

The Right Tool for the Job?

An Analysis of Tax Increment Financing

VOLUME 2 CASE STUDIES

By the Developing Neighborhood Alternatives Project

A collaborative undertaking of

Center for Economic Policy Analysis
The Heartland Institute
Jewish Council on Urban Affairs
Statewide Housing Action Coalition

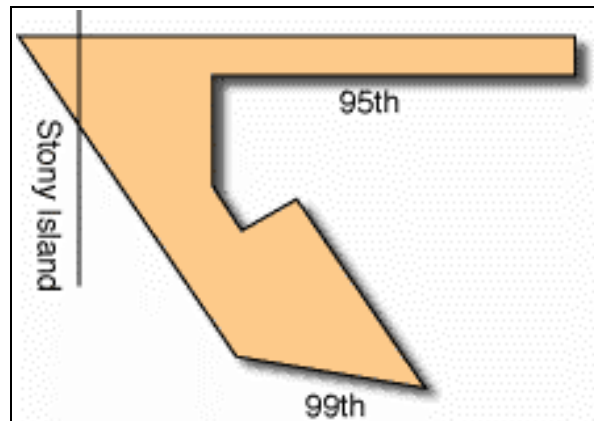
We thank the Woods Fund of Chicago, the Chicago Community Trust, and the John D. and Catherine T. MacArthur Foundation for providing primary support for this project. Additional support was provided by the Wieboldt Foundation and the Alphawood Foundation. The conclusions herein are solely the responsibility of the individual authors, and do not necessarily reflect the opinions of the funders.

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APPENDIX 3

Case Studies of TIF Districts

Case Study #1: 95th and Stony Island TIF District



Map from City of Chicago web page

Location and Boundaries

The 95th and Stony Island TIF district is located at the southeast corner of 95th Street and Stony Island Avenue on the southeast side of the city. It covers an area in an irregular shape roughly with 95th Street, Paxton Avenue, 99th Street, and the Chicago and Western Indiana Railroad as boundaries.

Brief History

Beginning around the turn of the twentieth century and continuing into the 1970s, the southeast side of the city was one of the nation's greatest industrial districts. It was home to three major steel manufacturers Wisconsin Steel, U.S. Steel and LTV Steel and a significant number of related suppliers. In the 1980s, when the steel industry was hit by a downturn, the area became almost deserted.

In March 1990, the City Council passed an ordinance to declare the area a TIF district. The resolution read, in part, "The Business-Planned Development Area is intended to serve as a location for a community-related general merchandise and convenience retail center to cater to the greater southeast Chicago area." However, it took some time for the City to find an interested anchor company for the proposed shopping center. Only by 1998, when a Jewel-Osco store was promised, did the City enter into a redevelopment agreement with a developer. In the agreement, the City agreed to provide a

\$5.1 million subsidy to the project. In return, the developer promised to create at least 325 permanent jobs. As of the writing of this report, this redevelopment agreement is the only one that has been made for this TIF district.

Community Participation

Notification of the 95th & Stony Island TIF came to residents surrounding the district through newspaper advertisements and public announcements. By this time, the redevelopment plan had already been drawn up. Several active community organizations attended the community meetings sponsored by the city and became mediators between the community and the TIF project. The two most active groups, Southeast Chicago Development Commission (SEDCO) and Jeffery Manor, are community based organizations focused primarily on economic development. Both organizations kept the community informed through flyers and community meetings.

In discussions with the City, these organizations voiced their concerns about wetlands preservation and business for minority contractors. The community was successful in getting an agreement for the wetlands behind Jewel to be turned into a nature center. As for minority contractors, the community received information during the redevelopment stages that gave the percentage of minority contractors doing work.

However, the years of disinvestment created a willingness to concede on some negative consequences of the TIF, such as low-paying, entry-level jobs in the retail sector, and lack of opportunity for local entrepreneurs. These trade-offs were made with the hope that the new TIF-sponsored shopping mall would bring in enough jobs and consumers to offset any negatives.

While SEDCO and Jeffery Manor were able to keep abreast of TIF developments, some local business owners were less successful in getting information. A local optometrist recalls that, “a patient came in and told me about a pending development and knew that I wanted to relocate to a bigger place with anchors. I was told to talk to someone who came to me and presented information on the new development, his group was representing a development company and I signed an agreement to move into mall. After preparing for the relocation and consultation with a lawyer I heard nothing, ground broke and signs went up at the site with a phone number that I called. I let them know that I had signed an agreement and they said that the person I made an agreement with left and they told me who the tenants were but that they did not have my request. I asked who locally was in the mall and there was only one (beauty supply); all the others were national chains.”

Overall community participation in the TIF was led by active community organizations that saw their role as mediators between the development and the community. The City seemed more responsive to these organizations than they did to some individuals and small business owners. It is also important to note that the community’s participation came after the TIF plans had already been finalized. While they were able to have some say in how the TIF was going to be used, they had limited input about whether or not TIF was the best tool for getting what they wanted for the community.

Number of Establishments

During the period between 1990 and 2000, the number of establishments within the TIF district increased by ten, from 21 in 1990 to 31 in 2000. However, in the surrounding area, the number decreased by 20, from 221 in 1990 to 201 in 2000.

Number of Establishments in the 95th & Stony Island TIF District, 1990 and 2000	
1990	21
2000	31
% change since 1990	47.6%

Number of Establishments in the Neighborhood Surrounding 95th & Stony Island TIF District, 1990 and 2000	
1990	221
2000	201
% change since 1990	-9.0%

Industry concentration by number of establishments

Within the TIF district, three industries gained in terms of the number of establishments: Retail; finance, insurance, and real estate (FIRE); and service. In 1990, the retail and service industries together accounted for 76 percent of the businesses within the TIF; by 2000, this had risen to 78 percent. The only sector to experience a decline in establishments within the district was manufacturing, which lost one business: This kind of change should be anticipated, because the TIF district was established only to encourage commercial activities.

Industry Concentration in the 95th & Stony Island TIF District 1990 and 2000				
	1990	% of Total	2000	% of Total
Manufacturing (SIC 20-39)	2	10%	1	3.2%
Transportation (SIC 40-49)	1	5%	1	3.2%
Wholesale (SIC 50-51)	1	5%	1	3.2%
Retail (SIC 52-59)	9	43%	14	45.2%
Finance, Insurance and Real Estate (SIC 60-67)	1	5%	4	12.9%
Service (SIC 70-89)	7	33%	10	32.3%
Total	21		31	

In the surrounding area, four industries construction, manufacturing, transportation and retail declined in number of establishments in the past ten years. Two, wholesale and finance, insurance and real estate, remained the same. Only one industry, service, gained in terms of number of establishments. By 2000, 55.7 percent of the businesses in the surrounding area were in the service sector.

Industry Concentration in the Neighborhood Surrounding 95th & Stony Island TIF District 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ (Decrease)
Construction (SIC 15-17)	19	8.6%	15	7.5%	(4)
Manufacturing (SIC 20-39)	14	6.3%	9	4.5%	(5)
Transportation (SIC 40-49)	19	8.6%	11	5.5%	(8)
Wholesale (SIC 50-51)	13	5.9%	13	6.5%	0
Retail (SIC (52-59)	34	15.4%	27	13.4%	(7)
Finance, Insurance, and Real Estate (SIC 60-67)	12	5.4%	12	6.0%	0
Service (SIC 70-89)	109	49.3%	112	55.7%	3
Government Agency	1	0.5%	2	1.0%	1
Total	221		201		(20)

Death and Birth of Establishments

The establishments born after 1990 within the TIF district concentrated in three industries retail; finance, insurance, and real estate; and service including a Jewel-Osco store. This is in large part due to the opening of the TIF-funded strip mall. Retail industries had a high turnover within the TIF district of the nine retail businesses in existence in 1990, only one remained in the area in 2000. In comparison, the establishments born after 1990 in the surrounding area are relatively evenly distributed across the industries.

In both the TIF district and the surrounding area, service stood out as an industry with the highest number of survivals. The data also indicates that the industry in 2000 provided a greater variety of services than that in 1990.

Although the TIF has significant support in the community, there was a realization that the TIF has serious drawbacks for local businesses. As Jeffery Manor outreached to the community in support of the TIF they found a local optometrist who was interested in expanding her business by moving in the TIF sponsored plaza. Jeffery Manor's president notes, "the shopping center where Jewel is was designed in a way that prohibits independent or local businesses from entering, but encourages franchises. High rents in the new mall make it hard for local businesses to compete, such as a minority-owned Baskin and Robbins that is going out of business in the old shopping center and can't afford to relocate to the new one.

The change in retail businesses in the TIF represents, at least in part, a shift away from smaller, locally owned businesses to outlets for national chains.

Death and Birth of Establishments by Industry within the 95th & Stony Island TIF District, 1990 to 2000			
	Death	Survival	Birth
Manufacturing (SIC 20-29)	1	1	0
Transportation (SIC 40-49)	1	0	1
Wholesale (SIC 50-51)	1	0	1
Retail SIC (52-59)	8	1	13
Finance, Insurance, and Real Estate (SIC 60-67)	0	1	3
Service (SIC 70-89)	3	4	6
Total	14	7	24

Death and Birth of Establishments by Industry in the Neighborhood Surrounding the 95th & Stony Island TIF District, 1990 to 2000			
	Death	Survival	Birth
Construction (SIC 15-17)	15	4	11
Manufacturing (SIC 20-29)	12	2	7
Transportation (SIC 40-49)	16	3	8
Wholesale (SIC 50-51)	8	5	8
Retail SIC (52-59)	26	8	19
Finance, Insurance, and Real Estate (SIC 60-67)	10	2	10
Service (SIC 70-89)	79	30	82
Government Agency	0	1	1
Total	166	55	146

Establishment Size

Within the TIF district, the establishment size apparently experienced a polarization. While the small establishments with less than 10 employees increased their share from 71.4 percent in 1990 to 77.4 percent in 2000, the relatively large employers with 50 or more workers also increased their share from 4.8 percent in 1990 to 6.4 percent in 2000. The increase in small establishments is most likely due to businesses in the FIRE and service sectors; in the TIF district, these businesses have an average of 7.5 and 4.1 employees per business, respectively. The increase in large establishments is due to the large retailers brought in through TIF-funded development.

By contrast, no size category gained establishments in the area surrounding the TIF district. The losses were most pronounced in the 10-to-19 employees category which decreased by ten establishments (a

change of -41.7 percent) and the 1-to-4 employees category, which decreased by 9 establishments (a change of -6.9 percent). These declines are especially notable because of the increase in service businesses in the area surrounding the TIF district service industries in this area are fairly small (averaging 12.0 employees per business in 1990, 10.6 in 2000), yet the number of establishments in the 10 to 19 employee category declined. We will discuss this in more detail in the section on death and birth of businesses.

Establishments by Size within the 95th & Stony Island TIF District, 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ Decrease
Unknown	1	4.8%	1	3.2%	0
1 to 4	12	57.1%	11	35.5%	(1)
5 to 9	3	14.3%	13	41.9%	10
10 to 19	2	9.5%	4	12.9%	2
20 to 49	2	9.5%	0	0.0%	(2)
50 to 99	0	0.0%	1	3.2%	1
100 to 249	1	4.8%	0	0.0%	(1)
250 to 499	0	0.0%	1	3.2%	1
Total	21		31		10

Establishments by Size in the Neighborhood Surrounding the 95th & Stony Island TIF District, 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ Decrease
Unknown	6	2.7%	8	4.0%	2
1 to 4	130	58.8%	121	60.2%	(9)
5 to 9	33	14.9%	33	16.4%	0
10 to 19	24	10.9%	14	7.0%	(1)
20 to 49	15	6.8%	15	7.5%	0
50 to 99	4	1.8%	4	2.0%	0
100 to 249	3	1.4%	2	1.0%	(1)
250 to 499	4	1.8%	3	1.5%	(1)
More than 500	2	0.9%	1	0.5%	(1)
Total	221		201		(20)

The large employers that disappeared from the area surrounding the TIF district were generally manufacturing companies. For example, Applied Products Corporation employed 581 people in 1990 but was gone by 2000. Soncraft Inc. had 265 workers on its payroll in 1990 also disappeared in 2000. United States Gear Corporation decreased their employment from 499 in 1990 to 30 in 2000

and changed their SIC code from 3714, a manufacturer of car parts, to 5013, a wholesale outlet.

While these businesses decreased employment, SEDCO helped Delta Plastics, an area manufacturer located adjacent to the TIF, obtain assistance to expand its business. According to SEDCO, “Delta could have expanded without the TIF money, but the TIF dollars made it easier for them to do what they wanted.” According to SEDCO Delta Plastics made a forecast that it would increase its number of employees (though they can’t remember the numbers), and they were informed that they are above schedule. However, if this development would have happened without TIF money, there are some questions about why public subsidy was necessary.

Number of Jobs

Within the TIF district, the number of jobs more than doubled from 252 in 1990 to 557 in 2000. This is primarily a result of the construction of a Jewel-Osco store. When asked how the community felt about the Jewel, Jeffery Manor Community Revitalization Council responded, “most importantly we now have the convenience of grocery shopping and more of our youth and students are working than ever before.” Jeffery Manor did extensive outreach to the community to encourage applicants. Jeffery Manor estimates that there are about 35-40 high school students working at Jewel.

However, in the surrounding area, the number of jobs declined significantly from 4,869 in 1990 to 3,499 in 2000. In total, the TIF district and the surrounding area lost more jobs than they gained.

Number of Jobs within the 95th & Stony Island TIF District, 1990 and 2000	
1990	252
2000	557
% change since 1990	121.0%

Number of Jobs in the Neighborhood Surrounding the 95th & Stony Island TIF District, 1990 and 2000	
1990	4,869
2000	3,499
% change since 1990	-28.1%

Jobs by Industry

Within the TIF district, five out of six industries—manufacturing; transportation; retail; finance, insurance, and real estate; and service—gained jobs between 1990 and 2000. Due to the significant increase in retail jobs, the TIF district became even more dominated by retail jobs in 2000 than it was in 1990.

Number of Jobs by Industry in the 95th & Stony Island TIF District 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ (Decrease)
Manufacturing (SIC 20-39)	44	17.5%	50	9.0%	6
Transportation (SIC 40-49)	1	0.5%	19	3.4%	18
Wholesale (SIC 50-51)	12	4.8%	10	1.8%	(2)
Retail (SIC (52-59)	156	61.9%	407	73.1%	251
Finance, Insurance, and Real Estate (SIC 60-67)	4	1.6%	30	5.4%	26
Service (SIC 70-89)	35	13.9%	41	7.4%	6
Total	252		557		305

The most significant change in employment in the surrounding area was the decrease in manufacturing jobs. A total of 1,174 manufacturing jobs left the area surrounding the TIF district from 1990 to 2000, and the manufacturing sector's share of all jobs in the surrounding area declined from 37.6 percent to 19.5 percent.

The retail and service sectors also saw significant job losses, declining by 64.5 percent and 9.6 percent, respectively. In fact, the number of retail jobs lost in the surrounding area was only 20 less than the number of retail jobs gained within the TIF district. The only significant increase in jobs in the surrounding area was in the government sector, due to the addition of a sanitation facility in the surrounding area.

Number of Jobs by Industry in the 95th & Stony Island TIF District 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ (Decrease)
Construction (SIC 15-17)	187	3.8%	208	5.9%	21
Manufacturing (SIC 20-39)	1,831	37.6%	684	19.5%	(1,147)
Transportation (SIC 40-49)	651	13.4%	623	17.8%	(28)
Wholesale (SIC 50-51)	123	2.5%	171	4.9%	48
Retail (SIC (52-59)	358	7.4%	127	3.6%	(231)
Finance, Insurance, and Real Estate (SIC 60-67)	108	2.2%	77	2.2%	(31)
Service (SIC 70-89)	1,311	26.9%	1,185	33.9%	(126)
Government Agency	300	6.2%	424	12.1%	124
Total	4,869		3,499		(1,370)

Number of Residential Property Transactions

Within the TIF district, during the period between 1989 and 1998, there was only one sale of a residential property, which was related to the TIF development. In the surrounding area, the number of property transactions slightly decreased by 5.5 percent from 110 in 1989 to 104 in 1998. There was a slight upwards bump in 1994, but this was followed by years where the number of transactions declined.

Number of Residential Property Transactions within the 95th & Stony Island TIF District, 1989-1998	
1989 to 1997	0
1998	1

Number of Residential Property Transactions in the Neighborhood Surrounding the 95th & Stony Island TIF District, 1989-1998		
	# of Transactions	% Change from Previous Year
1989	110	---
1990	106	5.5%
1991	107	0.9%
1992	N/A	N/A
1993	107	N/A
1994	126	17.8%
1995	117	0.07%
1996	117	0.0%
1997	116	-0.9%
1998	104	-10.3%

Residential Property Prices

A relatively inactive market did not translate into a stable price for residential properties. The following three charts show that all the major classes of residential properties in the area experienced a dramatic increase of price. Jeffery Manor estimated that property values had generally increased \$20,000-\$30,000 since the TIF was created. Jeffery Manor residents (mostly homeowners) see this is positive. SEDCO was not worried about development causing gentrification and said that, “a separate TIF will be put into place for residential development, and rehab and new housing will come, and yes, the housing will be affordable. We stress revitalization not gentrification, we are trying to rehab and infill development so that any new housing has to be similar to the old.”

Change of Property Price (Class 2-95*) in the Neighborhood Surrounding the 95th & Stony Island TIF District, 1989-1998				
	Mean	% Change from Previous Year	Median	% Change from Previous Year
1989	40,218		41,950	
1990	44,088	9.6%	43,950	4.8%
1991	40,379	-8.4%	41,500	-5.6%
1992	N/A		N/A	
1993	39,829		42,000	
1994	44,017	10.5%	47,000	11.9%
1995	44,820	1.8%	48,000	2.1%
1996	49,666	10.8%	52,900	10.2%
1997	49,557	-0.2%	53,000	0.2%
1998	57,850	16.7%	56,000	5.7%
% change	43.8%		33.5%	
* Class 2-95 is individually owned row houses or townhouses.				

Change of Property Price (Class 2-2*) in the Neighborhood Surrounding the 95th & Stony Island TIF District, 1989-1998				
	Mean	% Change from Previous Year	Median	% Change from Previous Year
1989	42,769		44,250	
1990	44,211	3.4%	43,950	-0.7%
1991	46,143	4.4%	49,950	13.7%
1992	N/A		N/A	
1993	49,962		49,900	
1994	53,623	7.3%	52,000	4.2%
1995	51,959	-3.1%	47,000	-9.6%
1996	58,204	12.0%	62,000	31.9%
1997	61,576	5.8%	65,000	4.8%
1998	57,309	-6.9%	64,000	-1.5%
% change		36.2%		44.6%
* Class 2-2 is one-story residence, any age, up to 999 sq. ft.				

Change of Property Price (Class 2-3*) in the Neighborhood Surrounding the 95th & Stony Island TIF District, 1989-1998				
	Mean	% Change from Previous Year	Median	% Change from Previous Year
1989	58,632		57,000	
1990	64,339	9.7%	63,250	11.0%
1991	65,436	1.7%	59,900	-5.3%
1992	N/A		N/A	
1993	63,201		63,500	
1994	66,833	5.7%	67,250	5.9%
1995	71,440	6.9%	69,000	2.6%
1996	70,673	-1.1%	75,000	8.7%
1997	82,372	16.6%	85,000	13.3%
1998	81,395	-1.2%	79,900	-6.0%
% change		56.6%		40.2%
* Class 2-3 is one-story residence, any age, 1,000 to 1,800 sq. ft.				

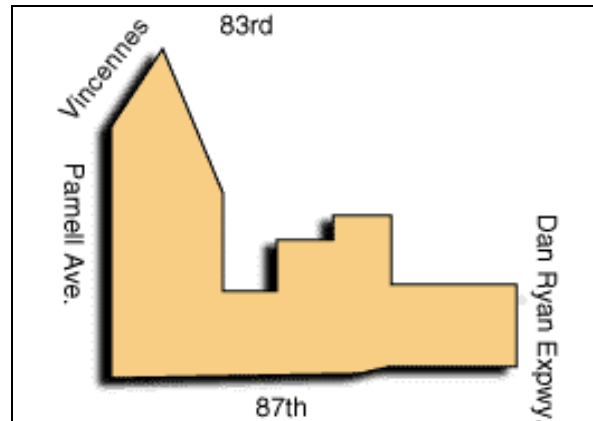
Change Assessment Value of Properties by Class within the 95th & Stony Island TIF District, 1989-1998						
	Class 1 Vacant	% Change from Prior Year	Class 5 Commercial-Industrial	% Change from Prior Year	Total	% Change from Prior Year
1991	958,812		2,837,482		3,796,294	
1992	929,494	-3.1%	2,936,085	3.5%	3,865,579	1.8%
1993	952,184	2.4%	3,007,738	2.4%	3,959,922	2.4%
1994	812,149	-14.7%	3,354,991	11.5%	4,167,140	5.2%
1995	1,137,777	40.1%	3,372,135	0.5%	4,509,912	8.2%
1996	1,152,451	1.3%	2,816,705	-16.5%	3,969,156	-12.0%
1997	1,020,872	-11.4%	3,036,377	7.8%	4,057,249	2.2%
1998	941,579	-7.8%	3,080,179	1.4%	4,021,758	-0.9%
% change		-1.8%		8.6%		5.9%
* Within this TIF district, there are only two classes of property: Class 1 (vacant land) and Class 5 (commercial-industrial property).						

Conclusion

From the above analysis, we can reach the following conclusions:

- ! The designation of the TIF district increased the number of establishments in the TIF district, but failed to stem the exodus of establishments in the surrounding area. As a result, the total number of establishments in the entire area decreased by 4.1%. Most of the establishments born after 1990 were service and retail companies.
- ! Retail establishments, on average, became larger within the TIF district, but smaller outside of it. Both areas experienced high turnover in the retail sector.
- ! A significant number of retail jobs were brought to the area by large retailers moving into the TIF district. However, it did not stem job loss in the surrounding area. As a result, the total number of jobs in the entire area dramatically decreased by 26.3 percent from 5,121 in 1990 to 4,056 in 2000. There was a net gain of 20 retail jobs in the combined areas.
- ! Although residential property sales were somewhat slow, the property price in the surrounding area increased significantly since the inception of the TIF.

Case Study #2: Chatham Ridge TIF District



Map from City of Chicago web page

Location and Boundaries

The Chatham Ridge TIF district is located on the south side of the city of Chicago. It covers an approximately 90 acre area in an irregular shape with W. 87th Street, S. Parnell Street, W. 84th Street, S. Vincennes, C. & W. I. Railway line, S. Stewart Avenue, and the Dan Ryan Expressway as boundaries.

Brief History

The Chatham Ridge TIF district is one of the earliest TIF districts in the city. It was established on December 18, 1986, when there were only three TIF districts. Prior to the TIF establishment, the area was home to many large companies such as Johnson Products and Ryerson Steel. The exodus of these manufacturing companies in 1960s and '70s left behind many empty buildings and vacant properties. The surrounding neighborhood contains many owner-occupied residential units, with residents who are generally in the lower middle class.

By 1988, two years after inception of the TIF, a shopping center was completed at the corner of Lafayette Avenue and 87th Street. To build this shopping center, the City had to relocate a beauty school, an educational service agency and a temporary service center for the MAN Truck and Bus Corporation. The shopping center struggled for a time as it had difficulty attracting anchor tenants.

In 1998, an anchor finally emerged Home Depot came in with a proposal to build a retail store with a garden center. The City presented a subsidy package of \$3.2 million for the store to move in, and in return, the company promised to create 179 permanent jobs and allocate \$25,000 annually for a job readiness program.

A couple months later, a national movie theater chain was part of another proposed deal with the City. It promised to build a fourteen-screen, 2,930-seat movie theater in the district, creating eight full-time and 58 part-time jobs. The City agreed to give the company \$3.8 million, which made the total subsidy for redevelopment agreements in the TIF district \$7.03 million.

Community Participation

Community participation in the Chatham Ridge district came in two phases. The first phase involved planning for the TIF district before it or any redevelopment agreements were passed. In initial discussions, the alderman for the area worked with the Chatham Business Association (CBA) to encourage development and bring retailers into a strip mall located on an abandoned plot that was used as a parking lot. The alderman brought in a citywide group focused on economic development to help educate the community about TIFs and negotiate with large retailers. Interested businesses and developers were given a tour of the Gresham neighborhood to help them visualize its future. This process helped form the initial structure for the TIF, and the involvement of the CBA was seen to fulfill the need for community participation.

The second phase of community participation began when one of the few community organizations in the area, the New Gresham Community Improvement Association (NGCI), found out about the plans for the TIF after they were finalized (with commitments from retailers and developers) via a member who had connections with the business association. Once the broader community found out the TIF proposal, NGCI organized members of the community and forced the city and developers to include them in the planning process, leaving the CBA with a smaller role (though their primary mission was already accomplished). NGCI initiated meetings with the City in the beginning and later they were invited to meetings from the City. They were not opposed to the TIF, but they wanted more input about what businesses would come into the community and how they would operate. NGCI notified residents of meetings by flyers and church organizations.

Community members' primary concerns about the TIF development were as follows: appropriate management of traffic problems; jobs for community residents; business hours that were conducive to the goal of curbing school truancy; and community input into which businesses came into the development.

Through NGCI efforts, the businesses met with the community and committed both to development designs that regulated traffic and to hours that would be positive for schools (for example: the movie theater agreed to open later to allow for students to work after school, and to ease temptations to skip school to view movies). The community's organizing efforts were less successful in having input on what business came into the community because most of those decisions and deals had already been made. However, they were able to pursue the community's desire for a low-price grocery store that could compete with existing stores and keep overall food prices low.

The two significant differences between the phases of community participation are these: first, in the first phase, a group was invited into the process; in the second phase, a group had to force their way in to be allowed to participate. Second, in the first phase the community organization had input to the TIF as it was being created; in the second phase, the community organization was working with an already established plan.

Number of Establishments

Within the TIF district, the number of establishments increased from 8 in 1990 to 25 in 2000. This was somewhat offset by a decrease of establishments in the surrounding area from 262 in 1990 to 252 in 2000, a change of 3.8 percent.

The combined area gained 7 establishments, an increase of 2.6 percent, from 1990 to 2000.

Number of Establishments within the Chatham-Ridge TIF District, 1990 and 2000	
1990	8
2000	25
% change since 1990	212.5%

Industry Concentration

The retail sector realized the most significant gain in the number of establishments inside the TIF district, going from four establishments in 1990 to 17 in 2000. The only sector that had a net decline in the number of establishments was the manufacturing sector, which lost its only establishment.

Industry Concentration within the Chatham-Ridge TIF District 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ (Decrease)
Construction (SIC 15-17)	0	0.0%	2	8.0%	2
Manufacturing (SIC 20-39)	1	12.5%	0	0	(1)
Retail (SIC (52-59)	4	50.0%	17	68.0%	13
Finance, Insurance, and Real Estate (SIC 60-67)	1	12.5%	1	4.0%	0
Service (SIC 70-89)	2	25.0%	4	16.0%	2
Government Agency	0	0.0%	1	4.0%	1
Total	8		25		17

By contrast, the area surrounding the TIF district had a net gain of five manufacturing establishments and a net loss of 12 retail businesses. In both 1990 and 2000, the sector with the largest single number of establishments was the service sector, which increased from 124 businesses in 1990 (47.3 percent of all establishments) to 131 in 2000 (52.0 percent of all establishments).

Also, the data shows that the variety of services the industries could provide to the residents is substantially expanded, from 32 kinds in 1990 to 43 kinds in 2000. For example, there were three kinds of health care providers in the area in 1990. By 2000, there were five kinds of health care providers.

Industry Concentration in the Neighborhood Surrounding the Chatham-Ridge TIF District 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ (Decrease)
Agriculture (SIC 07)	1	0.5%	1	0.5%	0
Construction (SIC 15-17)	16	6.1%	10	4.0%	(6)
Manufacturing (SIC 20-39)	17	6.5%	22	8.7%	5
Transportation (SIC 40-49)	9	3.4%	13	5.2%	4
Wholesale (SIC 50-51)	12	4.6%	7	2.8%	(5)
Retail (SIC (52-59)	65	24.8%	53	21.0%	(12)
Finance, Insurance, and Real Estate (SIC 60-67)	18	6.9%	15	6.0%	(3)
Service (SIC 70-89)	124	47.3%	131	52.0%	7
Total	262		252		(10)

Death and Birth of Establishments

Six of the eight establishments inside the TIF district in 1990 were gone by 2000. The two surviving businesses are a beauty shop and a women's clothing store. Generally speaking, the businesses that closed were smaller than the businesses that replaced them. NGCI said that the TIF plans established earlier by the business association were not targeted towards "mom and pop" stores, but rather large retailers. According to NGCI, "the rent prices in the mall are very expensive (over \$2,000/month) so it's not the place to start for local small businesses."

Death and Birth of Establishments by Industry within the Chatham-Ridge TIF District, 1990 to 2000			
	Death	Survival	Birth
Construction (SIC 15-17)	0	0	2
Manufacturing (SIC 20-29)	1	0	0
Retail SIC (52-59)	3	1	16
Finance, Insurance, and Real Estate (SIC 60-67)	1	0	1
Service (SIC 70-89)	1	1	3
Government Agency	0	0	1
Total	6	2	23

The area surrounding the TIF district saw about the same rate of businesses disappearing as did the area inside the TIF district. In the surrounding area, 73.3 percent of the businesses in existence in 1990 had disappeared by 2000. Most sectors had disappearance rates close to this, but a few were lower, including manufacturing (52.9 percent, with 9 out of 17 businesses disappearing) and transportation (66.7 percent, with 6 out of 9 businesses disappearing).

Of the 32 surviving establishments in the service industry, twelve are churches.

Death and Birth of Establishments by Industry in the Neighborhood Surrounding the Chatham-Ridge TIF District, 1990 to 2000			
	Death	Survival	Birth
Agriculture (SIC 07)	0	1	0
Construction (SIC 15-17)	12	4	6
Manufacturing (SIC 20-29)	9	8	14
Transportation (SIC 40-49)	6	3	10
Wholesale (SIC 50-51)	10	2	5
Retail SIC (52-59)	48	17	36
Finance, Insurance, and Real Estate (SIC 60-67)	15	3	12
Service (SIC 70-89)	92	32	99
Total	192	70	182

Establishment Size

In 1990, 75 percent of the establishments in the TIF district were small employers with 1 to 4 workers. By 2000, the share of this group of employers was reduced to 28.0 percent, while that of large employers with 100 or more workers increased to 8.0 percent. This group of employers has two members: Home Depot and Loews Cineplex, both of whom received TIF subsidies.

Establishments by Employment Size within the Chatham-Ridge TIF District, 1990 and 2000				
	1990	% of Total	2000	% of Total
Unknown	0	0	2	8.0%
1 to 4	6	75.0%	7	28.0%
5 to 9	0	0.0%	7	28.0%
10 to 19	0	0.0%	6	24.0%
20 to 49	2	25.0%	1	4.0%
50 to 99	0	0.0%	0	0.0%
100 to 249	0	0.0%	2	8.0%
Total	8		25	

The most significant change in the size of employers in the surrounding neighborhood was the loss of five companies with between 100 to 249 employees. Most of these establishments were manufacturing companies, such as American Standard Inc., Kemmerer Bottling Group, Celex Corporation, A.J. Canfield, and Willett, Inc.

The number of businesses with between one and four employees decreased by eight, while the number of companies with 10 to 19 employees increased by nine. Part of this shift can be explained by the fact that the retail businesses created between 1990 and 2000 were, on average, slightly larger than those that disappeared in that same time period.

Number of Establishments by Employment Size in the Neighborhood Surrounding the Chatham-Ridge TIF District, 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ Decrease
Unknown	5	1.9%	5	2.0%	0
1 to 4	178	67.9%	170	67.5%	(8)
5 to 9	31	11.8%	31	12.3%	0
10 to 19	13	5.0%	22	8.7%	9
20 to 49	18	6.9%	11	4.4%	(7)
50 to 99	9	3.4%	10	4.0%	1
100 to 249	7	2.7%	2	0.8%	(5)
250 to 499	1	0.4%	1	0.4%	0
Total	262		252		(10)

Number of Jobs

Within the TIF district, the number of jobs increased from 82 in 1990 to 456 in 2000, due mainly to the new, TIF-subsidized large employers in the area. In the surrounding neighborhood, the number of jobs shrank from 3,280 in 1990 to 2,645 in 2000, due mainly to the loss of manufacturing jobs. Overall, the entire area, combining the TIF and the surrounding area, lost 161 jobs over the ten-year period.

According to NGCI, the TIF has produced jobs, primarily part time, entry level, with some management positions. The people who got the jobs are mainly homeowners, high school and college students, and lots of community members. NGCI lobbied individual businesses to focus on hiring locally.

Jobs were not a primary matter of focus by community members or organizations; their concerns related more to having new development in the neighborhood that could spur future development.

Number of Jobs within the Chatham-Ridge TIF District, 1990 and 2000	
1990	82
2000	456
% change since 1990	456.1%

Number of Jobs in the Neighborhood Surrounding the Chatham-Ridge TIF District, 1990 and 2000	
1990	3,280
2000	2,645
% change since 1990	-19.4%

Job Concentration

Most jobs created inside the TIF district were in retail (the new shopping center) and service industries (the new movie theater). Manufacturing jobs were entirely wiped out by 2000. In 1990, most employees within the TIF district worked in the manufacturing sector; by 2000, most employees worked in retail.

In the surrounding area, all sectors lost employees except for transportation. The manufacturing sector lost the most jobs (405), while the construction sector had the largest percent decline in jobs (down 76.9 percent, from 143 jobs to 33).

Job Concentration by Industry within the Chatham-Ridge TIF District 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ (Decrease)
Construction (SIC 15-17)	0	0.0%	35	7.7%	35
Manufacturing (SIC 20-39)	45	54.9%	0	0.0%	(45)
Retail (SIC 52-59)	29	35.4%	279	61.2%	250
Finance, Insurance, and Real Estate (SIC 60-67)	2	2.4%	4	0.9%	2
Service (SIC 70-89)	6	7.3%	131	28.7%	125
Government Agency	0	0.0%	7	1.5%	7
Total	82		456		374

Job Concentration by Industry in the Neighborhood Surrounding the Chatham-Ridge TIF District 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ (Decrease)
Agriculture (SIC 07)	3	0.1%	3	0.1%	0
Construction (SIC 15-17)	143	4.4%	33	1.2%	(110)
Manufacturing (SIC 20-39)	1,225	37.3%	820	31.0%	(405)
Transportation (SIC 40-49)	36	1.1%	62	2.3%	26
Wholesale (SIC 50-51)	141	4.3%	104	3.9%	(37)
Retail (SIC (52-59)	812	24.8%	769	29.1%	(43)
Finance, Insurance, and Real Estate (SIC 60-67)	72	2.2%	68	2.6%	(4)
Service (SIC 70-89)	848	25.9%	786	29.7%	(62)
Total	3,280		2,645		(635)

Number of Residential Property Transactions

The housing market in both the TIF district and the surrounding area was somewhat slow between 1989 and 1998. There were no property transactions within the TIF district. The number of transactions in the surrounding area declined by 12.5 percent, from 64 in 1989 to 56 in 1998, though there was a slight bump upward in 1994 and 1995.

Number of Residential Property Transactions within the Chatham-Ridge TIF District, 1989-1998	
1989-1998	0

Number of Residential Property Transactions in the Neighborhood Surrounding the Chatham-Ridge TIF District, 1989-1998		
		% Change from Previous Year
1989	64	---
1990	61	-4.7%
1991	54	-11.5%
1992	N/A	
1993	69	
1994	79	14.5%
1995	80	1.3%
1996	74	-7.5%
1997	67	-9.5%
1998	56	-16.4%
% change since 1989		-12.5%

Residential Property Prices

The slow condition of the housing market did not halt the increase of property sales price. For both one story residences with up to 999 sq. ft. (Assessment Class 2-2) and 1,000 to 1,800 sq. ft. (Class 2-3), which dominate the housing market, the sales price jumped significantly over the past ten years. The median price for a residence with up to 999 sq. ft. increased by 35.9 percent from \$52,900 in 1989 to \$71,900 in 1998, while the mean price increased from \$52,600 in 1989 to \$77,015 in 1998.

The community hopes that the retail development from the TIF will spark residential development. A developer is slated to start building housing soon on land adjacent to the TIF. NGCI wants property values to go up, but realizes the negative will be increased property taxes. The community is content to wait to deal with these issues until the effects on housing and taxes start being felt.

Change of Property Price (Class 2-2*) in the Neighborhood Surrounding the Chatham-Ridge TIF District, 1989-1998				
	Mean	% Change from Previous Year	Median	% Change from Previous Year
1989	52,600		52,900	
1990	42,656	-18.9%	46,500	-12.1%
1991	57,838	35.6%	58,000	24.7%
1992	N/A		N/A	
1993	64,171		63,950	
1994	62,821	-2.1%	67,000	4.8%
1995	60,493	-3.7%	67,900	1.3%
1996	64,506	6.6%	62,500	-8.0%
1997	85,222	32.1%	85,000	36.0%
1998	77,015	-9.6%	71,900	-15.4%
% change		46.4%		35.9%
* Class 2-2 is one-story residence, any age, up to 999 sq. ft.				

Change of Property Price (Class 2-3*) in the Neighborhood Surrounding the Chatham-Ridge TIF District, 1989-1998				
	Mean	% Change from Previous Year	Median	% Change from Previous Year
1989	59,389		60,000	
1990	59,934	0.9%	61,000	1.7%
1991	66,768	11.4%	72,450	18.8%
1992	N/A		N/A	
1993	69,334		69,450	
1994	69,206	-0.2%	70,500	1.5%
1995	79,203	14.4%	82,950	17.7%
1996	88,465	11.7%	79,400	-4.3%
1997	81,965	-7.3%	85,350	7.5%
1998	77,015	-6.0%	91,400	7.1%
% change		29.7%		52.3%
* Class 2-3 is one-story residence, any age, 1,000 to 1,800 sq. ft.				

Conclusion

From the above analysis, we can draw the following conclusions:

- ! The Chatham Ridge TIF district attracted businesses to the TIF, replacing what had been there before with national chain outlets. The number of establishments drawn to the TIF district helped the entire area (including the surrounding neighborhood) see a net gain in the number of establishments.
- ! The new businesses in the TIF district brought with them a significant number of jobs. However, it did not halt the job loss in the surrounding area, particularly in the manufacturing sector. As a result, the entire area witnessed more job loss than job gain.
- ! Although the housing market was slow over the past ten years, the residential property sales price is still increasing significantly.

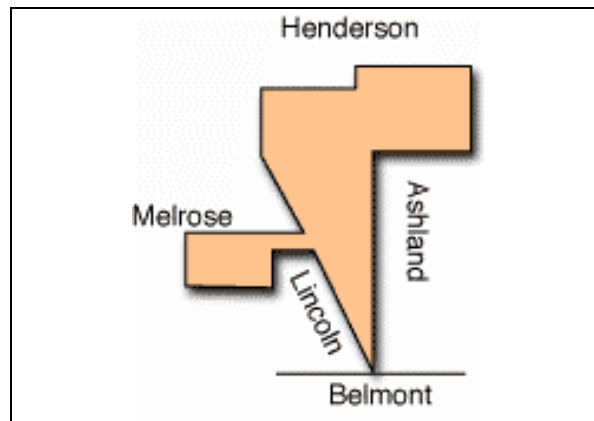
**Change of Assessed Values in the
Chatham-Ridge TIF District, 1990-1999**

	Class 1 Vacant	% Change	Class 2 Residential	% Change	Class 5 Commercial- Industrial	% Change	Class 6 Low Industrial	% Change	Total	% Change
1990	245,229		10,282		5,046,605		1,373,803		6,675,919	
1991	296,632	21.0%	10,114	-1.6%	6,799,623	34.7%	1,001,073	-27.1%	8,107,442	21.4%
1992	302,039	1.8%	10,298	1.8%	6,923,536	1.8%	1,019,316	1.8%	8,255,189	1.8%
1993	309,411	2.4%	10,549	2.4%	7,682,204	11.0%	1,044,193	2.4%	9,046,357	9.6%
1994	470,168	52.0%	14,203	34.6%	7,055,170	-8.2%	802,259	-23.2%	8,341,800	-7.8%
1995	472,573	0.5%	9,775	-31.2%	7,091,222	0.5%	937,046	16.8%	8,510,616	2.0%
1996	469,226	-0.7%	9,959	1.9%	6,802,735	-4.1%	949,132	1.3%	8,231,052	-3.3%
1997	641,310	36.7%	10,493	5.4%	11,195,371	64.6%	1,310,103	38.0%	13,157,277	59.8%
1998	896,519	39.8%	15,209	44.9%	17,227,958	53.9%	1,329,002	1.4%	19,468,688	48.0%
1999	671,630	-25.1%	15,702	3.2%	19,210,032	11.5%	0	-100.0%	19,897,364	2.2%
% change since 1989		173.9%		52.7%		280.7%		-100.0%		198.0%

**Property Tax Billed on the Properties in the
Chatham-Ridge TIF District, 1990-1999**

	Class 1 Vacant	% Change	Class 2 Residential	% Change	Class 5 Commercial- Industrial	% Change	Class 6 Low Industrial	% Change	Total	% Change
1990	24,435		1,025		502,844		136,886		665,189	
1991	27,619	13.0%	942	-8.1%	633,113	25.9%	93,210	-31.9%	754,884	13.5%
1992	28,697	3.9%	978	3.9%	657,805	3.9%	96,845	3.9%	784,326	3.9%
1993	29,193	1.7%	995	1.7%	24,816	10.2%	98,520	1.7%	853,524	8.8%
1994	43,556	49.2%	1,316	32.2%	653,591	-9.8%	74,321	-24.6%	772,784	-9.5%
1995	44,162	1.4%	913	-30.6%	662,675	1.4%	87,567	17.8%	795,317	2.9%
1996	44,356	0.4%	941	3.1%	643,063	-3.0%	89,721	2.5%	778,081	-2.2%
1997	56,711	27.9%	928	-1.4%	990,007	54.0%	115,852	29.1%	1,727,262	48.5%
1998	79,539	40.3%	1,349	45.4%	1,528,464	54.4%	117,909	1.8%	1,727,262	48.5%
1999	57,330	-27.9%	1,340	-0.7%	1,639,768	7.3%	0	-100.0%	1,698,439	-1.7%
% change since 1989		134.6%		30.8%		226.1%		-100.0%		155.3%

Case Study #3: Lincoln-Belmont-Ashland TIF District



Map from City of Chicago web page

Location and Boundaries

The Lincoln-Belmont-Ashland (LBA) TIF District is located in the Lake View neighborhood, about 4.5 miles northwest of Chicago's central business district. It contains approximately 8.96 acres and covers roughly the area between Lincoln and Marshfield Avenues and Paulina Street on the west, Henderson and Melrose Streets on the north, Belmont on the south, and the first alley east of Ashland Avenue on the east.

Brief History

Prior to TIF, the Lincoln-Belmont-Ashland triangle was a commercial area. The primary business in the area was the Wieboldt's store at the corner of Lincoln and Ashland. The closure of the store in 1987 had a significant impact on retail business in the area.

In 1994, led by neighborhood banks including Central Federal and LaSalle, a group of businesses submitted a proposal to the city to create a TIF district in this area. Supported by local aldermen, this proposal was passed by the City Council in November 1994.

On December 19, 1994, the City of Chicago entered a redevelopment agreement with three companies Lincoln, Ashland and Belmont, L.L.C.; LAB-Lofts, L.L.C.; and LAB-Townhomes, L.L.C. All were headed by Bruce Abrams, a local developer who had converted run-down, under-valued properties into luxury condominiums in various places in Chicago. Based on the agreement, Abrams would purchase a large portion of the TIF district and then convert it into 90,000 square feet of retail space, a parking structure, 80 loft condominiums and 47 townhouses.

To support Abrams' effort, the City of Chicago committed to spend \$7.5 million on the project with an understanding that two large retailers, Whole Foods and Service Merchandise, were interested in

moving into the area. As part of the redevelopment agreement, the companies agreed to create a certain number of jobs after the project was completed.

In January 1995, the construction broke ground. By the end of 1995, two retailers, Whole Foods and Service Merchandise, moved into the finished retail space and began to serve the area. The Service Merchandise was closed due to the chain's financial problems, but the Whole Foods remains.

By the end of 1997, the developer completed the construction of townhouses and condominiums, which were sold out in a matter of months. Now, in this TIF district, there is only a small piece of land at the south tip of Lincoln-Belmont-Ashland triangle left undeveloped.

As of this writing, the redevelopment agreement with Abrams is the only one the city has entered into for this district.

Community Participation

Since this TIF was initiated by several local businesspeople, there was at least some degree of community participation in the TIF design. David Dreschner representative of the LR Development company (owned by Bruce Abrams) recalled the participation as positive and very extensive. LR Development worked with the City to hold several community meetings; their role was to present the project, while the City's role was to generate turnout for the meeting.

John McDermott of the Lakeview Action Coalition, however, feels that community participation was not that positive. Although he was not present at the meeting, in talking to other residents who were he feels that the community had the "wool pulled over their eyes." He feels that the community was told TIF was needed because of needed environmental clean up at Wieboldt's, and that turned out to be unfounded. Even Tom Waldeck, Executive Director of the Chamber of Commerce, a strong proponent of the TIF and the participation process, lends some credence to this theory: "I think that the neighborhood had deteriorated to such a state around 1990, that people were just so happy to see anybody, especially somebody with a good reputation like Bruce Abrams come in and get a hold of this building and do what he did."

The model for community participation in this district shows how different groups are enabled to have different types of participation in shaping a TIF. For example, participation by the LR Development company is very active, giving them a role in shaping the TIF district and convincing other residents of the merits of their ideas. Other community members and organizations are put in a reactive role only their job is to give their thoughts on an already created plan. Based on the comments of community members in each group, it seems people in the first group have a better chance of influencing the shape of the TIF (and being pleased with the eventual outcome) than those in the second group.

Number of Establishments

In 1990, shortly after Wieboldt's store closed, there were 7 businesses inside the TIF boundaries. In 2000, after the TIF district had been in existence for 6 years, that number had declined by five, leaving two businesses within TIF boundaries.

Change in the Number of Establishments within the LBA TIF District, 1990-2000	
1990	7
2000	2
% change since 1990	-71.4%

As we will discuss below, the primary reason for the decline in the number of establishments is that some smaller retail businesses were replaced by two large establishments, Whole Foods and Service Merchandise. In the surrounding area, the number of establishments rose from 669 in 1990 to 784 in 2000, a net increase of 199 or 17.2 percent.

Change in the Number of Establishments in the Neighborhood Surrounding the LBA TIF District, 1990-2000	
1990	669
2000	784
% change since 1990	17.2%

Industry Concentration

All the businesses in the TIF area in both 1990 and 2000 were service and retail companies. Of the 7 companies existing in 1990, five were retailers, and two were services. By 2000, two businesses were operating within the TIF district: one is Whole Foods; the other is a small dance school that was present before the TIF district was created.

Number of Establishments in Various Industry Categories within the LBA TIF District, 1990 and 2000		
	1990	2000
Retail (SIC 52-59)	5	1
Service (SIC 70-89)	2	1
Total	7	2

The surrounding area shows a significant shift from retail and industrial businesses to service-oriented businesses. The overall increase in the number of establishments was almost completely driven by increases in this sector, which had approximately 50 percent more establishments in 2000 than it did in 1990. These increases more than offset decreases in manufacturing (number of establishments down 42.9 percent), wholesale (down 20.9 percent) and retail (down 7.8 percent).

In 1990, 38.1 percent of the businesses in the area surrounding the LBA TIF district were in the service industry; by 2000, that had changed to 49.0 percent. By contrast, in 1990, 10.5 percent of the establishments were in manufacturing and 30.5 were in retail; by 2000, those numbers had changed to 5.1 percent and 24.0 percent, respectively.

Number of Establishments in Various Industry Categories in the Neighborhood Surrounding the LBA TIF District 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ (Decrease)
Agriculture (SIC 07)	3	0.4%	12	1.5%	9
Construction (SIC 15-17)	38	5.7%	47	6.0%	9
Manufacturing (SIC 20-39)	70	10.5%	40	5.1%	(30)
Transportation (SIC 40-49)	11	1.6%	12	1.5%	1
Wholesale (SIC 50-51)	43	6.4%	34	4.3%	(9)
Retail (SIC 52-59)	204	30.5%	188	24.0%	(16)
Finance, Insurance, and Real Estate (SIC 60-67)	44	6.6%	66	8.4%	22
Service (SIC 70-89)	255	38.1%	384	49.0%	129
Unknown	1	0.1%	1	0.1%	0
Total	669		784		115

Death and Birth of Establishments

Within the TIF district, only one business present in 1990, a dance school, survived over the ten-year period. A slightly higher amount of establishments from the surrounding area survived approximately one in five. More businesses died in the service sector than in any other sector, with 194 businesses closing or leaving the area, but these were replaced by 323 new businesses. The retail industry lost nearly as many establishments (169), while only 153 new retail businesses were created.

Tom Waldeck sees the loss of existing businesses as natural and indicative of overall change in the neighborhood: “A lot of the change in business is due to new people coming in, and this has resulted in some business not surviving. You’re bringing in different people with different needs and some of the older businesses had difficulty surviving (because they were unable to change with the population). But for the most part they have been replaced by newer businesses and we still have our anchors which have been here 75 years.”

Death and Birth of Establishments by Industry within the LBA TIF District, 1990 to 2000			
	Death	Survival	Birth
Retail SIC (52-59)	5	0	1
Service (SIC 70-89)	1	1	0
Total	6	1	1

Death and Birth of Establishments by Industry in the Neighborhood Surrounding the 95th & Stony Island TIF District, 1990 to 2000			
	Death	Survival	Birth
Agriculture (SIC 07)	0	3	9
Construction (SIC 15-17)	29	9	38
Manufacturing (SIC 20-29)	54	16	24
Transportation (SIC 40-49)	11	0	12
Wholesale (SIC 50-51)	37	6	28
Retail SIC (52-59)	169	35	153
Finance, Insurance, and Real Estate (SIC 60-67)	30	14	52
Service (SIC 70-89)	194	61	323
Unknown	1	0	1
Total	525	144	640

Size of Establishments

In 1990, all the businesses in the TIF area were small employers with less than 20 workers apiece. In 2000, of the two businesses operating in the district, one was a dance school employing fewer than 5 employees. The other, Whole Foods, employed more than 100 workers.

Change in Number of Establishments by Size in the LBA TIF District, 1990-2000		
# of Employees	1990	2000
1 to 4	5	1
5 to 9	0	0
10 to 19	2	0
20 to 49	0	0
50 to 99	0	0
100 to 249	0	1
Total	7	2

In the neighborhood area, the small establishments with less than 10 workers increased from 525 (78.4 percent of the total) in 1990 to 654 (83.5 percent of the total) in 2000. The large firms with 50 or more people decreased from 20 (3.0 percent of the total) in 1990 to 15 (2.0 percent of the total) in 2000.

It appears that small establishments substantially increased their presence in this area. Much of this can be attributed to the new service-oriented businesses in the area. On average, the service businesses in the surrounding neighborhood in 2000 were smaller than the businesses in 1990 (4.54 employees/business in 2000 compared to 7.53 in 1990). Some of the increase in small service businesses was offset by a decrease in small retail establishments in the surrounding neighborhood. On average retail establishments in the surrounding area were larger in 2000 than they were in 1990 (8.5 employees/business in 2000 compared to 6.7 in 1990).

Change in Number of Establishments by Size in the Neighborhood Surrounding the LBA TIF District, 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ Decrease
Unknown	56	8.4%	29	3.7%	(27)
1 to 4	417	62.3%	525	67.0%	108
5 to 9	108	16.1%	129	16.5%	21
10 to 19	38	5.7%	46	5.9%	8
20 to 49	30	4.5%	40	5.1%	10
50 to 99	12	1.8%	13	1.7%	1
100 to 249	8	1.2%	2	0.3%	(6)
Total	669		784		115

The redevelopment agreement between the City and the developer had a specific clause stipulating the number of jobs that should be created, including 106 temporary construction, 6 full-time or part-time property management, security and janitorial and 307 full-time or part-time retail jobs, during and after the project. The agreement also stipulated that the developer should provide a quarterly report to the City's Department of Planning and Development regarding the progress of job creation, including a list of job descriptions, salaries and a hiring schedule. However, there is no mechanism in this agreement that would enable the City to verify if these jobs were created. As a result, there is no documentation that would provide us a conclusive figure regarding how many jobs were actually created after completion of the project.

According to the numbers from Dun and Bradstreet, the Whole Foods store is currently employing 160 people, well short of the 307 called for in the redevelopment agreement. However, the redevelopment agreement called for two retail establishments, not just one. The departure of Service Merchandise from the TIF district due to chain-wide problems undoubtedly impacted the employment numbers.

Tom Waldeck thinks there are additional retail jobs and home-based businesses in the condos that have been developed. Whether this increase in jobs has benefited existing residents is another question. Waldeck believes that a number of people in the neighborhood have opened up shops but that many of the new jobs probably come from Wishbone (a restaurant). Waldeck acknowledges that although some of these workers may come from the neighborhood most probably do not since “Lakeview has become a very expensive place to live.”

David Dreschner feels that they met their goals on the construction jobs and that this was a positive influence for the neighborhood.

Number of Jobs

Based on the data provided by the survey conducted by Dun and Bradstreet Co., the TIF district gained 121 jobs from 40 in 1990 to 161 in 2000.

Number of Jobs within the LBA TIF District, 1990 and 2000	
1990	40
2000	161
% change since 1990	302.5%

By contrast, the neighborhood area suffered from a loss of employment by 19.1 percent from 5,930 in 1990 to 4,797 in 2000.

Number of Jobs in the Neighborhood Surrounding the LBA TIF District, 1990 and 2000	
1990	5,930
2000	4,797
% change since 1990	-19.1%

In the next section, we will look more at why jobs decreased while establishments increased.

Jobs by Industry

Employment within the TIF district was predominantly in the retail sector in all the years we examined. The most significant changes were: first, the net increase in jobs due to the addition of the Whole Foods store; and second, the shift from a handful of small retail businesses in 1990 to one large business in 2000.

While the area surrounding the TIF district gained establishments during the period of the case study, it lost jobs. The retail sector gained jobs despite decreasing in establishments, indicating an increase in the size of local retail businesses. By contrast, service establishments increased while the number of service jobs declined, indicating that the average size of these businesses decreased.

The most significant change in employment in the area surrounding the LBA TIF was the loss of manufacturing jobs. Over one thousand of these jobs left the area between 1990 and 2000.

Employment by Industry in the LBA TIF District, 1990 and 2000		
	1990	2000
Retail (SIC 52-59)	34	160
Service (SIC 70-89)	6	1
Total	40	161

Employment Industry in the Neighborhood Surrounding the LBA TIF District, 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ (Decrease)
Agriculture (SIC 07)	10	0.2%	37	0.8%	27
Construction (SIC 15-17)	220	3.7%	247	5.1%	27
Manufacturing (SIC 20-39)	1,506	25.4%	497	10.4%	(1,009)
Transportation (SIC 40-49)	47	0.8%	36	0.8%	(9)
Wholesale (SIC 50-51)	425	7.2%	305	6.4%	(120)
Retail (SIC (52-59)	1,364	23.0%	1,595	33.2%	231
Finance, Insurance, and Real Estate (SIC 60-67)	436	7.4%	336	7.0%	(100)
Service (SIC 70-89)	1,919	32.4%	1,743	36.3%	(176)
Unknown	3	0.1%	1	0.0%	(2)
Total	5,930		4,797		(1,131)

Number of Residential Property Transactions

Within the TIF district, there were no property transactions before 1997. In the next two years, there were 11 and 18 transactions, respectively, all of which were the sales of newly constructed condominiums.

Number of Residential Property Transactions in the LBA TIF District, 1994-1998	
1994-1996	0
1997	11
1998	18

In the neighborhood area, there were 185 property transactions in 1989. By 1998 the total number of transactions in the area jumped to 438, representing a 136.8 percent increase.

Number of Residential Property Transactions in the Neighborhood Surrounding the LBA TIF District, 1994-1998		
	Number of Transactions	% Change from Previous Year
1989	185	
1990	172	-7.0%
1991	160	-7.0%
1992	N/A	
1993	198	
1994	248	25.3%
1995	216	-12.9%
1996	300	38.9%
1997	317	5.7%
1998	438	38.2%
% change since 1989		136.8%

Sales Price of Residential Properties

In 1997, there were 11 condominiums (Class 2-99) sold within the TIF district. The average price for these transactions was \$191,591; and the median price, \$190,500. A year later, both indicators rose by 27.2 and 23.4 percent to \$243,750 and \$235,000 respectively. This does not represent inflation in prices within the TIF district; rather, it simply shows that, generally speaking, the more expensive units in the development were sold later than the less expensive ones.

In the neighborhood area, from 1989 to 1998, the mean and median price for a condominium was increased by 170.2 percent and 100.0 percent. The mean and median prices for the area were similar to the mean and median prices for the new condominiums developed with TIF subsidies. For a

single-family house (Class 2-2 or Class 2-3), both the mean and median also nearly doubled or more than doubled.

Some community members see the increase in housing prices as a sign that the TIF is working. David Dreschner of LR Development sees the housing as a significant benefit to the TIF, saying: “The TIF funded housing upgraded the residential pool and added stability to the neighborhood as well as adding to the economic base of the city. With more upscale owners you see more people on the street and there is more safety.”

The Lakeview Action Coalition, on the other hand, is very concerned about the effect of the new upscale housing. They are especially concerned that the activity focused on luxury development endangers their ability to save two SROs and a YMCA that are at the TIF boundaries. As John McDermott notes, they are already seeing the effects of the increase in luxury housing: ten years ago Latinos made up more than 20 percent of the population; now they make up only 6-7 percent and the neighborhood has become much more transient.

Change of Property Sales Price (Class 2-99*) in the LBA TIF District, 1997-1998		
	Mean	Median
1997	191,591	190,500
1998	243,750	235,000
% change	27.2%	23.4%
* Class 2-99 is condominiums		

Change of Property Sales Price (Class 2-99*) in the Neighborhood Surrounding the LBA TIF District, 1989-1998		
	Mean	Median
1989	113,571	121,000
1990	130,188	149,000
1991	138,355	170,000
1992	N/A	N/A
1993	207,154	192,000
1994	225,876	187,000
1995	200,088	160,000
1996	280,019	177,000
1997	305,003	182,500
1998	306,903	242,000
% change since 1989	170.2%	100.0%
* Class 2-99 is condominiums.		

Change of Property Sales Price (Class 2-2*) in the Neighborhood Surrounding the LBA TIF District, 1989-1998				
	Mean	% Change from Previous Year	Median	% Change from Previous Year
1989	122,483		115,500	
1990	155,608	27.04%	135,000	16.88%
1991	147,455	-5.24%	148,000	9.63%
1992	N/A		N/A	
1993	139,357		132,000	
1994	151,600	8.79%	147,000	11.36%
1995	196,345	29.52%	130,000	-11.56%
1996	204,688	4.25%	186,000	43.08%
1997	233,108	13.88%	185,000	-0.54%
1998	243,150	4.31%	237,500	28.38%
% change		98.5%		105.6%
* Class 2-2 is one-story residence, any age, up to 999 sq. ft.				

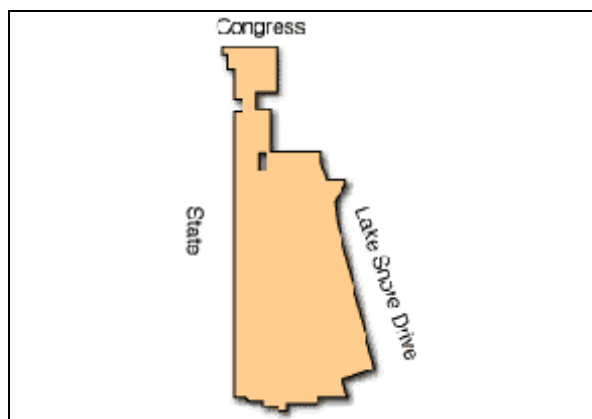
Change of Property Sales Price (Class 2-3*) in the Neighborhood Surrounding the LBA TIF District, 1989-1998				
	Mean	% Change from Previous Year	Median	% Change from Previous Year
1989	134,605		127,000	
1990	134,938	0.25%	127,500	0.39%
1991	151,645	12.38%	134,950	5.84%
1992	N/A		N/A	
1993	199,890		160,000	
1994	188,991	-5.45%	175,000	9.38%
1995	191,636	1.40%	178,000	1.71%
1996	231,468	20.79%	206,750	16.15%
1997	280,211	21.06%	260,000	25.76%
1998	293,436	65.90%	265,000	65.90%
% change		118.0%		108.7%
* Class 2-3 is one-story residence, any age, 1,000 to 1,800 sq. ft.				

Conclusions

The Lincoln-Belmont-Ashland TIF district and its surrounding area have gone through the following changes:

- ! The number of businesses decreased in the TIF district, but substantially increased in the surrounding area. With manufacturing moving away, the service sector gradually became the dominant industry in the area. The number of retail and wholesale establishments in the surrounding area decreased.
- ! A handful of small retail businesses inside the TIF district were replaced by one large retail store.
- ! Although employment within the TIF experienced an expansion, the area overall lost a significant number of jobs. Most recently added positions are in the retail sector. The fact that retail employment increased while the number of establishments decreased indicates that retail establishments in the surrounding area are becoming larger, on average.
- ! Both TIF and the surrounding area appear to become more attractive to the residential property buyers, as residential sale prices increased dramatically. The prices of homes constructed with TIF assistance was consistent with the increased property values of the surrounding areas. As more residents with higher income moved into the neighborhood, the service sector expanded to meet their needs.
- ! The sale price of residential properties rose significantly in both the TIF district and the surrounding area. Higher income became a primary requirement for living in the area.

Case Study #4: Near South TIF District



Map from City of Chicago Web page

Location and Boundaries

The Near South TIF district is located south of the Chicago Loop, near the lake and museum campus. It covers an area of approximately 375 acres with Congress Street on the north, 21st Street on the south, State Street on the west, and Michigan Avenue, Indiana Avenue and the Illinois Central Railroad on the east.

Since this TIF district is situated between the Central Loop TIF and the Chinatown Basin TIF, and both TIF districts were established earlier than the Near South TIF district, the surrounding area of the TIF used for this case study only includes four blocks west of the TIF boundaries.

Brief History

What is now the Near South TIF district began on November 28, 1990, as the Central Station TIF district, covering a much smaller area. The primary goal of this TIF district was to redevelop the vacant railroad yard left by Illinois Central Railroad Co. in the 1950s.

The initial Central Station project was construction of a residential complex, including 300 townhouses and some retail and office space immediately south of the Loop. The large amount of subsidy asked by the developers and the uncertainty of housing market in the Near South Side made this project extremely controversial in the City Council. As a highly placed city planner questioned, “what if the city sells TIF bonds and the market down there doesn’t materialize?” However, the objection was overruled. The City issued \$4.4 million of the TIF bonds in 1991.

On August 3, 1994, the City Council made an amendment to the original ordinance, expanding the Central Station TIF district to the current boundaries and changing the name to “Near South” to more accurately reflect the amended TIF’s geographic location.

On September 24, 1994, the City signed an agreement with Wabash Limited Partnership, a group of developers trying to rehabilitate two old buildings along Wabash Avenue, and agreed to provide \$2.5 million as a subsidy to the developers to create 87 one- or two-bedroom condominiums. Two months later, the City issued another round of TIF bonds in the total amount of \$23.0 million.

Since then, the TIF district experienced a boom of construction projects. Based on an incomplete list developed by the consultants working on the third issuance of TIF bonds, by 1999, there were 18 private and 17 public development projects completed, 18 private projects under construction, and 5 private and 10 public projects proposed within the TIF district. As of December 31, 2000, the TIF district had a debt of \$50.0 million, and was generating over \$9 million annually in TIF funds.

Currently, there have been four redevelopment agreements signed between the City and the developers involving \$13.5 million in TIF subsidies.

Community Participation

Established in 1990, the near South Loop was established before the recent public attention on TIF and the resulting community participation. The establishment of the near South Loop TIF still managed to generate a lot of public participation, however, because a group of low-income housing advocacy organizations was tracking the activities of a South Loop developer. These organizations, grouped together as the Chicago Affordable Housing Coalition, testified at the initial hearing and negotiated a concession from the developer that 20 percent of the rental housing built with TIF funds would be affordable to low-income households a commitment which still has not been met since the developer has not yet built rental housing.

When the proposed expansion of the TIF was announced in 1994, two city-wide organizations joined together to sponsor the South Loop Campaign for Development without Displacement. These organizations were joined by low-income residents of the subsidized housing developments and local service and church organizations in the South Loop.

The South Loop Campaign conducted a six-month community input process which resulted in a comprehensive plan for the area. They presented this plan to the Department of Planning at a community meeting and then followed this with a series of rallies and protest actions when the City refused to adopt any of the principles of the plan.

Other local organizations participated in the planning for the Near South Loop TIF from different angles. The Near South Planning Board (primarily business owners and some residents) was notified of the concept of the TIF early in the process, before the public hearing. The Planning Board's Executive Director reported that the City met with the members of the Planning Board several times and their impression was that they were getting good information from the City and had a real sense that the City was working with them on the initiative.

The two organizations the Planning Board and the South Loop Campaign came away from the community process with very different opinions of its usefulness, along with different opinions of the success of the TIF. The Planning Board has positive feelings about the process, and they generally see the TIF as very successful in meeting their members' goals of increasing property values and bringing

more businesses and well-to-do residents to the area. The South Loop Campaign, on the other hand, feel they had to work very hard just to present their ideas to the City, and their work was still not enough to get their ideas heard and adopted.

Number of Establishments

The Near South TIF district saw a decrease of establishments in the past ten years. However, the increase in the number of establishments in the surrounding area was greater than the decrease within the TIF district, meaning the area overall saw a 15.1 percent net gain in the number of establishments.

Number of Establishments within the Near South TIF District, 1990 and 2000	
1990	367
2000	362
% change since 1990	-1.4%

Number of Establishments in the Neighborhood Surrounding the Near South TIF District, 1990 and 2000	
1990	235
2000	331
% change since 1990	40.9%

The decline in establishments is especially curious because the development plans called for significant retail development as part of the Central Station complex. That development is currently in its early stages.

Industry Concentration

In 1990, the service sector had the single largest number of establishments within the TIF district, and by 2000 it had grown considerably, increasing the number of establishments by 25.8 percent. This gain was more than offset by declines in the manufacturing (lost 53.8 percent of establishments), wholesale (lost 38.1 percent of establishments) and retail (lost 21.3 percent of establishments).

The surrounding area followed a similar pattern, with a large service sector growing larger. Service and FIRE businesses saw the largest increases in establishments, with service increasing by 61.9 percent and FIRE increasing by 100 percent. As a result, in 2000, 57.7 percent of the businesses in the surrounding area were in the service sector, and another 12.1 percent were in FIRE. The only sector to

see a decline in the number of establishments was manufacturing, which lost nearly 50 percent of the businesses in existence in 1990.

Industry Concentration within the Near South TIF District, 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ (Decrease)
Agriculture* (SIC 07)	0	0	3	0.8%	3
Construction (SIC 15-17)	11	3.0%	12	3.3%	1
Manufacturing (SIC 20-39)	39	10.6%	18	5.0%	(21)
Transportation (SIC 40-49)	16	4.4%	14	3.9%	(2)
Wholesale (SIC 50-51)	42	11.4%	26	7.2%	(16)
Retail (SIC (52-59)	61	16.6%	48	13.3%	(13)
Finance, Insurance, and Real Estate (SIC 60-67)	33	9.0%	44	12.2%	11
Service (SIC 70-89)	159	43.3%	190	52.5%	31
Government	6	1.6%	7	1.9%	1
Total	367		362		(5)
* Agriculture comprises landscaping companies and flower shops in the area.					

Industry Concentration in the Neighborhood Surrounding the Near South TIF District, 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ (Decrease)
Agriculture* (SIC 07)	0	0.0	3	0.9%	3
Construction (SIC 15-17)	3	1.3%	6	1.8%	3
Manufacturing (SIC 20-39)	41	17.4%	21	6.3%	(20)
Transportation (SIC 40-49)	10	4.3%	13	3.9%	3
Wholesale (SIC 50-51)	6	2.6%	13	3.9%	7
Retail (SIC (52-59)	33	14.0%	39	11.8%	6
Finance, Insurance, and Real Estate (SIC 60-67)	20	8.5%	40	12.1%	20
Service (SIC 70-89)	118	50.2%	191	57.7%	73
Government	4	1.7%	5	1.5%	1
Total	235		331		96
* Agriculture comprises landscaping companies and flower shops in the area.					

Death and Birth of Establishments

The number of establishments that died and were born between 1990 and 2000 in and around the Near South TIF district indicate a greater amount of turnover than the numbers above might suggest. Overall, 24.0 percent of the businesses in existence in 1990 within the TIF district had disappeared by 2000. The lowest rates of survival were in the construction sector (9.1 percent) and the retail sector (18.0 percent). The highest were in government (83.3 percent) and FIRE (33.3 percent).

The survival rate in the surrounding area is slightly higher, at 28.9 percent. The highest survival rates in the surrounding area were in government (100 percent), construction (66.7 percent) and FIRE (55.0 percent). The lowest were in wholesale (16.7 percent), manufacturing (17.1 percent), and retail (18.2 percent). Most of the surviving service companies in both the TIF district and the neighborhood areas are private schools, law firms, and doctor offices.

Death and Birth of Establishments by Industry within the Near South TIF District, 1990 to 2000			
	Death	Survival	Birth
Agriculture (SIC 07)	0	0	3
Construction (SIC 15-17)	10	1	11
Manufacturing (SIC 20-29)	30	9	9
Transportation (SIC 40-49)	12	4	10
Wholesale (SIC 50-51)	34	8	18
Retail SIC (52-59)	50	11	37
Finance, Insurance, and Real Estate (SIC 60-67)	22	11	33
Service (SIC 70-89)	120	39	151
Government	1	5	2
Total	279	88	274

Death and Birth of Establishments by Industry in the Neighborhood Surrounding the Near South TIF District, 1990 to 2000			
	Death	Survival	Birth
Agriculture (SIC 07)	0	0	3
Construction (SIC 15-17)	1	2	4
Manufacturing (SIC 20-29)	34	7	14
Transportation (SIC 40-49)	8	2	11
Wholesale (SIC 50-51)	5	1	12
Retail SIC (52-59)	27	6	33
Finance, Insurance, and Real Estate (SIC 60-67)	9	11	29
Service (SIC 70-89)	83	35	156
Government	0	4	1
Total	167	68	263

Size of Establishments

The area inside the TIF boundaries saw an increase in the number of businesses with one to four employees this number increased by 15.2 percent, and in 2000 this category accounted for 54.4 percent of the businesses in the area. The other notable increase was the addition of two businesses with 250 to 499 employees. These businesses were Columbia College, which existed in 1990 but was smaller, and the 520 S. Michigan Corporation.

The notable decreases were in the five-to-nine employees category, which lost 20 percent of its establishments, and the 20-to-49 employees category, which lost 39.2 percent of its establishments. Also, the City of Chicago facility in the area, which had employed 1,300 people in 1990, dropped to 390 employees by 2000.

The surrounding area saw an increase in nearly all of the smaller business categories. The most dramatic was the one-to-four employees category, which increased by 64.7 percent and accounted for 57.7 percent of businesses in the area. Very few categories saw declines in the number of establishments, though the only business employing 250 to 499 people in 1990 was gone by 2000.

Number of Establishments by Employment Size within the Near South TIF District, 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ Decrease
Unknown	7	1.9%	5	1.4%	(2)
1 to 4	171	46.6%	197	54.5%	26
5 to 9	70	19.1%	56	15.5%	(14)
10 to 19	47	12.8%	48	13.3%	1
20 to 49	51	13.9%	31	8.6%	(20)
50 to 99	10	2.7%	14	3.9%	4
100 to 249	7	1.9%	6	1.7%	(1)
250 to 499	2	0.5%	4	1.1%	2
Over 500	2	0.5%	1	0.3%	(1)
Total	367		362		(5)

Number of Establishments by Employment Size in the Neighborhood Surrounding the Near South TIF District, 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ Decrease
Unknown	12	5.1%	9	2.7%	(3)
1 to 4	116	49.4%	191	57.7%	75
5 to 9	41	17.4%	58	17.5%	17
10 to 19	30	12.8%	39	11.8%	9
20 to 49	25	10.6%	24	7.3%	(1)
50 to 99	6	2.6%	6	1.8%	0
100 to 249	4	1.7%	4	1.2%	0
250 to 499	1	0.4%	0	0.0%	(1)
Total	235		331		96

Number of Jobs

Both the TIF district and the surrounding area experienced a job loss over this ten-year period. As noted above, many of the increases in establishments were in the smaller categories, while both the areas lost larger companies. The increase of smaller companies did not fully compensate for the loss of these employers.

The area inside TIF boundaries lost jobs at a somewhat faster rate than the area outside the TIF district. One possible explanation for this is that some businesses were cleared out to make way for commercial development that has not taken place yet.

Number of Jobs within the Near South TIF District, 1990 and 2000	
1990	7,589
2000	7,088
% change since 1990	-6.6%

Number of Jobs in the Neighborhood Surrounding the Near South TIF District, 1990 and 2000	
1990	3,054
2000	2,972
% change since 1990	-2.7%

Jobs by Industry

Breaking down employment by industry shows that, within the TIF district, the service sector saw by far the largest increase in employment. Employment in the service industry increased by 32.3 percent, and the portion of employees in the area working in service jobs rose from 43.1 percent to 61.1 percent. FIRE also saw a dramatic increase in employment, adding 381 jobs to increase 160.1 percent.

These gains were offset by losses in other categories. Manufacturing lost 62.1 percent of the employees in that sector, and wholesaling lost 64.9 percent. Between them, these two industries lost 1,174 employees. The other large decline was in the government sector, which lost 43.4 percent of its jobs due to the change in city employees located in the area, as discussed above.

The changes in the surrounding area are not as dramatic, with the exception of FIRE, which saw its employment increase by 145.5 percent. The service sector held fairly steady, declining by 2.7 percent, while manufacturing went down 37.0 percent a less steep decline than the rate within the TIF district.

Industry Concentration within the Near South TIF District, 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ (Decrease)
Agriculture (SIC 07)	0	0.0%	12	0.2%	12
Construction (SIC 15-17)	207	2.7%	145	2.0%	(62)
Manufacturing (SIC 20-39)	1,419	18.7%	537	7.6%	(882)
Transportation (SIC 40-49)	268	3.5%	186	2.6%	(82)
Wholesale (SIC 50-51)	450	5.9%	158	2.2%	(292)
Retail (SIC (52-59)	397	5.2%	345	4.9%	(52)
Finance, Insurance, and Real Estate (SIC 60-67)	238	3.1%	619	8.7%	381
Service (SIC 70-89)	3,274	43.1%	4,330	61.1%	1,056
Government Agency	1,336	17.6%	756	10.7%	(580)
Total	7,589		7,088		(501)

Industry Concentration in the Neighborhood Surrounding the Near South TIF District, 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ (Decrease)
Agriculture (SIC 07)	0	0.0%	9	0.3%	9
Construction (SIC 15-17)	98	3.2%	42	1.4%	(56)
Manufacturing (SIC 20-39)	468	15.3%	295	9.9%	(173)
Transportation (SIC 40-49)	92	3.0%	48	1.6%	(44)
Wholesale (SIC 50-51)	21	0.7%	55	1.9%	34
Retail (SIC (52-59)	246	8.1%	290	9.8%	44
Finance, Insurance, and Real Estate (SIC 60-67)	154	5.0%	378	12.7%	224
Service (SIC 70-89)	1,607	52.6%	1,563	52.6%	(44)
Government Agency	368	12.0%	292	9.8%	(76)
Total	3,054		2,972		(82)

Number of Residential Property Transactions

The number of property transactions increased dramatically in both the TIF district and the surrounding area. As development activity progressed within the TIF district in the mid 1990s, more transactions took place there was one transaction within district boundaries in 1994, compared to 56 transactions in 1998. The surrounding area saw a similar increase in activity, going from 11 transactions in 1994 to 62 in 1998.

Number of Residential Property Transactions within the Near South TIF District, 1989-1998		
	# of Transactions	% Change from Previous Year
1989	1	---
1990	0	-100.0%
1991	0	0.0%
1992	N/A	---
1993	0	---
1994	1	N/A
1995	11	1,000.0%
1996	11	0.0%
1997	12	9.1%
1998	56	366.7%
% change since 1989		5,500.0%

Number of Residential Property Transactions in the Neighborhood Surrounding the Near South TIF District, 1989-1998		
	# of Transactions	% Change from Previous Year
1989	10	---
1990	12	20.0%
1991	6	-50.0%
1992	N/A	---
1993	9	---
1994	11	22.2%
1995	19	72.7%
1996	43	126.3%
1997	57	32.6%
1998	62	8.8%
% change since 1989		520.0%

Residential Property Prices

The relatively low number of property transactions in most categories make it difficult to draw conclusions about trends in property prices within the TIF district. However, the prices of some of the townhomes that have sold in the late 1990s are well over \$400,000, which is much higher than home prices in the surrounding area and well above the Chicago median home price.

In the surrounding area, most transactions involve houses with two to six units (Class 2-11). The following chart shows that the mean and the median price for this type of property increased by 161.6 percent and 180.8 percent, respectively, over the period between 1989 and 1998.

Les Brown of the South Loop Campaign expressed grave disappointment that their predictions regarding the loss of affordable housing have proven all too true. “We have lost two SROs and [many] units of affordable family housing. While one new SRO has been built and another is pending, these buildings serve an entirely different clientele.”

Change of Property Price (Class 2-11*) in the Neighborhood Surrounding the Near South TIF District, 1989-1998				
	Mean	% Change from Previous Year	Median	% Change from Previous Year
1989	36,750		32,500	
1990	47,080	28.1%	45,900	41.2%
1991	66,250	40.7%	66,250	44.3%
1992	N/A		N/A	
1993	51,000		50,000	
1994	75,875	48.8%	76,750	53.5%
1995	75,150	-1.0%	75,000	-2.3%
1996	63,250	-15.8%	62,500	-16.7%
1997	62,500	-1.2%	62,500	0.0%
1998	96,150	53.8%	91,250	46.0%
% change		161.6%		180.8%
* Class 2-11 is two to six apartments.				

Change of Property Price (Class 2-99*) in the Neighborhood Surrounding the Near South TIF District, 1989-1998				
	Mean	% Change from Previous Year	Median	% Change from Previous Year
1989	N/A		N/A	
1990	N/A		N/A	
1991	N/A		N/A	
1992	N/A		N/A	
1993	N/A		N/A	
1994	N/A		N/A	
1995	244,729		222,000	
1996	233,888	-4.4%	229,000	3.2%
1997	255,461	9.2%	230,000	0.4%
1998	264,836	3.7%	259,708	12.9%
% change since 1995	8.2%		17.0%	
* Class 2-99 is condominiums.				

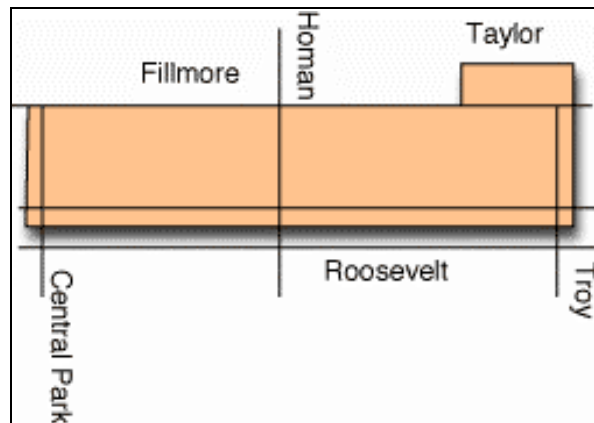
Change of Property Price (Class 2-95*) in the Neighborhood Surrounding the Near South TIF District, 1989-1998				
	Mean	% Change from Previous Year	Median	% Change from Previous Year
1989	N/A		N/A	
1990	N/A		N/A	
1991	N/A		N/A	
1992	N/A		N/A	
1993	N/A		N/A	
1994	N/A		N/A	
1995	N/A		N/A	
1996	460,940		469,900	
1997	456,667	-0.9%	390,000	-17.0%
1998	393,400**	-13.9%	390,000	0.0%
% change since 1995		-14.7%		-17.0%
<p>* Class 2-95 is individually owned row houses or townhouses.</p> <p>** The decrease in sales prices here is due to the fact that less-expensive units in the development went for sale later than the more expensive units. The drop is not due to any deflation of the market in this area.</p>				

Conclusions

From the above analysis, we can draw the following conclusions:

- ! Business turnover was greater within the TIF district than without. In both areas, the service industry was the prevalent employer.
- ! Both the area within the TIF district and the surrounding area lost jobs from 1990 to 2000, despite significant increases in service industry employment within the TIF district. Losses in the manufacturing, wholesale, and government sectors were primarily responsible for the overall decrease.
- ! While the entire area became more residential and service-oriented, the property sales price for the area around the TIF more than doubled. The prices of new homes created with TIF subsidies are well above the median for both the area and for the city as a whole.

Case Study #5: Roosevelt-Homan TIF District



Map from City of Chicago Web page

Location and Boundaries

The Roosevelt-Homan TIF District is located in the North Lawndale neighborhood approximately four miles west-southwest of Chicago's Central Business District. It covers an area in a rectangular shape with W. Fillmore Avenue on the north, W. Roosevelt Road on the south, S. Albany Avenue on the east, and S. Central Park Avenue on the west.

Brief History

In the first half of the twentieth century, North Lawndale was one of the most prosperous industry centers in the city of Chicago for many decades. It was home to many large companies such as Western Electric and Sears, Roebuck and Co., and the 1960 census showed the area population reached an all time high of 125,000 people.

In 1968, riots erupted in the area due to racial tension. The aftermath saw a net loss of 75 percent of the establishments and 25 percent of the jobs in the community. A year later, the International Harvester Company closed a plant located in the area, and 3,400 more jobs left. When Sears, Roebuck and Co. decided to relocate all the workforce from Sears' facility in North Lawndale to the new Sears Tower and other locations in the 1980s, the area was already so depressed that more than a half of the population had moved out.

To address the worsening economic and physical conditions of North Lawndale, many government and private agencies have conducted numerous studies. In December 1990 the Chicago City Council, under a proposal from the Daley administration, adopted an ordinance to create a TIF district in the area to attract developers to build more affordable housing and commercial centers. However, the first project for the district a 40,000 sq. ft. movie theater did not materialize until 1997. The City agreed to provide a subsidy package of \$3.34 million for

construction of the theater, which included a clause allowing the developer to acquire 5.5 acres for \$1.00. In return, Cineplex agreed to create at least 50 permanent jobs.

A year later, Dominick's Finer Foods proposed a store in the commercial center at the corner of Roosevelt and Homan within the TIF district. The developer did not obtain any cash subsidy from the City, but they did receive a special property tax reduction scaling down over the years. Dominick's was attracted to the area, at least in part, because there were "600 new housing units completed, under construction or planned" in the neighborhood.

As this is written, only one redevelopment agreement had been signed between the City and the developers, the one previously described for \$3.34 million in TIF subsidies.

Community Participation

The Lawndale Business and Local Development Corporation (LBLDC) does not remember a significant public process taking place for the planning of this TIF District. It was one of the earlier TIFs and the general public was generally unaware of what TIF meant and how it could impact the neighborhood. LBLDC recalls the process was largely private, consisting of key players the developer, City officials, local businesses, area stakeholders, etc. LBLDC staffers are not completely sure exactly how they first heard of the Roosevelt-Homan TIF District, though they recall a planning process prior to the TIF in the 1980s that identified land on the West Side that could be used for commercial projects. The site at Roosevelt, between Kedzie and Homan, was identified as the largest site that met the criteria. The TIF district seems to have been proposed as a result of a perceived need to make this parcel more attractive and marketable for developers.

The area had been vacant since the riots of 1968, except for the MLK Health Center, which stood on the parcel alone until the 1980s. In 1990, the TIF District came into being along with a redevelopment agreement which promised development of the parcel within 24 months. However, the parcel sat vacant for seven more years.

LBLDC contends that the establishment of the Empowerment Zone (EZ) in 1995 made the crucial difference for the parcel. The EZ provided incentives for the hiring of local residents and tipped the balance, compelling Pyramid West to develop the parcels. LBLDC contends that the TIF "helped quite a bit but the EZ helped shine a light on the parcel."

Though development is beginning to take place in Lawndale, the community overall is a recipient rather than a participant. LBLDC notes that the area has no local block club or organization that is organizing or informing residents on community issues.

Number of Establishments

The number of establishments increased within the TIF district from 30 in 1990 to 44 in 2000. Most of establishments born after 1990 are located in the shopping center at the corner of Roosevelt Road and

Homan Avenue. According to LBLDC, this addition of retail to the community is one of the principal benefits of the TIF district. Residents have complained that “there was a problem with the prices at the new Dominick’s, but recently, new lower prices have been introduced in order to compete with other stores on the West Side.” Some other West Side communities have also complained that retailers seem to charge more when they come to the community.

However, the growth of establishments within the TIF district apparently did not halt the exodus of establishments in the surrounding area. During the same period, the number of establishments in the surrounding area declined by 18.5 percent from 378 in 1990 to 308 in 2000. Combining both the TIF and the surrounding area, the entire area lost 56 establishments, or 13.7 percent of establishments in 1990, in the past ten years.

LBLDC believes that the new Plaza has helped small business in the area by increasing foot traffic through the area. They have spoken to the owners of the barber and beauty shops, as well as food establishments in the area and that they have all commented that business has been marginally better since the plaza went in. For example, a hot dog place on Roosevelt used to close at about 2 or 3 p.m. but now remains open until 6 or 7 p.m. in order to take advantage of the increased traffic.

An elderly man who has lived in North Lawndale for more than 30 years believes the plaza is a positive development for the community, because there had been a lack of anything “new” in North Lawndale. For him, the plaza represented something that all other Americans get to have a new grocery store, “proper” clothes stores and the movie theater. However, despite living right across the street from the development, he claimed he rarely does his shopping there. When asked why, he said that he has no reason to go to most of the stores that they are useless for him. He occasionally does his grocery shopping there but said that a store on Cermak Ave. has better prices. When asked what he might like to see in the plaza, the man said that he would like a place to refill prescriptions and a restaurant.

Number of Establishments in the Roosevelt-Homan TIF District, 1990 and 2000	
1990	30
2000	44
% change since 1990	46.7%

Number of Establishments in the Neighborhood Surrounding the Roosevelt-Homan TIF District, 1990 and 2000	
1990	378
2000	308
% change since 1990	-18.5%

Industry Concentration

Though the shift was not as dramatic as in other TIF districts, the area within the TIF boundaries shifted away from manufacturing and construction to service, FIRE, and retail. In both 1990 and 2000, the single largest sector was service. Though the number of service businesses increased by 45.5 percent, that sector's share of the all businesses decreased slightly, due to increases in other sectors namely FIRE, which accounted for 16.7 percent of the businesses in 1990, but 25.0 percent of the businesses in 2000.

The surrounding area, by contrast, saw significant declines in the number of service and retail establishments. Retail establishments decreased by 45, or 35.7 percent, while service decreased by 26, or 12.9 percent. Increases were generally small, with the largest being four new businesses in the FIRE sector.

Industry Concentration within the Roosevelt-Homan TIF District 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ (Decrease)
Construction (SIC 15-17)	3	10.0%	2	4.5%	(1)
Manufacturing (SIC 20-39)	3	10.0%	1	2.3%	(2)
Transportation (SIC 40-49)	0	0.0%	1	2.3%	1
Wholesale (SIC 50-51)	0	0.0%	2	4.5%	2
Retail (SIC (52-59)	8	26.7%	11	25.0%	3
Finance, Insurance, and Real Estate (SIC 60-67)	5	16.7%	11	25.0%	6
Service (SIC 70-89)	11	36.7%	16	36.4%	5
Total	30		44		14

Industry Concentration in the Neighborhood Surrounding the Roosevelt-Homan TIF District 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ (Decrease)
Construction (SIC 15-17)	10	2.6%	11	3.6%	1
Manufacturing (SIC 20-39)	10	2.6%	7	2.3%	(3)
Transportation (SIC 40-49)	9	2.4%	4	1.3%	(5)
Wholesale (SIC 50-51)	12	3.2%	13	4.2%	1
Retail (SIC (52-59)	126	33.3%	81	26.3%	(45)
Finance, Insurance, and Real Estate (SIC 60-67)	9	2.4%	13	4.2%	4
Service (SIC 70-89)	201	53.2%	175	56.8%	(26)
Government	1	0.3%	4	1.3%	3
Total	378		308		(70)

Death and Birth of Establishments

Within the TIF district, almost all the establishments existing in 2000 were born after 1990 except five establishments in the service industry. Of these five surviving establishments, four are churches and one is an insurance agency. Retail businesses in the district turned over entirely, with the eight businesses existing in 1990 gone by 2000, replaced by 11 new businesses. Overall, five out of 30, or 16.7 percent, of the businesses in 1990 survived to 2000.

The surrounding area had a survival rate of 26.7 percent, which is similar to the areas surrounding some of the other TIF districts in this study. The survival rates for the two largest industries in the surrounding area, service and retail, were fairly similar to the overall average. The survival rate for the service sector was 28.9 percent, slightly higher than the average for the area; for retail, it was 25.4 percent, slightly lower than the average.

Death and Birth of Establishments by Industry within the Roosevelt-Homan TIF District, 1990 to 2000			
	Death	Survival	Birth
Construction (SIC 15-17)	3	0	2
Manufacturing (SIC 20-29)	3	0	1
Transportation (SIC 40-49)	0	0	1
Wholesale (SIC 50-51)	0	0	2
Retail SIC (52-59)	8	0	11
Finance, Insurance, and Real Estate (SIC 60-67)	5	0	11
Service (SIC 70-89)	6	5	11
Total	25	5	39

Death and Birth of Establishments by Industry in the Neighborhood Surrounding the Roosevelt-Homan TIF District, 1990 to 2000			
	Death	Survival	Birth
Construction (SIC 15-17)	9	1	10
Manufacturing (SIC 20-29)	8	2	5
Transportation (SIC 40-49)	9	0	4
Wholesale (SIC 50-51)	10	2	11
Retail SIC (52-59)	94	32	49
Finance, Insurance, and Real Estate (SIC 60-67)	4	5	8
Service (SIC 70-89)	143	58	117
Government	0	1	3
Total	277	101	207

Establishment Size

The area within the TIF district saw increases in most establishment size categories, and the two categories that did not increase stayed level there were no decreases. The most significant increases were in the 10-to-19 employees category, which increased from two establishments to seven and the one-to-four employees category, which increased from 19 establishments to 26. The area also saw the addition of a business with 20 to 49 employees, and one with 100 to 250 employees, which fueled employment gains for the area.

Thanks to the addition of large retailers like Dominick's, the average size of retail businesses grew dramatically, from 3.13 employees per establishment in 1990 to 23.64 in 2000. The average size of FIRE businesses decreased from 22.00 employees per business in 1990 to 11.45 in 2000.

The area surrounding the TIF district, by contrast, saw declines in almost all establishment size categories. There were 273 establishments with one to four employees in 1990, compared to 212 in 2000, a decline of 22.3 percent. Also the only business with more than 500 employees, the Sears headquarters, left the area.

The only notable gains were an increase in businesses with 20 to 49 employees, which increased from 11 in 1990 to 26 in 2000 and businesses with 100 to 249 employees, which increased from three to five.

Retail businesses in the surrounding area became significantly smaller, dropping from 23.44 employees per business in 1990 to 4.20 in 2000. The average size of service establishments grew, going from 8.55 employees per business in 1990 to 10.32 in 2000.

Establishments by Size within the Roosevelt-Homan TIF District, 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ Decrease
1 to 4	19	63.3%	26	59.1%	7
5 to 9	7	23.3%	7	15.9%	0
10 to 19	2	6.7%	7	15.9%	5
20 to 49	1	3.3%	2	4.5%	1
50 to 99	1	3.3%	1	2.3%	0
100 to 249	0	0.0%	1	2.3%	1
Total	30		44		14

Establishments by Size in the Neighborhood Surrounding the Roosevelt-Homan TIF District, 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ Decrease
Unknown	18	4.8%	6	1.9%	(12)
1 to 4	273	72.2%	212	68.8%	(61)
5 to 9	40	10.6%	34	11.0%	(6)
10 to 19	21	5.6%	20	6.5%	(1)
20 to 49	11	2.9%	26	8.4%	15
50 to 99	10	2.6%	4	1.3%	(6)
100 to 249	3	0.8%	5	1.6%	2
250 to 499	1	0.3%	1	0.3%	0
Over 500	1	0.3%	0	0.0%	(1)
Total	378		308		(70)

Number of Jobs

Within the TIF district, the number of jobs more than doubled in the past ten years from 219 in 1990 to 508 in 2000. Most of the jobs created are located in the newly constructed mall at the corner of Roosevelt Road and Homan Avenue.

LBLDC made it clear that the types of jobs that were retained and added in the TIF redevelopment disappointed them. They cited the controversy surrounding the number of youth jobs actually created by the Cineplex in relation to the number that was promised. LBLDC estimates that about half of the jobs promised were actually created. For example, of the 150 full-time jobs that were touted, only about 75 were actually created (6-8 at the Cineplex, 35 at Dominick's, and about 30-40 at the other ancillary stores). LBLDC does believe that Lawndale residents or other West Side residents have filled most of the jobs.

A community training organization, STRIVE, provided customized job readiness training for 60 16-24 year olds to prepare them for jobs at the theaters. In the end, Cineplex Odeon hired 45 graduates to staff their new theater complex in North Lawndale. The majority of these workers are part-time, as only about 7 full time positions were created or retained (after a purge of employees early on).

LBLDC views benefits from the plaza development as mainly short-term, because it is not really going to affect the dynamics of the community in terms of getting people good full-time jobs and helping renters buy homes. LBLDC stressed the need to have permanent living wage jobs and that part-time jobs are just pacifiers for the big wounds of the community not a real solution.

In sharp contrast to job growth within the TIF district, the number of jobs in the surrounding area declined by 41.9 percent from 5,439 in 1990 to 3,459 in 2000. Overall, the entire area, combining the TIF district and the surrounding area, lost 1,691 jobs over these ten years.

Number of Jobs within the Roosevelt-Homan TIF District, 1990 and 2000	
1990	219
2000	508
% change since 1990	132.0%

Number of Jobs in the Neighborhood Surrounding the Roosevelt-Homan TIF District, 1990 and 2000	
1990	5,439
2000	3,159
% change since 1990	-41.9%

Number of Jobs by Industry

Job gain within the TIF district was fueled by increases in the retail, service, and FIRE sectors, while construction and manufacturing (which did not have large numbers of jobs in 1990) experienced decreases.

In the surrounding area, the decrease in jobs is almost entirely fueled by the loss of 2,614 retail jobs, 2,500 of which can be attributed to the relocation of Sears. The manufacturing, transportation, and wholesale sectors also experienced job decreases. Construction, service, and government sectors saw employment gains. The government sector experienced the largest numerical increase, with the addition of 196 jobs (due primarily to the increase of employees at a city facility), while construction saw the largest percentage increase, going up 224.6 percent (from 69 jobs to 224).

Number of Jobs by Industry in the Roosevelt-Homan TIF District 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ (Decrease)
Construction (SIC 15-17)	9	4.1%	5	1.0%	(4)
Manufacturing (SIC 20-39)	14	6.5%	5	1.0%	(9)
Transportation (SIC 40-49)	0	0.0%	15	3.0%	15
Wholesale (SIC 50-51)	3	1.4%	16	3.1%	13
Retail (SIC 52-59)	25	11.5%	260	51.2%	235
Finance, Insurance, and Real Estate (SIC 60-67)	110	50.7%	126	24.8%	16
Service (SIC 70-89)	56	25.8%	81	15.9%	25
Total	217		508		291

Number of Jobs by Industry in the Neighborhood Surrounding the Roosevelt-Homan TIF District 1990 and 2000					
	1990	% of Total	2000	% of Total	Increase/ (Decrease)
Construction (SIC 15-17)	69	1.3%	224	7.1%	155
Manufacturing (SIC 20-39)	218	4.0%	139	4.4%	(79)
Transportation (SIC 40-49)	67	1.2%	28	0.9%	(39)
Wholesale (SIC 50-51)	80	1.5%	61	1.9%	(19)
Retail (SIC (52-59)	2,954	54.3%	340	10.8%	(2,614)
Finance, Insurance, and Real Estate (SIC 60-67)	32	0.6%	65	2.1%	33
Service (SIC 70-89)	1,719	31.6%	1,806	57.2%	87
Government	300	5.5%	496	15.7%	196
Total	5,439		3,159		(2,280)

Number of Residential Property Transactions

Within the TIF district, the real estate market was relatively dormant with virtually no change in number of residential property transactions between 1989 and 1998. However, in the surrounding area, the number of property transactions increased by 71.9 percent in the same period.

There has been some demolition of housing, but no public outcry as most residents view them as being dangerous structures for the community. A six-unit structure was just recently demolished and the building next door was subsequently sold to a developer to be turned into a condominium. LBLDC notes they hear “anecdotal evidence that some residents in the area are concerned about their chances of remaining in their buildings. Most of the residents are not homeowners, which does not bode well for their chances in stopping the process of their displacement.”

Number of Residential Property Transactions in the Roosevelt-Homan TIF District, 1989-1998		
	# of Transactions	% Change from Previous Year
1989	2	---
1990	2	0.0%
1991	1	-50.0%
1992	N/A	
1993	2	---
1994	2	0.0%
1995	1	-50.0%
1996	0	-100.0%
1997	2	N/A
1998	2	0.0%
% change since 1989	0.0%	

Number of Residential Property Transactions in the Neighborhood Surrounding the Roosevelt-Homan TIF District, 1989-1998		
	# of Transactions	% Change from Previous Year
1989	32	---
1990	28	-12.5%
1991	38	35.7%
1992	N/A	
1993	29	
1994	43	48.3%
1995	32	-25.6%
1996	53	65.6%
1997	64	20.8%
1998	55	-14.1%
% change since 1989	71.9%	

Change of Residential Property Prices

Along with an increase of activities in the housing market, the price for houses with two-to-six units, which are the major class of residential properties in the area, skyrocketed. From 1989 to 1998, the median price for this type of houses increased by 130.4 percent from \$39,600 in 1989 to \$91,250 in

1998, while the mean price was increased even more from \$38,685 in 1989 to \$95,252 in 1998 (up 146.2 percent).

When a TIF is enacted, property values generally increase. To LBLDC the drawbacks to the TIF are primarily related to the additional tax burden that is placed on homeowners and property owners in the neighborhood resulting in “a number” of seniors (who tend to be the main group of homeowners) losing their home due to inability to keep up with the rising tax bills. LBLDC notes, “the problem of seniors losing their homes along with the accompanied predatory lending are out of control in the area.”

Change of Property Price (Class 2-11*) in the Neighborhood Surrounding the Roosevelt-Homan TIF District, 1989-1998				
	Mean	% Change from Previous Year	Median	% Change from Previous Year
1989	38,685		39,600	
1990	36,183	-6.5%	37,375	-5.6%
1991	28,769	-20.5%	31,450	-15.9%
1992	N/A		N/A	
1993	38,100		32,000	
1994	56,550	48.4%	55,000	71.9%
1995	73,562	30.1%	67,500	22.7%
1996	69,066	-6.1%	55,775	-17.4%
1997	67,498	-2.3%	59,500	6.7%
1998	95,252	41.1%	91,250	53.4%
% change		146.2%		130.4%
* Class 2-11 is two to six apartments.				

Conclusion

From the above analysis, we can reach the following conclusions:

- ! Since the inception of the Roosevelt-Homan TIF district in December 1990, the number of establishments increased within the TIF district but declined in the surrounding area. Overall, the area lost more establishments than it gained. Retail, in particular, gained within the TIF district but lost outside of it.
- ! The local labor market moved in the same direction as that of establishments. It gained jobs within the TIF district but lost more in the surrounding area. As a result, the entire area suffered from a net loss in jobs.
- ! While the entire area, combining the TIF and the surrounding area, was suffering from a loss of establishments and jobs, the housing price more than doubled.

About the Developing Neighborhood Alternatives Project

Developing Neighborhood Alternatives (DNA) is a unique joint research and education project funded by the Woods Fund of Chicago, the Chicago Community Trust, and the John D. and Catherine T. MacArthur Foundation.

DNA brings together four organizations with diverse perspectives and expertise to address issues surrounding tax increment financing; these organizations are identified below. Although we acknowledge and deeply appreciate the confidence placed in us by the funders, we make the traditional but true disclaimer that the opinions and conclusions herein are those of the authors alone, and may or may not represent the views of board members and staff of the funders.

- ! Our **goal** is a “win-win” outcome where the benefits of TIF are retained without its drawbacks. This means learning from past successes and mistakes.
- ! Our **unique perspective** is to view the comprehensive effects of TIF on many aspects of neighborhood development, not only on real estate values.
- ! Our **method** is to conduct original research about the effects of TIF on economies, communities, and taxing bodies, and then to use that understanding to improve TIF policies and practices in Illinois.
- ! Our **resources and expertise** come from four civic and community organizations. Two are public policy research institutes. One works closely with community groups, and one is a statewide coalition of grassroots citizen organizations.
- ! Our **impact on public policy and public opinion** will be through production of a peer-reviewed study of TIF, high-level meetings with opinion leaders and policy makers, and educational products that can be spun off from the study and widely distributed to community leaders and activists.

The four organizations that collaborated on this project and the people responsible for representing their groups in research and writing are:

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