

**TAX INCREMENT FINANCING
Ten (10) Year Status Report
2007-2015**

**79th/Vincennes
Redevelopment Project Area
Designated September 27, 2007**



December 13, 2016

Pursuant to 65 ILCS 5/11-74.4-5

Prepared by

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

AND

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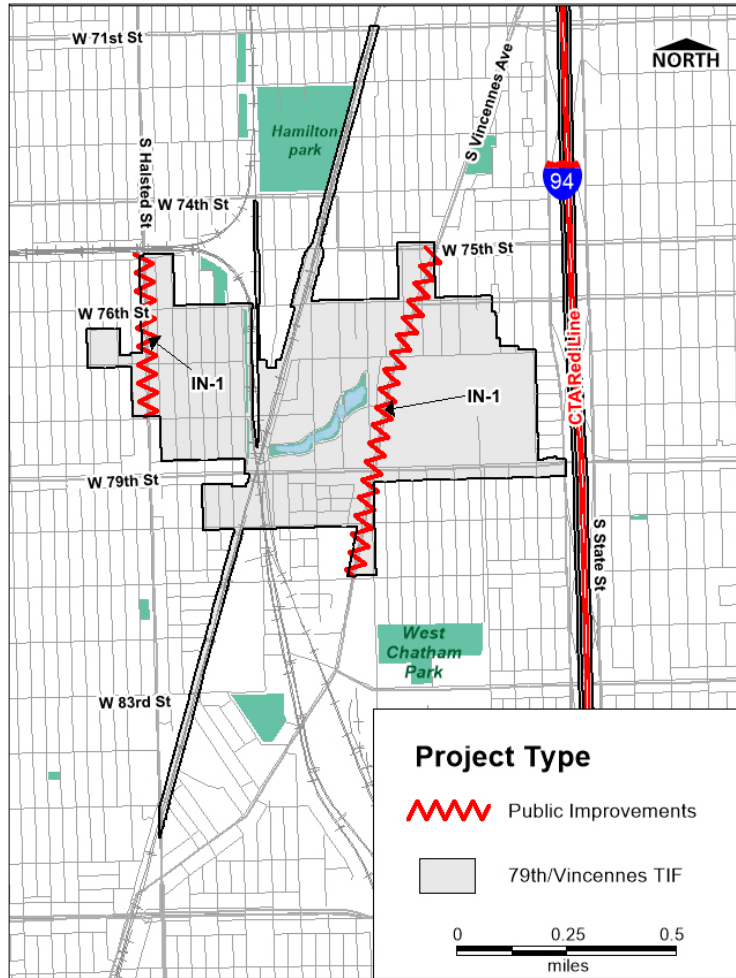
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Executive Summary



79TH/VINCENNES REDEVELOPMENT PROJECT AREA

- Designated: September 27, 2007
- Expires: December 31, 2031
- 281 acres
- 880 parcels at time of designation

The 79/Vincennes Tax Incremental Redevelopment Project Area (“79th Vincennes RPA” or “RPA”) was designated on September 27, 2007. The approximately 281-acre 79th/Vincennes RPA is located in the Greater Grand Crossing, Auburn Gresham, and Chatham community areas of Chicago. At the time of designation, the 79th/Vincennes RPA contained a mix of residential, commercial, and mixed land uses with numerous vacant lots. Residential uses are found throughout the RPA. Created to support economic development through an integrated and comprehensive strategy that leverages public resources to stimulate private investment, the 59-block district provides resources for a broad range of housing and retail investments, especially building rehabilitation projects, vehicular circulation improvements, new community facilities and projects that foster a lively streetscape. The district is also intended to support public works projects, open space expansion projects and efforts that improve local schools and other public buildings.

79th/Vincennes RPA Activity –2007-2015

INVESTMENT SUMMARY

- \$500,000 was approved for the Small Business Improvement Fund (SBIF), but no grants were awarded as of December 31, 2015
- As part of the City’s Streets for Cycling Project No. 2, TIF funds were used to implement bike lanes in the RPA

PROPERTY VALUE

- The RPA generated \$2.5 million in increment from 2007 to 2015; the annual growth rate for the RPA’s equalized assessed value was -1.0%

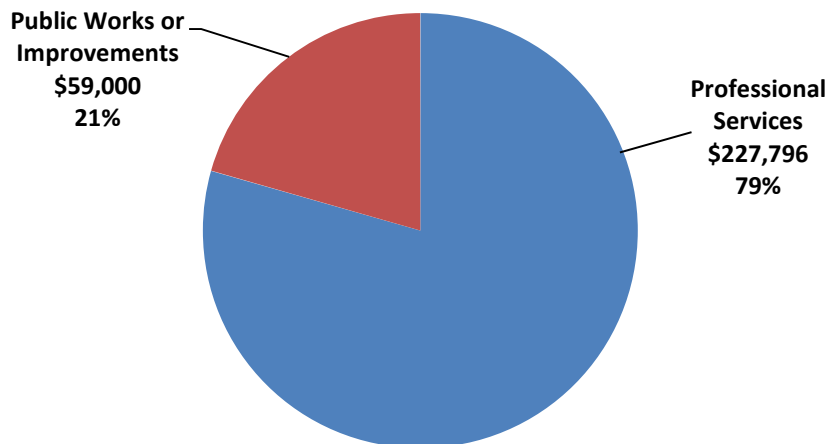
DEVELOPMENT

- City-owned properties in the RPA were sold to home builders as part of the New Homes for Chicago Program, but these projects did not receive TIF support

JOB CREATION

- Construction Jobs – Estimated less than one, one-year full-time equivalent (“FTE”) construction jobs created
- Permanent Jobs – No TIF-funded projects resulted in new permanent positions

DISTRIBUTION OF TIF-ELIGIBLE EXPENDITURES THROUGH 2015 [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 2015 calendar year and the 2014 tax year. For informational purposes, certain other supplementary information, such as upcoming planned projects, is reported through December 2015.

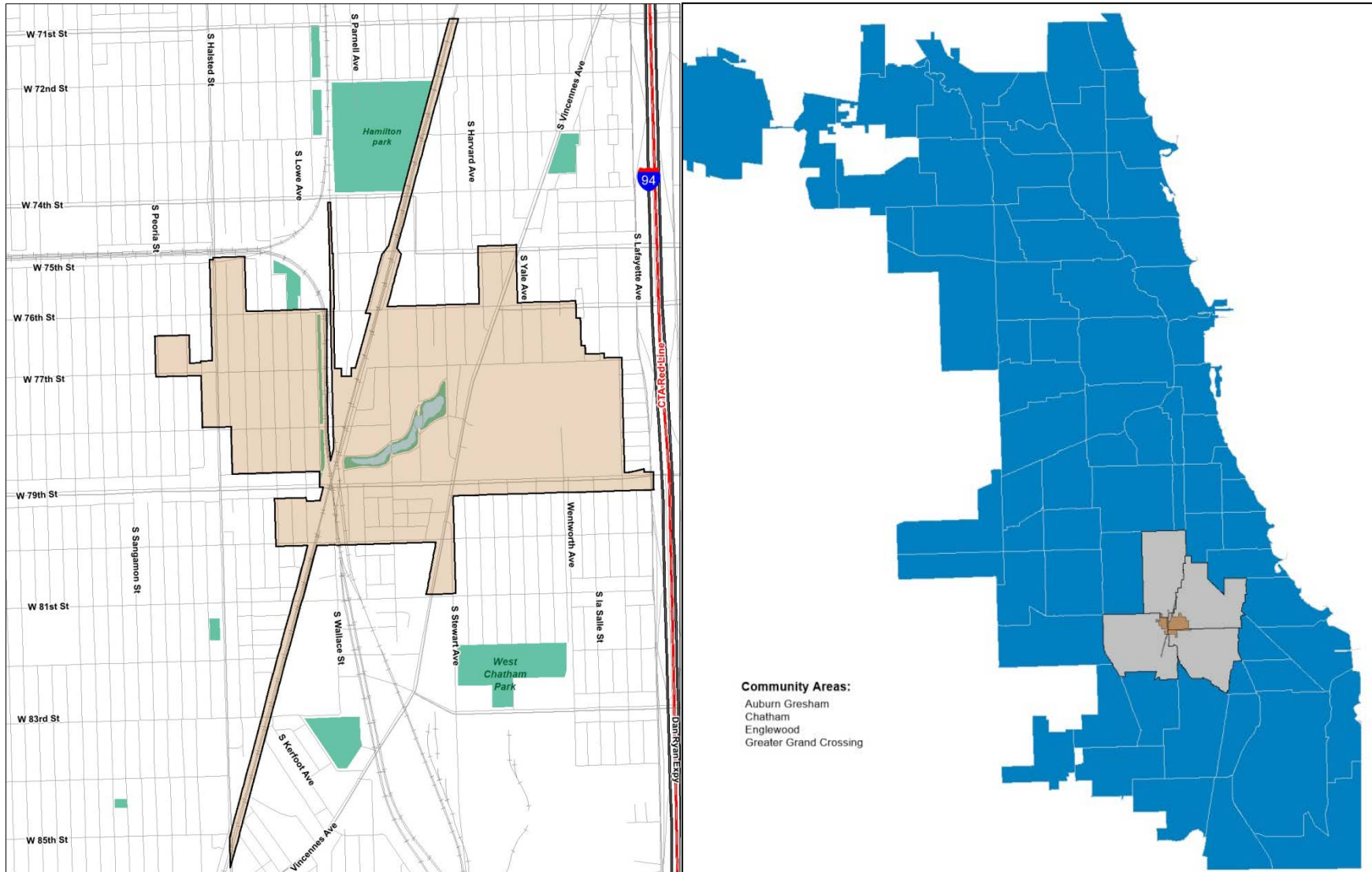
Detailed data on the 79th/Vincennes RPA was compiled to meet reporting requirements under the TIF Act and is presented in this Ten (10) Year Status Report (the “Report”). The Report contains various data from City of Chicago (“City”) departments, including audited financial statements, redevelopment agreements (“RDAs”), intergovernmental agreements (“IGAs”), capital improvement expenditures, and TIF-funded program databases (Small Business Improvement Fund (“SBIF”), Neighborhood Improvement Program (“NIP”), and TIFWorks) to track financial and programmatic performance. Data sources are referenced throughout this Report.

Project Area Context and Background

The approximately 281-acre 79th/Vincennes RPA is located in the Greater Grand Crossing, Auburn Gresham, and Chatham community areas of Chicago. The Project Area generally bounded by Perry Avenue on the east; 79th and 81st Streets on the south; portions of Union and Emerald Avenues and Halsted Street on the west; and 76th Street on the north. The RPA boundary is shown in **Exhibit 1** on the following page.

The 79th/Vincennes RPA was designated as a TIF district on September 27, 2007, and is expected to expire no later than December 31, 2031. There have been no major or minor amendments to the 79th/Vincennes Tax Increment Financing Redevelopment Plan and Project (the “TIF Plan”) as of December 31, 2015.

Exhibit 1. 79th/Vincennes RPA



Conditions at Time of TIF Creation

The 79th/Vincennes 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 (3) out of 13 additional eligibility factors be present to a meaningful extent and reasonably distributed throughout the RPA.

The following eligibility factors were described in the 79th/Vincennes TIF Plan for its designation as a “conservation area”:

- 87% percent of structures were found be at least 35 years of age or older
- The following four factors were found to be present to a major extent:
 - Deterioration
 - Deleterious land use and layout
 - Inadequate utilities
 - Declining or sub-par growth in equalized assessed value
- No other factors were found to a minor extent

At the time of designation, the 79th/Vincennes RPA contained a mix of residential, commercial, and mixed land uses with numerous vacant lots. Residential uses are found throughout the RPA. Commercial uses are primarily along 79th, 76th, and Halsted Streets and Vincennes Ave. Significant public/institutional uses are a CTA bus facility and Auburn Park.

Goals and Objectives for the RPA

The overall goal of the Redevelopment Plan is to reduce or eliminate the conditions that qualify the 79th/Vincennes RPA as a conservation area, and to provide the mechanisms necessary to support public and private development and improvements in the RPA. Created to support economic development through an integrated and comprehensive strategy that leverages public resources to stimulate private investment, the 59-block district provides resources for a broad range of housing and retail investments, especially building rehabilitation projects, vehicular circulation improvements, new community facilities and projects that foster a lively streetscape. The district is also intended to support public works projects, open space expansion projects and efforts that improve local schools and other public buildings. The following twelve (12) goals were outlined in the TIF Plan:

1. Provide resources for the rehabilitation and modernization of existing structures and the reuse and rehabilitation of architecturally and historically significant structures, especially those identified as "orange" on the Chicago Historic Resources Survey;
2. Facilitate residential development and redevelopment that will accommodate current and future residents of the RPA, including a range of income levels and a variety of housing tenure (ownership versus rental);
3. Encourage high-quality retail development that promotes a lively pedestrian environment, incorporates enhanced plazas and green spaces, provides sufficient off-street parking, and adequately serves households residing in the area;
4. Improve the quality of existing open space, plazas, and streetscape elements to provide the community with safe, attractive public gathering spaces;

5. Provide resources for creation and/or improvement of community facilities to provide health/wellness, education, social support, and job training opportunities for RPA residents;
6. Improve vehicular circulation throughout the RPA, through improvements to streets, alleys and loading areas;
7. Improve public transit facilities within the RPA, including encouragement of upgrades to Chicago Transit Authority and Metra properties and facilities;
8. Promote commercial and residential development and redevelopment that is “transit-oriented” in nature and reflects site design and mixes of uses that promote transit ridership and accessibility;
9. Replace or repair public infrastructure where needed, including streets, sidewalks, curbs, gutters, underground water and sanitary systems, alleys, bridges, and viaducts;
10. Provide opportunities for women-owned, minority-owned, and locally-owned businesses to share in job opportunities associated with the redevelopment of the 79th/Vincennes RPA, particularly in the design and construction industries;
11. Support job training and welfare to work programs and increase employment opportunities for City residents; and
12. Provide daycare assistance to support employees of local businesses.

Exhibit 2. Total TIF-Eligible Project Costs and Expenditures through 2015

Permissible Cost Category	Eligible Cost Description	Estimated Project	Costs	Project Costs Expended Through 2015	
				Expenditures	Percent of Total
1. Professional Services	Costs of studies, surveys, administration, and professional services [1]		\$750,000	\$227,796	30.4%
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]		\$5,000,000	\$0	0.0%
4. Rehabilitation of Existing Public or Private Buildings	Costs of rehabilitation, reconstruction, repair or remodeling, and replacement of existing public or private buildings or fixtures [3]		\$5,000,000	\$0	0.0%
5. Public Works or Improvements	Costs of construction of public works and improvements [4]		\$20,000,000	\$59,000	0.3%
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		\$1,500,000	\$0	0.0%
7. Financing Costs	Financing costs, including interest and issuance costs		\$0	\$0	0.0%
8. Capital Costs	Taxing districts' capital costs resulting from redevelopment project [3]		\$0	\$0	0.0%
9. Increased Education Costs	Costs of reimbursing school districts for their increased costs attributable to TIF-assisted housing projects [4]		\$0	\$0	0.0%
10. Relocation Costs	Relocation Costs		\$750,000	\$0	0.0%
11. Interest Costs	Interest Costs [5]		\$2,500,000	\$0	0.0%
12. Affordable Housing Construction	Costs of construction, renovation, rehabilitation of housing for low-income and very low-income households [3]		\$3,000,000	\$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		\$1,500,000	\$0	0.0%
TOTAL REDEVELOPMENT PROJECT COSTS [3] [4] [5] [6]			\$40,000,000	\$286,796	0.7%

Source: 79th/Vincennes TIF Plan, dated March 2, 2007 and revised April 25, 2007, and TIF Annual Reports: Section (2) in 2007-2009 reports; Attachment K in 2010-2015 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

[4] Public Works or Improvements line item may include 1) reimbursements to an elementary, secondary or unit school district for 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 79th/Vincennes RPA from its inception through December 31, 2015. A summary of non-TIF City funds expended in support of projects through the 2015 calendar year is also presented.

Growth in EAV and Revenue Generated within 79th/Vincennes 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 or base EAV was \$32,132,472. As of December 31, 2015, the total taxable EAV (for tax year 2014) of the RPA was \$29,391,791, representing a growth of -8.5% from the initial EAV.

Exhibit 3: Growth in EAV: Tax Year 2005 – 2014

Year	EAV	% Change from Initial EAV
2005 Initial EAV	\$ 32,132,472	--
2014 - Current EAV	\$ 29,391,791	-8.5%

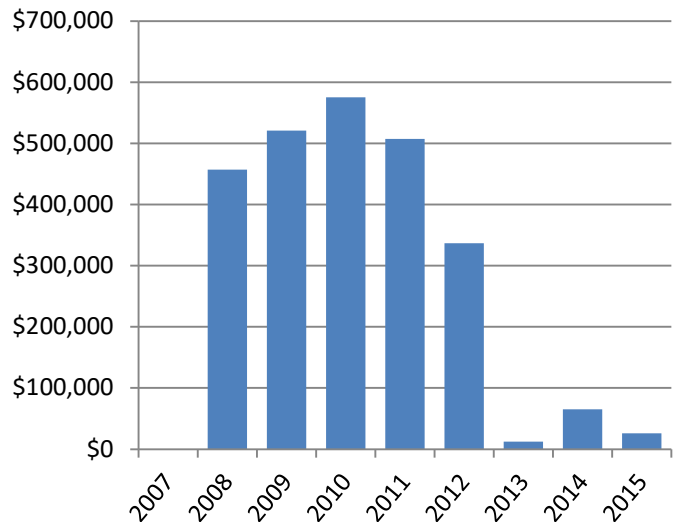
Source: County Clerk

This growth in EAV in the RPA generated a total of \$2.5 million in incremental property tax revenue from 2007 through the end of 2015, 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 2014, for which property taxes were collected in calendar year 2015.

Exhibit 4. Annual Incremental Property Tax Revenue Collected, 2007-2015

Year	Incremental Property Tax Collected
2007	\$0
2008	\$456,913
2009	\$520,652
2010	\$575,421
2011	\$507,239
2012	\$336,783
2013	\$12,351
2014	\$64,931
2015	\$25,916
TOTAL INCREMENTAL PROPERTY TAX COLLECTED, 2007-2015	\$2,500,206

Exhibit 5. Annual Incremental Property Tax Revenue Collected, 2007-2015



Source: TIF Annual Reports: Section (7)(D) in 2007-2009 reports; Section 3.1 in 2010-2015 Reports. Property tax increment is deposited in a special tax allocation fund for this TIF.

Note that although the EAV at the end of the reporting period (tax year 2014) was less than the base EAV, the RPA generated incremental tax revenues during the reporting period. The primary reason for this is that there were years during the reporting period for which the total EAV was greater than the base EAV for the RPA. It is also possible for revenue to be generated in a year when the total EAV is less than base EAV for that year. By TIF statute the “negative” incremental EAV for a property (which results when the EAV for that property falls below the base for that property) is not to count against or subtract from the positive, revenue-generating incremental EAV for other properties in the RPA. This was the case for calendar years 2013-2015 (tax years 2012-2014), where EAV was below the base (see Exhibit 13 later in the report) but the RPA generated revenues in these years.

Transfers of TIF Funds

No funds were transferred (or “ported”) into the 79th/Vincennes special tax allocation fund from adjacent TIF districts through December 31, 2015.

No funds were transferred out of the 79th/Vincennes special tax allocation fund to adjacent TIF districts through December 31, 2015.

City Acquisition of Property

The following properties were acquired by the City between 2007 and 2015 within the RPA:

- 7715 S. Eggleston
- 7524-7526 S. Emerald
- 7544 S. Emerald
- 7545 S. Halsted
- 7640 S. Lowe
- 7925 S. Parnell
- 7818-20 S. Stewart
- 7854 S. Stewart

TIF funds were not used for these acquisitions. Most of the properties were acquired through the Cook County Tax Reactivation Program and City foreclosure on demolition liens.

City Expenditures within the RPA

From 2007 to 2015, \$286,796 in incremental property tax revenue was expended in support of projects within the 79th/Vincennes RPA. Expenditures of TIF revenue over this period are presented in **Exhibit 2** by TIF-eligible cost categories outlined in the TIF Act.

No additional non-TIF City investments were made between 2007 and 2015, as displayed in **Exhibit 6** below.

Exhibit 6. Non-TIF City Investments in TIF-Supported Projects, 2007-2015

Non-TIF City investments were not made through December 2015

Source: City of Chicago Capital Management System database, RDA and IGA database, Annual Reports

Declaration of Surplus Funds

In December 2013, the City declared a surplus of \$113,080 in the 79th/Vincennes special tax allocation fund. In June 2014, the surplus funds were sent to the Treasurer.

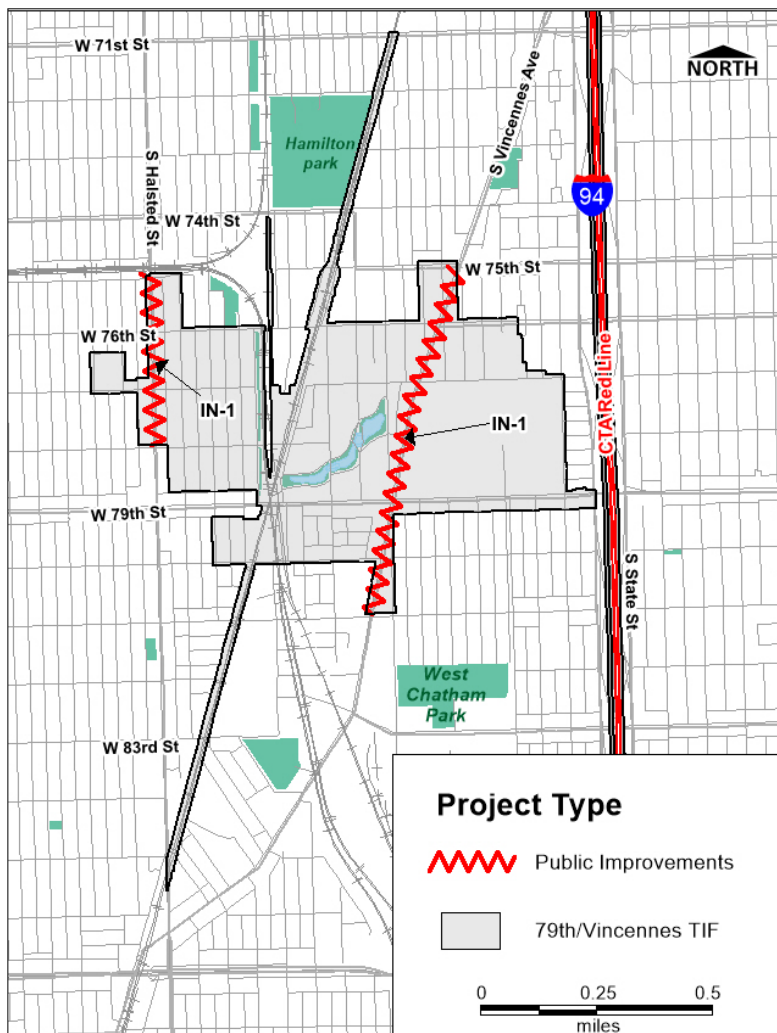
3. Redevelopment Project Area Accomplishments

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 79th/Vincennes 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 79th/Vincennes RPA that are underway or have been completed, as of December 31, 2015, 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 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 within the RPA are mapped in **Exhibit 7**. Planned projects, as reported in **Exhibit 14**, are also featured in the map below (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 2015.

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 2015.

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

Exhibit 10. Intergovernmental Agreement Projects

No Redevelopment Agreement Projects have received TIF funding through December 2015.

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 [1]	Total Private Investment through 2015	TIF Investment Through	Ratio of Non-TIF to TIF Investment	Description / Key Community Impacts [3]
Small Business Improvement Fund (SBIF)	Small Business Rehabilitation	\$500,000	\$0	\$0	N/A	SBIF grants fund exterior and interior for small businesses up to \$150,000 per project but no more than 50% to 75% of total project costs, depending on type and income of the business. SBIF program approved for this TIF but no completed projects as of December 31, 2015.
LIRI / CSS /NBDC	Business Retention	\$4,383	N/A	\$4,383	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.
TOTAL		\$504,383	\$0	\$4,383	N/A	

[1] 2015 TIF Annual Report

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

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

Exhibit 12. Public Infrastructure Projects

Map ID	Project	Project Type	TIF Funding Allocated [1]	TIF Investment through 2015 [1]	Other City-Controlled Sources [2]		Description/Key Community Impacts
					Source	Funding	
IN-1	Streets for Cycling	Public Improvements	\$59,000	\$59,000	N/A		TIF assisted in funding buffered bike lanes in RPA (Halsted and Vincennes) [3]
TOTAL			\$59,000	\$59,000			

[1] Source: Capital Management System database, City of Chicago expenditure data

[2] Capital Management System database

[3] Other TIFs and the federal Congestion Mitigation Air Quality Program provided funds for the Streets for Cycling Project No. 2 which implemented in-street bike lanes in various areas of the City.

Additional Performance Metrics

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

CONSTRUCTION JOBS CREATION

No full-time equivalent construction jobs

Temporary construction employment associated with private projects (those with Redevelopment Agreements), public projects (those with Intergovernmental Agreements), and the SBIF and NIP programs has been estimated for this report where applicable. 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 RDAs, and SBIF and NIF grant agreements.

Based on this methodology and the absence of SBIF, NIP, RDA or IGA projects, **no full-time equivalent (“FTE”) construction jobs** were created in the 79th/Vincennes TIF district between 2007 and 2015.

PERMANENT JOBS CREATION

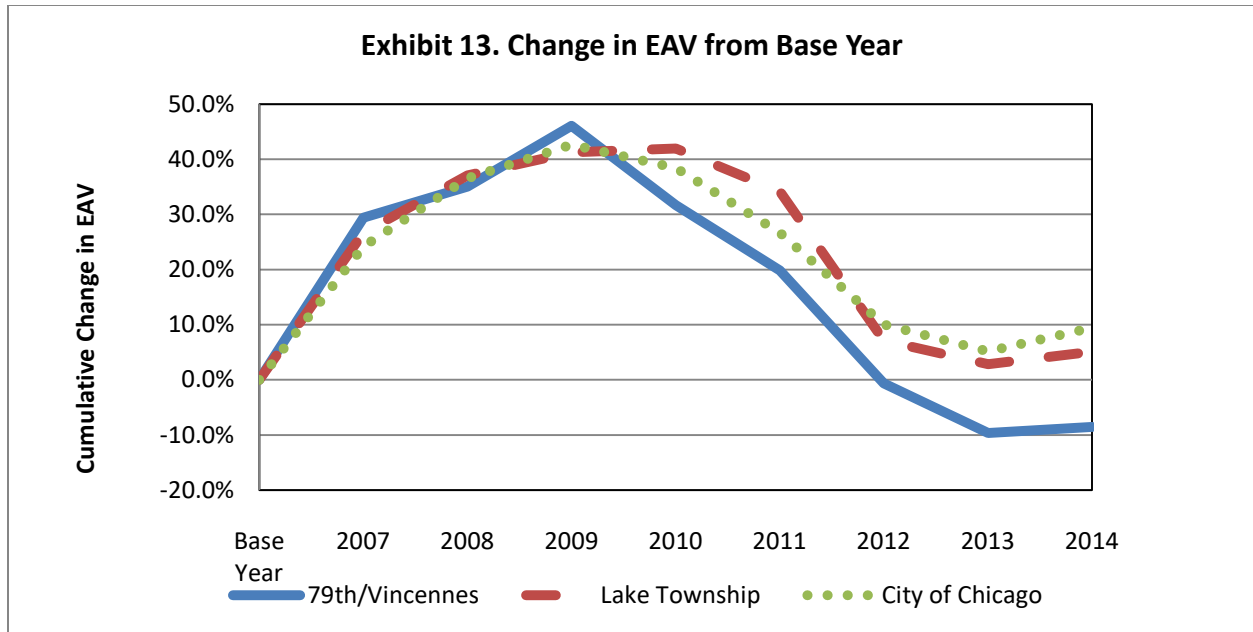
There were no projects that resulted in new permanent jobs during the reporting period.

CHANGE IN EQUALIZED ASSESSED VALUE

A comparison of the change in equalized assessed value (EAV) over time in the 79th/Vincennes 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 79th/Vincennes RPA, Lake Township, and the City of Chicago, overall, is displayed in **Exhibit 13** on the following page for the base year and tax years 2007 through 2014.

Property values within the 79th/Vincennes RPA have grown at a **compound annual growth rate (CAGR) of -1.0 %** from tax year 2005 to tax year 2014 while EAV in Lake Township and the City of Chicago has grown at a CAGR of 1.0% and 0.6%, respectively.

It is possible for revenue to be generated in a year when the total EAV is less than base EAV for that year. By TIF statute the “negative” incremental EAV for a property (which results when the EAV for that property falls below the base for that property) is not to count against or subtract from the positive, revenue-generating incremental EAV for other properties in the RPA. This was the case for calendar years 2013-2015 (tax years 2012-2014), where EAV was below the base but the RPA generated revenues in these years (see Exhibit 4).



Source: Cook County Clerk

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, 2015. Planned projects are defined as those that have met substantial approval criteria for receiving TIF funds as of December 2015, but as of December 2015 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 2015;
- 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 2015, or projects included in the City’s 2015-2019 TIF Projection Reports as “potential projects.”

Information on planned projects in the RPA is presented in **Exhibit 14** on the following page and is mapped in **Exhibit 7**. As of December 31, 2015 there were no planned projects as shown below.

Exhibit 14: Planned Projects

No Planned Projects have been identified through December 2015.

Source: TIF Projection Reports 2015-2019, 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 79th/Vincennes TIF Plan through 2015.

Exhibit 15. Progress toward Achieving Goals and Objectives Outlined in 79th/Vincennes TIF Plan

Map ID	Project	Relevant Goals and Objectives Addressed
IN-1	Streets for Cycling	4, 9
--	Small Business Improvement Fund (SBIF)	1

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

