

# KEBIC

The Kedzie Elston Business & Industrial Council

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## South Addison and Kennedy TIF Districts Update: The Case for SBIFs



### CALENDAR OF EVENTS

- **March 7<sup>th</sup>, 7pm**  
**Fundraiser for Corporal Ralph Delgado** (see photo, page 4) McGill's Bar, 4553 N. Pulaski.
- **March 14<sup>th</sup> 10am-2pm**  
**Illinois Red Cross Blood Drive**, 17<sup>th</sup> Police District, 4650 N. Pulaski, in support of Corporal Ralph Delgado. (See Photo, Page 5).
- **March 15<sup>th</sup>-Education to Careers Job Shadowing**  
Registration Deadline. Please call the KEBIC office.
- **March 26<sup>th</sup> - Noon Luncheon with Dana Marabury**, Cook County Assessor's Office
- **April 1-10<sup>th</sup> - Spring Food Drive**
- **May 30<sup>th</sup>, Whipple and Belmont, local Artists Block Party**. For more information please call June Hankins and Nathan Baker at the Art Factory, 773-583-8000.
- **June Golf Outing**  
(Depends on success of Economic Stimulus package!)
- **August: Logan Square Arts Fair**, first weekend.

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Sewer infrastructure repair on Kedzie as model for future TIF spending.

The current TIF in the South Addison Corridor (south of Belmont, west of the Chicago River and east of Elston) is currently spending down nearly \$1 million in tax increment dollars made available to the TIF the last quarter of 2008. According to Mike Weber of DCD, approximately 25% has been allocated to the Green Exchange for worker training.

Unfortunately, TIF funds have program criteria that make access difficult for small to mid-sized companies. For example, the payback for TIF funds is the life of the TIF, or 23 years. So if the company makes the improvements, it will get paid back in installments over a 23 year period. Equally problematic for small companies is the fact that the amount of TIF money available for any one project is a maximum of 25% of project cost.

Finally, a company must comply with the following: have minority/women owned contactors in the project; include green roof or LEED compliance for the building; pay prevailing wage to both contractors and their own employees (which mandate weekly salary reports to the city); do all the usual federal government mandates.

There are also limits on the size of the company; no franchises are supported, and probably not support to units of conglomerates.

But there is an alternative TIF program that is much more company friendly: the Streamlined TIF. This program "provides expedited access to grants for the improvement of industrial,

### Cook County Tax Assessments This Spring

This spring, the Cook County Assessors Office will undertake the tri-annual reassessment of all City of Chicago real estate property. The 2009 tax assessments will be used to derive the tax bills for all properties in the City of Chicago for the next three years.

According to George Relias, a Real Estate Tax Attorney in the Enterprise Law Group speaking at a 2008 KEBIC Afterhours, Chicago property owners should be aware that these tax assessments in the spring of 2009 will be derived from the average of the value of their property from 2006, 2007 and 2008. Since the first two years were the height of the real-estate boom, current property valuations are certainly lower than the average in 2008, it is incumbent that all property owners contest their spring 2009 assessments so their real estate taxes are relevant to the current value of their property, whether residential, commercial or industrial. **Please call the KEBIC office for more information on how to contest your real estate tax assessments.**

commercial, retail or residential mixed-use properties in Tax Increment Financing (TIF) districts citywide. The program incorporates an easy-to-use application form and efficient approval process to pay up to 25 % of renovation, expansion, or redevelopment costs" with "assistance" ranging "from \$25,000 to \$1 million. Grants are paid in annual installments to participants following project completion. The grants do not have to be repaid. Expenses eligible for TIF grants include:

Land acquisition, clearance and site preparation, certain environmental remediation measures, building rehabilitation and repair; signs or awnings that are permanently affixed to the building; rehabilitation and remodeling of existing tenant improvements; streets, streetscaping and other public infrastructure improvements, professional fees related to the redevelopment project, some construction interest costs; and job training and Welfare-to-Work programs."

"Non-eligible expenses include: new construction, initial tenant build outs, minor repairs or improvements, purchase of equipment, and minor site improvements. Wholly residential projects are not eligible for the Streamlined process."

There is a much more user friendly program for smaller and mid-sized businesses. A Small Business Improvement Fund ("SBIF") for the Addison Corridor would make funding more accessible to smaller companies. The net worth of the business (including tenants doing build-out) may not be more than \$4 million for this program, but the payback is immediate, without the Green and/or Federal mandates of the TIF program. Best of all, depending on the results of the company improvement (job retention or job creation are essential) the city involvement may be in the range of 50% of project costs, up to a total reimbursement of \$50,000.

All of this information may be accessed on the web on the City of Chicago/Departments /Department of Planning/Programs and Services/Financial Assistance web pages.



From left, Alice Dungey, DeVry Univ.; Jim Peterson, CPS; Marty Becklinberg, Pre-Paid Legal; Mark Thomas, Marche Noir; Alan Johnson, Architect; Bill Fester, KEBIC President. and Ruben Gomez. Com Ed.

Alderman Flores recently stated he is in favor of a SBIF for the South Addison Corridor, as well as a NIP, or Neighborhood Improvement Plan, which would focus on the residential community. To obtain an SBIF program, Alderman Flores will have to sponsor a resolution to City Council, as well as maintaining an additional \$1 million in available tax increment funds -- required before the SBIF program can be implemented. This qualification will probably take until fall of 2009 to complete, according to Mike Weber of the Department of Community Development. *Continued on page 2*