

**TAX INCREMENT FINANCING
Ten (10) Year Status Report
2010-2018**

**Ewing Avenue
Redevelopment Project Area
Designated March 10, 2010**



December 10, 2019

Pursuant to 65 ILCS 5/11-74.4-5

Prepared by

CITY OF CHICAGO
DEPARTMENT OF PLANNING AND DEVELOPMENT

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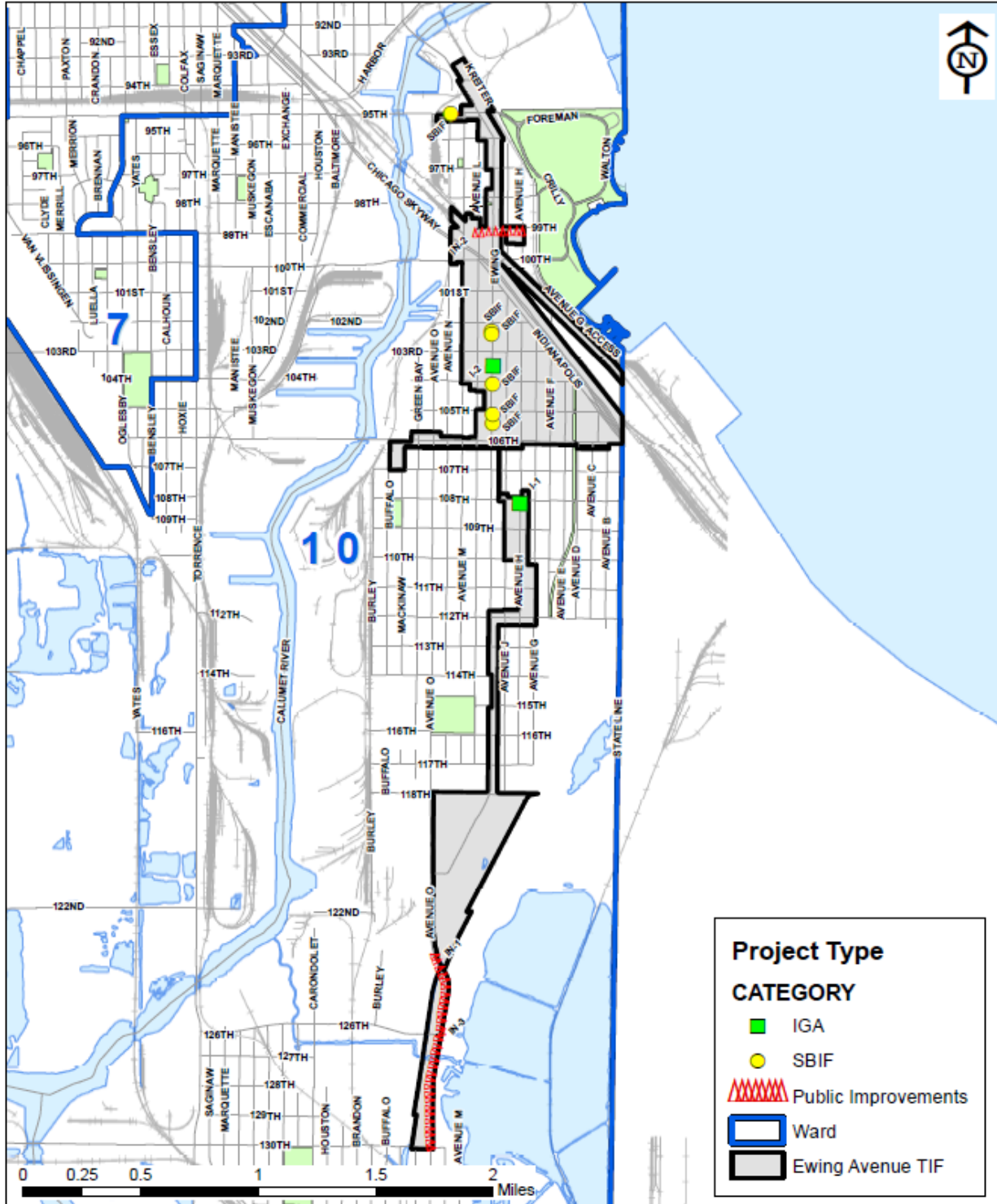
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Executive Summary

EWING AVENUE TIF DISTRICT PROJECT MAP



EWING AVENUE REDEVELOPMENT PROJECT AREA

- Designated: March 10, 2010
- Expires: December 31, 2034
- 348 acres
- 1,116 parcels at time of designation

The Ewing Avenue Tax Increment Redevelopment Project Area (“Ewing Avenue RPA” or “RPA”) was designated on March 10, 2010. The Ewing Avenue TIF district is intended to provide redevelopment in the Hegewisch and East Side community areas. The 348-acre area is characterized by buildings and infrastructure improvements and a vacant area that has been subdivided but never developed. The TIF’s increment is targeted for public works improvements, including streets and utilities, parks and open spaces, educational facilities, and other structures. Funds are also targeted for ongoing survey work, property assembly expenses, and other redevelopment costs.

Ewing Avenue RPA Activity –2010-2018

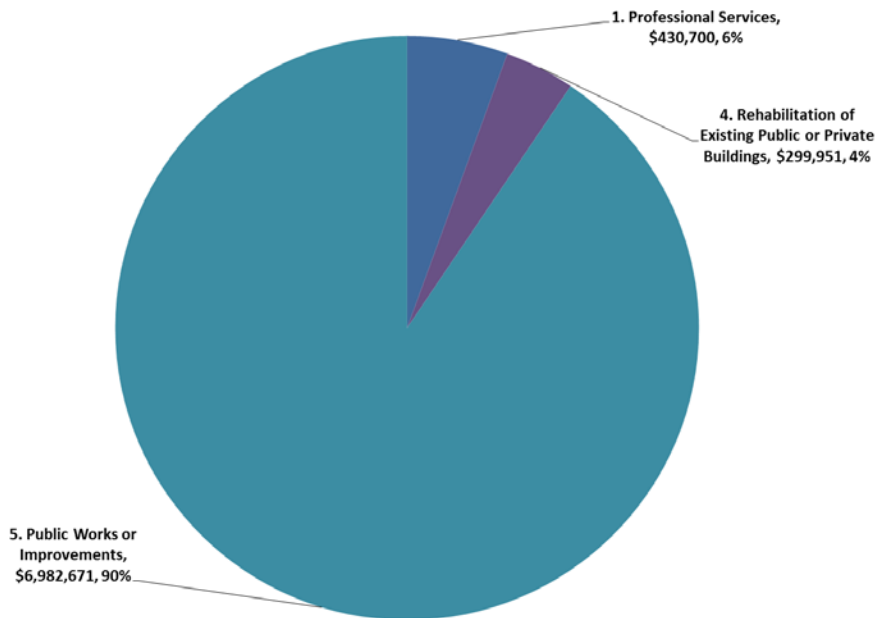
INVESTMENT SUMMARY

- \$3.96 million in TIF Funds allocated for infrastructure improvements
- \$2.7 million in TIF funds allocated for Intergovernmental Agreements (IGAs) for two schools
- \$279,674 in Small Business Improvement Fund (SBIF) grant awards to 7 business owners

PROPERTY VALUE

- Equalized Assessed Value - Compound annual growth rate of -2.8 percent

DISTRIBUTION OF TIF-ELIGIBLE EXPENDITURES THROUGH 2018 [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 2018 calendar year and the 2017 tax year. For informational purposes, certain other supplementary information, such as upcoming planned projects, is reported through December 2018.

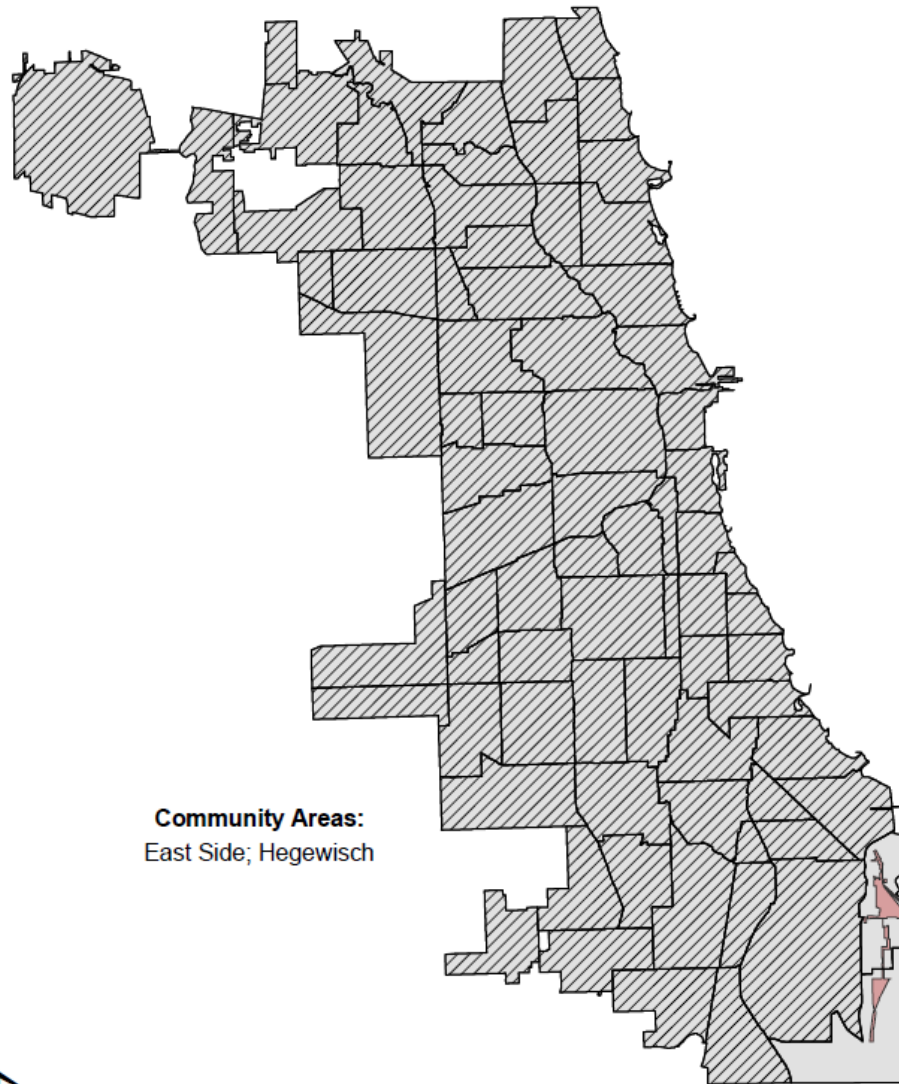
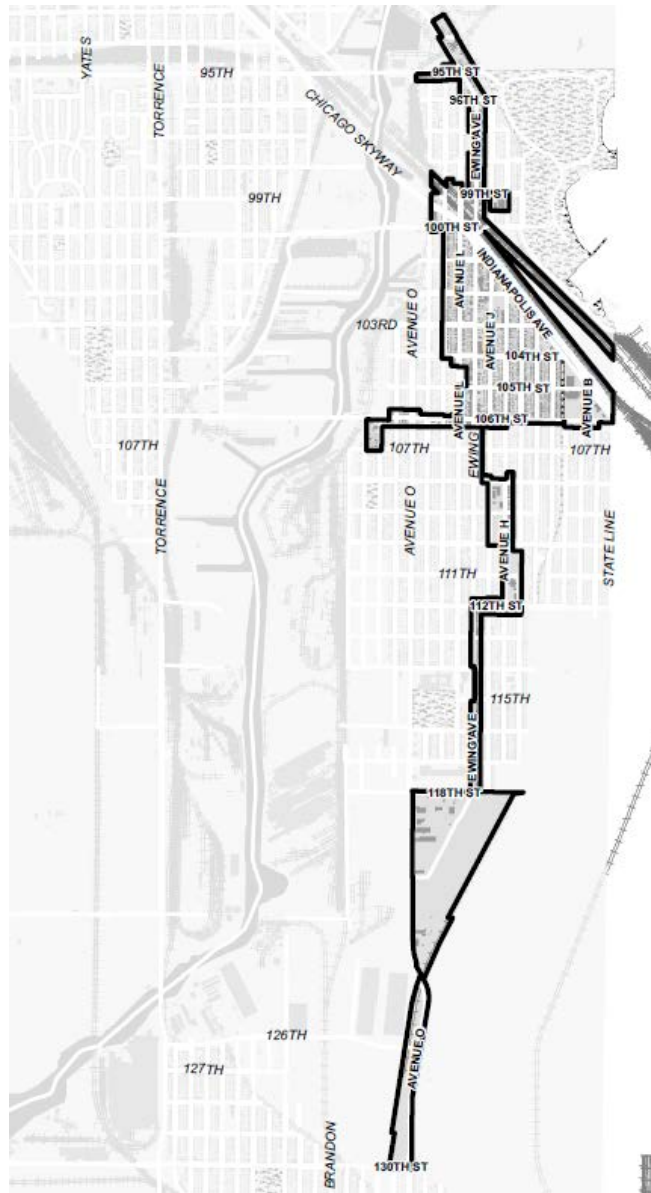
Detailed data on the Ewing Avenue RPA was compiled to meet reporting requirements under the TIF Act and is presented in this Ten (10) Year Status Report (the “Report”). The Report contains various data from City of Chicago (“City”) departments, including audited financial statements, Redevelopment Agreements,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

Project Area Context and Background

The approximately 348-acre Ewing Avenue RPA is located in Hegewisch and East Side community areas. The Project Area is generally bounded by 93rd Street on the north, Indianapolis Boulevard and the Illinois state line on the east, 130th Street on the south and Buffalo Avenue and Avenue O on the west. The RPA boundary is shown in **Exhibit 1** on the following page.

The Ewing Avenue RPA was designated as a TIF district on March 10, 2010, and is expected to expire no later than December 31, 2034. There was one amendment on September 8, 2010 to the Ewing Avenue Tax Increment Financing Redevelopment Plan and Project (the “TIF Plan”) to update the legal description.

Exhibit 1. Ewing Avenue RPA



Community Areas:
East Side; Hegewisch

Conditions at Time of TIF Creation

The Ewing Avenue RPA was determined to be eligible for TIF designation as both a “conservation area” and “blighted area” under the TIF Act. To qualify under the conservation area designation for the improved property within the RPA, the TIF Act 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. To qualify under the vacant blighted area designation within the RPA, the TIF Act requires a minimum of one vacant land eligibility criteria met. The following eligibility factors were described in the Ewing Avenue TIF Plan:

Improved Area:

- 88 percent of structures were found be at least 35 years of age or older
- Eligibility factors present to a major extent:
 - Deterioration;
 - Inadequate utilities;
 - Declining or Lagging EAV; and
 - Lack of community planning.
- Minor supporting factors:
 - Obsolescence;
 - Excessive Vacancies;
 - Excessive land coverage and overcrowding of structures and community facilities; and
 - Deleterious land use or layout.

Vacant Area:

- Eligibility factors present to a major extent:
 - Multi-Factor Criteria Impair Sound Growth - a combination of two or more of 6 blighting factors listed in the Act. The Vacant Area exhibits the following:
 - Tax Delinquencies
 - Deterioration of Adjacent Improvements
 - Declining or Lagging EAV
 - Unused disposal site

Land use within the 348-acre district is predominantly residential. Complementing uses within the residential areas include public and institutional school uses and park and open space facilities. Infill development should be encouraged that respects and complements the character and architecture of the existing properties. Other land uses that are included in the area are commercial, mixed-use, and industrial.

Goals and Objectives for the RPA

The main goal of the TIF is to rehabilitate and redevelop obsolete residential and commercial properties into more appropriate residential, commercial, and mixed-use developments. The following eight (8) General Goals were outlined in the TIF Plan:

1. An environment that will contribute more positively to the health, safety and general welfare of the Project Area and the surrounding community.
2. An improved quality of life in the Project Area and the surrounding communities.
3. Elimination of the factors that qualified the Improved Area as a conservation area and the Vacant Area as a blighted area.
4. New and improved public school facilities that adequately serve the needs of the community.
5. A community that is stable, economically and racially diverse, secure, and beautiful.
6. New investment and development opportunities that will increase the real estate tax base of the City and other taxing districts having jurisdiction over the Project Area.
7. Increased employment options for community residents.
8. Improvement and enhancement of public parks and open spaces that serve the neighboring residents, complements adjacent uses, and provides effective and attractive pedestrian connections.

Moreover, the goals above are reinforced by the following twelve (12) Redevelopment Objectives for the Ewing Avenue RPA:

1. Create an environment that stimulates private investment in the Project Area.
2. Strengthen the economic well-being of the Project Area by returning vacant and underutilized properties to the tax rolls.
3. Provide for new and/or improved public facilities to serve a growing residential community, particularly schools, community centers and parks, as appropriate.
4. Support the development of new housing, including for sale and rental units at market rate and affordable prices.
5. Strengthen the main commercial corridors of 106th Street, Indianapolis Boulevard and Ewing Avenue by encouraging new commercial at key intersections and mixed use development opportunities along the corridors.
6. Assemble or encourage the assembly of vacant land into parcels of appropriate shape and sufficient size for redevelopment in accordance with this Redevelopment Plan.
7. Encourage visually attractive buildings, rights-of-way and open spaces and encourage high standards of design.
8. Upgrade public utilities, infrastructure and streets, including streetscape and beautification projects.
9. Create a strong, sustainable system of parks and open spaces that link the Project Area to amenities, parks and boulevards in the greater Chicago community.
10. Create new job opportunities for City residents utilizing the most current hiring programs and appropriate job training programs.
11. Provide opportunities for women-owned, minority-owned and local businesses and local residents to share in the redevelopment of the Project Area.
12. Encourage improvements in accessibility for people with disabilities.

Estimated Redevelopment Project Costs and Allocations

The estimated Redevelopment Project Costs outlined in the Ewing Avenue TIF Plan total \$82 million. Through 2018, about \$7.7 million has been expended on TIF-supported projects within the RPA, representing 9.4 percent of estimated total Redevelopment Project Costs. **Exhibit 2** on the following page displays the estimated eligible costs of the Ewing Avenue Redevelopment Plan by statutory cost category.

Exhibit 2. Total TIF-Eligible Project Costs and Expenditures through 2018

Permissible Cost Category	Eligible Cost Description	Estimated Project Costs	Project Costs Expended Through 2018	
			Expenditures	Percent of Total
1. Professional Services	Cost of studies, surveys, administration, and professional services [1]	\$4,100,000	\$430,700	10.5%
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]	\$6,560,000	\$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]	\$12,300,000	\$299,951	2.4%
5. Public Works or Improvements	Costs of construction of public works and improvements [4]	\$45,100,000	\$6,982,671	15.5%
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	\$4,100,000	\$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	\$820,000	\$0	0.0%
11. Interest Costs	Interest costs [5]	\$8,200,000	\$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	\$820,000	\$0	0.0%
TOTAL REDEVELOPMENT PROJECT COSTS [3] [4] [5] [6]		\$82,000,000	\$7,713,322	9.4%

Source: Ewing Avenue TIF Plan, dated September 29, 2009 (Revised February 9, 2010); Attachment K in 2010-2016 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 Ewing Avenue RPA from its inception through December 31, 2018. A summary of non-TIF City funds expended in support of projects through the 2018 calendar year is also presented.

Growth in EAV and Revenue Generated within Ewing Avenue 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 \$52,994,264. As of December 31, 2018, the total taxable EAV of the RPA was \$45,731,877, representing a decline of 13.7 percent from the initial EAV.

Exhibit 3. Growth in EAV: Tax Year 2010-2018

Year	EAV	% Change from Initial EAV
2010 – Initial EAV	\$52,994,264	--
2018 – Current EAV	\$45,731,877	-13.7%

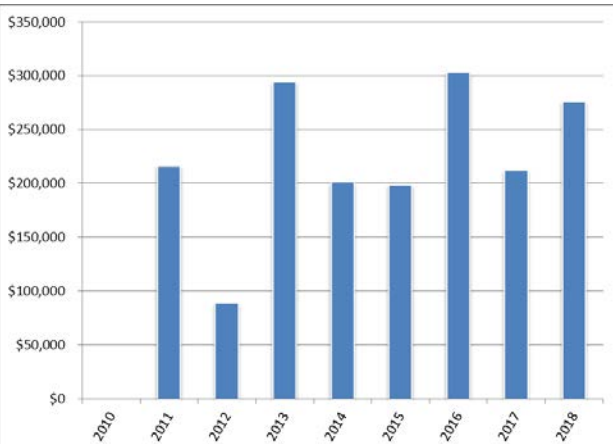
Source: Cook County Clerk.

This change in EAV in the RPA generated a total of \$1.79 million in incremental property tax revenue from 2010 through the end of 2018, 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 2017, for which property taxes were collected in calendar year 2018.

Exhibit 4. Annual Incremental Property Tax Revenue Collected, 2010-2018

Year	Incremental Property Tax Collected
2010	\$0
2011	\$215,978
2012	\$88,916
2013	\$294,047
2014	\$200,973
2015	\$198,510
2016	\$303,122
2017	\$211,794
2018	\$275,802
TOTAL INCREMENTAL PROPERTY TAX COLLECTED, 2010-2018	\$1,789,142

Exhibit 5. Annual Incremental Property Tax Revenue Collected, 2010-2018



Source: TIF Annual Reports: Section 3.1 in Reports. Property tax increment is deposited in a special tax allocation fund for this TIF. Negative increments is generally due to property owners’ successful appeals of assessed values in prior years, resulting in property tax refunds which if greater than the annual increment for the year of refund, show up as negative increment. Negative increments are not due to declarations of surplus, transfer of funds to adjacent TIFs, or total TIF EAV being less than the base EAV.

Transfers of TIF Funds

A total of \$6,508,056 was transferred (or “ported”) in to the Ewing Avenue special tax allocation fund from the adjacent Lake Calumet Area Industrial TIF district through December 31, 2018. The funds were ported for the following purposes:

In 2010, \$1,773,456 was ported in from the Lake Calumet Area Industrial TIF for the expenses related to the street resurfacing of Avenue O between 123rd Street and 126th Street.

In 2011, \$300,000 was ported in from the Lake Calumet Area Industrial TIF for the expenses related to the Small Business Improvement Fund Program.

In 2013, \$2,734,600 was ported in from the Lake Calumet Area Industrial TIF for the street resurfacing of Avenue O from 126th Street to 130th Street.

In 2016, \$1.7 million was ported in from the Lake Calumet Area Industrial TIF for the Matthew Gallistel Language Academy located at 10347 South Ewing Avenue.

No funds were transferred out of the Ewing Avenue special tax allocation fund to adjacent TIF districts through December 31, 2018.

City Expenditures within the RPA

From 2010 to 2018, \$7.71 million in incremental property tax revenue was expended in support of projects within the Ewing Avenue RPA. Expenditures of TIF revenue over this period are presented in **Exhibit 2** by TIF-eligible cost categories outlined in the TIF Act.

The City of Chicago has not allocated or expended additional non-TIF resources to support TIF-funded projects within the Ewing Avenue RPA.

Declaration of Surplus Funds

There were no declarations of surplus funds for this TIF from inception through December 31, 2018.

3. Redevelopment Project Area Accomplishments

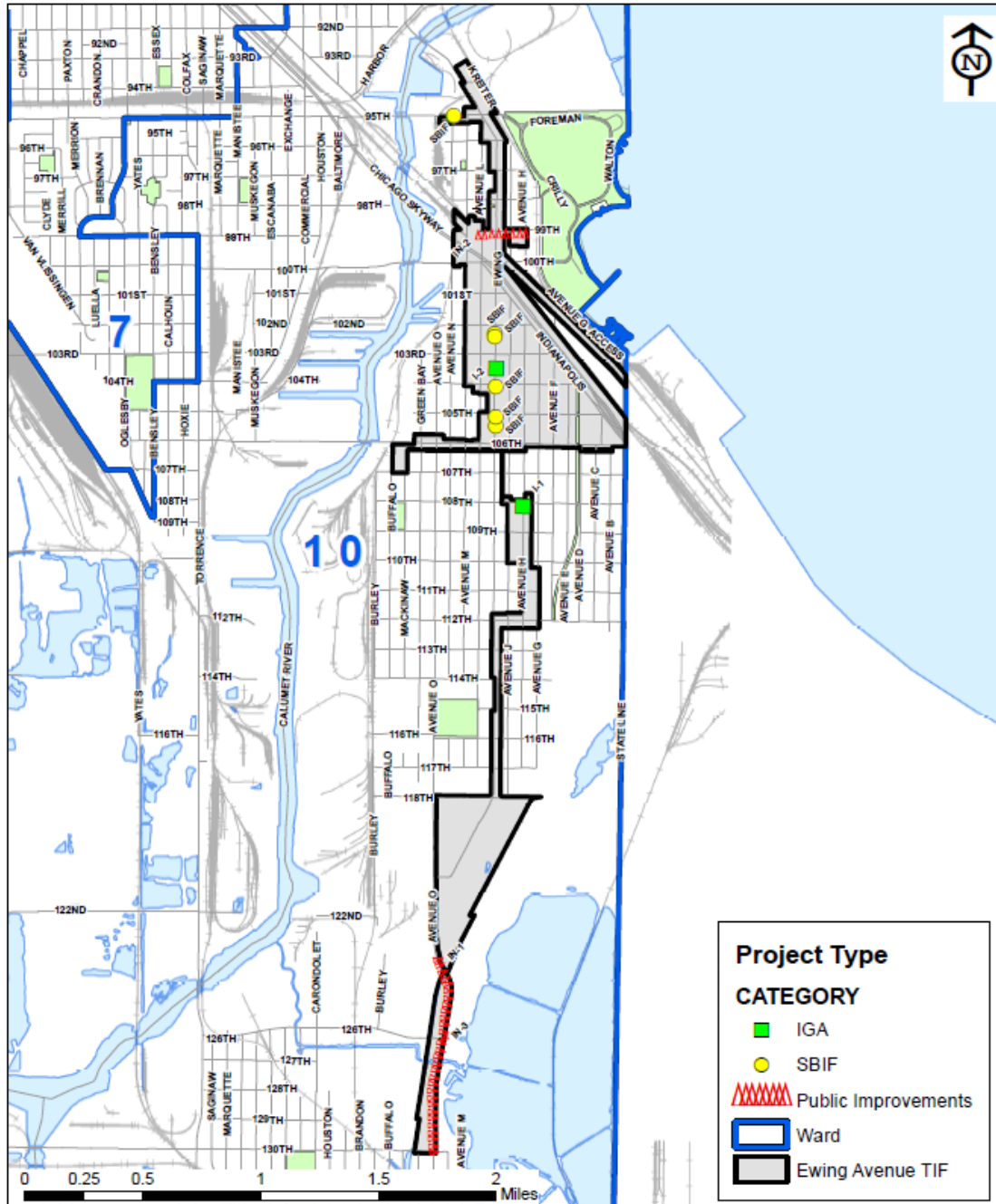
This chapter provides information on the status of TIF project activity, goals and objectives outlined in the TIF Plan. Detailed information on TIF-supported projects within the Ewing Avenue RPA is provided, followed by a discussion of additional performance metrics relevant to the TIF district.

RPA Project Profiles – Major Accomplishments

Project profiles for TIF-supported projects within the Ewing Avenue RPA that are underway or have been completed, as of December 31, 2018, 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. The tables include projects receiving TIF investments through RDA's, IGAs, SBIF, and NIP, and TIF-funded public infrastructure improvements. Projects which have been allocated with TIF funds, but for which no TIF expenditures have occurred, are presented in **Exhibit 14** in the section on planned projects.

Exhibit 7. TIF-Funded Project Map



The public infrastructure projects and the TIF investments made via RDA's, IGA's, and SBIF projects within the RPA are mapped in Exhibit 7. Planned projects, as reported in Exhibit 14, are also featured in the map above (projects without defined locations and NIP projects are not mapped).

Exhibit 8. Redevelopment Agreement Projects

No Redevelopment Agreement Projects have received TIF funding through December 2018.

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

Exhibit 9. Redevelopment Agreement Projects: Community Impacts

No Redevelopment Agreement Projects have received TIF funding through December 2018.

Source: City of Chicago.

Exhibit 10. Intergovernmental Agreement Projects

Map ID	Project	Address	Project Type	Total Project Cost [1]	TIF Funding Approved [1]	TIF Investment to Date [2]	Other City-Controlled Sources [1]		Description
							Source	Funding Amount	
I-1	Jane Addams Elementary School	10810 South Avenue H	Public Institutional	\$1,700,000	\$1,700,000	\$1,043,272	None	N/A	The project encompasses new energy efficient windows and masonry/structural upgrades.
I-2	Matthew Gallistel Elementary Language Academy	10347 South Ewing Avenue	Public Institutional	\$2,700,000	\$2,700,000	\$2,031,117	None	N/A	The project includes exterior tuck pointing, full roof replacement, and air conditioning units.
TOTAL				\$2,700,000	\$2,700,000	\$2,031,117		N/A	

[1] Source: Intergovernmental Agreements; City of Chicago.

[2] Source: 2010-2018 TIF Annual Report; City of Chicago.

Exhibit 11. TIF - Funded Programs

Project	Project Type	Total TIF Funding Expected [1]	Total Private Investment Through 2018 [2]	TIF Investment Through 2018 [2]	Ratio of Non-TIF to TIF Investment	Description/Key Community Impacts
Small Business Improvement Fund (SBIF)	Small Business Rehabilitation	\$300,000	\$0	\$279,674	N/A	9 SBIF grants through 2018 funded the appearance and functionality improvements for 7 small businesses including beauty salons, real estate offices, and funeral homes. Improvements included interior build-out, roofing, masonry work, HVAC improvements, and electrical upgrades. SBIF grants ranged from \$1,800 to \$143,550, reimbursing business owners 63% to 75% of total project
LIRI/CSS/NBDC	Business Retention	\$15,516	N/A	\$15,516	N/A	Local Industrial Retention Initiative, Commercial Support Services, and Neighborhood Business Development Center grants to assist in funding business-
TOTAL		\$315,516		\$295,190		

[1] 2018 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 2018 [1]	Other City-Controlled Sources		Description/Key Community Impacts
					Source	Amount	
IN-1	Street Resurfacing	Public Improvements	\$1,451,697	\$1,392,412	N/A	N/A	Street resurfacing along Avenue O between 123 rd St. to 126 th St.
IN-2	Street Resurfacing	Public Improvements	\$206,345	\$206,345	N/A	N/A	Street resurfacing along 99 th St. between Avenue L to Avenue H
IN-3	Street Resurfacing	Public Improvements	\$2,309,524	\$2,309,524	N/A	N/A	Street resurfacing along Avenue O between 126 th St. to 130 th St.
TOTAL			\$3,967,566	\$3,908,281			

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

[1] City of Chicago Expenditure Data

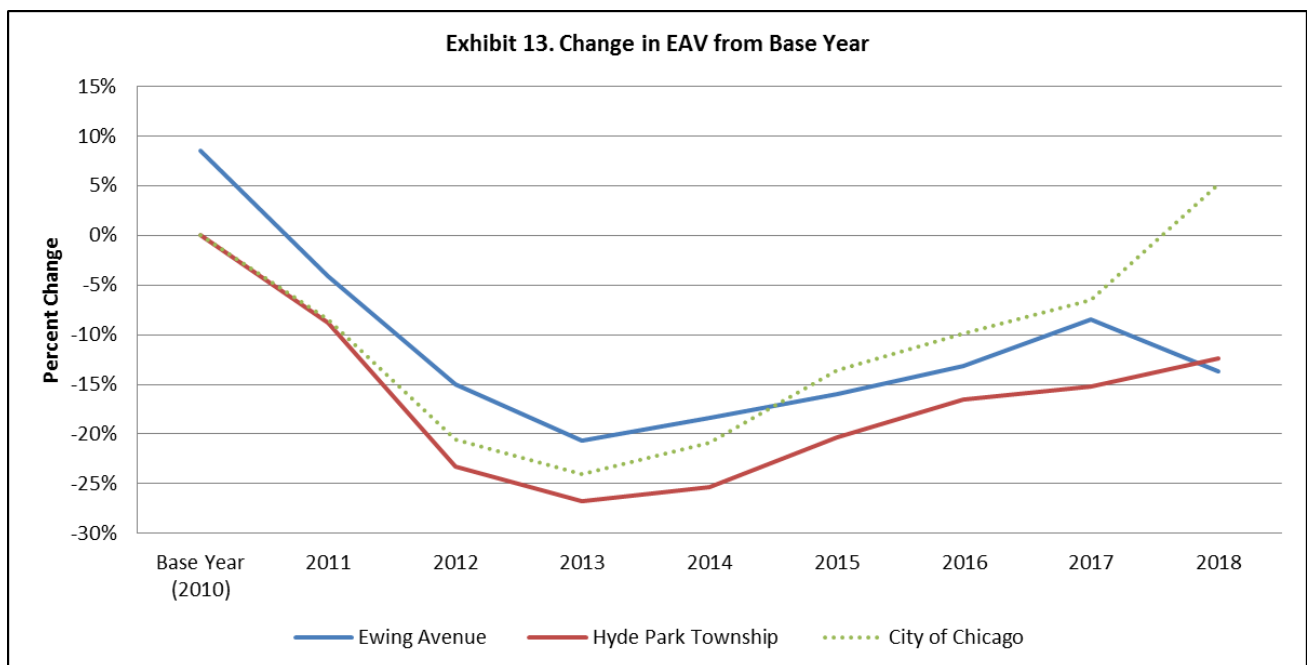
Additional Performance Metrics

Additional performance metrics associated with the RPA, including the change in equalized assessed value over time, is presented below

CHANGE IN EQUALIZED ASSESSED VALUE

A comparison of the change in EAV over time in the Ewing Avenue RPA to larger geographies is one indication of the relative growth (or decline) in property values in the RPA. Growth or decline in property values from the creation of the RPA is one metric of the relative economic health of the RPA. The cumulative growth or decline in total EAV for the Ewing Avenue RPA, Hyde Park Township, and the City of Chicago, overall, is displayed in **Exhibit 13** on the following page for the base and tax years 2010 through 2018.

Property values within the Ewing Avenue RPA have declined at a **compound annual growth rate (CAGR) of 2.8 percent** from tax year 2010 to tax year 2018 while EAV in Hyde Park Township had a decline and the City of Chicago had a growth at a CAGR of 1.6 percent and 0.6 percent, respectively.



Source: Cook County Clerk’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, 2018. Planned projects are defined as those that have met substantial approval criteria for receiving TIF funds as of December 2018, but as of December 2018 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 2018;
- 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 2018, or projects included in the City’s 2018-2022 TIF Projection Reports as “potential projects.”

Information on planned projects in the RPA is presented in **Exhibit 14**.

Exhibit 14. Planned Projects

Map ID	Project	Project Location	Project Type	Total Project Cost	Tentative TIF Funding [1]	Description
Various	Lighting	Various	Public Improvements	\$800,000	\$800,000	Neighborhood lighting improvements.
TOTAL				\$800,000	\$800,000	

[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 Ewing Avenue TIF Plan through 2018.

Exhibit 15. Progress Toward Achieving Objectives Outlined in Ewing Avenue TIF Plan

Map ID	Project	Relevant Objectives Addressed
I-1	Jane Addams Elementary School	3
I-2	Matthew Gallistel Elementary	3
IN-1	Street Resurfacing	7, 8
IN-2	Street Resurfacing	7, 8
IN-3	Street Resurfacing	7, 8
--	Small Business Improvement Fund (SBIF)	1, 2
--	LIRI/CSS/NBDC	1, 10

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

