

# City of Chicago

## Midwest Tax Increment Financing Redevelopment Plan and Project

Original Plan:	October 12, 1999
Revised:	October 29, 1999
Revision No. 2:	January 26, 2000
Revision No. 3:	March 15, 2000
Revision No. 4:	March 4, 2010

## **Amendment Number 1 December 19, 2011**

City of Chicago  
Rahm Emanuel  
Mayor

Department of Housing and Economic Development  
Andrew J. Mooney, Commissioner

# Midwest Tax Increment Financing Redevelopment Plan and Project

## Amendment Number 1

Tax Increment Financing (“TIF”) is permitted by the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the “Act”). The Act provides a mechanism for municipalities, after meeting the requirements and procedures for establishing a redevelopment project area and a redevelopment plan, to mitigate blighting influences, encourage local growth and development, and attract new private development to the redevelopment area.

On May 17, 2000 the City Council of the City of Chicago (the “City”) adopted ordinances approving the Midwest Tax Increment Financing Redevelopment Project and Plan, as revised most recently by ordinance adopted on April 14, 2010 (the “Original Plan”) and designating the Midwest Redevelopment Project Area (the “Project Area”). The Original Plan included a legal description of the Project Area, assessment of TIF eligibility factors, goals and objectives, project costs, sources of funds, valuation of parcels, impacts on surrounding areas and taxing bodies, and a housing impact analysis.

The Original Plan, inclusive of revisions 1 through 4, is being AMENDED to increase the Project Area’s Estimated Redevelopment Project Cost BUDGET. The Original Plan, as amended, shall hereinafter be referred to as the “Redevelopment Plan”. The amendments to the Original Plan are outlined below and a budget comparison is available as an appendix.

### **Section I. Introduction:**

The following paragraph is to be added after the second paragraph of the Introduction:

“PGAVPLANNERS was retained in 2011 to amend the Midwest Redevelopment Plan developed by TPAP. The purpose of Amendment Number 1 is to increase the Project Area’s Estimated Redevelopment Project Costs. Amendment Number 1 is not adding parcels to the Project Area, is not affecting the general land use plan, is not substantially changing the nature of the redevelopment project, and is not increasing the total number of inhabited residential units where displacement may result (213), as indicated in Section XIII of the Original Plan.”

### **Section II. Legal Description and Project Boundary:**

No changes.

### **Section III. Eligibility Conditions:**

No changes.

**Section IV. Redevelopment Goals and Objectives:**

No changes.

**Section V. Redevelopment Project:**

In Section V, under subsection **H. Valuation of the Project Area**, paragraph **2. Anticipated Equalized Assessed Valuation** is to be replaced with the following:

“By the tax year 2022 (collection year 2023), based on current assessment trends and redevelopment activity observed in the Project Area, the EAV of the Project Area is estimated to be approximately \$1.2 billion (the EAV of the Project Area in the Original Plan was estimated to be \$260 million). These estimates are calculated using information obtained on recent trends in Cook County assessments, State of Illinois equalization factors, City of Chicago property tax rates, and an estimated annual inflation rate in EAV of 9% (well below the annualized rate of increase of 18%). Field observations and a review of several development agreements to which the City has entered into, contributed support for these EAV projections.”

**Section VI. Lack of Growth and Development Through Investment by Private Enterprise:**

No changes.

**Section VII. Financial Impact:**

No changes.

**Section VIII. Demand on Taxing District Services**

No changes.

**Section IX. Conformity of the Redevelopment Plan for the Project Area to Land Uses Approved by the Planning Commission of the City**

No changes.

**Section X. Phasing and Scheduling**

No changes.

**Section XI. Provisions for Amending this Redevelopment Plan**

No changes.

**Section XII. Commitment to Fair Employment Practices and Affirmative Action Plan**

No changes.

**Section XIII. Housing Impact and Related Matters**

No changes.

**Exhibit I: Legal Description of Project Boundary**

No changes.

**Exhibit II: Estimated Redevelopment Project Costs**

Exhibit II is to be replaced in its entirety with the following:

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**MIDWEST TIF**

<u>ELIGIBLE EXPENSE</u>	<u>ESTIMATED COST</u>
1. Analysis, Administration, Studies, Surveys, Legal, Marketing <sup>1</sup> , etc.	\$7,600,000
2. Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation	\$45,000,000
3. Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation Costs	\$48,000,000
4. Public Works & Improvements, including streets and utilities, parks and open space, public facilities (schools & other public facilities) <sup>1</sup>	\$94,000,000
5. Relocation Costs	\$5,500,000

6.	Job Training, Retraining, Welfare-to-Work	\$11,000,000
7.	Day Care Services	\$4,450,000
8.	Interest Subsidy	\$4,450,000
	Total Redevelopment Costs <sup>2,3</sup>	----- \$220,000,000 <sup>4</sup>

<sup>1</sup>This category may also include paying for or reimbursing (i) an elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of this Redevelopment Plan.

<sup>2</sup>Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs.

<sup>3</sup>The amount of the Total Redevelopment Project Costs that can be incurred in the Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Project Area only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Project Area, but will not be reduced by the amount of redevelopment project costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated from the Project Area only by a public right-of-way.

<sup>4</sup>All costs are in 2011 dollars and may be increased by five percent (5%) after adjusting for inflation reflected in the Consumer Price Index (CPI) for All Urban Consumers for All Items for the Chicago-Gary-Kenosha, IL-IN-WI\_ CMSA as published by the U.S. Department of Labor, or some similar index.

Additional funding from other sources such as federal, state, county, or local grant funds may be utilized to supplement the City's ability to finance Redevelopment Project Costs identified above.

\*A comparison of the original and revised budgets is attached as an Appendix

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**Exhibit III: 1998 Equalized Assessed Valuation by Parcel**

No changes.

**Exhibit IV: Midwest Project Area Tax Increment Financing Eligibility Study**

No changes.

## APPENDIX

<b>Midwest Tax Increment Financing Redevelopment Plan and Project</b>				
Budget Comparison 12/14/2011				
<b>Eligible Cost</b>	<b>Original Budget* (2000)</b>	<b>Revised Budget* Revision No. 4 (2010)</b>	<b>Revised Budget* Amendment No. 1 (2011)</b>	<b>Change from Original to Amendment No. 1</b>
Analysis, Administration, Studies, Legal, Marketing, Etc.	\$3,500,000	\$4,750,000	\$7,600,000	\$4,100,000
Property Assembly including Acquisition, Site Prep, and Demolition, Environmental Remediation.	\$20,500,000	\$26,515,000	\$45,000,000	\$24,500,000
Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation Costs	\$22,000,000	\$27,900,000	\$48,000,000	\$26,000,000
Public Works & Improvements, including streets and utilities, parks and open space, and public facilities (schools & other public facilities)	\$43,000,000	\$55,000,000	\$94,000,000	\$51,000,000
Relocation Costs	\$2,500,000	\$3,900,000	\$5,500,000	\$3,000,000
Job Training, Retraining, Welfare to Work	\$5,000,000	\$7,000,000	\$11,000,000	\$6,000,000
Day Care Services	\$2,000,000	\$3,900,000	\$4,450,000	\$2,450,000
Interest Subsidy	\$2,000,000	\$3,900,000	\$4,450,000	\$2,450,000
<b>TOTAL REDEVELOPMENT COSTS</b>	<b>\$100,500,000</b>	<b>\$132,865,000</b>	<b>\$220,000,000</b>	<b>\$119,500,000</b>

\*Exclusive of Capitalized Interest, Issuance costs, and other financing costs.