

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

**Irving Park/Elston  
Redevelopment Project Area  
Designated May 13, 2009**



**December 11, 2018**

Pursuant to 65 ILCS 5/11-74.4-5

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Prepared by

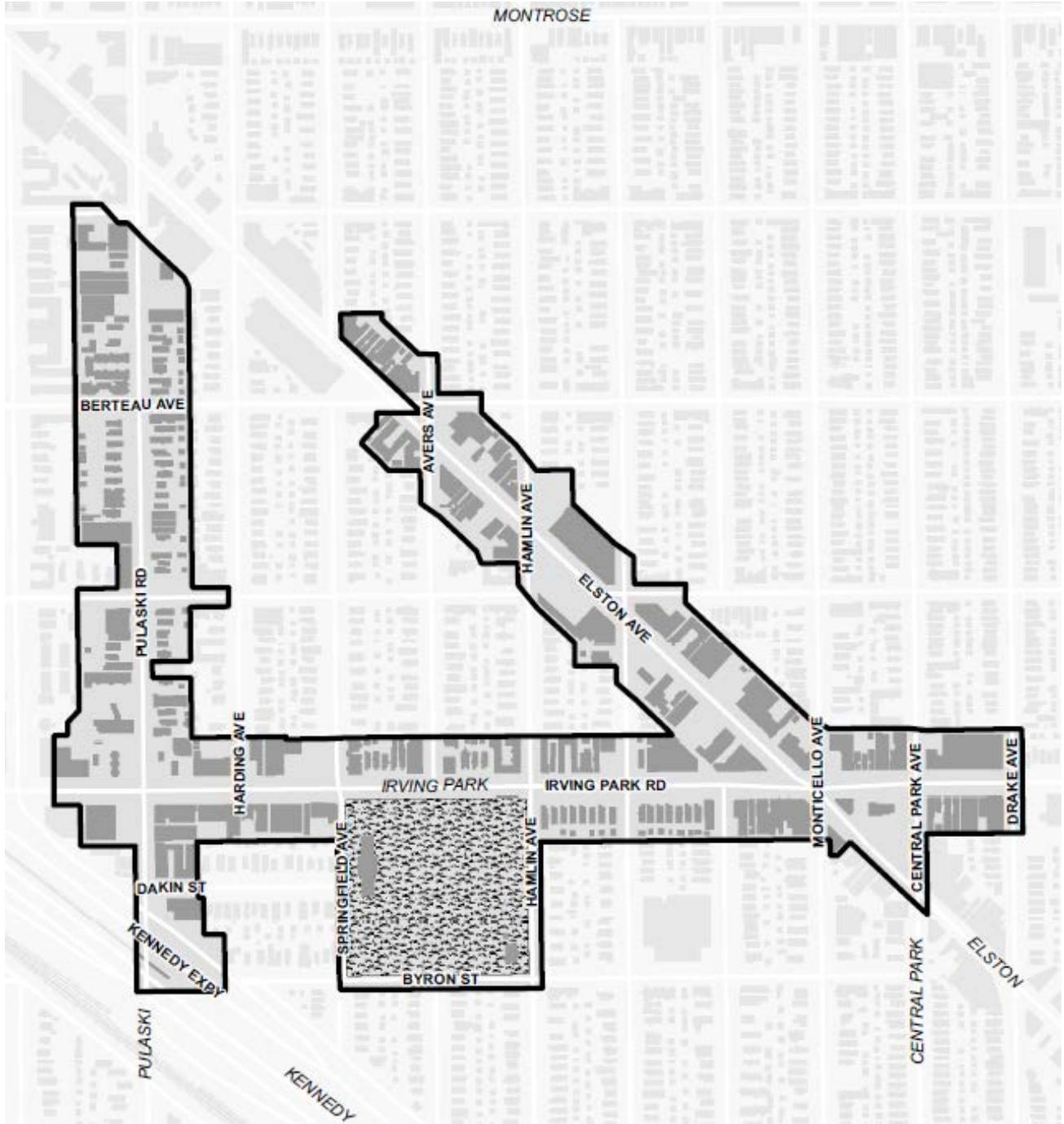
**CITY OF CHICAGO**  
**DEPARTMENT OF PLANNING AND DEVELOPMENT**

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# Executive Summary

## Irving Park/Elston Redevelopment Project Area



**IRVING PARK/ELSTON REDEVELOPMENT PROJECT AREA**

- Designated: May 13, 2009
- Expires: December 31, 2033
- 66 acres
- 270 parcels at time of designation

The purpose of the 66-acre Irving/Elston TIF is to facilitate the development and improvement of the district's commercial, mixed-use and community facilities. The district is also intended to improve the area's physical environment and infrastructure, including existing sidewalks, street furniture, pedestrian crosswalks, and other pedestrian-friendly amenities. Specific priorities include new street lighting and streetscape improvements along Irving Park Road and Elston Avenue, physical buffers between industrial, commercial and residential areas, and additional traffic signals, signage, and traffic calming mechanisms where necessary. Improvements that promote the use of public transportation and transit-related facilities are also prioritized. The Irving/Elston plan seeks to maintain and enhance most of the district's existing land uses, with the exception of industrial uses that should be replaced over time.

### Irving Park/Elston RPA Activity –2009-2017

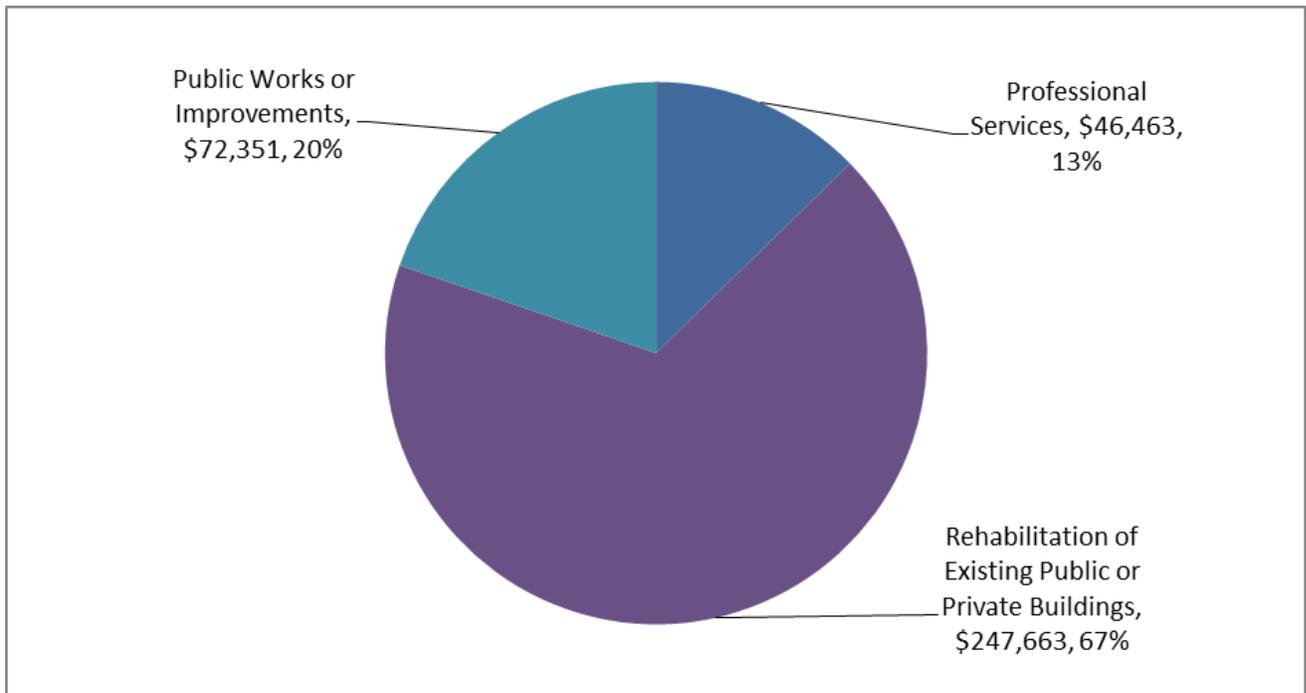
#### INVESTMENT SUMMARY

- \$366 thousand in TIF Funds expended in this district

#### PROPERTY VALUE

- Equalized Assessed Value - Compound annual growth rate of -1.5 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.

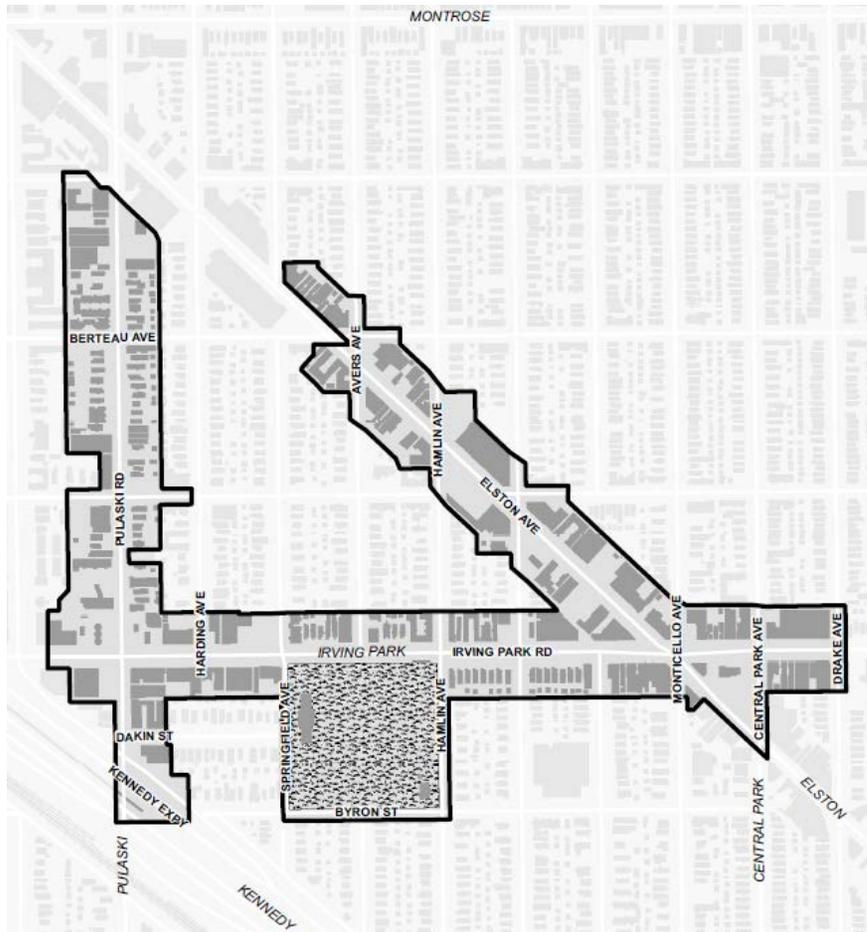
Detailed data on the Irving Park/Elston RPA was compiled to meet reporting requirements under the TIF Act and is presented in this Ten (10) Year Status Report (the “Report”). The Report contains various data from City of Chicago (“City”) departments, including audited financial statements, Redevelopment 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

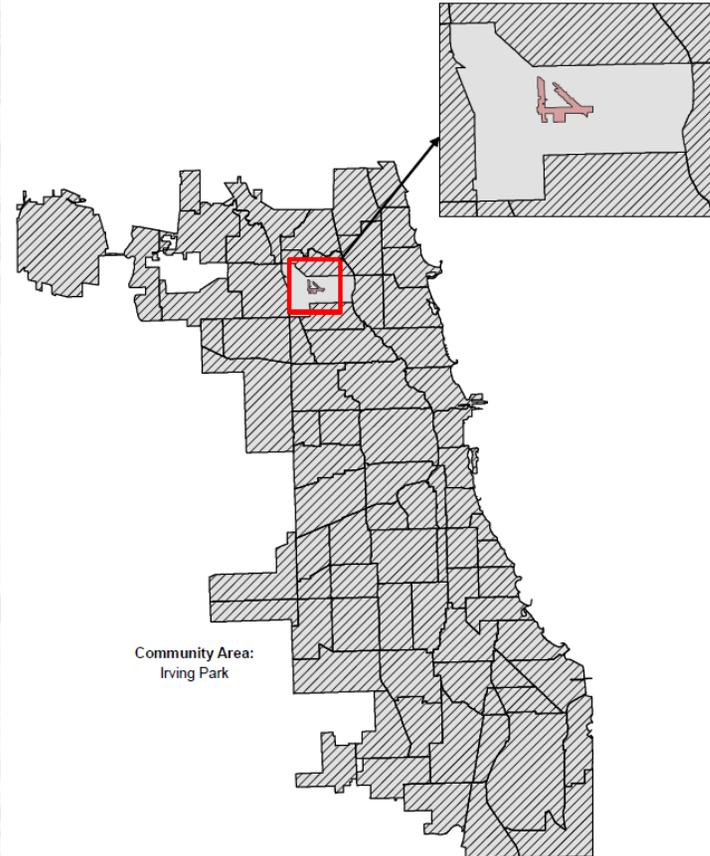
The approximately 166-acre Irving Park/Elston RPA is located on the northwest side of the City of Chicago (the “City”). It is bounded by Cullom Avenue on the north, Byron Street on the south, Drake Avenue on the east and Pulaski Road on the west. The RPA boundary is shown in **Exhibit 1** on the following page.

The Irving Park/Elston RPA was designated as a TIF district on May 13, 2009, and is expected to expire no later than December 31, 2033. There have been no major or minor amendments to the Irving Park/Elston Tax Increment Financing Redevelopment Plan and Project (the “TIF Plan”) as of December 31, 2017.

Exhibit 1. Irving Park/Elston RPA



Irving Park/Elston TIF Community Area



## Conditions at Time of TIF Creation

The Irving Park/Elston 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 Irving Park/Elston TIF Plan:

- 92 percent of structures were found be at least 35 years of age or older
- Eligibility factors present to a major extent:
  - Obsolescence;
  - Deterioration;
  - Lack of community planning;
  - Stagnant or declining equalized assessed value;
  - Excessive land coverage and overcrowding of structures and community facilities; and
  - Deleterious land use or layout.

The Irving Park/Elston RPA contains 270 parcels, and land use within the 166-acre district is predominantly commercial and open space.

## 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. Create streetscape improvements along Irving Park Road and Elston Avenue.
3. Install additional traffic signals, signage, and traffic calming mechanisms where necessary
4. Strengthen the economic well-being of the Project Area by enhancing property values and the local tax base.
5. Rehabilitate existing properties to enhance visual quality and retain businesses and jobs within the Project Area.
6. Create retail nodes to attract new commercial establishments, including restaurants, retail merchandise stores, and cultural or entertainment venues.
7. Create an attractive environment through streetscape enhancements and other public improvements that enhance commercial activity, as well as improving the safety healthfulness, and quality of life of the residential neighborhoods within the Project Area.
8. Preserve and enhance the historic or architecturally significant properties in the Project Area, including properties identified in the Chicago Historic Resources Survey.
9. Enhance the pedestrian environment.

Additionally, the Irving Park/Elston RPA maintains the following nine (9) 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. Encourage the development of new commercial/retail uses that serve the surrounding areas and Project Area residents.
5. Strengthen the economic well-being of the Project Area.
6. Encourage accessibility for people with disabilities.
7. Create new job opportunities for residents by returning underutilized commercial properties to more active and intensive uses.
8. Create buffers between residential and industrial or intensive commercial uses, and eventually replace industrial uses with residential and commercial uses.
9. Reduce the dominance of auto-service and small industrial businesses and attract new businesses serving the shopping, dining, and cultural needs of local residents.

### **Estimated Redevelopment Project Costs and Allocations**

The estimated Redevelopment Project Costs outlined in the Irving Park/Elston TIF Plan total \$38 million. Through 2017, about \$366 thousand has been expended on TIF-supported projects within the RPA, representing 1 percent of estimated total Redevelopment Project Costs. Exhibit 2 on the following page displays the estimated eligible costs of the Irving Park/Elston 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
<b>1. Professional Services</b>	Cost of studies, surveys, administration, and professional services [1]	\$1,500,000	\$46,463	3.1%
<b>2. Marketing of Sites</b>	Costs of marketing sites within RPA to prospective businesses, developers, investors [1]	\$0	\$0	0.0%
<b>3. Property Assembly &amp; Site Preparation</b>	Property costs assembly, including acquisition, demolition, site preparation, and environmental site improvement costs [2]	\$8,000,000	\$0	0.0%
<b>4. Rehabilitation of Existing Public or Private Buildings</b>	Costs of rehabilitation, reconstruction, repair or remodeling, and replacement of existing public or private buildings or fixtures [3]	\$13,000,000	\$247,663	1.9%
<b>5. Public Works or Improvements</b>	Costs of construction of public works and improvements [4]	\$7,000,000	\$72,351	1.0%
<b>6. Job Training and Retraining</b>	Costs of job training and retraining implemented by businesses or other taxing bodies, including "welfare-to-work" programs, advanced vocational or career education	\$1,500,000	\$0	0.0%
<b>7. Financing Costs</b>	Financing costs, including interest and issuance costs	\$0	\$0	0.0%
<b>8. Capital Costs</b>	Taxing districts' capital costs resulting from redevelopment project [3]	\$0	\$0	0.0%
<b>9. Increased Education Costs</b>	Costs of reimbursing school districts for their increased costs attributable to TIF-assisted housing projects [4]	\$0	\$0	0.0%
<b>10. Relocation Costs</b>	Relocation costs	\$2,000,000	\$0	0.0%
<b>11. Interest Costs</b>	Interest costs [5]	\$4,000,000	\$0	0.0%
<b>12. Affordable Housing Construction</b>	Costs of construction, renovation, rehabilitation of housing for low-income and very low-income households [3]	\$0	\$0	0.0%
<b>13. Day Care Reimbursements</b>	Costs of day care services and operational costs of day care centers for low-income families in RPA	\$1,000,000	\$0	0.0%
<b>TOTAL REDEVELOPMENT PROJECT COSTS [3] [4] [5] [6]</b>		<b>\$38,000,000</b>	<b>\$366,477</b>	<b>1.0%</b>

Source: Irving Park/Elston TIF Plan, dated January, 2009 ; 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 Irving Park/Elston 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 Irving Park/Elston 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 \$44,853,282. As of December 31, 2017, the total taxable EAV (for tax year 2016) of the RPA was \$39,743,597, representing a decline of 11.3 percent from the initial EAV.

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

Year	EAV	% Decrease from Initial EAV
2009 - Initial EAV	\$44,853,282	--
2017 - Current EAV	\$39,743,597	(11.3%)

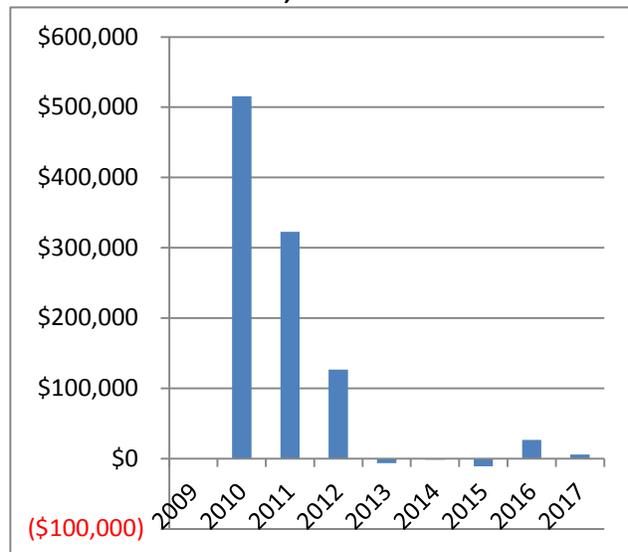
Source: Cook County Clerk.

This growth in EAV in the RPA generated a total of approximately \$3.3 million in incremental property tax revenue from 2008 through the end of 2016, 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 2015, for which property taxes were collected in calendar year 2016.

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

Year	Incremental Property Tax Collected
2009	\$0
2010	\$515,616
2011	\$322,640
2012	\$126,607
2013	(\$6,187)
2014	(\$1,444)
2015	(\$10,798)
2016	\$26,763
2017	\$5,696
<b>TOTAL INCREMENTAL PROPERTY TAX COLLECTED, 2009-2017</b>	<b>\$978,893</b>

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



Source: TIF Annual Reports: Section (7) (D) in 2009 report; 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 Irving Park/Elston special tax allocation fund from adjacent TIF districts through December 31, 2017. Additionally, no funds were transferred out of the Weed/Fremont special tax allocation fund to adjacent TIF districts through December 31, 2017.

## City Expenditures within the RPA

From 2009 to 2017, \$366 thousand in incremental property tax revenue was expended in support of projects within the Irving Park/Elston 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** below confirms that no additional non-TIF city investments have been used to fund projects within the Irving Park/Elston RPA to date.

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

Non-TIF City Investments have not been utilized in this TIF district.

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.

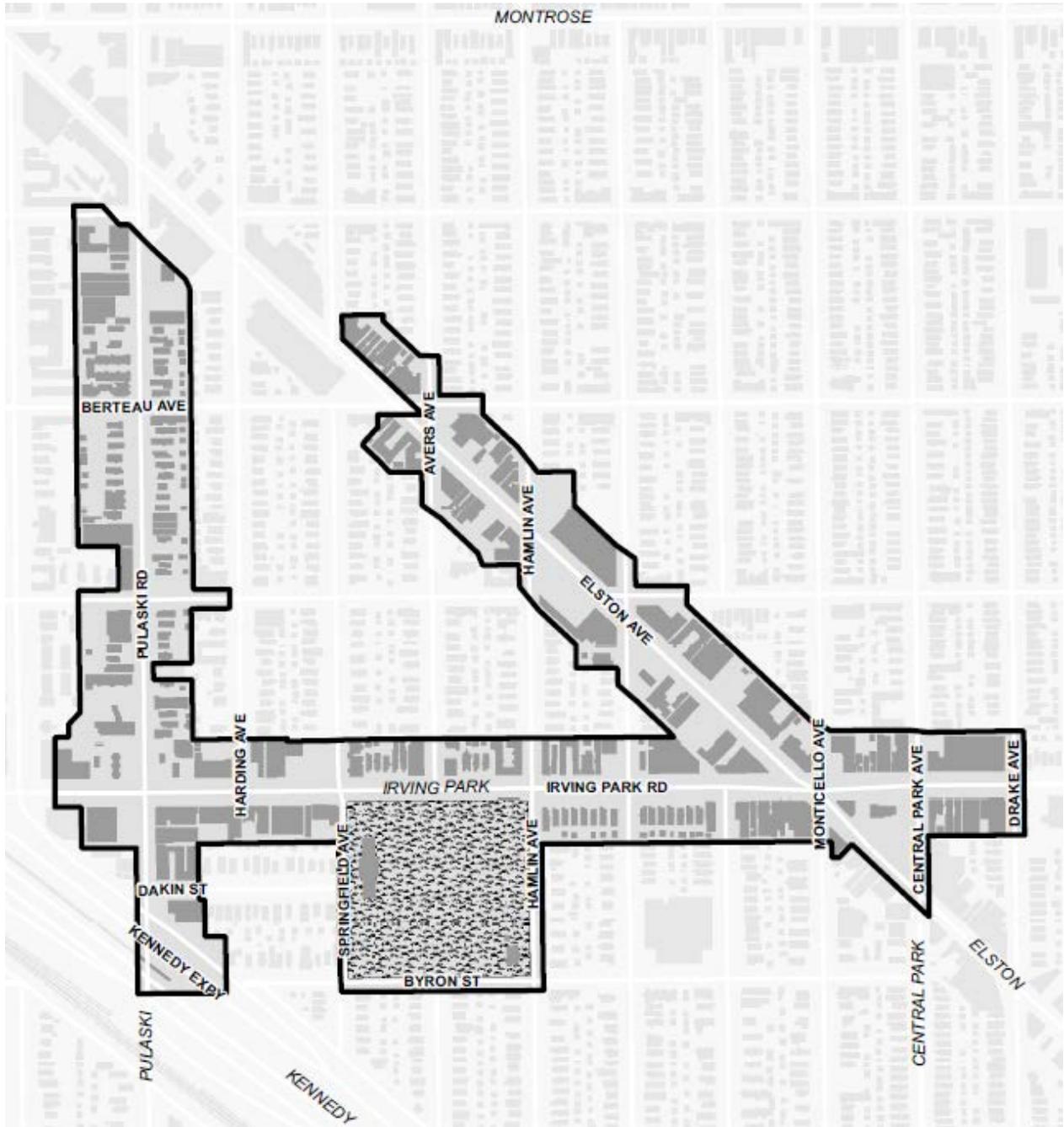
## 3. Redevelopment Project Area Accomplishments

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 Irving Park/Elston 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 Irving Park/Elston 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**



The public infrastructure and planned projects do not have a defined location and are unable to be mapped.

**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	
<b>No Redevelopment Agreement Projects have received TIF funding through December, 2017.</b>									
<b>TOTAL</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>	<b>0.0</b>

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
<b>No Redevelopment Agreement Projects have received TIF funding through December, 2017.</b>						
<b>TOTAL</b>		<b>0</b>	<b>0</b>	<b>0</b>		

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 Funding Expected	Total Private Investment Through 2017	TIF Investment Through 2017	Ratio of Non-TIF to TIF Investment	Description/Key Community Impacts
LIRI/CSS/NBDC	Business Retention	\$13,455	N/A	\$13,455	N/A	Local Industrial Retention Initiative, Commercial Support Services, and Neighborhood Business Development Center grants to assist in funding business-oriented programs and services within the TIF.
<b>TOTAL</b>		<b>\$13,455</b>		<b>\$13,455</b>		

**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	
--	Projected Bike Lanes	Public Improvements	\$78,291	\$44,650	N/A	N/A	Projected bike lanes throughout the area.
<b>TOTAL</b>			<b>\$78,291</b>	<b>\$44,650</b>			

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

[1] City of Chicago Expenditure Data

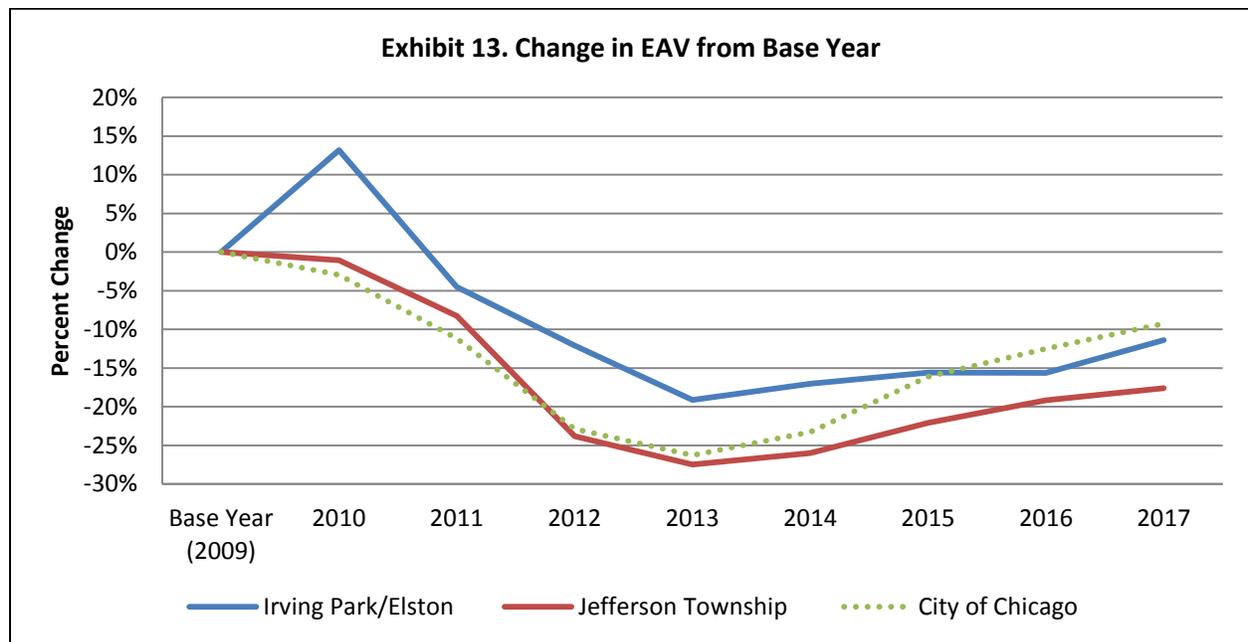
[2] TIF Annual Reports, Capital Management System database

## Additional Performance Metrics

### CHANGE IN EQUALIZED ASSESSED VALUE

A comparison of the change in EAV over time in the Irving Park/Elston 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 Irving Park/Elston RPA, Jefferson 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 Irving Park/Elston RPA have declined at a **compound annual growth rate (CAGR) of -1.5 percent** from tax year 2009 to tax year 2017. The EAV in the Jefferson Township and the City of Chicago have also declined at a CAGR of -2.4 percent and -1.2 percent, respectively.



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. The planned project in the Irving Park/Elston RPA is shown in **Exhibit 14** below.

Exhibit 14. Planned Projects

Map ID	Project	Project Location	Project Type	Total Project Cost	Tentative TIF Funding [1]	Description
--	Street Lightng Improvements	City-wide	Public Improvements	\$400,000	\$400,000	Smart Lighting throughout the City.
<b>TOTAL</b>				<b>\$400,000</b>	<b>\$400,000</b>	

[1] TIF Projection Reports 2018-2022, 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 Irving Park/Elston TIF Plan through 2017.

### **Exhibit 15. Progress Toward Achieving Goals Outlined in Irving Park/Elston TIF Plan**

<b>Map ID</b>	<b>Project</b>	<b>Relevant Goals Addressed</b>
--	LIRI/CSS/NBDC	6
--	Protected Bike Lanes	2, 3
--	Street Lighting Improvements	2

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

