Project Type	TIF Funding Allocated [1]	TIF Investment through 2011 [2]	Other City Controlled Sources		Description/ Key Community Impacts
					Source	Amount	
IN-1	Traffic Signal 103rd St. and Vincennes Ave.	Public Improvements	\$75,000	\$23,965	N/A	\$0	Improved traffic signal at 103rd Street and Vincennes Avenue.
TOTAL			\$75,000	\$23,965		\$0	

[1] Source: Capital Management System Database, 2002-2011. Projects listed as Complete or Active.

[2] Source: City of Chicago.

Additional Performance Metrics

Additional performance metrics associated with the RPA, including construction and permanent job creation, and change in equalized assessed value over time, are presented below.

CONSTRUCTION JOB CREATION

Temporary construction employment associated with private projects (those with RDAs) can be estimated using IMPLAN, an economic impact modeling program, which incorporates local employment and economic data from the U.S. Bureau of Labor Statistics (“BLS”) and Bureau of Economic Analysis (“BEA”). The inputs for the IMPLAN analysis are derived from the actual project budgets.

The 105th/Vincennes RPA currently does not have any privately funded projects, therefore no construction-related employment has been estimated to occur between 2001 and 2011.

PERMANENT JOB CREATION

Permanent job creation associated with private, non-residential and completed TIF-supported projects (see Redevelopment Agreement Projects in **Exhibit 8**) can be estimated using industry benchmarks and other available sources.

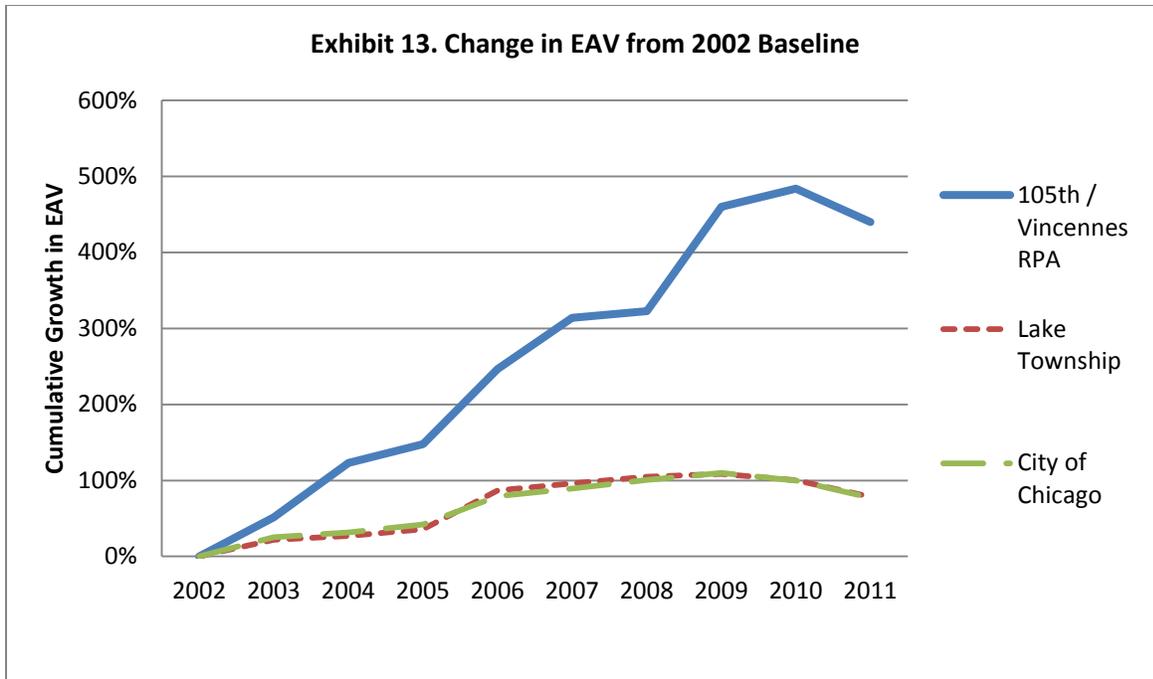
The 105th/Vincennes RPA currently does not have any completed private projects, therefore no permanent job creation has been estimated to occur between 2001 and 2011.

CHANGE IN EQUALIZED ASSESSED VALUE (EAV)

A comparison of the change in equalized assessed value over time in the RPA to larger geographies is one indication of the relative growth in property values in the RPA. Growth in property values from the creation of the RPA is one metric of the relative economic health of the RPA. The cumulative growth in total EAV for the RPA, Lake Township, and the City of Chicago, overall, is displayed in **Exhibit 13** on the following page for tax years 2001 through 2011.

Property values within the RPA have grown at a compound **annual growth rate of 20.6 percent** from tax year 2002⁴ to tax year 2011, while EAV in the Lake Township and the City of Chicago has grown at a compound annual growth rate of 6.7 percent and 6.6 percent, respectively.

⁴ The base line year for this analysis is 2002 based on available Cook County data. EAV data before exemptions at the tax code level was not updated until tax year 2002.



Source: Cook County Assessor's Office, EAV before exemptions.

Status of Planned Activities, Goals and Objectives

PLANNED ACTIVITIES

The projects presented in **Exhibits 8 through 12** include only those TIF-supported projects for which TIF funds have been expended through December 31, 2011. Planned projects are defined as those that have met substantial approval criteria for receiving TIF funds as of December 2012, but as of December 2011 had not received any TIF funding. These planned projects consist of:

- Projects with an executed RDA, or with an RDA under negotiation following approval by the Community Development Commission;
- IGAs that have received City Council approval but without TIF expenditures through 2011;
- TIF-funded programs for which funding has been approved but no TIF dollars expended; and
- Public infrastructure projects with prior approval but no expenditures through 2011, or projects included in the City's 2012-2014 TIF Projection Reports.

Information on planned projects in the RPA is presented in **Exhibit 14** on the following page and is mapped in **Exhibit 7** on page 10.

Exhibit 14. Planned Projects

Map ID	Project	Project Location	Project Type	Total Project Cost	Tentative TIF Funding [1]	Description
P-1	Renaissance Beverly Ridge	10500 S. Vincennes	Affordable Housing	\$49,616,220	\$11,900,000	This project consists of a new residential development including approximately 91 residential for-sale units; a minimum of 18 for-sale units will be made available for households earning at or below 100 percent AMI. Public infrastructure improvements for the development include the creation of a two-acre park, construction of new interior streets, landscaping, street lighting, and sidewalk improvements.
--	Americans with Disabilities Act (ADA) Ramp Installation	Various	Public Improvements	N/A	\$14,600	ADA ramp installation in priority areas.
TOTAL				\$49,616,220	\$11,914,600	

Source: Redevelopment Agreements, Intergovernmental Agreements, CDC reports, Capital Management System database, 2002-2011, TIF Projection Reports 2012-2014.

[1] Allocated TIF amount as specified in the Redevelopment Agreement, Intergovernmental Agreement, CDC report, TIF Projection Report, or Capital Management System database, excluding interest and financing costs.

Progress toward Achieving Goals and Objectives

The TIF Act requires that progress toward achieving goals and objectives outlined in the TIF Plan be addressed in the Report. **Exhibit 15** below presents a summary of the relevant projects and their progress in addressing the goals and objectives outlined in the TIF Plan through 2011.

Exhibit 15. Progress toward Achieving Goals and Objectives Outlined in 105th/Vincennes TIF Plan

Map ID	Project	Relevant Goals and Objectives Addressed
IN-1	Public Infrastructure Improvements	5, 6

Source: Capital Management System database.

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