

**TAX INCREMENT FINANCING
Ten (10) Year Status Report
2002-2011**

**67th/CICERO
Redevelopment Project Area
Designated October 2, 2002**



November 15, 2013

Pursuant to 65 ILCS 5/11-74.4-5

Prepared by
**CITY OF CHICAGO DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT
AND
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TABLE OF CONTENTS

Executive Summary..... 1

1. Redevelopment Project Area Information..... 3

 Project Area Context and Background..... 3

 Conditions at Time of TIF Creation 4

 Goals and Objectives for the RPA 5

 Estimated Redevelopment Project Costs and Allocations..... 6

2. Redevelopment Project Area Revenues and Expenditures 8

 Growth in EAV and Revenue Generated within 67th/Cicero RPA 8

 Transfers of TIF Funds 9

 City Expenditures within the RPA 9

 Declaration of Surplus Funds 9

3. Redevelopment Project Area Accomplishments 10

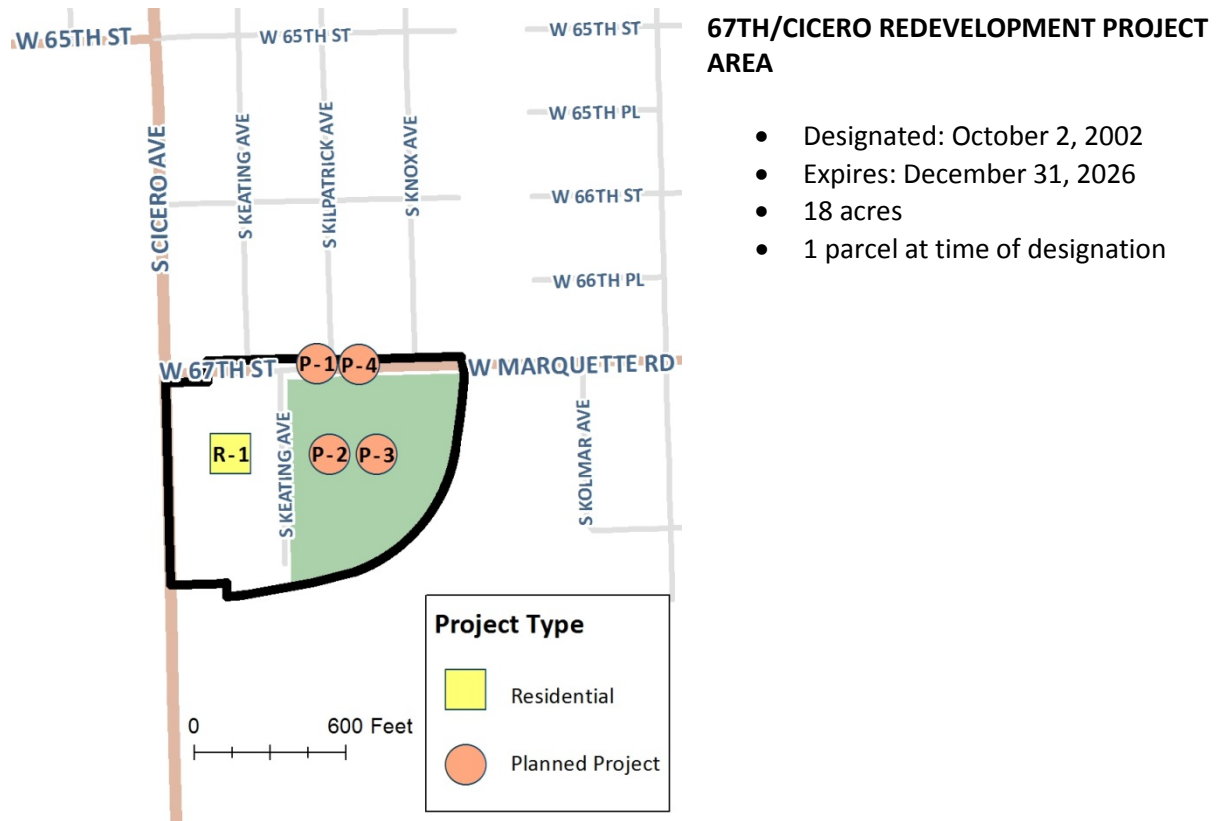
 RPA Project Profiles – Major Accomplishments 10

 Additional Performance Metrics..... 13

 Status of Planned Activities, Goals and Objectives..... 14

 Progress toward Achieving Goals and Objectives..... 16

Executive Summary



Largely vacant with some public and institutional amenities, the 67th/Cicero Redevelopment Project Area (“RPA”) was designated to primarily assist with affordable residential development. New projects are intended to accommodate a diverse economic mix of residents, particularly senior citizens. Located in the West Lawn community area, the 18-acre district also includes goals for development of off-street parking, new open spaces, and plans that improve safety for pedestrians.

67th/Cicero RPA Activity 2002 - 2011

INVESTMENT SUMMARY

- \$18.1 million in total private development value
- \$2.75 million in TIF Funds leveraged \$15.4 million in other financing

PROPERTY VALUE

- Equalized Assessed Value - Compound annual growth rate of 11.3 percent

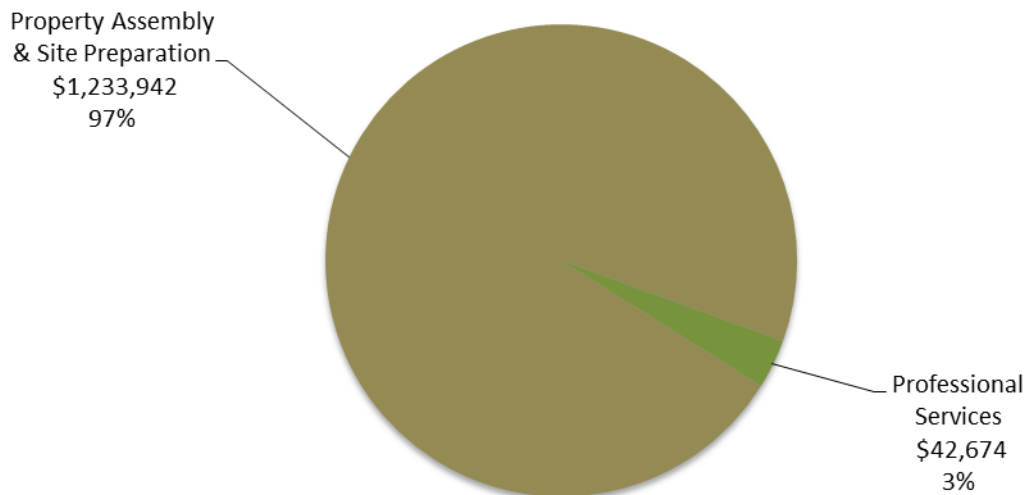
DEVELOPMENT

- 126 new mixed-income residential rental units for seniors

JOB CREATION

- Construction Jobs – Estimated 78 one-year full-time equivalent (“FTE”) construction jobs created

DISTRIBUTION OF TIF-ELIGIBLE EXPENDITURES THROUGH 2011 [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.

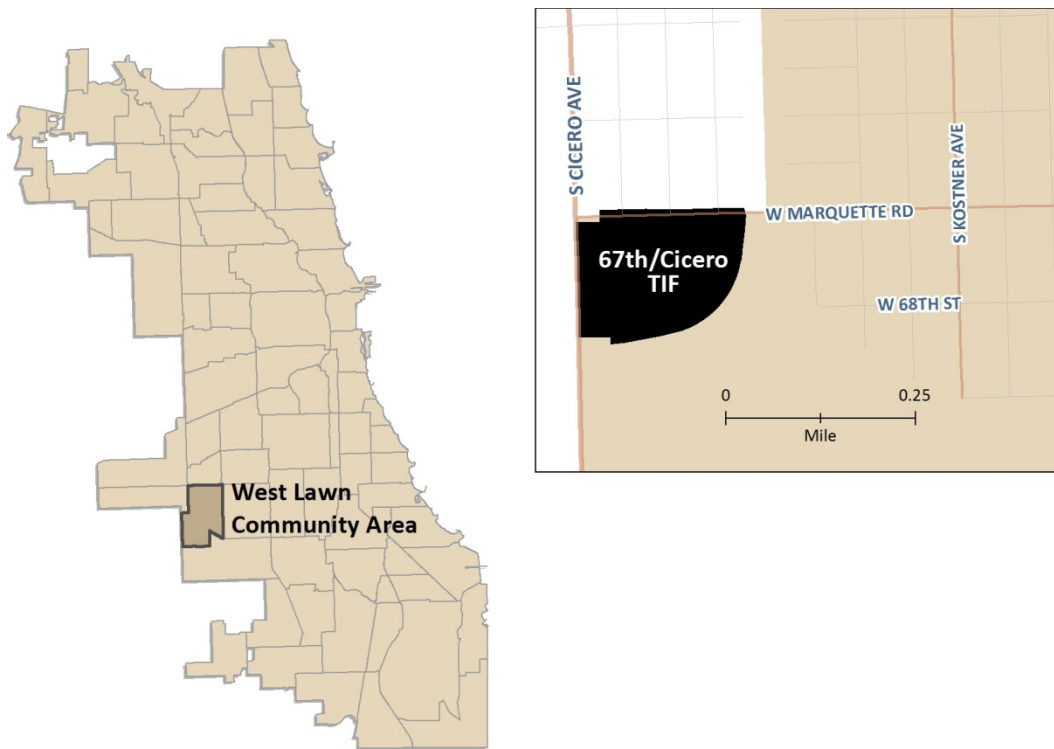
The information summarized herein is for the reporting period from the TIF district’s inception through the end of the 2011 calendar year and the 2010 tax year. For informational purposes, certain other supplementary information, such as upcoming planned projects, is reported as of December 2012.

Detailed data on the 67th/Cicero 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 18-acre 67th/Cicero RPA is located in the West Lawn community area on the southwest side of the City of Chicago. The RPA is roughly the shape of a quarter-circle and is generally bounded by Cicero Avenue and the municipality of Bedford Park to the west, 67th Street to the north, and the Chicago Belt Railway railroad right-of-way to the south and east. The RPA boundary is shown in **Exhibit 1** on the following page.

The 67th/Cicero RPA was designated as a TIF district on October 2, 2002, and is expected to expire no later than December 31, 2026. No amendments to the 67th/Cicero Tax Increment Financing Redevelopment Project and Plan (the “TIF Plan”) occurred through December 31, 2011.

Exhibit 1. 67th/Cicero RPA**Conditions at Time of TIF Creation**

The 67th/Cicero RPA was determined to be eligible for TIF designation as a “blighted area” under the TIF Act. For vacant land to constitute a “blighted area”, at least two of six eligibility factors must be found present to a meaningful extent and reasonably distributed throughout the RPA. The following three eligibility factors were described in the 67th/Cicero TIF Plan:

- Obsolete platting
- Adjacent deterioration
- Lack of growth in equalized assessed value (EAV)

The 67th/Cicero RPA was characterized at the time of its designation by predominantly vacant and underutilized land. The RPA was established primarily to assist with affordable residential development. New projects are intended to accommodate a diverse economic mix of residents, particularly senior citizens. RPA funds are also targeted for development of off-street parking, new open spaces, and plans that improve safety for pedestrians.

Goals and Objectives for the RPA

The overall goal of the 67th/Cicero RPA is to reduce or eliminate the conditions that qualify the 67th/Cicero RPA as a blighted area and to provide the direction and mechanisms necessary to support both public and private development and improvements in the RPA.

Redevelopment of the RPA is expected to improve the local housing stock; improve the relationship between the area's diverse land uses; improve access to public resources; and attract private redevelopment. These goals are to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate additional private investment.

In furtherance of the overall goal of area-wide revitalization of the RPA, the following eleven (11) objectives were outlined in the TIF Plan:

1. **Facilitate the assembly, preparation and marketing of vacant, underutilized land within the RPA for residential development;**
2. **Promote new residential development that accommodates a diverse economic mix of residents,** particularly senior citizens, including the opportunity for the development of new affordable housing by providing assistance to qualified developers;
3. **Create a physical environment which is conducive to the development of new housing through the provision of public infrastructure where needed,** including underground water and sanitary systems, sidewalks, and streets;
4. **Increase the taxable value of the vacant land within the RPA** that is not affiliated with the existing baseball diamonds;
5. **Provide adequate on- and off-street parking** for visitors, employees and patrons of the RPA;
6. **Create an environment for recreational and other institutional facilities, where needed** and in accordance with the Eligibility Study and Redevelopment Plan, by providing enhancement opportunities for new and existing public facilities and institutions, such as the existing baseball diamonds and surrounding surface parking uses;
7. **Promote new open space uses on any available vacant land east of the existing baseball diamonds;**
8. **Encourage pedestrian-friendly uses and design strategies** that include, but are not limited to, the following: facilitate safe pedestrian movement across wide arterial streets with pedestrian amenities; widen narrow sidewalks; and create visual interest and safer pedestrian environments with streetscaping, landscaping, lighting and buffering;
9. **Provide opportunities for women-owned, minority-owned and locally owned businesses** to share in the job and construction opportunities associated with the redevelopment of the 67th/Cicero RPA;

- 10. Support job training programs and increase employment opportunities** for area residents; and
- 11. Promote new development on any public uses that become inactive** and not used during the life of the RPA.

Estimated Redevelopment Project Costs and Allocations

The estimated Redevelopment Project Costs outlined in the 67th/Cicero TIF Plan total \$8.6 million. Through 2011, \$1.3 million has been expended on TIF-supported projects within the RPA, representing 14.8 percent of estimated total Redevelopment Project Costs. **Exhibit 2** on the following page displays the estimated eligible costs of the 67th/Cicero Redevelopment Plan by statutory cost category.

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

Permissible Cost Category	Eligible Cost Description	Estimated Project Costs	Project Costs Expended Through 2011	
			Expenditures	Percent of Total
1. Professional Services	Costs of studies, surveys, administration and professional services	\$1,200,000	\$42,674	3.6%
2. Marketing of Sites	Cost of marketing sites within RPA to prospective businesses, developers, investors	[1]	\$0	N/A
3. Property Assembly & Site Preparation	Property assembly costs, including acquisition, demolition, site preparation and environmental site improvement costs	\$1,100,000	\$1,233,942	112.2%
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	\$5,000	\$0	0.0%
5. Public Works or Improvements	Costs of construction of public works and improvements	\$225,000 [2]	\$0	0.0%
6. Job Training and Retraining	Cost of job training and retraining implemented by businesses or other taxing bodies, including "welfare-to-work" programs, advanced vocational or career education	\$100,000	\$0	0.0%
7. Financing Costs	Financing costs, including interest and issuance costs	[3]	\$0	N/A
8. Capital Costs	Taxing districts' capital costs resulting from redevelopment project	[2]	\$0	N/A
9. Increased Education Costs	Costs of reimbursing school districts for their increased costs attributable to TIF-assisted housing projects	[2]	\$0	N/A
10. Relocation Costs	Relocation costs	\$5,000	\$0	0.0%
11. Interest Costs	Costs of reimbursing developers for interest costs on redevelopment projects	\$3,600,000	\$0	0.0%
12. Affordable Housing Construction	Costs of construction, renovation, rehabilitation of housing for low-income and very low-income households	\$2,360,000	\$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	\$5,000	\$0	0.0%
TOTAL REDEVELOPMENT PROJECT COSTS [4]		\$8,600,000	\$1,276,616	14.8%

Source: 67th/Cicero TIF Plan, dated May 31, 2002.

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

[2] Public Works or Improvements line item may include paying for or reimbursing (1) an elementary, secondary, or unit school district's increased costs attributed to assisted housing units, and (2) reimbursement of Capital Costs, as noted in the TIF Plan.

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

[4] All costs are in 2002 dollars and 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. In addition to the above stated costs, each issue of obligations issued to finance a phase of the Redevelopment Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations, including interest costs.

2. Redevelopment Project Area Revenues and Expenditures

This chapter provides information on the incremental property tax revenue generated and associated expenditures within the 67th/Cicero RPA from its inception through December 31, 2011. A summary of non-TIF City funds expended in support of projects through the 2011 calendar year is also presented.

Growth in EAV and Revenue Generated within 67th/Cicero RPA

Incremental property tax revenues are generated based on the growth in equalized assessed value (EAV) that arises during the TIF district's existence, as compared to the initial EAV at the time of the TIF's original adoption. The RPA's initial EAV as of October 2, 2002 was zero (\$0) due to the district's composition of only non-taxable parcels. Since the initial EAV was \$0, growth in EAV has been calculated based on the first year of taxable value in the RPA (2005) of \$3.6 million. As of December 31, 2011, the total taxable EAV (for tax year 2010) of the RPA was \$7,607,273, representing growth of 109.5% from 2005.¹

Exhibit 3. Growth in EAV: Tax Year 2001– 2010

Year	EAV	% Increase from Initial EAV
2001 - Initial EAV [1]	\$0	--
2005 – First Year of Taxable EAV	\$3,631,921	--
2010 - Current EAV	\$7,607,273	109.5% [2]

Source: Cook County Clerk.

[1] The RPA was designated in 2002 with initial EAV from tax year 2001.

[2] Percent increase from 2005, the first year with taxable EAV.

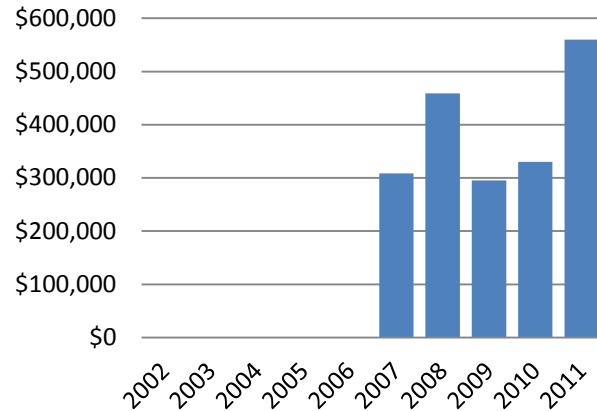
This growth in EAV in the RPA generated a total of \$2.0 million in incremental property tax revenue from 2002 through the end of 2011, as displayed in **Exhibits 4 and 5** on the following page. Property tax is collected in the year after taxes are levied, therefore these exhibits cover the period through tax year 2010, for which property taxes were collected in calendar year 2011.

¹ Office of the County Clerk Tax Increment Agency Distribution Summary, Tax Year 2010.

Exhibit 4. Incremental Property Tax Revenue Collected, 2002 - 2011

Calendar Year	Incremental Property Tax Collected
2002	\$0
2003	\$0
2004	\$0
2005	\$0
2006	\$0
2007	\$308,646
2008	\$458,772
2009	\$295,008
2010	\$330,460
2011	\$560,099
TOTAL INCREMENTAL PROPERTY TAX COLLECTED, 2002-2011	\$1,952,985

Exhibit 5. Annual Incremental Property Tax Revenue Collected



Source: TIF Annual Reports: Section (7)(D) in 2002-2009 reports; Section 3.1 in 2010-2011 Reports. Property tax increment deposited in special tax allocation fund.

Transfers of TIF Funds

No funds were transferred (or “ported”) into or out of the 67th/Cicero special tax allocation fund from or to adjacent TIF districts through December 31, 2011.

City Expenditures within the RPA

From 2002 to 2011, \$1.3 million in incremental property tax revenue was expended in support of projects within the 67th/Cicero RPA. Expenditures of TIF revenue over this period are presented in **Exhibit 2** (see page 7) by TIF-eligible cost categories outlined in the TIF Act.

Through 2011, the City of Chicago has not allocated or expended additional non-TIF resources in support of TIF-funded projects within the 67th/Cicero RPA, as shown in **Exhibit 6** below.

Exhibit 6. Non-TIF City Investments in TIF-Supported Projects, 2002-2011

Non-TIF City investments were not made through December 2011.

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

Declaration of Surplus Funds

A total of \$21,000 in the 67th/Cicero special tax allocation fund has been declared surplus and returned to the Cook County Treasurer’s Office (“Treasurer”) for redistribution to various taxing agencies. The breakdown of funds that were declared surplus is as follows:

- In December 2011, the City declared a surplus of \$21,000 in the 67th/Cicero special tax allocation fund. In June 2012, the surplus funds were sent to the Treasurer.

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 67th/Cicero 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 67th/Cicero RPA that are underway or have been completed, as of December 31, 2011, are provided in **Exhibits 8 through 12** on the following pages (see pages 11 – 12).

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 investment through RDAs. Projects which have been allocated TIF funds, but for which no TIF expenditures have occurred, are presented in **Exhibit 14** in the section on planned projects (see page 15).

The TIF investments made via Redevelopment Agreements within the RPA, as reported in **Exhibit 8**, are displayed in **Exhibit 7** below. Planned projects, as reported in **Exhibit 14**, are also featured in the map below (projects without defined locations are not mapped).

Exhibit 7. TIF-Funded Project Map

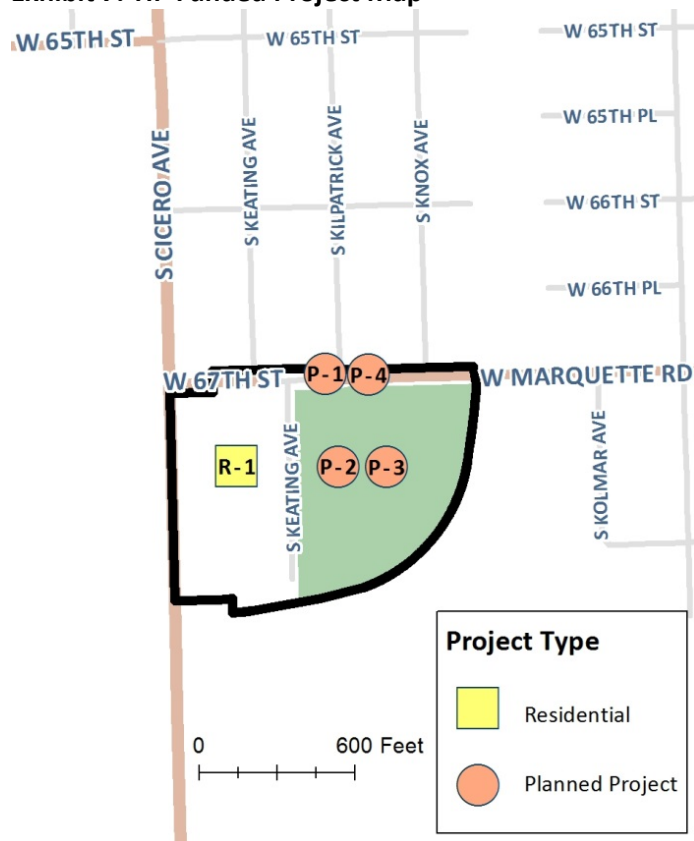


Exhibit 8. Redevelopment Agreement Projects

Map ID	Project	Status [1]	Total Project Cost [2]	TIF Funding Approved [3]	TIF Investment to Date [4]	Total Non-TIF Investment Expected [5]	Other City-Controlled Sources [6]		Ratio Non-TIF to TIF Invest.
							Source	Funding Amount	
RESIDENTIAL									
R-1	Autumn Green at Midway Village	Complete	\$18,100,392	\$2,750,000	\$1,233,942	\$15,350,392	N/A	\$0	5.6:1
TOTAL			\$18,100,392	\$2,750,000	\$1,233,942	\$15,350,392	\$0		5.6:1

[1] "Complete" projects are those listed as "Complete" in 2011 TIF Annual Report and/or with Certificate of Completion noted in the City's RDA and IGA database, dated November 6, 2012. "In Progress" projects are those indicated in TIF Annual Reports as being in progress as of December 31, 2011.

[2] Source: Redevelopment Agreement.

[3] Maximum TIF allocation from City Funds as specified in the Redevelopment Agreement, excluding interest and financing costs.

[4] 11/1/1999 to 12/31/2011, as noted in 2011 TIF Annual Report.

[5] "Total Project Costs" less "TIF Funding Approved."

[6] Source: Redevelopment Agreement.

Exhibit 9. Redevelopment Agreement Projects: Community Impacts

Project	Project Address	Commercial Project Square Footage	RDA-Required Permanent Jobs [1]	Number of Housing Units	Affordability Level (Percent of AMI) [2]	Additional Expected Community Impacts
RESIDENTIAL						
Autumn Green at Midway Village	6701 S. Cicero Ave	0	0	26	60% AMI	Construction of 6-story, 126-unit rental residential building for seniors aged 62 and older. A minimum of 26 one-bedroom units will be available to senior households earning up to 60% AMI. The facility includes a 10,000 square-foot community space; 27,000 square-foot garden; and 48 parking spaces.
				100	Market Rate	
TOTAL		0	0	126		

Source: Redevelopment Agreements, Affordable Housing Quarterly Progress Reports, Community Development Commission project summaries.

[1] Minimum threshold required in the Redevelopment Agreement, if applicable.

[2] AMI: Area Median Income, as defined by the U.S. Department of Housing and Urban Development for the Chicago-Joliet-Naperville, IL area.

Exhibit 10. Intergovernmental Agreement Projects

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

Source: City's RDA and IGA database, dated November 6, 2012, and IGAs provided by the City.

Exhibit 11. TIF-Funded Programs

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

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

Exhibit 12. Public Infrastructure Projects

No public infrastructure projects have received TIF funding in the RPA through December 2011.

Source: Capital Management System database, 2002-2011; City of Chicago. Projects listed as Complete or Active.

Additional Performance Metrics

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

CONSTRUCTION JOB CREATION

78 one-year full-time equivalent construction jobs

Temporary construction employment associated with private projects (those with Redevelopment Agreements) has been estimated for this Report. For consistency, estimates for all projects were developed using IMPLAN, an economic impact modeling program, which incorporates local employment and economic data from the U.S. Bureau of Labor Statistics (“BLS”) and Bureau of Economic Analysis (“BEA”). The inputs for the IMPLAN analysis were derived from the actual project budgets, as presented in the RDA.

Based on this methodology, an **estimated 78 one-year full-time equivalent (“FTE”) construction jobs** were created as a result of the Autumn Green at Midway Village residential project.

PERMANENT JOB CREATION

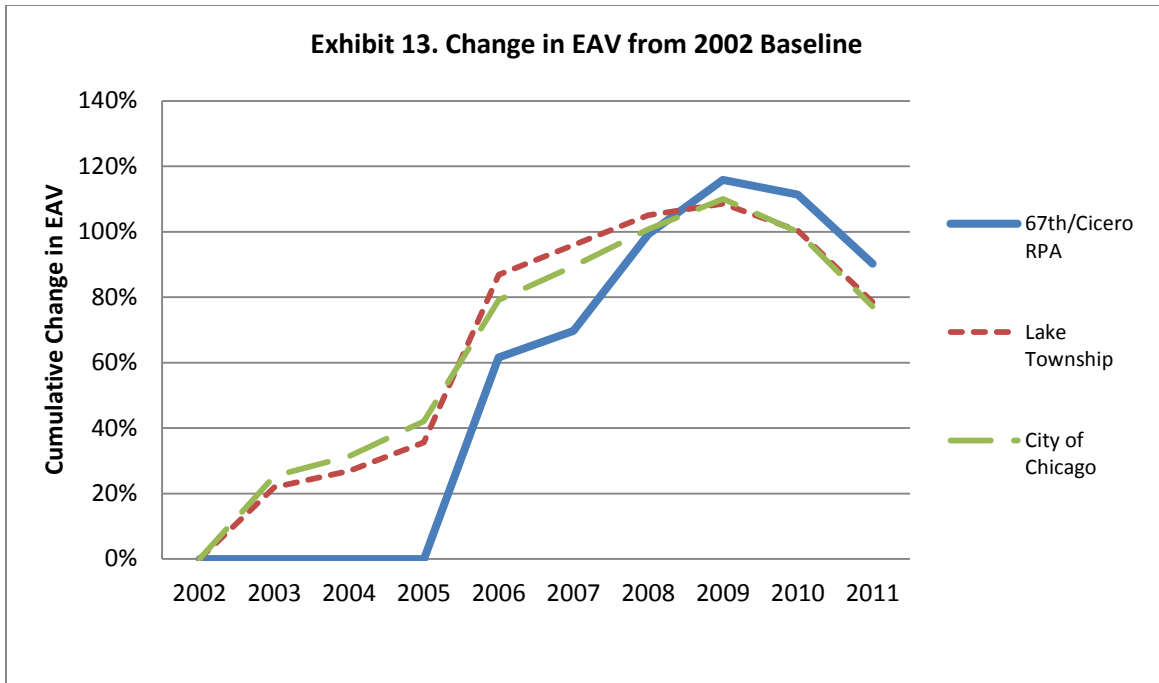
In some cases, RDAs require private, TIF-supported projects to create or retain a certain number of permanent jobs as a condition of receiving TIF funding. Permanent job creation associated with private, non-residential TIF-supported projects can be estimated using industry benchmarks and other available sources. However, as there are no commercial projects with RDAs in the 67th/Cicero RPA, permanent job creation has not been estimated.

CHANGE IN EQUALIZED ASSESSED VALUE

A comparison of the change in equalized assessed value (EAV) over time in the 67th/Cicero RPA to larger geographies is one indication of the relative growth in property values in the RPA. Growth in property values from the creation of the RPA is one metric of the relative economic health of the RPA. The cumulative growth in total EAV for the 67th/Cicero RPA, Lake Township, and the City of Chicago, overall, is displayed in **Exhibit 13** on the following page for tax years 2002 through 2011.

Property values within the 67th/Cicero RPA have grown at a **compound annual growth rate (CAGR) of 11.3 percent** over the last six years while EAV in Lake Township and the City of Chicago has grown at a CAGR of 4.7 percent and 3.8 percent, respectively.²

²The parcels within the 67th/Cicero RPA were exempt from property taxes until 2005. Therefore, the CAGR for reflects the growth rate between 2005, the year the property became taxable, and 2011. The CAGR for Lake Township and the City of Chicago were also calculated using 2005 and 2011 EAV.



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

Status of Planned Activities, Goals and Objectives

PLANNED ACTIVITIES

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

- Projects with an executed RDA, or with an RDA under negotiation following approval by the Community Development Commission;
- IGAs that have received City Council approval but without TIF expenditures through 2011;
- TIF-funded programs for which funding has been approved but no TIF dollars expended; and
- Public infrastructure projects with prior approval but no expenditures through 2011, or projects included in the City's 2013-2017 TIF Projection Reports as "potential projects."

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

Exhibit 14. Planned Projects

Map ID	Project	Project Location	Project Type	Total Project Cost	Tentative TIF Funding [1] [2]	Description
P-1	Traffic Signal	Marquette Rd. & Kilpatrick Ave.	Public Improvements	N/A	\$350,000	Install a traffic signal at the intersection of Marquette Road and Kilpatrick Avenue.
P-2	Chicago Park District: Madigan Ball Fields	4701 W 67th St.	Civic/Institutional	N/A	\$2,824,000	Construction of ball fields.
P-3	Lighting - Madigan Ball Fields	4701 W 67th St.	Civic/Institutional	N/A	\$110,000	Construction of ball fields.
P-4	Intersection Improvements - Rapid Flash Beacons	Marquette Rd. & Kilpatrick Ave.	Public Improvements	N/A	\$24,200	Install rapid flash beacons at the intersection of Marquette Road and Kilpatrick Avenue.
TOTAL				\$0	\$3,308,200	

Source: Redevelopment Agreements, Intergovernmental Agreements, CDC reports, Capital Management System database, TIF Projection Reports 2013-2017.

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

[2] Ported funds from the Southwest TIF are anticipated to fund all planned projects.

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 67th/Cicero TIF Plan through 2011.

Exhibit 15. Progress toward Achieving Goals and Objectives Outlined in 67th/Cicero TIF Plan

Map ID	Project	Relevant Goals and Objectives Addressed
R-1	Autumn Green at Midway Village	1, 2, 3, 4, 9

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

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