

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

**West Woodlawn  
Redevelopment Project Area  
Designated May 12, 2010**



**December 10, 2019**

Pursuant to 65 ILCS 5/11-74.4-5

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Prepared by

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

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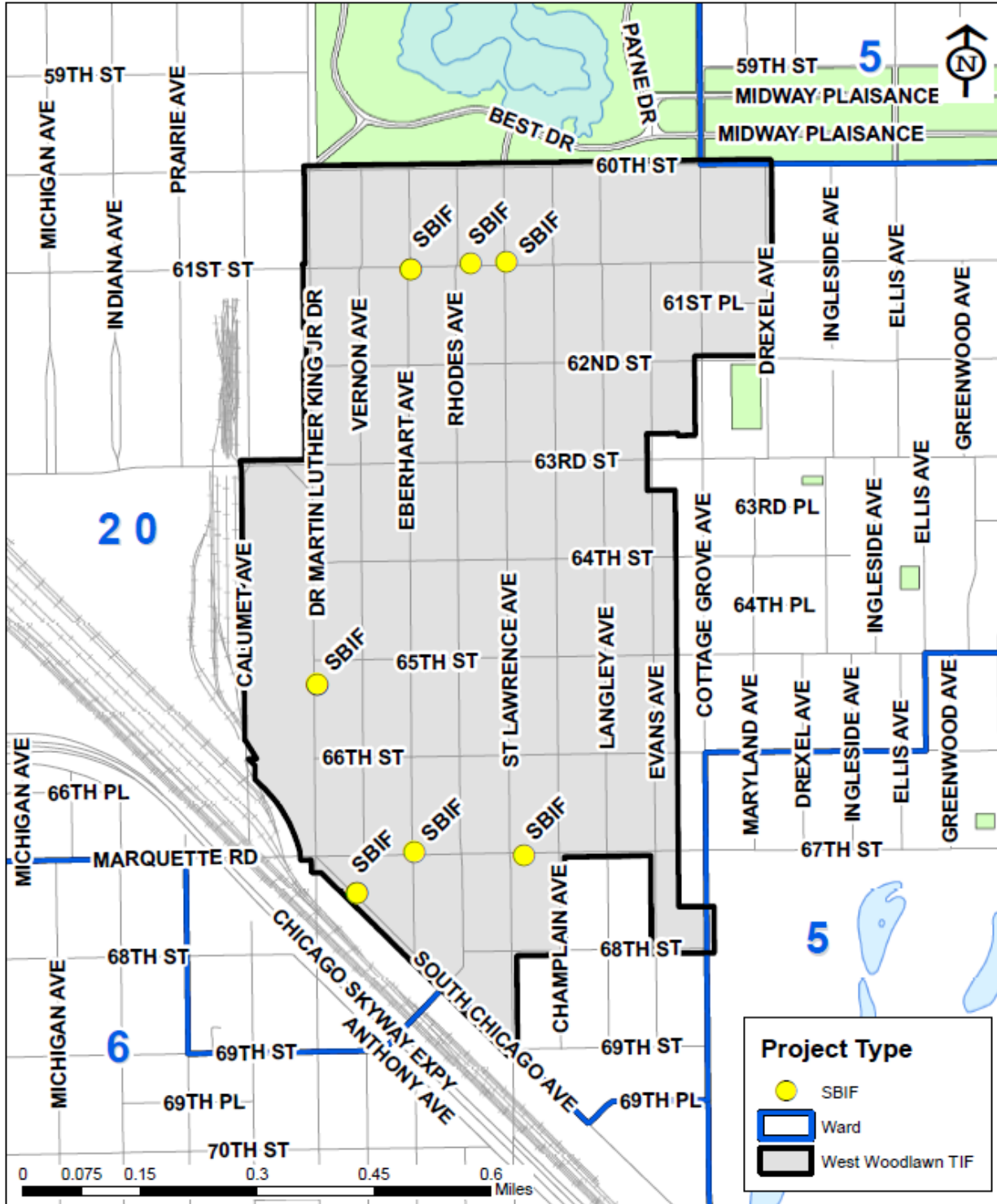
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# Executive Summary

## WEST WOODLAWN TIF DISTRICT PROJECT MAP



**WEST WOODLAWN REDEVELOPMENT PROJECT AREA**

- Designated: May 12, 2010
- Expires: December 31, 2034
- 346 acres
- 2,284 parcels at time of designation

The West Woodlawn Tax Increment Redevelopment Project Area (“West Woodlawn RPA” or “RPA”) was designated on May 12, 2010. The West Woodlawn TIF district is intended to provide redevelopment resources for a large portion of the Woodlawn community. The 346-acre area was designated to encourage affordable and market rate residential investment, as well as commercial investment, within a 64-block area of Chicago's South Side. Resources made available by the TIF also target public infrastructure improvements, transit upgrades, infill projects, and new job-training and day care opportunities for area residents.

## West Woodlawn RPA Activity –2010-2018

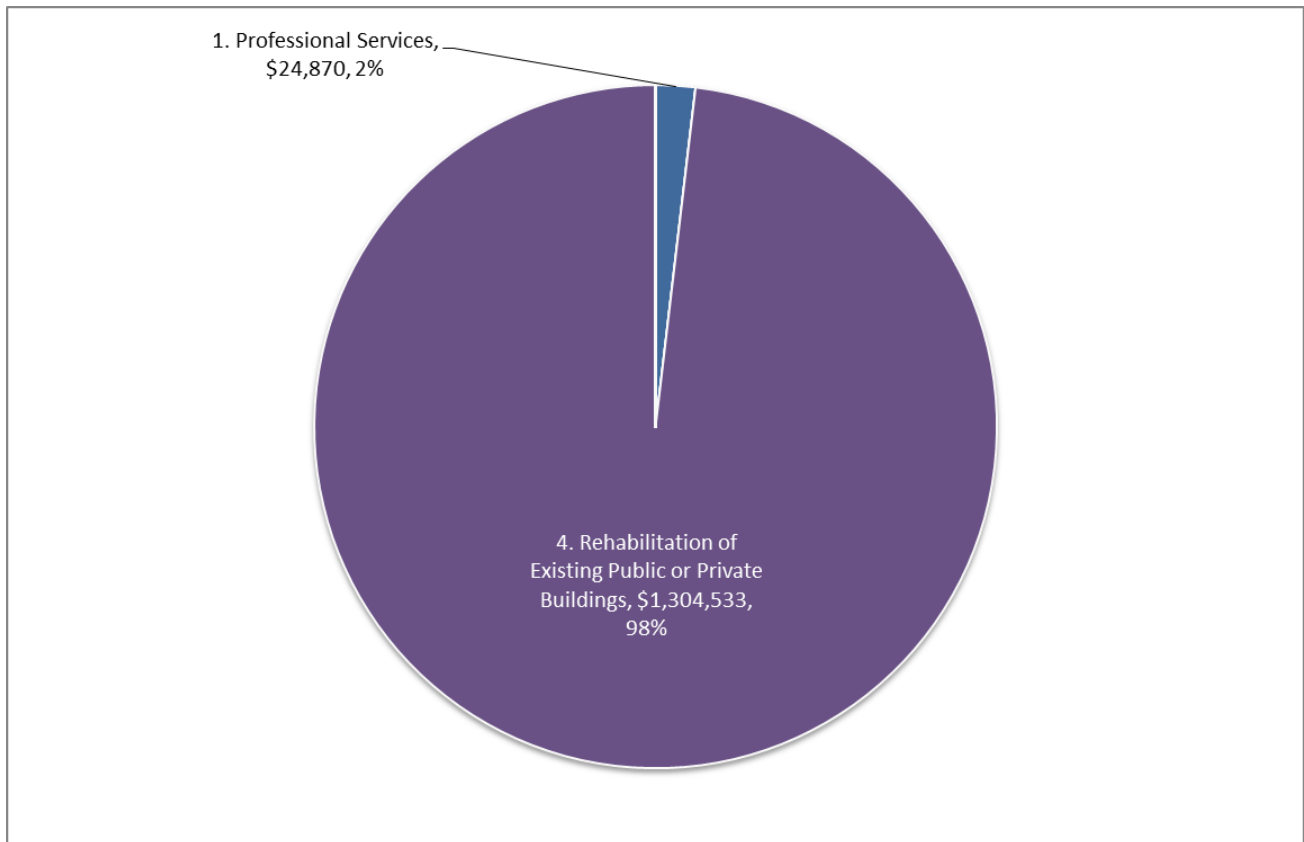
### INVESTMENT SUMMARY

- \$966 thousand in Neighborhood Improvement Program (NIP) grant awards to 98 households
- \$339 thousand in Small Business Improvement Fund (SBIF) grant awards to 7 business owners

### PROPERTY VALUE

- Equalized Assessed Value - Compound annual growth rate of -21.41 percent

### DISTRIBUTION OF TIF-ELIGIBLE EXPENDITURES THROUGH 2018 [1]



[1] Additional detail on expenditures provided in Exhibit 2.

## 1. Redevelopment Project Area Information

In July 2010, the Tax Increment Financing (“TIF”) Allocation Redevelopment Act 65 ILCS 5/11-74.4-5-1, et seq. (“TIF Act”) was amended to require municipalities to assemble a status report covering the history and performance of TIF districts that have been in existence for 9 to 10 years. The Act requires the report to detail:

1. The amount of revenue generated within the district;
2. Expenditures made for the Redevelopment Project Area (“RPA”), including TIF fund expenditures;
3. Status of planned activities, goals and objectives, including new and planned construction;
4. The amount of public and private investment within the TIF district; and
5. Other relevant evaluation or performance data.

The information summarized herein is for the reporting period from the TIF district’s inception through the end of the 2018 calendar year and the 2017 tax year. For informational purposes, certain other supplementary information, such as upcoming planned projects, is reported through December 2018.

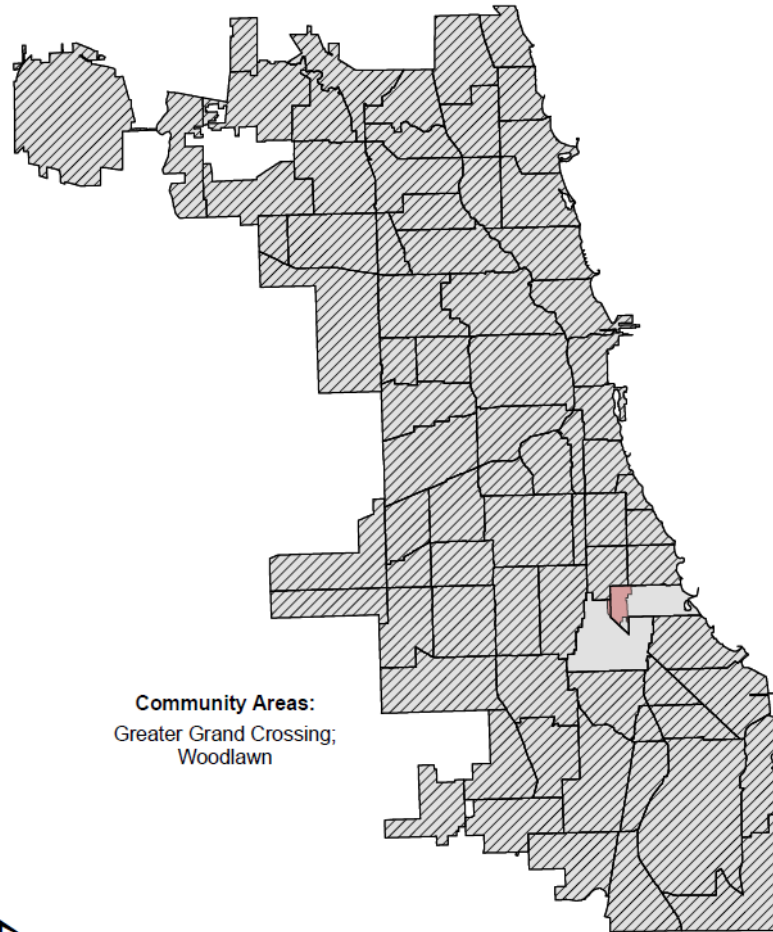
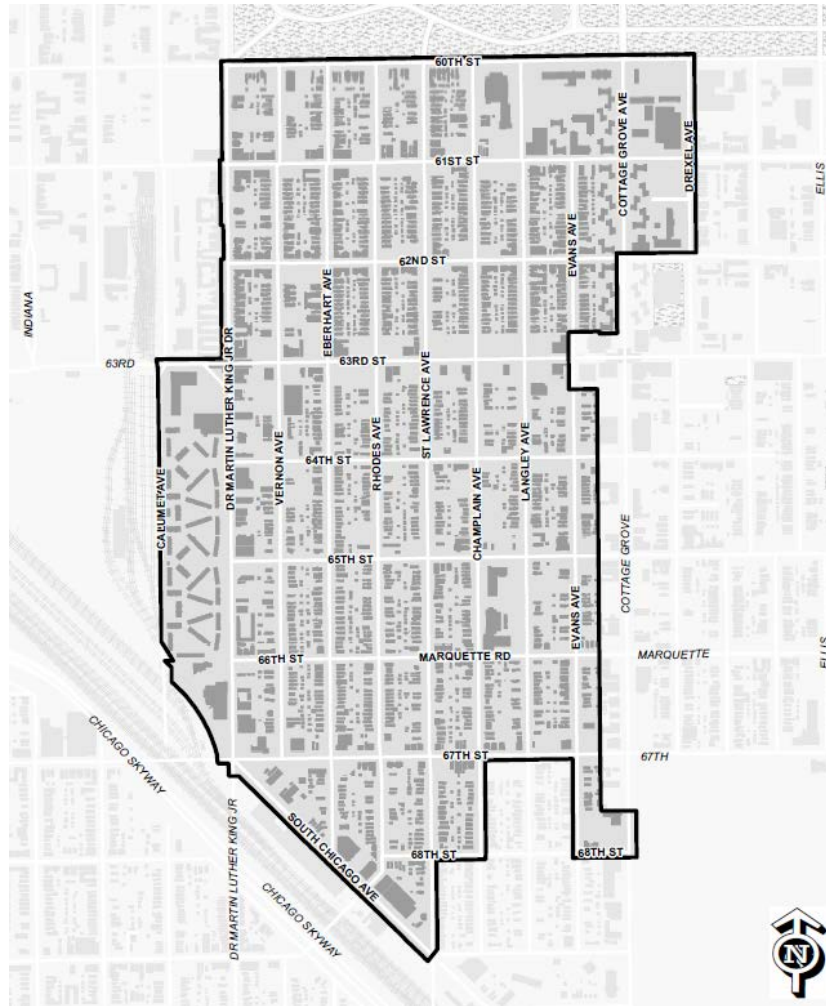
Detailed data on the West Woodlawn RPA was compiled to meet reporting requirements under the TIF Act and is presented in this Ten (10) Year Status Report (the “Report”). The Report contains various data from City of Chicago (“City”) departments, including audited financial statements, Redevelopment Agreements, 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 346-acre West Woodlawn RPA is located in the Woodlawn community area. The Project Area is generally bounded by East 60<sup>th</sup> Street on the north, Cottage Grove Avenue on the east, East 68<sup>th</sup> Street and South Chicago Avenue on the south and Martin Luther King Drive and South Calumet Avenue on the west. The RPA boundary is shown in **Exhibit 1** on the following page.

The West Woodlawn RPA was designated as a TIF district on May 12, 2010, and is expected to expire no later than December 31, 2034. There was one major amendment on November 17, 2010 to the West Woodlawn Tax Increment Financing Redevelopment Plan and Project (the “TIF Plan”) as of December 31, 2018.

Exhibit 1. West Woodlawn RPA





## Conditions at Time of TIF Creation

The West Woodlawn 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 additional eligibility factors be present to a meaningful extent and reasonably distributed throughout the RPA. The following eligibility factors were described in the West Woodlawn TIF Plan:

- 95 percent of structures were found be at least 35 years of age or older
- Eligibility factors present to a major extent:
  - Deterioration;
  - Inadequate utilities;
  - Structures Below Minimum Code; and
  - Lack of community planning.
- Minor supporting factors:
  - Deleterious Land Use or Layout; and
  - Excessive Vacancies.

Land use within the 346-acre district is predominantly residential, but also has potential for a revitalized commercial area. The land use plan provided resources for the rehabilitation of existing structures, facilitate diverse new residential and retail development, upgrade public infrastructure, enhance pedestrian and vehicular circulation, improve transit facilities, and enhance the quality of community and open space resources within the RPA.

## Goals and Objectives for the RPA

The overall goal of the Redevelopment Plan is to reduce or eliminate the conditions that qualify the West Woodlawn RPA as a conservation area, and to provide the mechanisms necessary to support public and private development and improvements in the RPA. This goal is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate private investment in rehabilitation of existing structures and new development. Eliminating these conditions and facilitating development within the RPA will facilitate reestablishment of the RPA as a cohesive and vibrant mixed-use area that provides a broad range of both housing opportunities and commercial/retail uses, while accommodating public and institutional uses where appropriate. Redevelopment of the RPA will improve retail, commercial, and housing conditions; improve the relationship between the area’s land uses; and attract private redevelopment.

Moreover, the main goal above is reinforced by the following eleven (11) Redevelopment Objectives for the West Woodlawn RPA:

1. Facilitate sustainable 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);

2. 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;
3. Improve the quality and quantity of existing open space, plazas, and streetscape elements to provide the community with safe, attractive public gathering spaces;
4. Promote new 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;
5. Provide resources for 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;
6. Provide resources for creation and/or improvement of community facilities to provide health/wellness, education, social support, and job training opportunities for RPA residents;
7. Improve vehicular circulation throughout the RPA, through improvements to streets, alleys and loading areas;
8. Improve public transit facilities within the RPA, including encouragement of upgrades to Chicago Transit Authority properties and facilities;
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 West Woodlawn RPA, particularly in the design and construction industries; and
11. Support job training and welfare to work programs and increase employment opportunities for City and neighborhood residents.

## Estimated Redevelopment Project Costs and Allocations

The estimated Redevelopment Project Costs outlined in the West Woodlawn TIF Plan total \$69.3 million. Through 2018, about \$1.3 million has been expended on TIF-supported projects within the RPA, representing 1.9 percent of estimated total Redevelopment Project Costs. **Exhibit 2** on the following page displays the estimated eligible costs of the West Woodlawn Redevelopment Plan by statutory cost category.

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

Permissible Cost Category	Eligible Cost Description	Estimated Project Costs	Project Costs Expended Through 2018	
			Expenditures	Percent of Total
<b>1. Professional Services</b>	Cost of studies, surveys, administration, and professional services [1]	\$800,000	\$24,870	3.1%
<b>2. Marketing of Sites</b>	Costs of marketing sites within RPA to prospective businesses, developers, investors [1]	\$0	\$0	0.0%
<b>3. Property Assembly &amp; Site Preparation</b>	Property costs assembly, including acquisition, demolition, site preparation, and environmental site improvement costs [2]	\$8,000,000	\$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 [3]	\$15,000,000	\$1,304,533	8.7%
<b>5. Public Works or Improvements</b>	Costs of construction of public works and improvements [4]	\$11,500,000	\$0	0.0%
<b>6. Job Training and Retraining</b>	Costs of job training and retraining implemented by businesses or other taxing bodies, including "welfare-to-work" programs, advanced vocational or career education	\$500,000	\$0	0.0%
<b>7. Financing Costs</b>	Financing costs, including interest and issuance costs	\$0	\$0	0.0%
<b>8. Capital Costs</b>	Taxing districts' capital costs resulting from redevelopment project [3]	\$0	\$0	0.0%
<b>9. Increased Education Costs</b>	Costs of reimbursing school districts for their increased costs attributable to TIF-assisted housing projects [4]	\$0	\$0	0.0%
<b>10. Relocation Costs</b>	Relocation costs	\$2,000,000	\$0	0.0%
<b>11. Interest Costs</b>	Interest costs [5]	\$3,000,000	\$0	0.0%
<b>12. Affordable Housing Construction</b>	Costs of construction, renovation, rehabilitation of housing for low-income and very low-income households [3]	\$28,000,000	\$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	\$500,000	\$0	0.0%
<b>TOTAL REDEVELOPMENT PROJECT COSTS [3] [4] [5] [6]</b>		<b>\$69,300,000</b>	<b>\$1,329,403</b>	<b>1.9%</b>

Source: West Woodlawn TIF Plan, dated December 28, 2009 (Revised March 8, 2010); Attachment K in 2010-2018 TIF Annual Reports.

[1] Professional Services line item may include the costs of marketing.

[2] Environmental remediation costs, originally a separate category, have been combined with Property Assembly & Site Preparation.

[3] Rehabilitation of Existing Public or Private Buildings line item may include the costs of affordable housing construction or rehabilitation.

[4] Public Works or Improvements line item may include (1) reimbursements to an elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (2) capital costs of taxing districts impacted by the redevelopment of the Project Area as noted in the TIF Plan.

[5] Interest Costs category includes Payments in Lieu of Taxes (PILOT).

[6] Total Redevelopment Project Costs in TIF Plan exclusive of interest on City-issued obligations, capitalized interest, issuance costs and other financing costs. All costs may be increased by the rate of inflation reflected in the Consumer Price Index (CPI) for All Urban Consumers for All Items for the Chicago-Gary-Kenosha, IL-IN-WI CMSA, published by the U.S. Department of Labor.

## 2. Redevelopment Project Area Revenues and Expenditures

This chapter provides information on the incremental property tax revenue generated and associated expenditures within the West Woodlawn RPA from its inception through December 31, 2016. A summary of non-TIF City funds expended in support of projects through the 2016 calendar year is also presented.

### Growth in EAV and Revenue Generated within West Woodlawn RPA

Incremental property tax revenues are generated based on the growth in equalized assessed value (EAV) that arises during the TIF district’s existence, as compared to the initial EAV at the time of the TIF’s original adoption. The RPA’s initial EAV was \$127,750,505. As of December 31, 2018, the total taxable EAV of the RPA was \$100,404,037, representing a decline of 21.41 percent from the initial EAV.

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

Year	EAV	% Change from Initial EAV
2010 – Initial EAV	\$127,750,505	--
2018 – Current EAV	\$100,404,037	-21.41%

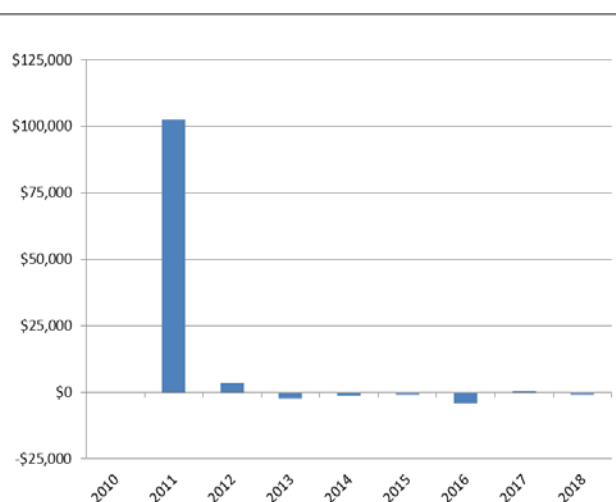
Source: Cook County Clerk.

This change in EAV in the RPA generated a total of \$96 thousand in incremental property tax revenue from 2010 through the end of 2018, as displayed in **Exhibits 4 and 5**. Property tax is collected in the year after taxes are levied, therefore these exhibits cover the period through tax year 2017, for which property taxes were collected in calendar year 2018.

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

Year	Incremental Property Tax Collected
2010	\$0
2011	\$102,534
2012	\$3,439
2013	(\$2,398)
2014	(\$1,083)
2015	(\$965)
2016	(\$4,276)
2017	\$111
2018	(\$911)
<b>TOTAL INCREMENTAL PROPERTY TAX COLLECTED, 2010-2018</b>	<b>\$96,451</b>

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



Source: TIF Annual Reports: Section 3.1 in 2010-2018 Reports. Property tax increment is deposited in a special tax allocation fund for this TIF. Negative increments is generally due to property owners’ successful appeals of assessed values in prior years, resulting in property tax refunds which if greater than the annual increment for the year of refund, show up as negative increment. Negative increments are not due to declarations of surplus, transfer of funds to adjacent TIFs, or total TIF EAV being less than the base EAV.

## Transfers of TIF Funds

There was \$1,250,000 transferred (or “ported”) into the West Woodlawn special tax allocation fund from the adjacent Woodlawn TIF district in 2013 for the Neighborhood Improvement Program and the Small Business Improvement Program.

There was \$250,000 transferred (or “ported”) into the West Woodlawn special tax allocation fund from the adjacent Woodlawn TIF district in 2014 for the Small Business Improvement Program.

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

## City Expenditures within the RPA

From 2010 to 2018, \$1.33 million in incremental property tax revenue was expended in support of projects within the West Woodlawn RPA. Expenditures of TIF revenue over this period are presented in **Exhibit 2** by TIF-eligible cost categories outlined in the TIF Act.

The City of Chicago has allocated and expended additional non-TIF resources in support of TIF-funded projects within the West Woodlawn RPA in support of residential private redevelopment projects. These additional non-TIF investments made between 2010 and 2018 are displayed in **Exhibit 6** below.

### **Exhibit 6. Non-TIF City Investments in TIF-supported Projects, 2010-2018**

No non-TIF city investment in TIF-supported projects funding through December 2018.

## Declaration of Surplus Funds

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

## 3. Redevelopment Project Area Accomplishments

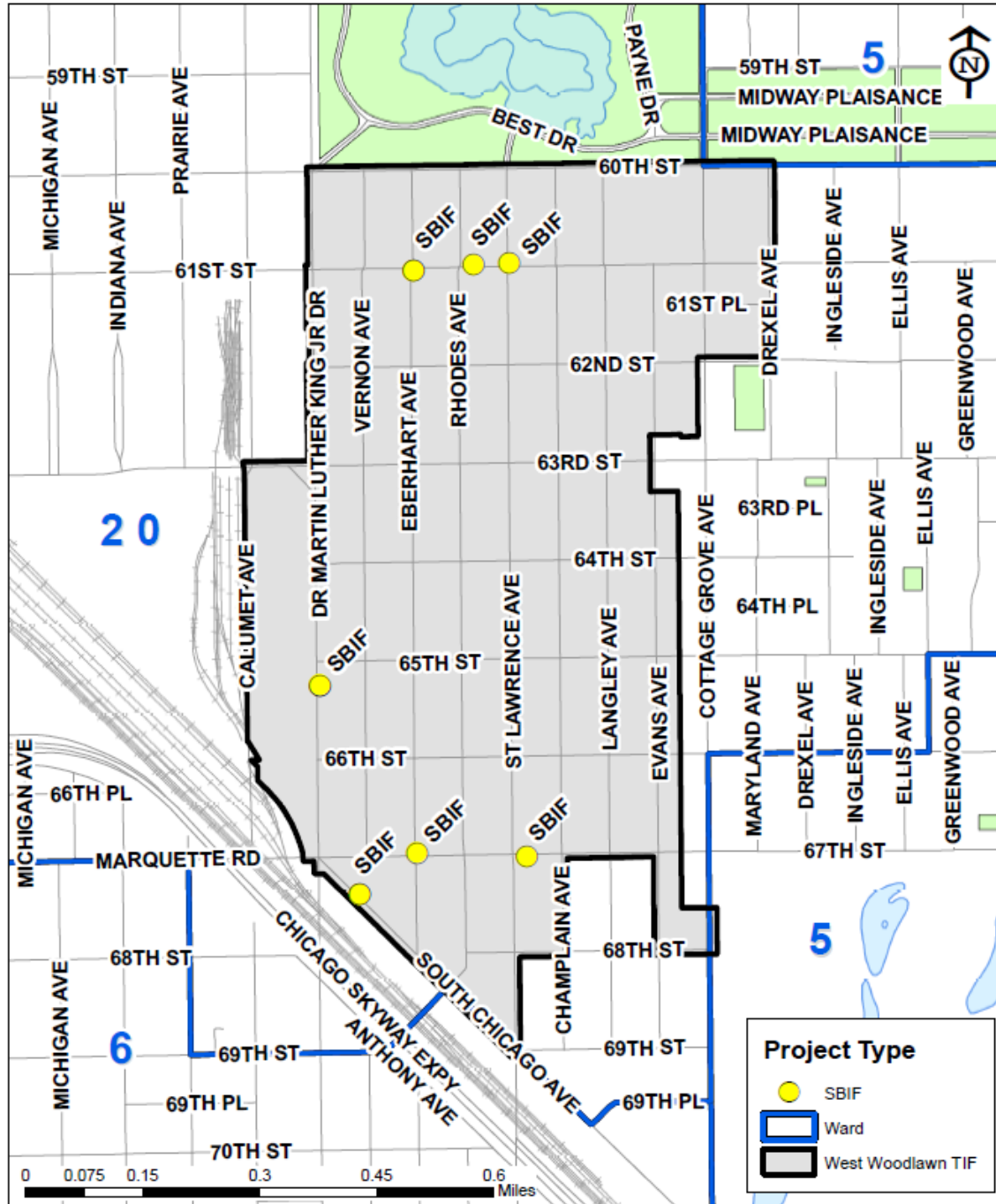
This chapter provides information on the status of TIF project activity, goals and objectives outlined in the TIF Plan. Detailed information on TIF-supported projects within the West Woodlawn RPA is provided, followed by a discussion of additional performance metrics relevant to the TIF district.

### RPA Project Profiles – Major Accomplishments

Project profiles for TIF-supported projects within the West Woodlawn RPA that are underway or have been completed, as of December 31, 2018, are provided in **Exhibits 8 through 12** on the following pages. Key project information presented includes total project costs, TIF investment (to date and expected), public-to-private investment ratio, and additional community impacts resulting from or expected to result from these projects. The tables include projects receiving TIF investments through RDA’s, IGAs, SBIF, and NIP, and TIF-funded public infrastructure improvements. Projects which have been allocated with TIF funds, but for which no TIF expenditures have occurred, are presented in **Exhibit 14** in the section on planned projects.

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

The public infrastructure projects and the TIF investments made via RDA's, IGA's, and SBIF projects within the RPA are mapped in Exhibit 7. Planned projects, as reported in Exhibit 14, are also featured in the map 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 2018.**

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

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

**Exhibit 10. Intergovernmental Agreement Projects**

**No Intergovernmental Agreement Projects have received TIF funding through December 2018.**

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 2018 [2]	TIF Investment Through 2018 [2]	Ratio of Non-TIF to TIF Investment	Description/Key Community Impacts [3]
<b>Small Business Improvement Fund (SBIF)</b>	Small Business Rehabilitation	\$500,000	\$578,743	\$339,232	N/A	9 SBIF grants through 2018 funded the appearance and functionality improvements for 7 small businesses including a youth center, animal hospital, daycare, and a laundry mat. Improvements included interior build-out, roofing, masonry work, HVAC improvements, and electrical upgrades. SBIF grants ranged from \$9,071 to \$100,000, reimbursing business owners up to to 75% of total project costs.
<b>Neighborhood Improvement Program (NIP)</b>	Residential Rehabilitation	\$1,000,000	N/A	\$966,007	N/A	This program has awarded home repair grants to 98 single-family residences (1-4 units). Grants are primarily for exterior repairs, however, up to 30% of the grant may be used for interior repairs that are health and safety related. Homeowners earning up to 100% of the area median income (AMI) are eligible. If household income is between 100 to 140% of AMI, homeowners must match the grant dollar for dollar.
<b>LIRI/CSS/NBDC</b>	Business Retention	\$3,465	N/A	\$3,465	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.
<b>TOTAL</b>		<b>\$1,503,465</b>		<b>\$1,308,704</b>		

[1] 2018 TIF Annual Report.

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

**Exhibit 12. Public Infrastructure Projects**

**No Public Infrastructure Projects have received TIF funding through December 2018.**

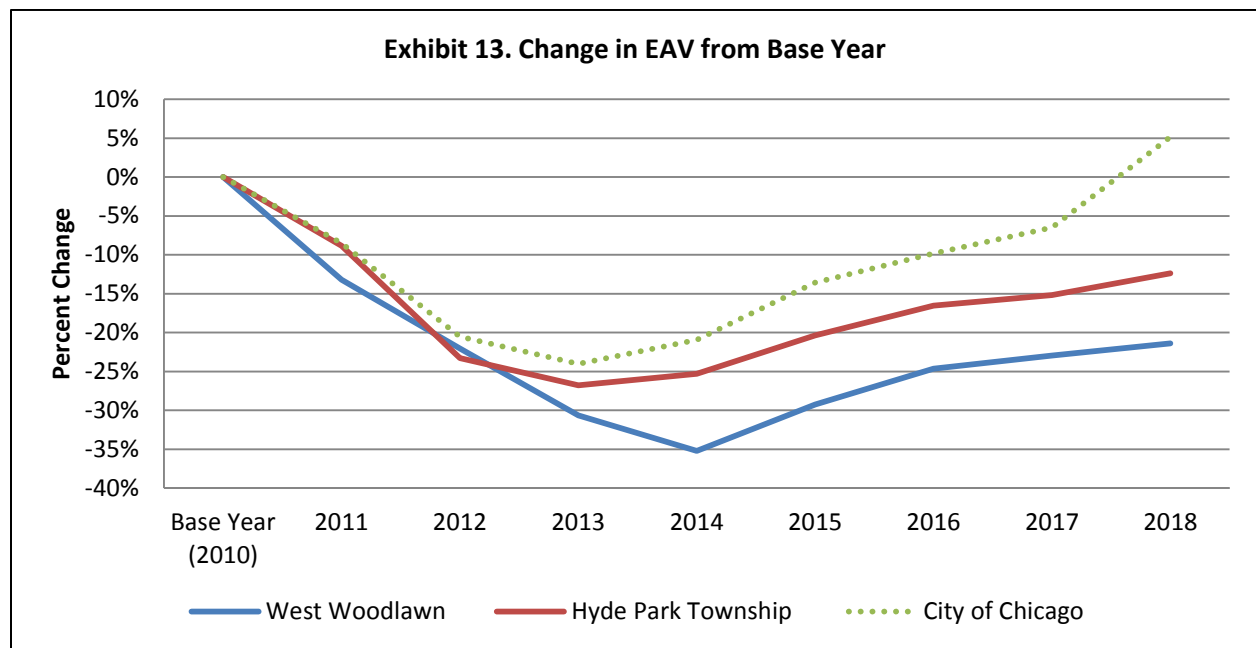
### Additional Performance Metrics

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

#### CHANGE IN EQUALIZED ASSESSED VALUE

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

Property values within the West Woodlawn RPA have declined at a **compound annual growth rate (CAGR) of 3.2 percent** from tax year 2010 to tax year 2018 while EAV in Hyde Park Township had a decline and the City of Chicago had a growth at a CAGR of 1.6 percent and 0.6 percent, respectively.



Source: Cook County Clerk’s Office, EAV before exemptions.

### Status of Planned Activities, Goals and Objectives

#### PLANNED ACTIVITIES

The projects presented in **Exhibits 8 through 12** include only those TIF-supported projects for which TIF funds have been expended through December 31, 2018. Planned projects are defined as those that have met substantial approval criteria for receiving TIF funds as of December 2018, but as of December 2018 had not received any TIF funding. These planned projects consist of:



- Projects with an executed RDA, or with an RDA under negotiation following approval by the Community Development Commission;
- IGAs that have received City Council approval but without TIF expenditures through 2018;
- TIF-funded programs for which funding has been approved but no TIF dollars expended; and
- Public infrastructure projects with prior approval but no expenditures through 2018, or projects included in the City’s 2019-2022 TIF Projection Reports as “potential projects.”

Information on planned projects in the RPA is presented in **Exhibit 14** and is mapped in **Exhibit 7**.

**Exhibit 14. Planned Projects**

<b>Map ID</b>	<b>Project</b>	<b>Project Location</b>	<b>Project Type</b>	<b>Total Project Cost</b>	<b>Tentative TIF Funding [1]</b>	<b>Description</b>
--	Lighting	Various	Public Improvements	\$800,000	\$800,000	Neighborhood Lighting Improvements
--	SBIF	Various	Small Business Rehabilitation	\$750,000	\$750,000	Fund small business improvements throughout the TIF district.
<b>TOTAL</b>				<b>\$1,550,000</b>	<b>\$1,550,000</b>	

[1] TIF Projection Reports 2019-2022, City of Chicago Expenditure Data, City RDA and IGA Database

## Progress toward Achieving Goals and Objectives

The TIF Act requires that progress toward achieving goals and objectives outlined in the TIF Plan be addressed in the Report. **Exhibit 15** below presents a summary of the relevant projects and their progress in addressing the goals and objectives outlined in the West Woodlawn TIF Plan through 2018.

### Exhibit 15. Progress Toward Achieving Objectives Outlined in West Woodlawn TIF Plan

Map ID	Project	Relevant Objective(s) Addressed
--	Small Business Improvement Fund (SBIF)	2, 5
--	Neighborhood Improvement Program (NIP)	1
--	LIRI/CSS/NBDC	2, 6
--	Neighborhood Lighting Improvements	9

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

