

**City of Chicago
Department of Planning and Development**

**STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
REQUESTING APPROVAL OF THE FEASIBILITY STUDY AND REDEVELOPMENT
PLAN FOR THE PROPOSED FOSTER/EDENS TIF REDEVELOPMENT PROJECT AREA,
REQUESTING DESIGNATION OF THE AREA AS A REDEVELOPMENT PROJECT
AREA, AND REQUESTING ADOPTION OF TAX INCREMENT ALLOCATION
FINANCING FOR THE AREA**

December, 12 2017

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name:	Foster/Edens
Location:	Generally bounded by North Branch Chicago River to the north, Pulaski Road to the east, Lawrence and Foster Avenues to the south, and Cicero Avenue and the Edens Expressway to the west.
Ward and Alderman:	39 th Ward, Alderman Margaret Laurino
Community Area:	Albany Park
Requested Action:	Approval of the feasibility study and redevelopment plan for the proposed TIF district, designation of the area as a redevelopment project area, and adoption of tax increment allocation financing for the area.
Goals of TIF District:	The area is being considered for a TIF district in order to encourage productive use of underutilized and/or vacant properties, stimulate private investment, and improve existing park land and facilities.

II. AREA DESCRIPTION

Street Boundaries:	The area is generally bounded by North Branch Chicago River to the north, Pulaski Road to the east, Lawrence and Foster Avenues to the south, and Cicero Avenue and the Edens Expressway to the west.
Land Area:	Approximately 232 acres

Land Uses: Commercial, Residential, Mixed-Use, Industrial, and Parks/Open Space

Current Conditions: Vacant site at Foster Avenue, aging commercial structures along Elston and Lawrence Avenues, and Gompers Park is in need of significant repair and replacement of the fieldhouse, fields, and courts.

III. FEASIBILITY STUDY

History and Background

Foster/Edens Tax Increment Financing Redevelopment Project Area is approximately 232 acres in size. The Project Area is situated within the Mayfair neighborhood of the Albany Park Chicago community area.

The Project Area generally encompasses the Cook County Forest Preserve area to the north, Gompers Park to the east, the Elston Avenue and Lawrence Avenue commercial corridors from approximately Kilbourn Avenue (to the east) to the Edens expressway (to the west) and the former Sunstar manufacturing property on the corner of Foster Avenue and the Edens expressway.

Albany Park grew from a sparsely settled farming community to a dynamic urban neighborhood in the course of one generation. As Chicago's population exploded in the 1870s and 1880s, the suburban community became increasingly popular. In 1889, Chicago annexed the Albany Park community area along with the rest of Jefferson Township.

German and Swedish immigrants initially settled the area. After 1912, Albany Park became home to a large number of Russian Jews leaving the crowded neighborhoods of Chicago's Near West Side. The community remained predominately Jewish through the 1950s. Albany Park's population reached a high of 56,692 in the 1940s. After the Second World War, many Jewish families moved to the suburbs to the north.

The suburban exodus led the area into economic and social decline. Population decreased, homes and stores lay vacant, and property value plummeted. In the 1970s, 70 percent of the commercial property along Lawrence Avenue stood vacant. Redevelopment efforts from the City, along with support from the North River Commission and the Lawrence Avenue Development Corporation, led to a decrease in commercial vacancies and an increase in residential properties values in the 1980s and 1990s.

Eligibility Data

Laube Companies conducted an eligibility analysis to determine whether the Area qualifies for a tax increment financing (TIF) designation under the TIF Act. For TIF designation, an improved redevelopment project area must qualify for classification as a conservation area, a blighted area,

or a combination of both blighted and conservation areas as set forth in the Act. Surveys and analyses documented in this report indicate that the Project Area is eligible as a blighted area within the requirements of the Act.

The Project Area qualifies as a blighted area under the improved property criteria as set forth in the Act. Specifically, for the improved parcels, the Consultant found that on an overall basis 9 of the possible 13 blighted factors are present throughout the Area; 8 to a major extent and 1 to a limited extent. These include:

1. Dilapidation
2. Deterioration
3. Obsolescence
4. Excessive Vacancies
5. Deleterious Land Use and Layout
6. Excessive Land Coverage
7. Inadequate Utilities
8. Lack of Community Planning
9. Declining EAV

Additionally, for the vacant parcels, the Consultant has found that on an overall basis 3 of the possible 7 blighting factors are present throughout the Area. The factors present are:

Factor 1

- Obsolete Platting
- Environmental Clean Up Costs
- Declining EAV
(The above 3 sub-criteria comprise one criteria under the Act)
- Factor 2 – Rail
- Factor 3 – Unused Disposal Site (to a limited extent)

III. REDEVELOPMENT PLAN

The City seeks to create a Tax Increment Financing District for the area known as the Foster Edens Redevelopment Project Area in order to reduce or eliminate the following blighting factors: obsolescence, deterioration, lack of community planning, excessive vacancies, inadequate utilities, and excessive land coverage, as they relate to the Area.

The Plan seeks to maintain and enhance the existing land uses, with a focus on encouraging productive use of underutilized and vacant properties, to help stimulate private investment. The Plan also intends to improve existing park land and facilities.

IV. HOUSING IMPACT STUDY

A housing impact study was not required for the proposed redevelopment plan, as the City certifies

there will be no displacement of residents with in the Area.

V. BUDGET

Estimated Redevelopment Project Costs

1. Analysis, Administration, Studies, Surveys, Legal, Marketing, etc.	\$1,000,000
2. Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation	\$31,000,000
3. Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements	\$20,000,000
4. Affordable Housing Construction and Rehabilitation Costs	\$100,000
5. Public Works & Improvements, including streets and utilities, parks and open space, public facilities (schools & other public facilities)	\$10,000,000
6. Job Training, Retraining, Welfare-to-Work	\$1,000,000
7. Relocation costs	\$100,000
8. Day Care Services	\$100,000
9. Interest subsidy	\$5,000,000
Total Eligible Redevelopment Project Costs	\$68,300,000

The Total Redevelopment Project Costs represent the upper limit on expenditures that are to be funded using TIF revenues.

VI. PUBLIC NOTIFICATION AND PUBLIC MEETING

The taxpayers and owners of properties located in the proposed district were notified by regular and certified mail of today's public hearing not less than 10 days prior to the meeting. The City also made a good faith effort to notify by mail all residents of the proposed district, and at a minimum mailed a notice to each residential address within the proposed district. Notice of the public hearing was made in the Chicago Sun-Times on November 16, 2017 and November 21, 2017. Notice of the public hearing was also made by mail, at least 45 days prior to the hearing, to all taxing districts having taxable property in the proposed TIF area and to the Illinois Department of Commerce and Economic Opportunity (DCEO).

When a proposed redevelopment plan would result in the displacement of 10 or more inhabited residential units, or if the redevelopment area contains 75 or more inhabited residential units, then the City must hold a public meeting at least 14 days before mailing notice of the public hearing. The purpose of the public meeting is to enable the City to advise the public, taxpayers of property in the proposed area, residents of the proposed area, and the affected taxing bodies of the City's possible intent to prepare a redevelopment plan and designate the area a redevelopment project area, and to receive public comment. DPD held the public meeting at 7:00 pm on September 28, 2017 at **17th District Police Station**, 4650 North Pulaski Road, Chicago, IL 60630.

VII. COMMUNITY SUPPORT

Alderman Laurino endorses this action and has provided a letter of support (see exhibits for copy).

VIII. JOINT REVIEW BOARD

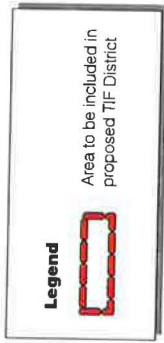
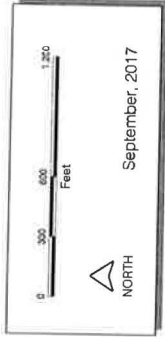
As required by state law, the Joint Review Board (JRB) met to consider the proposed TIF designation on November 3, 2017 at 10:00 am in Room 1003A, City Hall, 121 N. LaSalle Street. The JRB is an advisory board that consists of representatives of certain affected taxing bodies, a City representative, plus a public member. The JRB voted to recommend the proposed TIF designation.

V. RECOMMENDATION

The Department of Planning and Development requests that the commission recommends to the City Council approval of the redevelopment plan for the proposed Foster/Edens Tax Increment Financing Redevelopment Project Area, recommend designation of the area as a Redevelopment Project Area, and recommend adoption of tax increment allocation financing for the area.

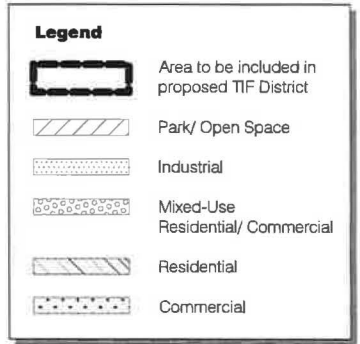
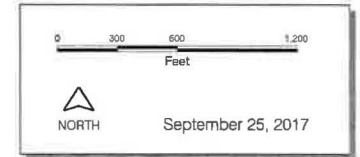
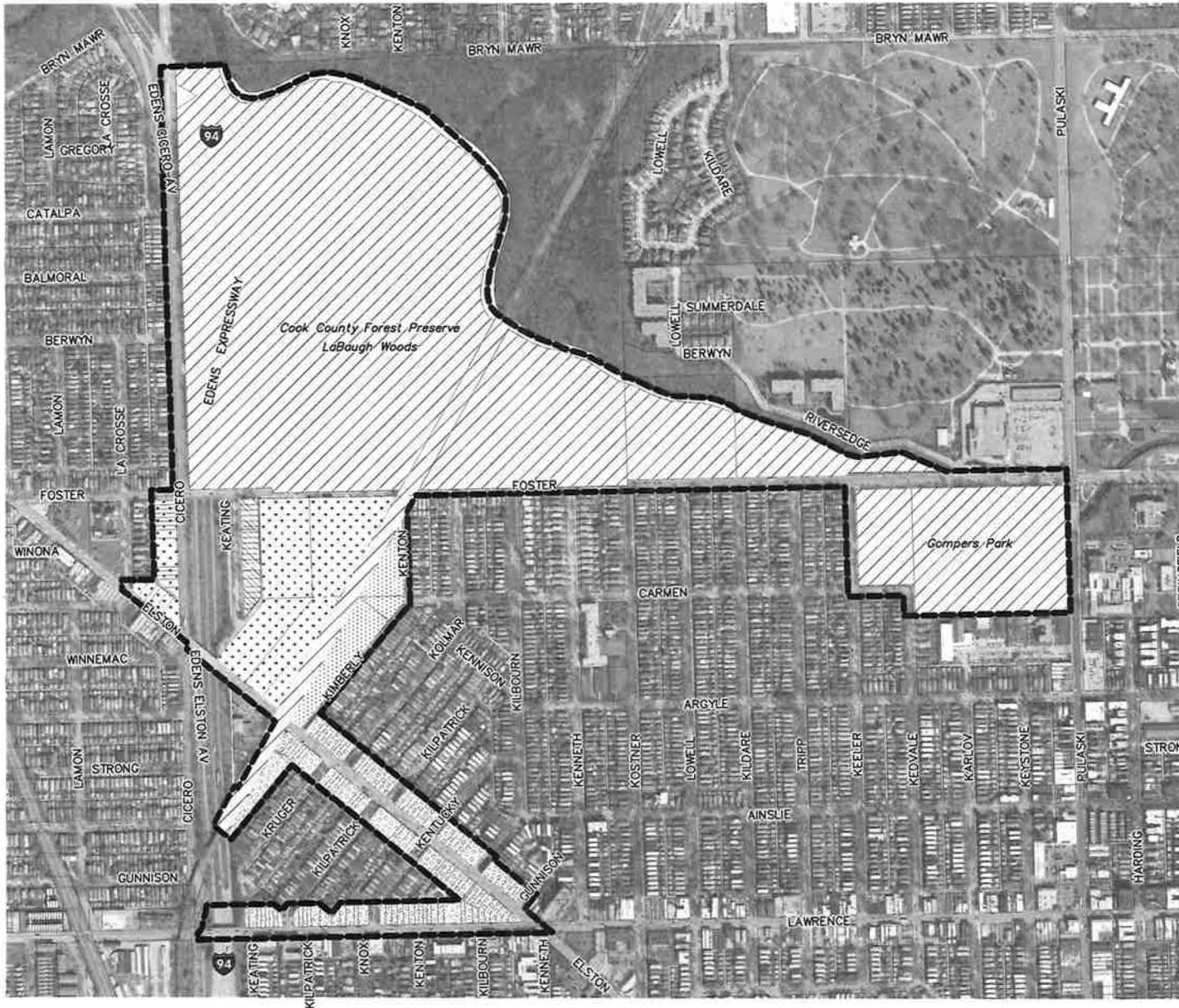
EXHIBITS

Redevelopment Area Map
Land Use Map
Alderman's Letter of Support



DPD
 CHICAGO DEPARTMENT OF
 PLANNING & DEVELOPMENT

Foster - Edens TIF Boundary Map
 City of Chicago, Illinois



DPD
CHICAGO DEPARTMENT OF
 PLANNING & DEVELOPMENT

**Proposed Land Use
 Foster - Edens**
 City of Chicago, Illinois



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MARGARET LAURINO

**ALDERMAN, 39TH WARD
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CITY COUNCIL
COMMITTEE MEMBERSHIPS

BUDGET AND GOVERNMENT
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COMMITTEES, RULES AND ETHICS

FINANCE

WORKFORCE DEVELOPMENT AND AUDIT

ZONING, LANDMARKS AND
BUILDING STANDARDS

September 29, 2017

David L. Reifman, Commissioner
Department of Planning and Development
121 N. LaSalle Street; Room 1000
Chicago, Illinois 60602

Re: Foster/Edens Tax Increment Financing Designation

Dear Commissioner Reifman:

I am writing to express my support for the proposed Foster/Edens TIF designation. The creation of this TIF plan will provide a vital economic development tool that will bring much needed resources into the Mayfair and Albany Park communities.

Thank you for your continued commitment to the 39th Ward. I look forward to working with you and your staff on future projects that will be generated as a result from this TIF designation.

If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,

Margaret Laurino
Alderman, 39th Ward

**COMMUNITY DEVELOPMENT COMMISSION
OF THE
CITY OF CHICAGO**

RESOLUTION __ -CDC- __

**RECOMMENDING TO THE CITY COUNCIL OF
THE CITY OF CHICAGO
FOR THE PROPOSED
FOSTER/EDENS
REDEVELOPMENT PROJECT AREA:
APPROVAL OF THE REDEVELOPMENT PLAN,
DESIGNATION AS A REDEVELOPMENT PROJECT AREA
AND ADOPTION OF TAX INCREMENT ALLOCATION FINANCING**

WHEREAS, the Community Development Commission (the "Commission") of the City of Chicago (the "City") has heretofore been appointed by the Mayor of the City with the approval of its City Council ("City Council," referred to herein collectively with the Mayor as the "Corporate Authorities") (as codified in Section 2-124 of the City's Municipal Code) pursuant to Section 5/11-74.4-4(k) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"); and

WHEREAS, the Commission is empowered by the Corporate Authorities to exercise certain powers set forth in Section 5/11-74.4-4(k) of the Act, including the holding of certain public hearings required by the Act; and

WHEREAS, staff of the City's Department of Planning and Development has conducted or caused to be conducted certain investigations, studies and surveys of the Foster/Edens area, the street boundaries of which are described on Exhibit A hereto (the "Area"), to determine the eligibility of the Area as a redevelopment project area as defined in the Act (a "Redevelopment Project Area") and for tax increment allocation financing pursuant to the Act ("Tax Increment Allocation Financing"), and previously has presented the following documents to the Commission for its review:

Foster/Edens Tax Increment Financing Eligibility Report (the "Report"); and

Foster/Edens Tax Increment Financing Redevelopment Plan and Project (the "Plan"); and

WHEREAS, a public meeting (the "Public Meeting") was held in accordance and in compliance with the requirements of Section 5/11-74.4-6(e) of the Act on September 28, 2017 at 7:00 P.M. at 17th District Police Station 4650 N Pulaski Road, Chicago, Illinois, being a date not less than 14 business days before the mailing of the notice of the Hearing (hereinafter defined), pursuant to notice from the City's Commissioner of the Department of Planning and Development given on September 12, 2017, being a date not less than 15 days before the date of the Public Meeting, by certified mail to all taxing districts having real property in the proposed Area and to all entities requesting that information that have taken the steps necessary to register to be included on the interested parties registry for the proposed Area in accordance with Section 5/11-74.4.2 of the Act and, with a good faith effort, by regular mail to all residents and the last known persons who paid property taxes on real estate in the proposed Area (which good faith effort was satisfied by such notice being mailed to each residential address and the person or persons in whose name property taxes were paid on real property for the last preceding year located in the proposed Area), which to the extent necessary to effectively communicate such notice, was given in English and in other languages; and

WHEREAS, prior to the adoption by the Corporate Authorities of ordinances approving a redevelopment plan, designating an area as a Redevelopment Project Area or adopting Tax Increment Allocation Financing for an area, it is necessary that the Commission hold a public hearing (the "Hearing") pursuant to Section 5/11-74.4-5(a) of the Act, convene a meeting of a joint review board (the "Board") pursuant to Section 5/11-74.4-5(b) of the Act, set the dates of such Hearing and Board meeting and give notice thereof pursuant to Section 5/11-74.4-6 of the Act; and

WHEREAS, the Report and Plan were made available for public inspection and review since September 29, 2017, being a date not less than 10 days before the Commission meeting at which the Commission adopted Resolution 17-CDC-23 on October 12, 2017 fixing the time and place for the Hearing, at City Hall, 121 North LaSalle Street, Chicago, Illinois, in the following offices: City Clerk, Room 107 and Department of Planning and Development, Room 1000; and

WHEREAS, notice of the availability of the Report and Plan, including how to obtain this information, were sent by mail on October 13, 2017, which is within a reasonable time after the adoption by the Commission of Resolution October 12, 2017 to: (a) all residential addresses that, after a good faith effort, were determined to be (i) located within the Area and (ii) located outside the proposed Area and within 750 feet of the boundaries of the Area (or, if applicable, were determined to be the 750 residential addresses that were outside the proposed Area and closest to the boundaries of the Area); and (b) organizations and residents that were registered interested parties for such Area; and

WHEREAS, notice of the Hearing by publication was given at least twice, the first publication being on November 16, 2017 a date which is not more than 30 nor less than 10 days prior to the Hearing, and the second publication being on November 21, 2017, both in the Chicago Sun-Times, being newspapers of general circulation within the taxing districts having property in the Area; and

WHEREAS, notice of the Hearing was given by mail to taxpayers by depositing such notice in the United States mail by certified mail addressed to the persons in whose names the general taxes for the last preceding year were paid on each lot, block, tract or parcel of land lying within the Area, on November 29, 2017, being a date not less than 10 days prior to the date set for the Hearing; and where taxes for the last preceding year were not paid, notice was also mailed to the persons last listed on the tax rolls as the owners of such property within the preceding three years; and

WHEREAS, notice of the Hearing was given by mail to the Illinois Department of Commerce and Economic Opportunity ("DCEO") and members of the Board (including notice of the convening of the Board), by depositing such notice in the United States mail by certified mail addressed to DCEO and all Board members, on October 19, 2017, being a date not less than 45 days prior to the date set for the Hearing; and

WHEREAS, notice of the Hearing and copies of the Report and Plan were sent by mail to taxing districts having taxable property in the Area, by depositing such notice and documents in the United States mail by certified mail addressed to all taxing districts having taxable property within the Area, on October 19, 2017, being a date not less than 45 days prior to the date set for the Hearing; and

WHEREAS, the Hearing was held on December 12, 2017 at 1:00 p.m. at City Hall, Council Chambers, 121 North LaSalle Street, Chicago, Illinois, as the official public hearing, and testimony was heard from all interested persons or representatives of any affected taxing district present at the Hearing and wishing to testify, concerning the Commission's recommendation to City Council regarding approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; and

WHEREAS, the Board meeting was convened on at November 3, 2017 (being a date at least 14 days but not more than 28 days after the date of the mailing of the notice to the taxing districts on October 19, 2017 in Room 1003A, City Hall, 121 North LaSalle Street, Chicago, Illinois, to review the matters properly coming before the Board to allow it to provide its advisory recommendation regarding the approval of the Plan, designation of the Area as a Redevelopment Project Area, adoption of Tax Increment Allocation Financing within the Area and other matters, if any, properly before it, all in accordance with Section 5/11-74.4-5(b) of the Act; and

WHEREAS, the Commission has reviewed the Report and Plan, considered testimony from the Hearing, if any, the recommendation of the Board, if any, and such other matters or studies as the Commission deemed necessary or appropriate in making the findings set forth herein and formulating its decision whether to recommend to City Council approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; now, therefore,

BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF CHICAGO:

Section 1. The above recitals are incorporated herein and made a part hereof.

Section 2. The Commission hereby makes the following findings pursuant to Section 5/11-74.4-3(n) of the Act or such other section as is referenced herein:

a. The Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be expected to be developed without the adoption of the Plan;

b. The Plan:

(i) conforms to the comprehensive plan for the development of the City as a whole; or

(ii) the Plan either (A) conforms to the strategic economic development or redevelopment plan issued by the Chicago Plan Commission or (B) includes land uses that have been approved by the Chicago Plan Commission;

c. The Plan meets all of the requirements of a redevelopment plan as defined in the Act and, as set forth in the Plan, the estimated date of completion of the projects described therein and retirement of all obligations issued to finance redevelopment project costs is not later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 5/11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year of the adoption of the ordinance approving the designation of the Area as a redevelopment project area and, as required pursuant to Section 5/11-74.4-7 of the Act, no such obligation shall have a maturity date greater than 20 years;

d. To the extent required by Section 5/11-74.4-3(n) (6) of the Act, the Plan incorporates the housing impact study, if such study is required by Section 5/11-74.4-3(n)(5) of the Act;

e. The Plan will not result in displacement of residents from inhabited units.

f. The Area includes only those contiguous parcels of real property and improvements thereon that are to be substantially benefitted by proposed Plan improvements, as required pursuant to Section 5/11-74.4-4(a) of the Act;

g. As required pursuant to Section 5/11-74.4-3(p) of the Act:

(i) The Area is not less, in the aggregate, than one and one-half acres in size; and

(ii) Conditions exist in the Area that cause the Area to qualify for designation as a redevelopment project area and a blighted area as defined in the Act;

h. If the Area is qualified as a “blighted area”, whether improved or vacant, each of the factors necessary to qualify the Area as a Redevelopment Project Area on that basis is (i) present, with that presence documented to a meaningful extent so that it may be reasonably found that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part or vacant part, as applicable, of the Area as required pursuant to Section 5/11-74.4-3(a) of the Act;

i. If the Area is qualified as a “conservation area”, the combination of the factors necessary to qualify the Area as a redevelopment project area on that basis is detrimental to the public health, safety, morals or welfare, and the Area may become a blighted area;

Section 3. The Commission recommends that the City Council approve the Plan pursuant to Section 5/11-74.4-4 of the Act.

Section 4. The Commission recommends that the City Council designate the Area as a Redevelopment Project Area pursuant to Section 5/11-74.4-4 of the Act.

Section 5. The Commission recommends that the City Council adopt Tax Increment Allocation Financing within the Area.

Section 6. If any provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this resolution.

Section 7. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 8. This resolution shall be effective as of the date of its adoption.

Section 9. A certified copy of this resolution shall be transmitted to the City Council.

ADOPTED: _____, 2017

List of Attachments:

Exhibit A: Street Boundary Description of the Area

EXHIBIT A

Street Boundary Description of the
Foster/Edens Tax Increment Financing
Redevelopment Project Area

The Area is generally bounded by the North Branch Chicago River on the north, Foster and Lawrence Avenues on the south, Pulaski Road on the east and Cicero Avenue and the Edens Expressway on the west.