

**TAX INCREMENT FINANCING
Ten (10) Year Status Report
2009-2017**

**Little Village East
Redevelopment Project Area
Designated April 22, 2009**



December 11, 2018

Pursuant to 65 ILCS 5/11-74.4-5

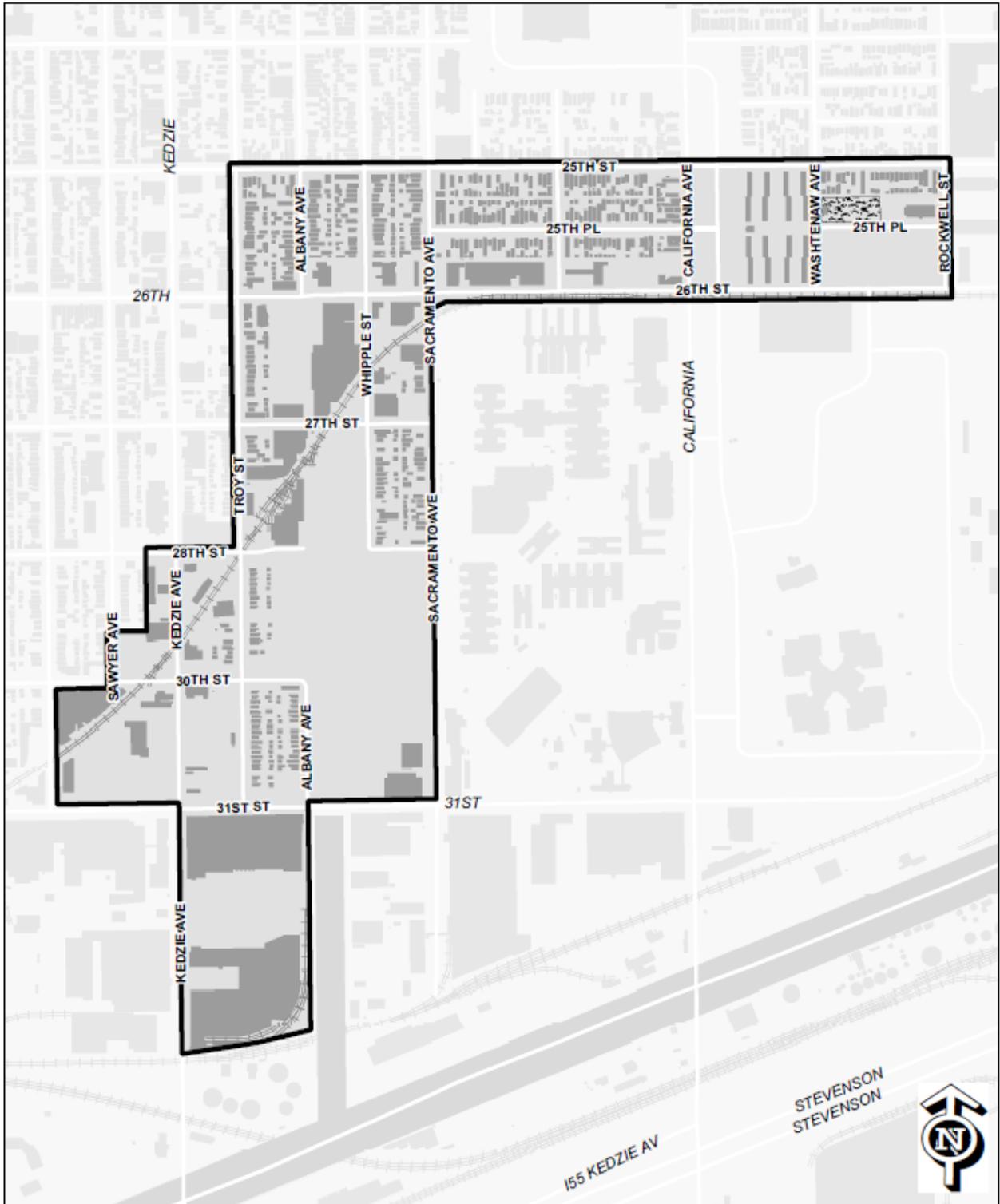
Prepared by

CITY OF CHICAGO
DEPARTMENT OF PLANNING AND DEVELOPMENT

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Executive Summary



LITTLE VILLAGE EAST REDEVELOPMENT PROJECT AREA

- Designated: April 22, 2009
- Expires: December 31, 2033
- 165 acres
- 652 parcel at time of designation

The 165-acre Little Village East TIF is a densely populated mix of residential, commercial and industrial buildings. Located within the South Lawndale community, the district is intended to redevelop outdated and obsolete properties with new uses that conform to modern standards. It's also designed to provide opportunities for property assembly and environmental remediation efforts that reinforce the area's business viability, especially along 26th Street, Kedzie Avenue and their environs. Funds are also intended to support improvements at area schools, to assist with the development and expansion of job training and day care programs for area residents and workers, and to reinforce buffer areas between residential and industrial land uses.

Little Village East RPA Activity –2009-2017

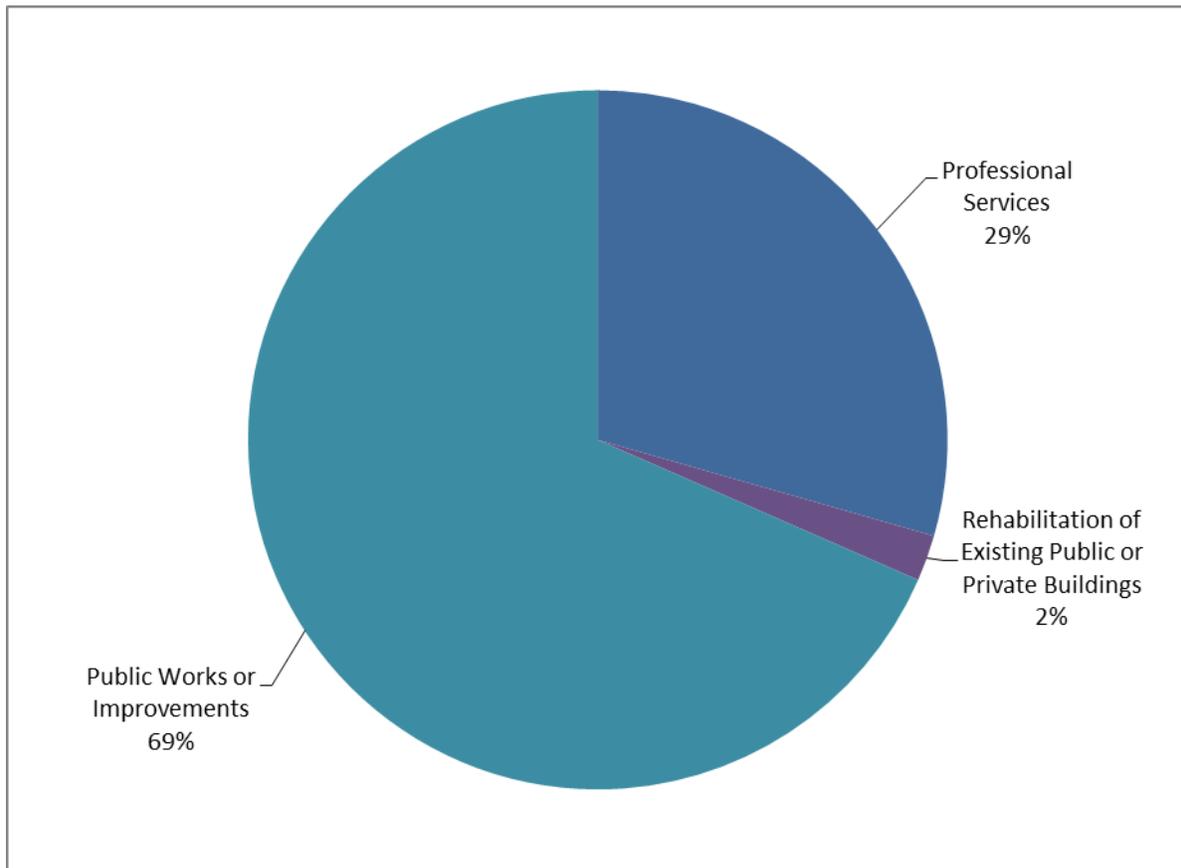
INVESTMENT SUMMARY

- \$80 thousand in public works improvements
- \$117 thousand in TIF Funds expended in this district

PROPERTY VALUE

- Equalized Assessed Value - Compound annual growth rate of -2.4 percent

DISTRIBUTION OF TIF-ELIGIBLE EXPENDITURES THROUGH 2017 [1]



[1] Additional detail on expenditures provided in Exhibit 2.

1. Redevelopment Project Area Information

In July 2010, the Tax Increment Financing (“TIF”) Allocation Redevelopment Act 65 ILCS 5/11-74.4-5-1, 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 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 2017 calendar year and the 2016 tax year. For informational purposes, certain other supplementary information, such as upcoming planned projects, is reported through December, 2017.

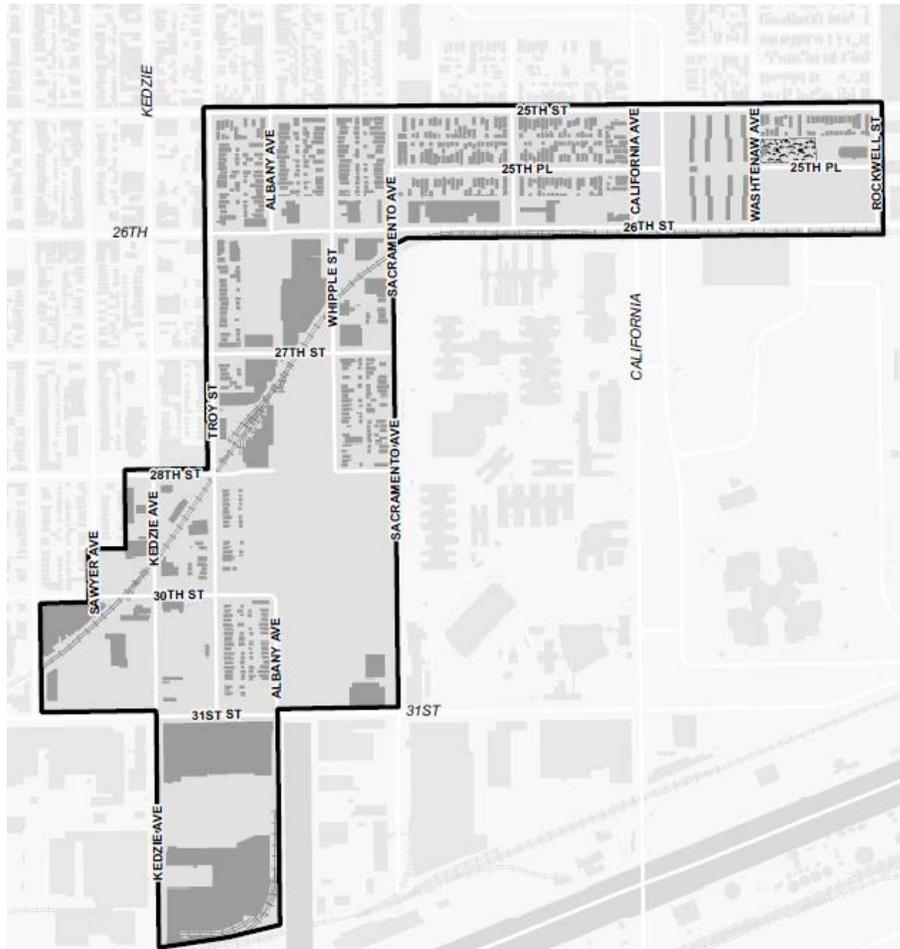
Detailed data on the Little Village East RPA was compiled to meet reporting requirements under the TIF Act and is presented in this Ten (10) Year Status Report (the “Report”). The Report contains various data from City of Chicago (“City”) departments, including audited financial statements, Redevelopment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

Project Area Context and Background

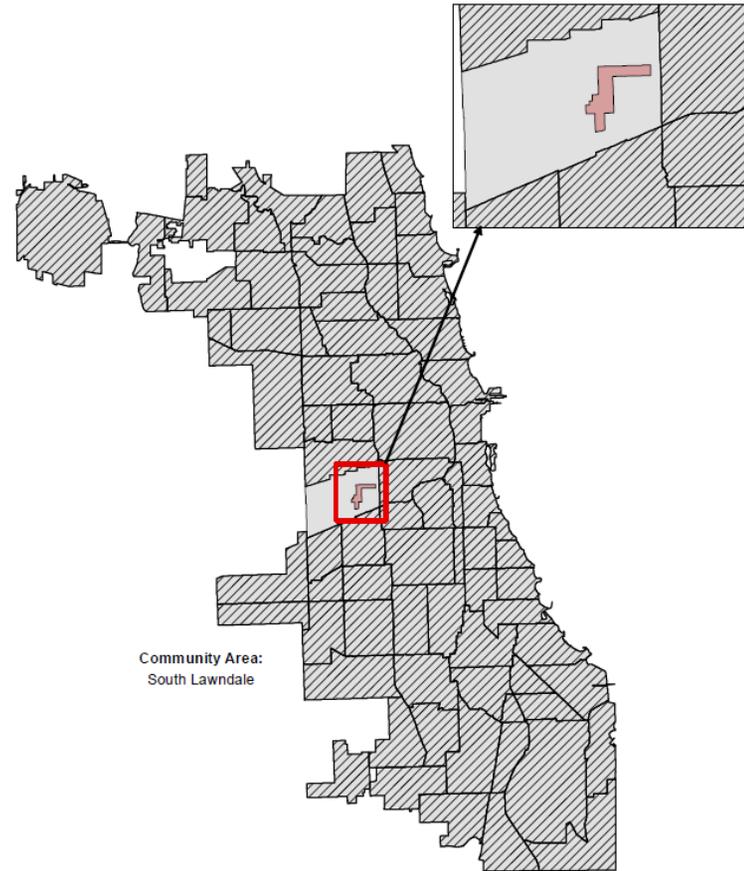
The approximately 165-acre Little Village East RPA is located on the west side of the City of Chicago (the “City”). It is bounded by Rockwell on the east, 25th Street on the north, 31st Street on the south, and Spaulding Avenue on the west. The RPA boundary is shown in **Exhibit 1** on the following page.

The Little Village East RPA was designated as a TIF district on April 22, 2009 and is expected to expire no later than December 31, 2033. There have been no major or minor amendments to the Little Village East Tax Increment Financing Redevelopment Plan and Project (the “TIF Plan”) as of December 31, 2017.

Exhibit 1. Little Village East RPA



Little Village East TIF Community Area



Conditions at Time of TIF Creation

The Little Village East RPA was determined to be eligible for TIF designation as a “conservation area” under the TIF Act. Designation as “conservation area” requires at least 50 percent of buildings be 35 years of age or older, and a minimum of three additional eligibility factors be present to a meaningful extent and reasonably distributed throughout the RPA. The following eligibility factors were described in the Little Village East TIF Plan:

- 96 percent of structures were found be at least 35 years of age or older
- Eligibility factors present to a major extent:
 - Presence of structures below minimum code standards;
 - Deterioration;
 - Inadequate Utilities;
 - Excessive land coverage and overcrowding of structures and community facilities; and
 - Deleterious land use or layout.

The Little Village East RPA contains 652 parcels, and land use within the 165-acre district is commercial, institutional, and residential.

Goals and Objectives for the RPA

The following nine (9) General Goals were outlined in the TIF Plan:

1. Reduce or eliminate those conditions that qualify the Redevelopment Project Area as a Conservation Area.
2. Provide new or improved public facilities and amenities.
3. Create green space where appropriate to enhance the Project Area.
4. Strengthen the economic well-being of the Project Area by enhancing the property and the local tax base.
5. Create new jobs within the Redevelopment Project Area.
6. Rehabilitate and revitalize the Project Area into an economically vibrant community with appropriate neighborhood commercial facilities and community uses.
7. Create an attractive environment through streetscape enhancements and other public improvements that encourage residential and commercial development, as well as improving the safety, healthfulness, and quality of life of the residential neighborhoods within the Project Area.
8. An improved system of roadways, utilities and other infrastructure
9. Provide additional parking where necessary to enhance access to shopping and community areas

Additionally, the Little Village East RPA maintains the following seven (7) Redevelopment Objectives:

1. Encourage private investment.
2. Direct development activities to appropriate locations within the Project Area in accordance with the land use plan and general land use strategies.

3. Facilitate development of underutilized property for uses that have demonstrated market support.
4. Strengthen the economic well-being of the Project Area.
5. Encourage accessibility for people with disabilities.
6. Create new job opportunities for residents by returning underutilized commercial and industrial properties to more active and intensive uses.
7. Enhance public safety in the Project Area by utilizing new urbanism design standards

Estimated Redevelopment Project Costs and Allocations

The estimated Redevelopment Project Costs outlined in the Little Village East TIF Plan total \$54 million. Through 2017, about \$117 thousand has been expended on TIF-supported projects within the RPA, representing 0.2 percent of estimated total Redevelopment Project Costs. Exhibit 2 on the following page displays the estimated eligible costs of the Little Village East Redevelopment Plan by statutory cost category.

Exhibit 2. Total TIF-Eligible Project Costs and Expenditures through 2017

Permissible Cost Category	Eligible Cost Description	Estimated Project Costs	Project Costs Expended Through 2017	
			Expenditures	Percent of Total
1. Professional Services	Cost of studies, surveys, administration, and professional services [1]	\$1,500,000	\$34,445	2.3%
2. Marketing of Sites	Costs of marketing sites within RPA to prospective businesses, developers, investors [1]	\$0	\$0	0.0%
3. Property Assembly & Site Preparation	Property costs assembly, including acquisition, demolition, site preparation, and environmental site improvement costs [2]	\$14,000,000	\$0	0.0%
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 [3]	\$10,000,000	\$2,500	0.0%
5. Public Works or Improvements	Costs of construction of public works and improvements [4]	\$13,000,000	\$80,092	0.6%
6. Job Training and Retraining	Costs of job training and retraining implemented by businesses or other taxing bodies, including "welfare-to-work" programs, advanced vocational or career education	\$5,500,000	\$0	0.0%
7. Financing Costs	Financing costs, including interest and issuance costs	\$0	\$0	0.0%
8. Capital Costs	Taxing districts' capital costs resulting from redevelopment project [3]	\$0	\$0	0.0%
9. Increased Education Costs	Costs of reimbursing school districts for their increased costs attributable to TIF-assisted housing projects [4]	\$0	\$0	0.0%
10. Relocation Costs	Relocation costs	\$3,000,000	\$0	0.0%
11. Interest Costs	Interest costs [5]	\$5,000,000	\$0	0.0%
12. Affordable Housing Construction	Costs of construction, renovation, rehabilitation of housing for low-income and very low-income households [3]	\$0	\$0	0.0%
13. Day Care Reimbursements	Costs of day care services and operational costs of day care centers for low-income families in RPA	\$2,000,000	\$0	0.0%
TOTAL REDEVELOPMENT PROJECT COSTS [3] [4] [5] [6]		\$54,000,000	\$117,037	0.2%

Source: Little Village East TIF Plan, dated November 7, 2008; Section 2 in 2009 TIF Annual Reports and Attachment K in 2010-2017 TIF Annual Reports.

[1] Professional Services line item may include the costs of marketing.

[2] Environmental remediation costs, originally a separate category, have been combined with Property Assembly & Site Preparation.

[3] Rehabilitation of Existing Public or Private Buildings line item may include the costs of affordable housing construction or rehabilitation.

[4] Public Works or Improvements line item may include (1) reimbursements to an elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (2) capital costs of taxing districts impacted by the redevelopment of the Project Area as noted in the TIF Plan.

[5] Interest Costs category includes Payments in Lieu of Taxes (PILOT).

[6] Total Redevelopment Project Costs in TIF Plan exclusive of interest on City-issued obligations, capitalized interest, issuance costs and other financing costs. 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.

2. Redevelopment Project Area Revenues and Expenditures

This chapter provides information on the incremental property tax revenue generated and associated expenditures within the Little Village East RPA from its inception through December 31, 2017. A summary of non-TIF City funds expended in support of projects through the 2017 calendar year is also presented.

Growth in EAV and Revenue Generated within Little Village East 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 was \$44,751,945. As of December 31, 2017, the total taxable EAV (for tax year 2016) of the RPA was \$36,865,813 representing a decline of 17.6 percent from the initial EAV.

Exhibit 3. Growth in EAV: Tax Years 2009-2017

Year	EAV	% Decrease from Initial EAV
2009 - Initial EAV	\$44,751,945	--
2017 - Current EAV	\$36,865,813	(17.6%)

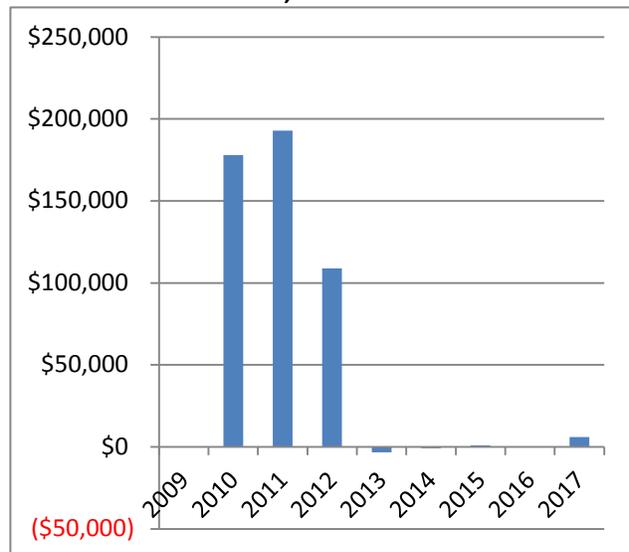
Source: Cook County Clerk.

The EAV in the RPA generated a total of approximately \$482 thousand in incremental property tax revenue from 2009 through the end of 2017, as displayed in **Exhibits 4 and 5**. Property tax is collected in the year after taxes are levied, therefore these exhibits cover the period through tax year 2016, for which property taxes were collected in calendar year 2017.

Exhibit 4. Annual Incremental Property Tax Revenue Collected, 2009-2017

Year	Incremental Property Tax Collected
2009	\$1
2010	\$177,877
2011	\$192,792
2012	\$108,801
2013	(\$3,335)
2014	(\$849)
2015	\$996
2016	(\$112)
2017	\$6,104
TOTAL INCREMENTAL PROPERTY TAX COLLECTED, 2009-2017	\$482,275

Exhibit 5. Annual Incremental Property Tax Revenue Collected, 2009-2017



Source: TIF Annual Reports: Section (7) (D) in 2009 reports; Section 3.1 in 2010-2017 Reports. Property tax increment is deposited in a special tax allocation fund for this TIF.

Transfers of TIF Funds

No funds were transferred (or “ported”) into the Little Village East special tax allocation fund from adjacent TIF districts through December 31, 2017. Additionally, no funds were transferred out of the Little Village East special tax allocation fund to adjacent TIF districts through December 31, 2017.

City Expenditures within the RPA

From 2009 to 2017, \$117 thousand in incremental property tax revenue was expended in support of projects within the Little Village East RPA. Expenditures of TIF revenue over this period are presented in **Exhibit 2** by TIF-eligible cost categories outlined in the TIF Act. **Exhibit 6** shows the additional non-TIF city investments that have been used to fund projects within the Little Village East RPA to date.

Exhibit 6. Non-TIF City Investments in TIF-supported Projects, 2009-2017

Source of Funds	Use of Funds	Allocation
Avondale, Pilsen and Little Village TIF districts	Little Village Paseo Study	\$246,000
Total Non-TIF Allocation on TIF Supported Projects		\$246,000

Source: RDA. See Exhibit 8.

Declaration of Surplus Funds

There were no declarations of surplus funds for this TIF district from inception through December 31, 2017.

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 Lincoln Village East 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 Little Village East RPA that are underway or have been completed, as of December 31, 2017, are provided in **Exhibits 8 through 12** on the following pages. Key project information presented includes total project costs, TIF investment (to date and expected), public-to-private investment ratio, and additional community impacts resulting from or expected to result from these projects.

Exhibit 7. TIF-Funded Project Map

There were no TIF-funded projects able to exhibit on the map.

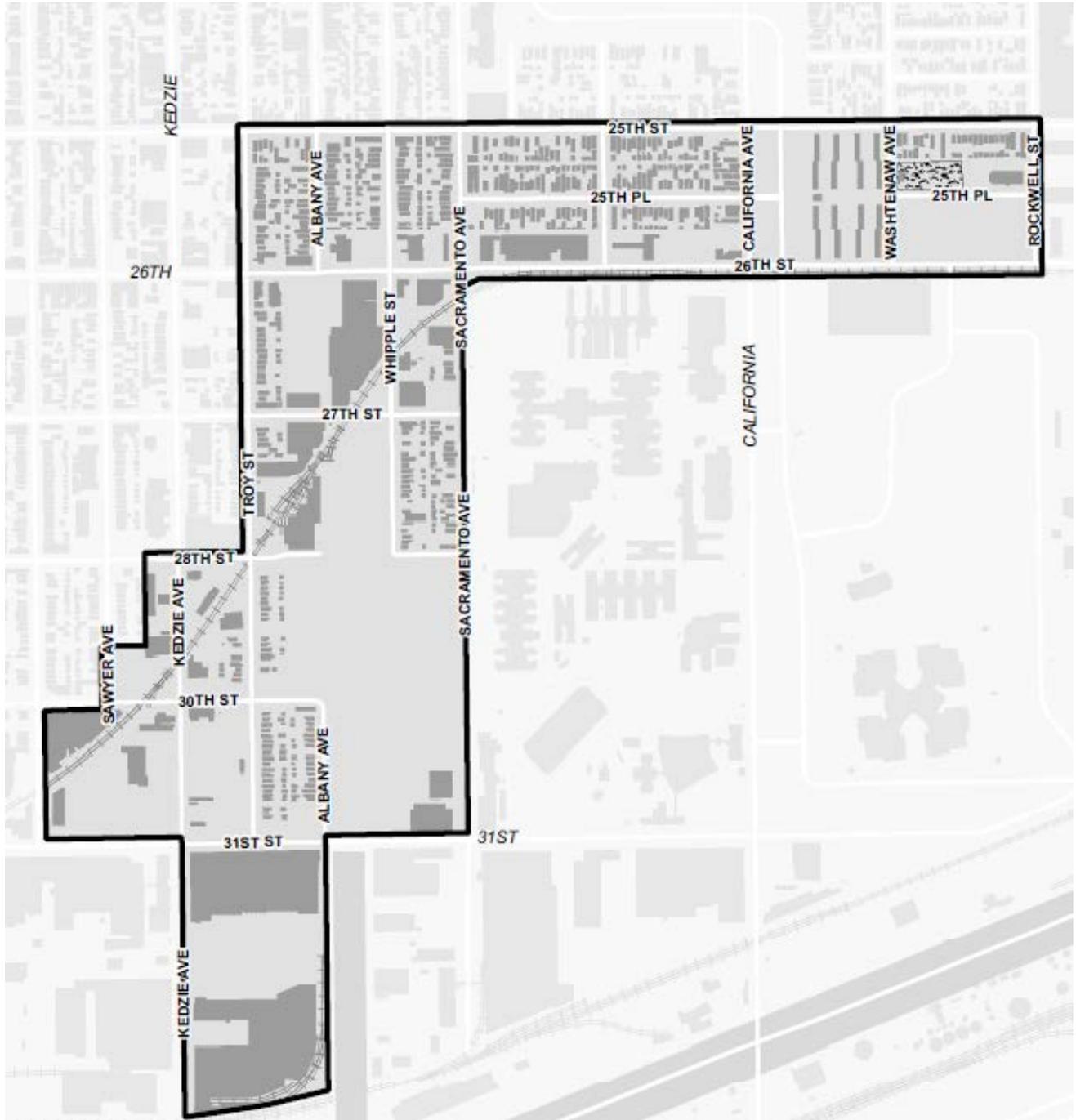


Exhibit 8. Redevelopment Agreement Projects

Map ID	Project	Status	Total Project Cost	TIF Funding Approved	TIF Investment to Date	Total Non-TIF Investment Expected	Other City-Controlled Sources		Ratio Non-TIF to TIF Investment
							Source	Funding Amount	
No Redevelopment Agreement Projects have received TIF funding through December, 2017.									
TOTAL			\$0	\$0	\$0	\$0	\$0	\$0	0.0

Source: City's RDA and IGA database, Capital Management System Database, TIF Annual Reports.

Exhibit 9. Redevelopment Agreement Projects: Community Impacts

Project	Project Address	Development Project Square Footage	RDA-Required Permanent Jobs	Number of Housing Units	Affordability Level (Percent of AMI)	Additional Expected Community Impacts
No Redevelopment Agreement Projects have received TIF funding through December, 2017.						
TOTAL		0	0	0		

Source: City's RDA and IGA database, Capital Management System Database, TIF Annual Reports.

Exhibit 10. Intergovernmental Agreement Projects

No Intergovernmental Agreement Projects have received TIF funding through December, 2017.

Source: City's RDA and IGA database, Capital Management System Database, TIF Annual Reports.

Exhibit 11. TIF - Funded Programs

Project	Project Type	Total TIF	Total Private	TIF Investment	Ratio of	Description/Key Community Impacts
LIRI/CSS/NBDC	Business Retention	\$3,110	N/A	\$3,110	N/A	Local Industrial Retention Initiative, Commercial Support Services, and Neighborhood Business Development Center grants to assist in funding business-
TOTAL		\$3,110		\$3,110		

[1] 2017 TIF Annual Report.

[2] On-line SBIF Database; City of Chicago for other programs.

Exhibit 12. Public Infrastructure Projects

Map ID	Project	Project Type	TIF Funding Allocated [1]	TIF Investment Through 2017 [1]	Other City-Controlled Sources [2]		Description/Key Community Impacts
					Source	Funding Amount	
IN-1	Traffic Lighting Improvements	Public Improvements	\$10,350	\$5,091	General Obligation Bonds	\$227,932	Pedestrian Countdown traffic lights at Red Light Cameras
IN-2	Paseo Feasibility Study	Public Improvements	\$145,000	\$75,000	N/A	N/A	Feasibility to study to create Pilsen/Little Village Paseo
TOTAL			\$155,350	\$80,091		\$227,932	

Source: Capital Management System database, City of Chicago expenditures data

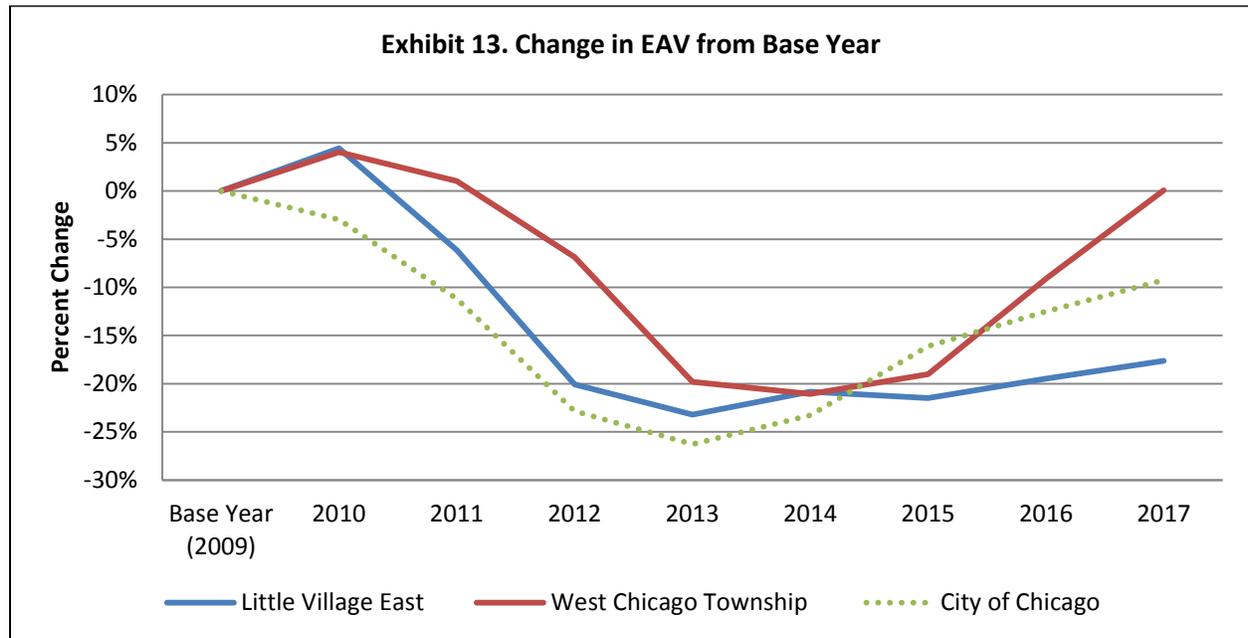
[1] City of Chicago Expenditure Data

[2] TIF Annual Reports, Capital Management System database

CHANGE IN EQUALIZED ASSESSED VALUE

A comparison of the change in EAV over time in the Little Village East 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 change in total EAV for the Little Village East RPA, West Chicago Township, and the City of Chicago, overall, is displayed in **Exhibit 13** on the following page for the base and tax years 2009 through 2017.

Property values within the Little Village East RPA have declined at a **compound annual growth rate (CAGR) of -2.4 percent** from tax year 2009 to tax year 2017 while EAV in the West Chicago Township stayed neutral, and City of Chicago has declined at a CAGR of -1.2 percent.



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, 2017. There are no additional planned projects in the Little Village East RPA, as confirmed by **Exhibit 14** below.

Exhibit 14. Planned Projects

No Planned Projects have received TIF funding through December, 2017.

Source: TIF Projection Reports 2017-2021, City of Chicago Expenditure Data, City RDA and IGA Database

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 Little Village East TIF Plan through 2017.

Exhibit 15. Progress Toward Achieving Objectives Outlined in Little Village East TIF Plan

Map ID	Project	Relevant Objectives Addressed
--	Traffic Lighting Improvements	7, 8
--	Paseo Feasibility Study	2, 3
--	LIRI/CSS/NBDC	7

Source: Redevelopment Agreements, Intergovernmental Agreements, City of Chicago TIF Program Tracking Data, Capital Management System Database.

