

**TAX INCREMENT FINANCING  
Ten (10) Year Status Report  
2003-2012**

**EDGEWATER/ASHLAND  
Redevelopment Project Area  
Designated October 1, 2003**



November 18, 2013

Pursuant to 65 ILCS 5/11-74.4-5

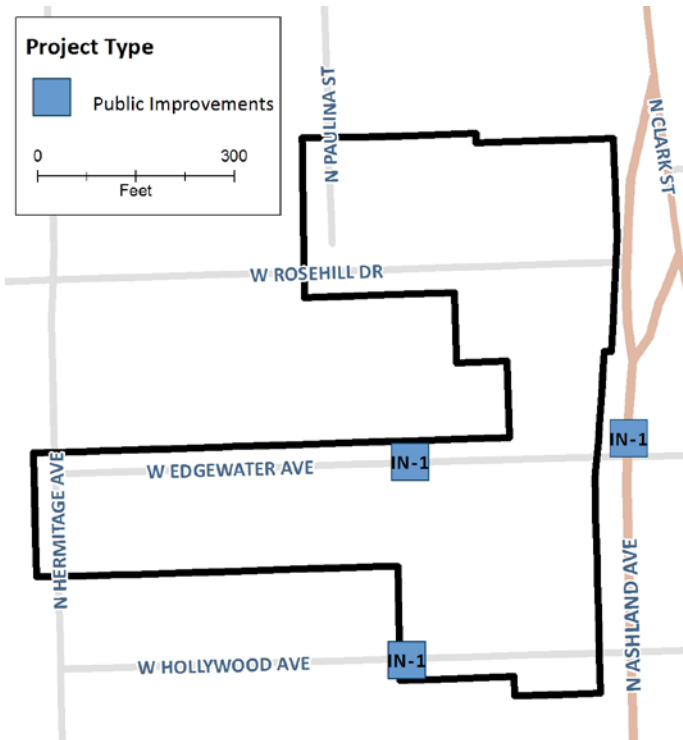
Prepared by  
**CITY OF CHICAGO DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT  
AND  
S. B. FRIEDMAN & COMPANY**

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## Executive Summary



### EDGEWATER/ASHLAND REDEVELOPMENT PROJECT AREA

- Designated: October 1, 2003
- Expires: December 31, 2027
- 8.6 acres
- 17 parcels at time of designation

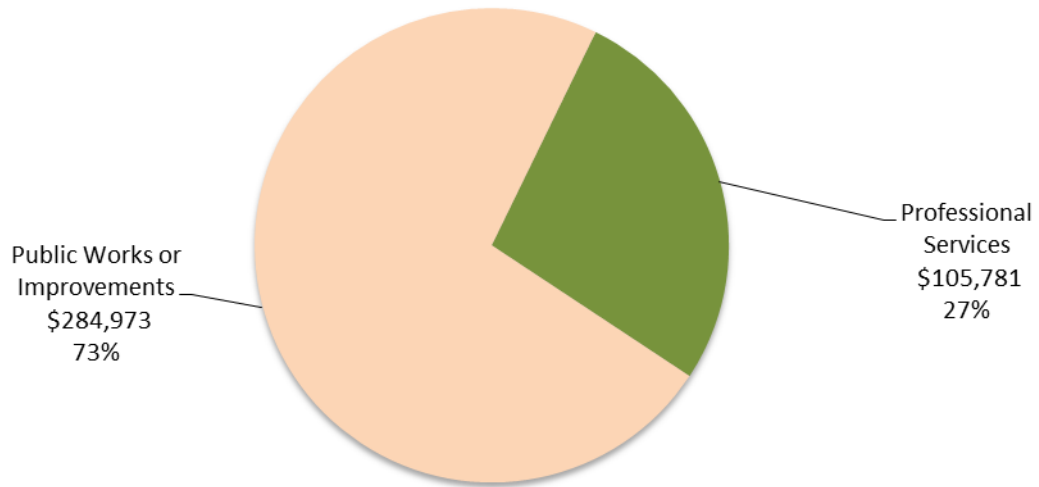
Located on Chicago's north side, the 8.6-acre Edgewater/Ashland Redevelopment Project Area ("RPA") contains a mix of institutional, residential and commercial uses, as well as surface parking. The RPA was established to facilitate the redevelopment of the former Edgewater Medical Center, which closed in 2001, and adjacent sites for new uses. The overall goal of the RPA is to promote new residential, commercial and mixed-use development that accommodates a diverse economic mix of residents and reflects the mostly residential fabric of adjacent blocks. Additional goals include the creation of adequate on- and off-street parking, new park and open spaces that serve existing and future residents, and pedestrian-friendly improvements that are conducive to neighborhood vitality. Funds from the TIF are also targeted for job training, day care and relocation expenses.

## Edgewater/Ashland RPA Activity 2003 - 2012

### INVESTMENT SUMMARY

- \$358,000 in TIF Funds allocated for infrastructure improvements

### DISTRIBUTION OF TIF-ELIGIBLE EXPENDITURES THROUGH 2012 [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.

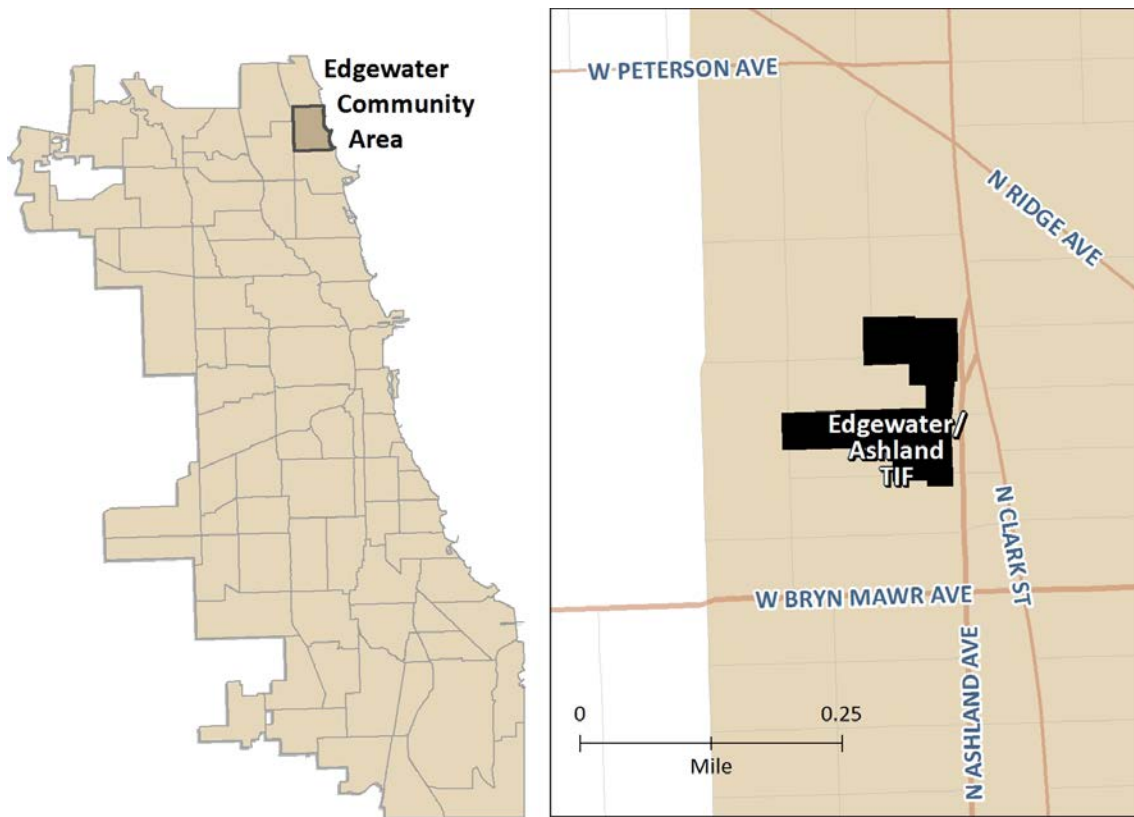
The information summarized herein is for the reporting period from the TIF district’s inception through the end of the 2012 calendar year and the 2011 tax year.

Detailed data on the Edgewater/Ashland 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 TIFWorks) to track financial and programmatic performance. Data sources are referenced throughout this Report.

### Project Area Context and Background

The approximately 8.6-acre Edgewater/Ashland RPA is located in the Edgewater community area approximately nine miles north of the City’s central business district (“the Loop”). The RPA generally encompasses the properties bounded by N. Ashland Ave. and N. Clark St. on the east, the alley north of Rosehill Drive on the north, W. Hollywood Ave. on the south, and Hermitage Avenue on the west. The RPA boundary is shown in **Exhibit 1** on the following page.

The Edgewater/Ashland RPA was designated as a TIF district on October 1, 2003, and is expected to expire no later than December 31, 2027. There have been no major or minor amendments to the Edgewater/Ashland Redevelopment Project Area Tax Increment Finance District Eligibility Study, Redevelopment Plan and Project (the “TIF Plan”) as of December 31, 2012.

**Exhibit 1. Edgewater/Ashland RPA****Conditions at Time of TIF Creation**

The Edgewater/Ashland RPA was determined to be eligible for TIF designation as a “conservation area” under the TIF Act, which requires at least 50 percent of buildings be 35 years of age or older, and three additional eligibility factors be present to a meaningful extent and reasonably distributed throughout the RPA. The following eligibility factors were described in the Edgewater/Ashland TIF Plan:

- 71 percent of structures were found to be at least 35 years of age or older
- Eligibility factors present to a major extent:
  - Excessive vacancies
  - Obsolescence
  - Deteriorations
  - Inadequate utilities
  - Deleterious land use or layout
  - Excessive land coverage
  - Lack of growth in equalized assessed value (EAV)

At the time of designation, the Edgewater/Ashland RPA contained a mix of institutional, residential and commercial uses, as well as surface parking. The RPA was established to facilitate the redevelopment of the former Edgewater Medical Center, which closed in 2001, and adjacent sites for new uses. The overall goal of the RPA is to promote new residential, commercial and mixed-use development that

accommodates a diverse economic mix of residents and reflects the mostly residential fabric of adjacent blocks. Additional goals include the creation of adequate on- and off-street parking spaces, new park and open spaces that serve existing and future residents, and pedestrian-friendly improvements that are conducive to neighborhood vitality. Funds from the TIF are also targeted for job training, day care and relocation expenses.

## Goals and Objectives for the RPA

The overall goals of the Edgewater/Ashland RPA are to reduce or eliminate the conditions that qualify the RPA as a conservation area, to guide redevelopment, and to re-integrate the former Edgewater Medical Center site into the scale and fabric of the surrounding community. The following eight (8) specific goals and objectives were outlined in the TIF Plan:

1. **Facilitate the assembly, preparation (including demolition and/or environmental cleanup, if necessary) and marketing** of the former Edgewater Medical Center site for redevelopment;
2. **Promote new residential, commercial and/or mixed-use development** that accommodates a diverse economic mix of residents, including the development of new affordable housing where appropriate;
3. **Create a physical environment that is conducive to private development** through the provision of public infrastructure where needed, including underground water and sanitary systems, sidewalks, alleys, and street improvements;
4. **Provide adequate on- and off-street parking** within the RPA for residents, visitors, employees and patrons of the RPA;
5. **Promote new park/open space uses**, as necessary and appropriate to serve residents of the RPA and surrounding neighborhood;
6. **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; and create visual interest and safer pedestrian environments with streetscaping, landscaping, lighting and buffering;
7. **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 Edgewater/Ashland RPA; and
8. **Support job training/welfare to work programs** and increase employment opportunities for area residents.

## Estimated Redevelopment Project Costs and Allocations

The estimated Redevelopment Project Costs outlined in the Edgewater/Ashland TIF Plan total \$14 million. Through 2012, \$391,000 has been expended on TIF-supported projects within the RPA,

representing 2.6 percent of estimated total Redevelopment Project Costs. **Exhibit 2** below displays the estimated eligible costs of the Edgewater/Ashland TIF Plan by statutory cost category.

**Exhibit 2. Total TIF-Eligible Project Costs and Expenditures through 2012**

Permissible Cost Category	Eligible Cost Description	Estimated Project Costs	Project Costs Expended Through 2012	
			Expenditures	Percent of Total
<b>1. Professional Services</b>	Costs of studies, surveys, administration and professional services	\$1,000,000	\$105,781	10.6%
<b>2. Marketing of Sites</b>	Cost of marketing sites within RPA to prospective businesses, developers, investors	[1]	\$0	N/A
<b>3. Property Assembly &amp; Site Preparation</b>	Property assembly costs, including acquisition, demolition, site preparation and environmental site improvement costs	\$7,500,000	\$0	0.0%
<b>4. Rehabilitation of Existing Public or Private Buildings</b>	Costs of rehabilitation, reconstruction, repair or remodeling, and replacement of existing public or private buildings or fixtures	\$300,000	\$0	0.0%
<b>5. Public Works or Improvements</b>	Costs of construction of public works and improvements	\$2,000,000 [2]	\$284,973	14.2%
<b>6. Job Training and Retraining</b>	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%
<b>7. Financing Costs</b>	Financing costs, including interest and issuance costs	[3]	\$0	N/A
<b>8. Capital Costs</b>	Taxing districts' capital costs resulting from redevelopment project	[2]	\$0	N/A
<b>9. Increased Education Costs</b>	Costs of reimbursing school districts for their increased costs attributable to TIF-assisted housing projects	[2]	\$0	N/A
<b>10. Relocation Costs</b>	Relocation costs	\$25,000	\$0	0.0%
<b>11. Interest Costs</b>	Costs of reimbursing developers for interest costs on redevelopment projects	\$3,475,000	\$0	0.0%
<b>12. Affordable Housing Construction</b>	Costs of construction, renovation, rehabilitation of housing for low-income and very low-income households	\$250,000	\$0	0.0%
<b>13. Day Care Reimbursements</b>	Costs of day care services and operational costs of day care centers for low-income families in RPA	\$100,000	\$0	0.0%
<b>TOTAL REDEVELOPMENT PROJECT COSTS [4]</b>		<b>\$14,750,000</b>	<b>\$390,754</b>	<b>2.6%</b>

Source: Edgewater/Ashland TIF Plan, dated May 29, 2003 (revised July 18, 2003) and TIF Annual Reports: Section (2) in 2003-2009 reports; Attachment K in 2010-2012 reports.

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

[2] This category may also include paying for reimbursing (i) an elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts affected by the redevelopment of the RPA.

[3] Total Redevelopment Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with issuance of obligations and optional redemptions.

[4] All costs are in 2003 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.



## 2. Redevelopment Project Area Revenues and Expenditures

This chapter provides information on the incremental property tax revenue generated and associated expenditures within the Edgewater/Ashland RPA from its inception through December 31, 2012. A summary of non-TIF City funds expended in support of projects through the 2012 calendar year is also presented.

### Growth in EAV and Revenue Generated within Edgewater/Ashland 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 1, 2003 was \$1,875,282.<sup>1</sup> As of December 31, 2012, the total taxable EAV (for tax year 2011) of the RPA was \$12,457,838, representing growth in property value of 564% from the initial EAV.<sup>2</sup>

**Exhibit 3. Growth in EAV: Tax Year 2002 – 2011**

Year	EAV	% Increase from Initial EAV
2002 - Initial EAV [1]	\$ 1,875,282	--
2010 - Current EAV	\$12,457,838	564%

Source: Cook County Clerk.

[1] The RPA was designated in 2003 with initial EAV from tax year 2002.

This growth in EAV in the RPA generated a total of \$4.4 million in incremental property tax revenue from 2003 through the end of 2012, 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 2011, for which property taxes were collected in calendar year 2012.

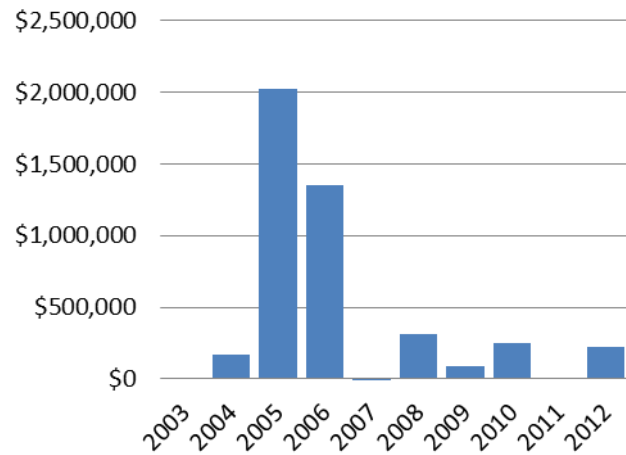
<sup>1</sup> Office of the Cook County Clerk, Certificate of Initial Equalized Assessed Valuation. Initial EAV is from tax year 2002, the most recent EAV available at the time of designation.

<sup>2</sup> Office of the County Clerk Tax Increment Agency Distribution Summary, Tax Year 2011.

**Exhibit 4. Incremental Property Tax Revenue Collected 2003 - 2012**

Year	Incremental Property Tax Collected
2003	\$0
2004	\$171,287
2005	\$2,024,088
2006	\$1,347,701
2007	-\$2,205
2008	\$308,924
2009	\$92,845
2010	\$248,215
2011	\$0
2012	\$227,534
<b>TOTAL INCREMENTAL PROPERTY TAX COLLECTED, 2003-2012</b>	<b>\$4,418,389</b>

**Exhibit 5. Annual Incremental Property Tax Revenue Collected**



Source: TIF Annual Reports: Section (7)(D) in 2001-2009 Reports; Section 3.1 in 2010-2012 Reports. Property tax increment deposited in tax allocation fund.

**Transfers of TIF Funds**

No funds were transferred (or “ported”) into or out of the Edgewater/Ashland special tax allocation fund from or to adjacent TIF districts through December 31, 2012.

**City Expenditures within the RPA**

From 2003 to 2012, \$391,000 in incremental property tax revenue was expended in support of projects within the Edgewater/Ashland RPA. Expenditures of TIF revenue over this period are presented in **Exhibit 2** (see page 6) by TIF-eligible cost categories outlined in the TIF Act.

No additional non-TIF City investments were made between 2003 and 2012, as displayed in **Exhibit 6** below.

**Exhibit 6. Non-TIF City Investments in TIF-Supported Projects, 2003-2012**

Non-TIF City investments were not made through December 2012.

Source: City of Chicago Capital Management System database, 2003-2012; City’s RDA and IGA database dated November 6, 2012.

**Declaration of Surplus Funds**

A total of \$262,000 in the Edgewater/Ashland 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 \$262,000 in the Edgewater/Ashland special tax allocation fund. In June 2012, the surplus funds were sent to the Treasurer.

### 3. Redevelopment Project Area Accomplishments

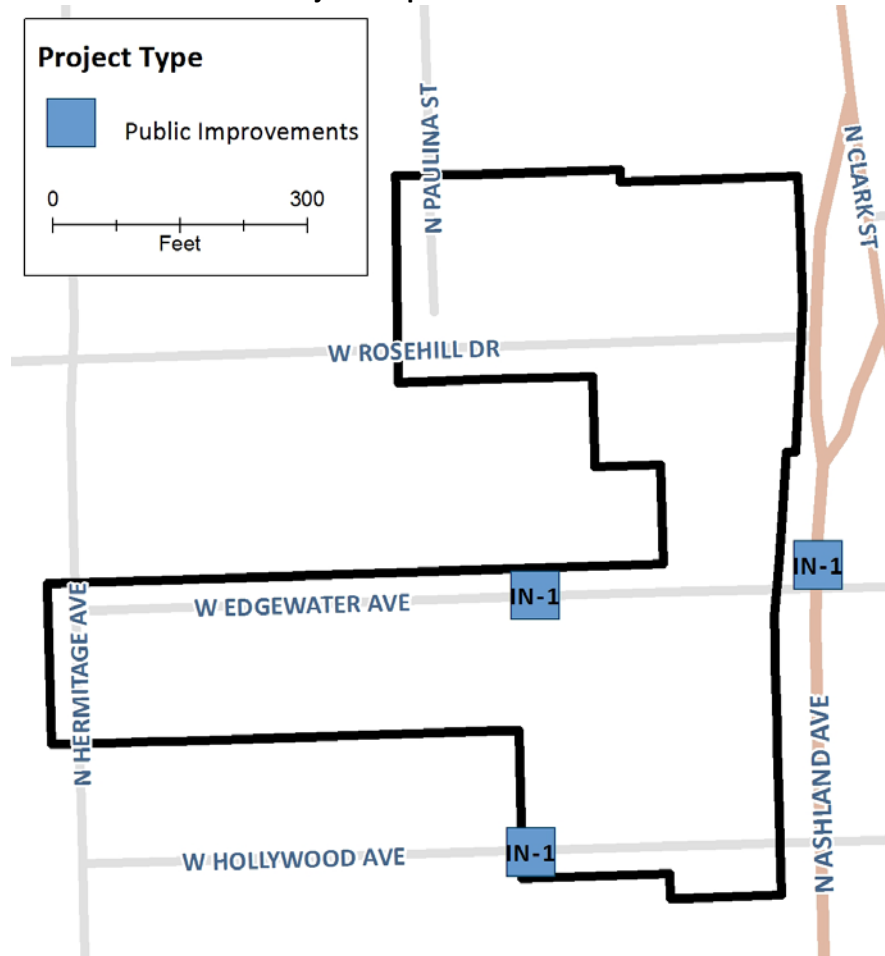
This chapter provides information on the status of TIF project activity, goals and objectives outlined in the TIF Plan. Detailed information on TIF-supported projects within the Edgewater/Ashland RPA is provided, followed by a discussion of additional performance metrics relevant to the TIF district.

#### RPA Project Profiles – Major Accomplishments

Project profiles for TIF-supported projects within the Edgewater/Ashland RPA that are underway or have been completed, as of December 31, 2012, are provided in **Exhibits 8 through 12** on the following page. The tables include public infrastructure projects receiving funds through TIF and other City sources. Projects that 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 13).

Public infrastructure projects, as reported in **Exhibit 12**, are displayed in **Exhibit 7** below.

**Exhibit 7. TIF-Funded Project Map**



**Exhibit 8. Redevelopment Agreement Projects**

No Redevelopment Agreement Projects have received TIF funding through December 2012.

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

**Exhibit 9. Redevelopment Agreement Projects: Community Impacts**

No Redevelopment Agreement Projects have received TIF funding through December 2012.

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

**Exhibit 10. Intergovernmental Agreement Projects**

No Intergovernmental Agreement Projects have received TIF funding through December 2012.

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 2012.

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**

Map ID	Project	Project Type	TIF Funding Allocated [1]	TIF Investment through 2011 [2]	Other City Controlled Sources		Description/ Key Community Impacts
					Source	Amount	
IN-1	Lighting Improvements	Public Improvements	\$358,000	\$284,973	N/A	N/A	Installation of lighting improvements along W. Edgewater Ave., N. Ashland Ave. and W. Hollywood Ave.
<b>TOTAL</b>			<b>\$358,000</b>	<b>\$284,973</b>	<b>N/A</b>		

[1] Source: City of Chicago, Capital Management System database, 2003-2012. Projects listed as Complete or Active.

[2] Source: 2012 TIF Annual Report; City of Chicago.

## 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

Temporary construction employment associated with private projects (those with Redevelopment Agreements) and public projects receiving TIF funds through Intergovernmental Agreements has been estimated for the Ten (10) Year Status Reports. 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 RDAs and IGAs.

No Redevelopment Agreement or Intergovernmental Agreement projects have received TIF funding through 2012 in the Edgewater/Ashland RPA, therefore no construction job creation has been estimated for this Report.

### 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. No RDAs have been approved in the Edgewater/Ashland RPA through 2012, therefore no permanent job creation has been estimated.

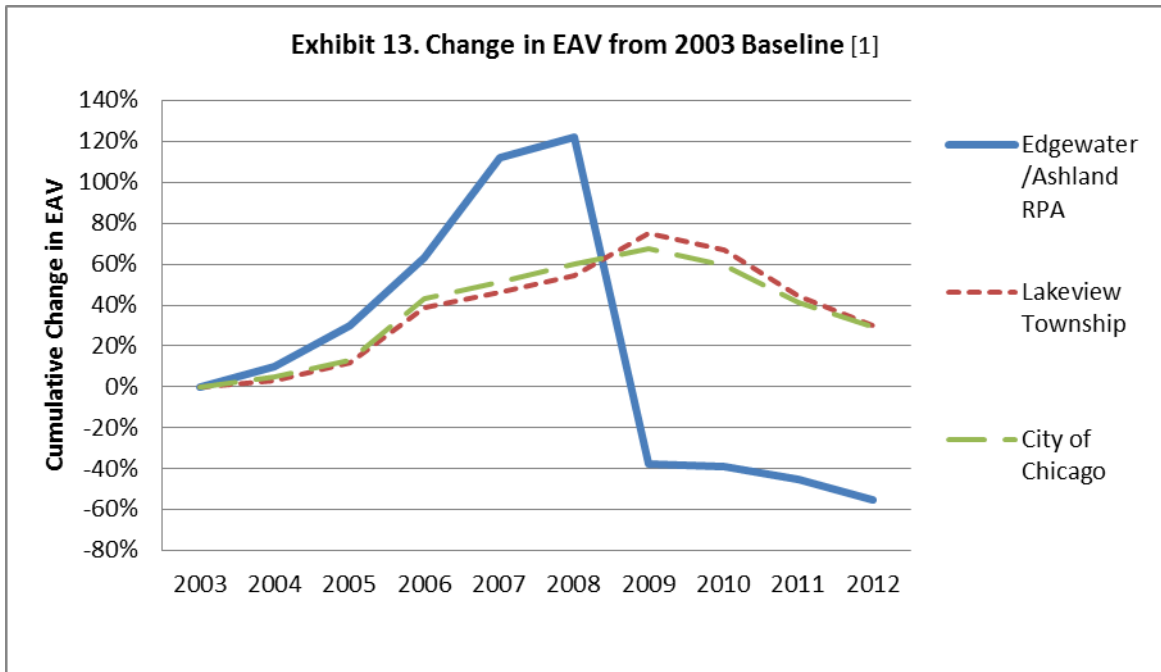
### CHANGE IN EQUALIZED ASSESSED VALUE

A comparison of the change in equalized assessed value (EAV) over time in the Edgewater/Ashland 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 Edgewater/Ashland RPA, Lakeview Township, and the City of Chicago, overall, is displayed in **Exhibit 13** on the following page for tax years 2003 through 2012.

Property values within the Edgewater/Ashland RPA have declined at a **compound annual growth rate (CAGR) of (-8.6) percent** from tax year 2003 through 2012<sup>3</sup>, while EAV in Lakeview Township and the City of Chicago have both grown at a CAGR of 2.9 percent.

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<sup>3</sup> 2003 EAV before exemptions data was not available at the time of preparing this report. The CAGR for the RPA technically reflects the growth rate between EAV after exemptions in 2003 and EAV before exemptions in 2012.



[1] Source: Cook County Assessor's Office, EAV before exemptions. EAV before exemptions was unavailable from the Assessor's Office for tax year 2003, so EAV after exemptions from the Cook County Clerk's Office was used.

## 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, 2012. Planned projects are defined as those that have met substantial approval criteria for receiving TIF funds as of December 2012, but as of December 2012 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 2012;
- 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 2012, or projects included in the City's 2013-2017 TIF Projection Reports as "potential projects."

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

**Exhibit 14. Planned Projects**

There are no planned projects in the RPA as of December 2012.

Source: Redevelopment Agreements, Intergovernmental Agreements, CDC reports, Capital Management System database, 2003-2012, TIF Projection Reports 2013-2017.

## 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 Edgewater/Ashland TIF Plan through 2012.

### Exhibit 15. Progress toward Achieving Goals and Objectives Outlined in the TIF Plan

Map ID	Project	Relevant Goals and Objectives Addressed
IN-1	Lighting Improvements	3, 6

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



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