

**EXHIBIT “4”**  
**Cost-Benefit Analysis**

**First Amendment to the Medelmans Lake Redevelopment Area**

This cost-benefit analysis for Phase II of the Project has been undertaken pursuant to Section 18-2113 of the Act. This cost-benefit analysis shall act as a supplement to the Redevelopment Plan, and shall not replace or amend the cost-benefit analysis for Phase I.

**1. Tax shifts resulting from the approval of the use of funds pursuant to Section 18-2147:**

The incremental taxes created by Phase II will be captured to pay for eligible public expenditures. Since the incremental taxes would not exist without the use of TIF to support Phase II, the true tax shift of Phase II is a positive shift in taxes after fifteen years. Accordingly, any valuation increase is deemed to be a benefit to the City, even considering the fifteen-year TIF period.

With respect to the tax shifts for Phase II:

a.	Anticipated Phase II Project Site Base Valuation (2021):	\$1,410,000
b.	Projected Completed Project Assessed Valuation:	\$10,325,000
c.	Projected Tax Increment Base (b. minus a.):	\$8,915,000
d.	Estimated Tax Levy:	1.957619
e.	Annual Projected Tax Shift:	\$174,521

*Notes:*

- 1. The above figures are based on assumed values and levy rates; actual amounts and rates will vary from those assumptions, and it is understood that the actual tax shift may vary materially from the projected amount. The levy rate is assumed to be the 2021 levy rate. There has been no accounting for incremental growth over the 15 year TIF period.*

**2. Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project:**

a. Public infrastructure improvements and impacts:

There are no anticipated negative public infrastructure impacts from Phase II. Phase II will require the extension of the public utilities to serve the residences constructed in accordance therewith, but Phase II should not create a burden on public resources.

b. Local Tax impacts (in addition to impacts of Tax Shifts described above):

Phase II will create material tax and other public revenue for the City and other local taxing jurisdictions by bringing in new residents who will pay taxes and generate

additional commercial activity within the City. Additionally, the City will collect sales tax on a portion of the materials used to construct Phase II. While the use of TIF will defer receipt of a majority of new ad valorem real property taxes generated by Phase II, it is intended to create long-term benefit and a substantial increase in property taxes to the City and other local taxing jurisdictions.

**3. Impacts on employers and employees of firms locating or expanding within the boundaries of the Phase II Project Site:**

The CDA does not anticipate Phase II will result in any firms locating or expanding within the boundaries of the Phase II Project Site. The new housing constructed as part of Phase II should result in an increase to the City's employee base and could provide incentive for future employers looking to locate in the City.

**4. Impacts on other employers and employees within the City and the immediate area that is located outside of the boundaries of the Phase II Project Site:**

The CDA does not anticipate Phase II will have an adverse material impact on employers and employees within the City or immediately outside the area of the Phase II Project Site. The new housing constructed as part of Phase II should benefit businesses in the surrounding area and the City as a whole, via the increase to their customer and employee base.

**5. Impacts on student populations of school districts within the City:**

The increase of population density within the Phase II Project Site as a result of the new residences constructed thereon may result in a modest increase in school-aged children within the related school districts. However, there is no indication that the schools within the district are unable to withstand an increase in enrollment proportionate to the size of Phase II. The school district will not receive taxes from the residences built during the time the increased taxes are utilized to pay the TIF indebtedness. However, the school district has received state aid to education in the past. Part of the school aid formula involves assessed valuation in the school district. The valuation that generates the TIF payments is not included in the formula and does not count against the state aid that the school district would receive. Taxes on any increase in the base value of the land will benefit the school district. After the TIF indebtedness is paid, or at the end of the respective 15 years of division of taxes, whichever is sooner, the increased valuation from the residential construction will be available to the school district. As such, Redeveloper and the CDA do not anticipate a negative impact on school districts located within the boundaries of the area of Phase II.

**6. Other impacts determined by the CDA to be relevant to the consideration of costs and benefits arising from the redevelopment project:**

Phase II will occupy a vacant space that has been designated as blighted and substandard without negatively impacting the surrounding businesses, residents or straining the public infrastructure. There are no other material impacts determined by the CDA relevant to the consideration of the costs or benefits arising from Phase II. As such, the costs of Phase II are outweighed by its benefits.