

**City of Chicago
Department of Community Development**

**STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
REQUESTING APPROVAL OF THE REDEVELOPMENT PLAN FOR THE
PROPOSED IRVING PARK / ELSTON TIF REDEVELOPMENT PROJECT AREA,
REQUESTING DESIGNATION OF THE AREA AS A REDEVELOPMENT PROJECT
AREA, AND REQUESTING ADOPTION OF TAX INCREMENT ALLOCATION
FINANCING FOR THE AREA
MARCH 10, 2009**

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name:	Irving Park / Elston TIF District
Location:	The proposed TIF is located on the Northwest Side of the City primarily along Irving Park Road, Elston Avenue, and Pulaski Road
Ward and Alderman:	Alderman Margaret Laurino, 39th Ward Alderman Richard Mell, 33 rd Ward
Community Area:	#16, Irving Park
Requested Action:	Approval of the redevelopment plan for the proposed TIF Redevelopment Project Area, designation of the area as a redevelopment project area, and adoption of tax increment allocation financing for the area.
Goal of TIF District:	Rehabilitate and revitalize the Project Area into an economically vibrant community with appropriate neighborhood commercial facilities, and community uses. Create an attractive environment through streetscape enhancements and other public improvements that encourage residential and commercial development.

II. AREA DESCRIPTION

Street Boundaries:	The proposed TIF consists of three corridors, with properties fronting on either side of Irving Park Road, Pulaski Road, and Elston Avenue. The corridors are bounded defined as follows: along Irving Park Road between Drake Avenue and the alley west of Pulaski Road; along Pulaski from Cullom Avenue on the north to Byron Street on the south; and along Elston Avenue from Springfield Avenue on the north to Central Park Avenue on the south.
Land Area:	Approximately 66 acres
Land Uses:	Commercial, Residential
Current Conditions:	The vast majority (91.8%) of the buildings in the area are well over 35 years of age. Only 8 of the 207 buildings in the proposed TIF area are vacant.

III. FEASIBILITY STUDY

Ernest R. Sawyer Enterprises, Inc. conducted a comprehensive exterior survey of the parcels in the Redevelopment Project Area to identify the eligibility factors and their degree of presence between January and May 2008. The exterior survey examined not only the condition and use of the buildings, but also streets, sidewalks, curbs, gutters, lighting, underutilized land, landscaping, fences and walls, and general maintenance. In addition, an analysis was conducted of existing site coverage, land uses, zoning and its relationship to the surrounding area.

In order to establish the eligibility of a redevelopment project area under the “conservation area” criteria established in the Act, 50% or more of the structures within the Project Area must have an age of 35 years or more and at least 3 of 13 eligibility factors must be present.

Of the 207 buildings located within the Project Area, 190 or 91.8% are 35 years old or older. Additionally, the following six (6) qualifying factors for a conservation area are present:

The tax blocks within the Project Area are characterized by the following qualifying statutory factors for a “conservation area” under Section 5/11-74.4-3(b) of the Act:

1. Obsolescence
2. Deterioration

3. Excessive land coverage and overcrowding of structures
4. Deleterious land use or layout
5. Lack of community planning
6. Stagnant or declining equalized assessed value

The Eligibility Study finds that the Project Area qualifies for designation as a conservation area under the criteria contained in the Act.

IV. REDEVELOPMENT PLAN

The purpose of the Plan is to create a mechanism to allow for the development of new commercial, mixed-use and community facilities on existing parcels and/or the improvement of existing commercial, mixed use, and residential properties; and the general improvement of the area's physical environment and infrastructure. The development of the Project Area is expected to encourage economic revitalization within the community and the surrounding area.

The Project Area is approximately 66 acres, including 24 acres of streets and rights-of-way, and consists of 270 tax parcels on 29 tax blocks. The Project Area is the shape of a triangle formed by three high traffic mixed use corridors. The triangle is surrounded by residential areas, and located approximately 7.75 miles northwest of Chicago's downtown in the Irving Park community area, and more specifically in a neighborhood known as "West Walker".

The Plan seeks to maintain and enhance most of the existing land uses, with the exception of industrial uses that should be replaced over time. The Plan encourages the development and improvement of the three mixed use (commercial and residential) corridors of the Project Area. The enhancement of Elston Avenue with streetscape improvements, signage and traffic-calming improvements as well as the continuation of such improvements along Irving Park Road are essential to safety and traffic flow and to create more pedestrian-friendly corridors.

The plan recognizes that new investment in institutional, commercial and mixed-use property is needed to improve the appearance, vibrancy, and overall economic health of the Project Area. Such investment will create the high quality environment that is required to sustain a revitalization of the Project Area.

V. LAND ACQUISITION

No parcels have been identified for acquisition.

VI. HOUSING IMPACT STUDY

A Housing Impact Study has been conducted for the Project Area to determine the potential impact of redevelopment on area residents. As set forth in the Act, if the redevelopment plan for a redevelopment project area would result in the displacement of residents from 10 or more

inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and the City is unable to certify that no displacement of residents will occur, the municipality shall prepare a housing impact study and incorporate the study in the Redevelopment Project Plan.

The Project Area contains 662 residential units. The Plan does not provide for any known redevelopment plans in the Project Area that would displace any occupied residential units. In addition, the Future Land Use Plan allows for residential use in every location in the Project Area with existing residential uses. As a result, implementation of this Plan will not require the displacement of residents from any inhabited residential units. However, redevelopments projects may arise over the 23-year life of the TIF that would displace some existing inhabited residential units, and since the redevelopment project area contains in excess of 75 inhabited residential units, the City has elected to complete a Housing Impact Study as a part of this plan.

The Housing Impact Study is organized into two parts. Part I describes the housing survey conducted within the Project Area to determine existing housing characteristics. Part II describes the potential impact of the Plan.

VII. BUDGET

The estimated total of all eligible project costs over the life of the Redevelopment Project Area is approximately \$38,000,000. All project cost estimates are in 2008 dollars. A detailed budget is attached as an exhibit to this staff report.

VIII. PUBLIC NOTIFICATION AND PUBLIC MEETING

The taxpayers and owners of properties located in the proposed district were notified by regular and certified mail of today's public hearing not less than 10 days prior to the meeting. The City also made a good faith effort to notify by mail all residents of the proposed district, and at a minimum mailed a notice to each residential address within the proposed district. Notice of the public hearing was made in the Sun-Times on February 18 and February 25, 2009. Notice of the public hearing was also made by mail, at least 45 days prior to the hearing, to all taxing districts having taxable property in the proposed TIF area and to the Illinois Department of Commerce and Economic Opportunity (DCEO).

When a proposed redevelopment plan would result in the displacement of 10 or more inhabited residential units, or if the redevelopment area contains 75 or more inhabited residential units, then the City must hold a public meeting at least 14 days before mailing notice of the public hearing. The purpose of the public meeting is to enable the City to advise the public, taxpayers of property in the proposed area, residents of the proposed area, and the affected taxing bodies of the City's possible intent to prepare a redevelopment plan and designate the area a redevelopment project area, and to receive public comment. DCD held the public meeting at on October 21,

2008 at the 17th District Police Station, Chicago, IL.

IX. COMMUNITY SUPPORT

Aldermen Laurino and Mell endorse this action and have provided a letters of support (see exhibits for copy). In addition to the required public meeting identified in Section VIII, the proposed TIF designation was presented to the community at a meeting held on June 25, 2009. The proposed TIF District seemed to be well-received by those attending the two meetings (approximately 35 people total). In addition, inquiry calls were received from 3 residents who received the meeting notice mailing.

The following community organizations have endorsed the proposed designation: Greater Independence Park Neighborhood Association; Pulaski Elston Business Association; and the West Walker Civic Association.

X. JOINT REVIEW BOARD

As required by state law, the Joint Review Board (JRB) met to consider the proposed TIF designation on February 6, 2009 at 10AM in Room 703, City Hall, 121 N. LaSalle Street. The JRB is an advisory board that consists of representatives of certain affected taxing bodies, a City representative, plus a public member. The JRB voted to recommend the proposed TIF designation.

XI. RECOMMENDATION

The Department of Community Development requests that the commission recommend to the City Council approval of the redevelopment plan for the proposed Irving Park / Elston Tax Increment Financing Redevelopment Project Area, recommend designation of the area as a Redevelopment Project Area, and recommend adoption of tax increment allocation financing for the area.

EXHIBITS

Redevelopment Area Map
Land Use Map
Budget
Community Letters of Support
Alderman's Letter of Support

ESTIMATED REDEVELOPMENT PROJECT COSTS

Eligible Expense	Estimated Cost
1. Analysis, Administration, Studies, Surveys, Legal, Marketing, etc.	\$1,500,000
2. Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation	\$8,000,000
3. Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation Cost	\$13,000,000
4. Public Works & Improvements, including streets and utilities, parks and open space, public facilities (schools & other public facilities) ^[1]	\$7,000,000
5. Relocation Costs	\$2,000,000
6. Job Training, Retraining, Welfare-to-Work	\$1,500,000
7. Interest Subsidy	\$4,000,000
8. Day Care Services	\$1,000,000
TOTAL REDEVELOPMENT COSTS	\$38,000,000