
1998 Annual Report

Stockyards Industrial-Commercial Redevelopment Project Area



**Pursuant to Mayor's
Executive Order 97-2**

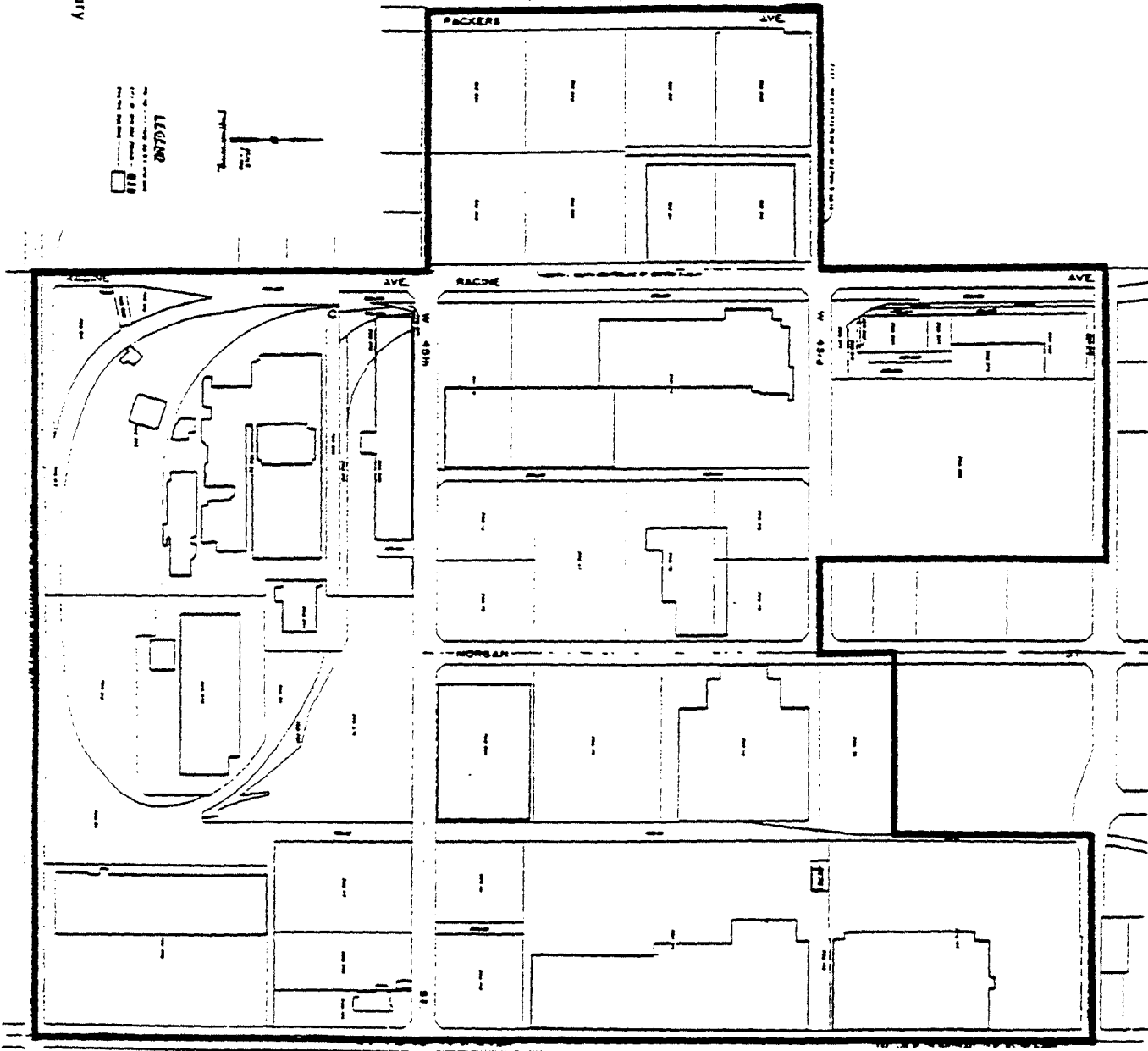
JUNE 30, 1999

TABLE 2
1989 EQUALIZED ASSESSED VALUATION

S. E. QUADRANT OF THE STOCKYARDS 1989 EAV

PERM. INDEX NO.	1989
20-05-200-004	\$12,377
-008	\$1,749,755
-015	\$34,395
-019	\$3,664
-045	\$1,538
-046	\$4,001
-047	\$4,163
-048	\$1,184,715
-049	\$18,801
-050	\$1,846,319
-067	\$25,787
-068	\$2,397
-070	\$3,432
-071	\$237
-072	\$2,177
-073	\$9,190
-074	\$7,179
-075	\$14,742
-076	\$165,045
-077	\$1,270
-083	\$519
-088	\$222,184
-094	\$237,532
-095	\$115,799
-096	\$216,193
-100	\$0
-105	\$209,734
-106	\$9,899
-112	\$1,791,645
-113	\$132,773
-114	\$84,855
-115	\$50,655
-116	\$49,384
-117	\$94,272
-118	\$252,904
-119	\$283,274
-120	\$220,881
-132	\$1,934,760
-133	\$1,331,856
-135	\$37,985
-138	\$13,676
-140	\$71,043

Map 1 Redevelopment Project Boundaries



Project Boundary

LEGEND
 1. Project Boundary
 2. Lot Lines
 3. Building Footprints
 4. Street Right-of-Way

Stockyards
 Southeast Quadrant Industrial
 Redevelopment Project Area
 Redevelopment Plan
 City of Chicago
 September, 1991
 Prepared by: Louk/Schneider &
 Associates

I. INTRODUCTION

One of the most historically significant of Chicago's many diverse neighborhoods is the Back of the Yards, located on the City's southwest side. This area was world renowned as the center of the nation's meat packing industry in the early part of the 20th century. In order to accommodate the meat-packing industry numerous train lines served the stockyards packing area primarily in the square mile between 39th Street and 47th Street from Halsted Street to Ashland Avenue (known as the Union Stockyards). The area, once a port of entry for immigrants, offered a wide variety of retail services and employment opportunities. With the closing of the Stockyards due to the movement of the meat packing industry to more western states in the second half of the 20th century, the area gradually declined as economic and consumer patterns changed. The buildings left by the packers became functionally and economically obsolete and most began to deteriorate.

At the same time, the advent of regional and strip shopping centers changed consumer shopping patterns and brought decline to the two primary shopping streets, 47th Street and Ashland Avenue.

While there has been a general decline in the economic strength of the Back of the Yards area, it possesses several strong

elements which have helped to maintain a level of economic vitality through the years of decline, and provide a base for revitalization.

Chief among these is the redevelopment of the Stockyards meat packing center as a major modern industrial park. The industrial park, developed with assistance of the Back of the Yards Neighborhood Council, the City of Chicago and the United States Department of Commerce - Economic Development Administration, the United States Department of Housing and Urban Development and various other federal agencies, has created over 100 new businesses employing in excess of 7,000 persons. The industrial park is now nearly filled, the only nearby vacant area which can be developed lacks cleared land, roadways and utilities.

However, the Back of the Yards area does have extensive vacant, under-utilized and blighted areas available for development for both commercial and industrial use. This land has not been developed in the past because of: (1) soil problems; (2) environmental issues; (3) toxic wastes; (4) building abandonment; (5) lack of public infrastructure; and (6) deterioration and blight of existing structures.

To assist in the development of new industrial and commercial centers within the Back of the Yards area, various agencies have

joined together. The lead organization in this strategy is the Back of the Yards Neighborhood Council (BYNC), a not-for-profit group composed of all sectors of the community, which has worked along with the City of Chicago Department of Economic Development, the Economic Development Commission of Chicago, and neighborhood businesses and residents, in developing a framework to guide and direct the revitalization of the Stockyards Industrial-Commercial Redevelopment Area. In developing the framework, a consensus building approach was adopted by the Back of the Yards Neighborhood Council. While there has been development in the Back of the Yards area by the private sector, much of the remaining land which can be put to productive use needs substantial investment of public funds in order to achieve such productive development.

Tax Increment Allocation Redevelopment Act.

An analysis of conditions within this area indicates that it is appropriate for designation as a redevelopment project, utilizing the State of Illinois tax increment financing legislation. The area is characterized by conditions which warrant the designation as a "blighted area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (hereafter referred to as the "Act"). The Act is found in the Illinois Revised Statutes, Chapter 24 Section 11-

74.4-1 et seq., as amended.

The Act provides a means for municipalities, after the approval of a "Redevelopment Plan and Project" to redevelop blighted areas by pledging the increase in tax revenues generated by public and private redevelopment in order to pay for the up front public costs which are required to stimulate such private investment in new redevelopment and rehabilitation. Municipalities may issue obligations to be repaid from the stream of real property tax increments that occur within the tax increment financing district.

The property tax increment revenue is calculated by determining the difference between the initial equalized assessed value (the Certified EAV Base) for all real estate located within the district and the current year EAV. Any increase in EAV is then multiplied by the current tax rate, which determines the incremental real property tax.

The Stockyards Industrial-Commercial Redevelopment Area Project and Plan (hereafter referred to as the "Redevelopment Plan") has been formulated in accordance with the provision of the Act. It is a guide to all proposed public and private action in the Redevelopment Project Area. In addition to describing the objectives of redevelopment, the Redevelopment Plan sets forth the overall program to be undertaken to accomplish these

objectives. This program is the "Redevelopment Project".

This Redevelopment Plan also specifically describes the Stockyards Industrial-Commercial Tax Increment Redevelopment Project Area (hereafter referred to as the "Redevelopment Project Area"). This area meets the eligibility requirement of the Act. The Redevelopment Project Area boundaries are described in Section II of the Redevelopment Plan and shown in Map 1, Boundary Map.

After its approval of the Redevelopment Plan, the City Council then formally designates the Redevelopment Project Area.

The purpose of this Redevelopment Plan is to ensure that new development occurs:

1. On a coordinated rather than a piecemeal basis to ensure that the land-use, vehicular access, parking, service and urban design systems will meet modern-day principles and standards.
2. On a reasonable, comprehensive and integrated basis to ensure that blighting factors are eliminated.
3. Within a reasonable and defined time period.

Revitalization of the Redevelopment Project Area is a large and complex undertaking and presents challenges and opportunities commensurate to its scale. The success of this effort will depend to a large extent on the cooperation between the private sector and agencies of local government. The adoption of the

Redevelopment Plan makes possible the implementation of a logical program to stimulate redevelopment in the Redevelopment Project Area -- an area which cannot reasonably be anticipated to be developed without the adoption of this Redevelopment Plan. Public investments, will create the appropriate environment to attract the investment required for the rebuilding of the area.

Successful implementation of the Redevelopment Plan and Project requires that the City of Chicago take full advantage of the real estate tax increments attributed to the Redevelopment Project as provided in accordance with the Act. The Redevelopment Project Area would not reasonably developed without the use of such incremental revenues.

II. REDEVELOPMENT PROJECT AREA AND LEGAL DESCRIPTION

The Stockyards Industrial-Commercial Redevelopment Area is located on the southwest side of the City of Chicago and is generally described as beginning at the northwest corner of West 47th Street and South Damen Avenue and includes the area between West 47th Street and the Baltimore & Ohio (B&O) railroad tracks; proceeding east to South Wolcott Street north of 46th Street, then proceeding north between South Wolcott Street and the spur line immediately to the west of South Wolcott Street, then north of West 43rd Street encompassing the area between South Wolcott Street extended and the B&O tracks to West 42nd Street extended; then proceeding between West 42nd Street extended and the north end of the Conrail property approximately 700 feet north of the Conrail rights-of-way from the B&O track to South Hermitage Avenue extended; then between South Hermitage Avenue and South Ashland Avenue between the north edge of the Conrail property and the property line approximately 700 feet north of West 42nd Street, from this point across Ashland Avenue, then south to West 43rd Street and east to Racine Avenue, including the property north of West 43rd Street and west of Racine Avenue to West 39th Street, excepting the property fronting along West 39th Street from South Ashland Avenue to South Loomis Street extended and the property between Racine Avenue and the spur lines immediately to the west of South Racine Avenue between West 39th Street and West Exchange Avenue extended. The study area is approximately six

miles southwest of Chicago's central business district. The area is currently occupied primarily by vacant land, industrial buildings and railroad tracks and adjacent railroad property, with a small portion of commercial property.

The legal description of the Stockyards Industrial-Commercial Redevelopment Area is as follows:

That part of the East Half of the Southwest Quarter of Section 6; part of the West Half of the Southeast Quarter of Section 6; part of the Northeast Quarter of Section 6 and Section 5, all in Township 38 North, Range 14 East of the Third Principal Meridian, bounded and described as follows: Beginning at the intersection of the East line of Damen Avenue as dedicated and the South line of said Section 6; thence West 1230.4 feet along said South line (also being the centerline of 47th Street) to the Easterly right-of-way line of the Chicago River and Industrial Railroad Company; thence Northeasterly along last said Easterly line to a line 347.5 feet West of the East line of said Southwest Quarter of Section 6; thence North on last said West line to the North line of the Southeast Quarter of said Southwest Quarter; thence Northeasterly along a track right-of-way to the centerline of vacated 44th Street, said point being 176.27 feet West of the West line of Wolcott Avenue; thence continuing North along said track to the South line of 43rd Street, said point being 130 feet West of the West line of Wolcott Avenue; thence West along the South line of 43rd Street to the North and South centerline of said Section 6; thence North along last said North and South centerline to the Northerly most track in the vacated channel of the South branch of the Chicago River; thence Easterly along said track to the West line of the East 2013.04 feet of the Northeast Quarter of Section 6; thence East 923 feet along a line to a point 513 feet South of the North line of said Section 6; thence South 15.58 feet; thence East 1115.55 feet along a line 548.58 feet South of the North line of said Section 6 to the East line of Ashland Avenue; thence South along said East right-of-way line to the South line of the West fork of the South fork of the South branch of the Chicago River as filled (also being the North line of Lot 4 in Circuit

Court Partition of the Northwest Quarter of Section 5):
~~thence Northeast, Southeast and East~~ along the
Northerly line of said lot 4 to the North right-of-
way line of the Penn Central Railroad main right-of-
way; thence Northeasterly along last said North right-
of-way line to the East line of the Northwest Quarter
of the Northwest Quarter of said Section 5; thence
North along last said East line to the North line of
the Northwest Quarter of said Section 5; thence East
along last said North line 900 feet; thence South to
the South right-of-way line of Pershing Road at the
intersection of a railroad spur track 360 feet more or
less West of the East line of the Northwest Quarter of
Section 5; thence Southeast 156 feet to the East line
of a tract of land having a Tax Number of 20-05-102-
044; thence Southerly along last said East line to the
North right-of-way line of the Penn Central main line;
thence Westerly along last said North line to the East
line of Packer Avenue extended North; thence South
along last said East line to the Southerly most spur
track of said railroad; thence Southeast along said
spur track to the South line of Lot 2 in Packer's
Addition to Chicago; thence East along said South line
to the East line of the Northwest Quarter of said
Section 5; thence continuing East to the East right-
of-way line of South Racine Avenue in the Northeast
Quarter of said Section 5; thence South along said
East line to the South right-of-way line of 43rd
Street; thence Westerly along last said South right-
of-way line to the West line of Ashland Avenue as
dedicated; thence North along last said West line to
the North right-of-way line of Lots 1 and 2 of
Sulzberger and Sons Company's Block C Subdivision;
thence Westerly along last said North line to a line
932.8 feet West of and parallel to the West line of
Ashland Avenue; thence South 603.95 feet along last
said line to the centerline of 42nd Street extended
West; thence West along last said centerline to the
East right-of-way line of Wolcott Avenue; thence
South along last said East line to the South line of
46th Street as dedicated; thence West along last said
South line to the East line of Damen Avenue; thence
South along last said East line to the place of
beginning, all in City of Chicago, Cook County,
Illinois.

III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

Investment in new development and reinvestment in existing structures and facilities are essential in the Stockyards Industrial-Commercial Redevelopment Area. Redevelopment and conservation efforts in the Redevelopment Project Area will strengthen the entire City through environmental improvements, an increased tax base and additional employment opportunities.

This section of the Redevelopment Plan identifies the goals and objectives of the Redevelopment Project Area. A latter section of the Redevelopment Plan identifies more specific programs which the City plans to undertake in achieving the redevelopment goals and objectives which have been identified.

General Goals:

- * Improve the quality of life in Chicago by eliminating the influence of, as well as the manifestations of, both physical and economic blight in the Redevelopment Project Area.
- * Provide sound economic development in the Redevelopment Project Area.
- * Revitalize the Redevelopment Project Area to make it an important center contributing to the revitalization of the Back of the Yards area.
- * Create an environment within the Redevelopment Project Area which will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties in the Back of the Yards area.
- * Create suitable locations for industry.
- * Create job opportunities.

- * ~~Create new retail centers and the accompanying job opportunities.~~

Redevelopment Objectives:

- * Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a Blighted Area. Section IV of this document, Blighted Area Conditions Existing in the Redevelopment Project Area, describes the blighting conditions.
- * Enhance the tax base of the City of Chicago and of the other taxing districts which extend into the Redevelopment Project Area by encouraging private investment in commercial and industrial new construction, and rehabilitation.
- * Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values, and job opportunities.
- * Encourage the assembly of land into parcels functionally adaptable with respect to shape and size for redevelopment needs and standards.
- * Provide site for needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with accepted design criteria for such facilities.
- * Provide needed incentives to encourage a broad range of improvements in both new development and rehabilitation efforts.
- * Encourage the participation of minorities and women in professional and investment opportunities involved in the development of the Redevelopment Project Area.

Development and Design Objectives

- * Establish a pattern of land use activities arranged in compact, compatible grouping to increase efficiency of operation and economic relationships.
- * Achieve development which is integrated both functionally and aesthetically with nearby existing development.
- * Ensure safe and adequate circulation patterns and

capacity in the project area.

- * Encourage coordinated development of parcels and structures in order to achieve efficient building design; unified off-street parking, trucking and service facilities; and appropriate access to nearby highways.
- * Encourage a high-quality appearance of buildings, rights-of-way and open spaces, and encourage high standards of design.
- * Encourage development of usable industrial space of all sizes.

IV. BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

Based upon surveys, inspections, and analysis of the area by Louik/Schneider & Associates, Inc., the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act. The area is characterized by the presence of a combination of five or more blighting factors as listed in the Act, rendering the area detrimental to the public safety, health and welfare of the citizens of this area of the City. Specifically:

- * Of the fourteen factors set forth in the law, eleven are present in the area.
- * The blighting factors are reasonably distributed throughout the study area.
- * All blocks within the study area show the presence of blighting factors.

A separate report entitled "Stockyards Industrial-Commercial Redevelopment Area Tax Increment Financing District Eligibility Report," dated November, 1988 describes in detail the surveys and analysis undertaken and the basis for the finding that the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act. Summarized below are the findings of the

Eligibility Report:

1. Age

Age as a factor is present to a major extent in seven of the seventeen blocks and to a limited extent in four blocks. Of the 46 total buildings in the Redevelopment Area, 29 (63 percent) are 35 years of age or older.

2. Dilapidation

Dilapidation is present to a major extent in one block containing two buildings and to a limited extent along twelve blocks containing poor and dilapidated street surface and storm drainage structures.

3. Obsolescence

Obsolescence as a factor is present to a major extent in twelve of the seventeen blocks and to a limited extent in four other blocks. Conditions contributing to this factor include obsolete buildings and obsolete platting. Sixteen buildings and six blocks with small, narrow parcels are characterized by obsolescence.

4. Deterioration

Deterioration as a factor is present to a major extent in seven blocks and to a limited extent in seven blocks of the Redevelopment Area. Conditions contributing to this factor

include deteriorating structures, ~~deteriorating off-street~~ parking and storage areas and site surface areas, and deteriorating street pavement, curbs, gutters and sidewalks. Twenty-six of the forty-six buildings are characterized by deterioration.

5. **Structures Below Minimum Code Standards**

Structures below the city's minimum code standards for existing buildings as a factor is present to a major extent in six of the seventeen blocks, and to a limited extent in two blocks.

6. **Excessive Vacancies**

Excessive vacancies as a factor is present to a major extent in thirteen of the seventeen blocks. Three buildings are entirely vacant and over forty percent of the area contains vacant land.

7. **Lack of Ventilation, Light or Sanitary Facilities**

One of the seventeen blocks exhibits almost total lack of lighting within the structures located within it. In addition the lack of light is also found in another block.

8. **Inadequate Utilities**

Inadequate utilities are present to a major extent in fifteen of the seventeen block area. All blocks are

impacted by obsolete and aging utility systems, deteriorating or missing storm sewers and drainage structures with only limited upgrading on sites where new development has occurred.

9. **Deleterious Land-Use or Layout**

Deleterious land-use or layout is present to a major extent in eleven blocks and to a limited extent in two blocks. Conditions contributing to this factor include parcels of irregular shape and limited size. Large tracts of vacant and under-utilized land, vacant and dilapidated structures and poor streets in deteriorated condition providing very limited access and interior circulation.

10. **Depreciation of Physical Maintenance**

Depreciation of physical maintenance is present to a major extent in nine blocks and to a limited extent in seven blocks. Conditions contributing to this factor include deferred maintenance and lack of maintenance of buildings, parking and storage areas, and site improvements including streets, alleys, walks, curbs, gutters and utilities.

11. **Lack of Community Planning**

Lack of community planning is present to a major extent throughout all seventeen blocks of the study area. Conditions contributing to this factor include parcels of

inadequate size or irregular shape for contemporary development in accordance with current day needs and standards, and the lack of reasonable development controls for building setbacks, off-street parking and loading and the limited access provided by the present street system in combination with the vacant inaccessible land areas. The area lacks an overall plan for coordinated development on a block by block basis. The entire Redevelopment Area exhibits this factor.

The vacant portions of the study area also qualify as a "Blighted Area" as required by Chapter 24, Section 11-74.4-3(a) of the Illinois Revised Statutes. The following factors are present within the vacant land area:

(1) Unused Railroad Yards - Most of the central portion of the study area was used as railroad yards. Some active tracks remain, but the bulk of the yards have been abandoned.

(2) Unused Disposal Site - the southwestern portion was utilized as a garbage dump in the early part of the century. Nearly all of the vacant land in the study area has been used for dumping of building debris recently.

The analysis above is based upon data assembled by the City of Chicago, Department of Economic Development, The Economic Development Commission of the City of Chicago, the Back of the

Yards Neighborhood Council, Louik/Schneider & Associates, Inc. The surveys and analysis conducted include:

1. Exterior surveys of the condition and use of each building;
2. Field surveys of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning maps;
5. Historical analysis of site uses;
6. Analysis of original and current platting and building size layout;
7. Analysis of building floor area and site coverage.
8. Review of previously prepared plans, studies and data.

V. STOCKYARDS INDUSTRIAL-COMMERCIAL REDEVELOPMENT PROJECT

A. REDEVELOPMENT PROJECT AREA GOAL AND OBJECTIVES

The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including but not limited to tax increment financing, and by undertaking some or all of the following actions:

1. **Assemblage of Sites.** To achieve the renewal of the Redevelopment Project Area, property identified in Map 3, Development Activities, attached hereto and made a part hereof, may be acquired by the City of Chicago and cleared of all improvements if any and either (a) sold or leased for private redevelopment, or (b) sold, leased or dedicated for construction of public improvements or facilities. The City may determine that to meet the renewal objectives of this Redevelopment Plan, other properties in the Redevelopment Project Area not scheduled for acquisition should be acquired, or certain property currently listed for acquisition should not be acquired. Acquisition of land for public rights-of-way will also be necessary for the portions of said rights-of-way that the City does not own (see Map 3).

As necessary part of the redevelopment process, the City may hold and secure property which it has acquired and place it in temporary uses until such property is scheduled for disposition and redevelopment. Such uses may include, but are not limited to, project office facilities, parking or other uses the City may deem appropriate.

2. **Provision of Public Improvements and Facilities.** Adequate public improvements and facilities will be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to:
 - a. Construction of a more visually recognizable and attractive industrial park

entrance to the Northwest Quadrant of the Stockyards at 43rd Street and Packers Avenue, including landscaping and signage.

b. Provision of utilities necessary to serve the redevelopment.

c. Construction of an interior street system to efficiently and effectively serve the industrial park in the Northwest Quadrant of the Stockyards; including direct access to Ashland Avenue.

d. Provision of access and utilities to portions of the former railroad yards in the Wolcott/Railroad sub-area for industrial redevelopment purposes.

3. Provision for soil and site improvements for privately held properties for the purpose of making land suitable for development.

a. Entering into a redevelopment agreement for improvement to soil conditions and necessary site improvement at 47th Street and South Damen site, various railroad properties in the Wolcott/Railroad Area, and various site as may be required in the Northwest Quadrant of the Stockyards.

4. Redevelopment Agreements. Land assemblage shall be conducted for (a) sale, lease, or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific controls than those stated in the Redevelopment Plan.

In the event that the City determines that construction of certain improvements is not financially feasible, the City may reduce the scope of the proposed improvements.

B. REDEVELOPMENT PLAN

The proposed Stockyards Industrial-Commercial Redevelopment Project Area for the purposes of planning and programming of improvements has been divided into three sub-areas (see Map 2). These are (1) the 47th Street and South Damen Commercial Redevelopment sub-area; (2) the Wolcott/Railroad Industrial Redevelopment sub-area; and (3) the Northwest Quadrant of the Stockyards Industrial Redevelopment sub-area.

47th Street and South Damen Commercial Redevelopment Sub-Area

This sub-area designated for commercial redevelopment (see Map 4 Redevelopment Plan), will require the City and a developer to enter into a redevelopment agreement upon approval by the City Council. The redevelopment agreement will generally provide for the City to provide funding for necessary soil and site improvements. The funds for said improvements are to come from the City's issuance of bonds to be repaid from the incremental increase in tax revenues to be generated from the entire Redevelopment Project Area. The developer will undertake the responsibility for the required soil and site improvements, a portion of which will be paid for from the issuance of bonds, and will further be required to build a retail shopping center containing approximately 240,000 square feet and the necessary support facilities, such as parking, landscaping and street

improvements.

The project defined in this sub-area of the Plan will be completed within 18 months of the signing of a redevelopment agreement. This commercial redevelopment will generate substantial incremental tax increases which will allow for the issuance of a bond for completion of other improvements in the first phase of public improvements.

Wolcott/Railroad Industrial Sub-Area

This sub-area, designated for industrial redevelopment (see Map 4), consists primarily of industrial properties along South Wolcott Avenue and railroad yards primarily north of 42nd Street. The sub-area will require street improvements and new street construction, including water sewer and lighting improvements primarily in the area between Wolcott and Damen Avenues north of 43rd Street with some additional improvements for a site located along the west side of Ashland Avenue north of the Conrail viaduct. Land acquisition will be required for the extension of Wolcott and Damen Avenues, and provision of a new right-of-way and new street construction (see Map 3).

In addition the City will need to enter into redevelopment agreements with developers to provide funding for soil and site improvements needed to make the land suitable for development.

With the exception of street resurfacing along Wolcott Avenue, most of the improvements for this sub-area will occur in the third phase of public improvements. The third phase public improvements will be funded from the proceeds of bonds financed from the incremental increase in real estate taxes generated from redevelopment in the Northwest Quadrant of the Stockyards.

Northwest Quadrant of the Stockyards Industrial Sub-Area

This sub-area has been designated primarily for industrial redevelopment with the exception of some existing commercial space along the east side of Ashland Avenue (see Map 4). The sub-area consists of a few newer industrial facilities, several new commercial facilities along the east side of Ashland Avenue, large tracts of vacant land mostly covered with rubble, and several abandoned and deteriorating industrial buildings.

The plan for this sub-area will make approximately 60 acres of land available for industrial redevelopment. A new street system and required water, sewer and lighting from Packers Avenue westward and southward through the sub-area to intersect with Ashland Avenue at 42nd Street is proposed (see Map 3). The plan also calls for the removal of railroad tracks where possible and assistance for suitably located, active, well maintained business and industry.

The redevelopment of this sub-area will require the City to provide public infrastructure improvements, land acquisition, demolition of dangerous and dilapidated buildings, and entering into redevelopment agreements with private land owners to provide for clearing of rubble, and soil and site improvements necessary for industrial development.

The first phase of public improvements will include the demolition of the existing abandoned buildings and undertaking of some of the street improvements. Funding for this first phase of improvement will come from the first bond to be issued by the City. The second phase of public improvements will include the balance of land acquisition, infrastructure improvement and soil and site improvements. This second phase will be funded from a second bond to be issued by the City and retired by the incremental increase in real estate taxes generated from new industrial development stimulated by the first phase of public improvements.

C. GENERAL LAND-USE PLAN

The Redevelopment Plan and the proposed projects described herein conform to the land-uses and development policies for the City as a whole as currently provided by the Comprehensive Plan of Chicago (1966) and the companion Southwest Development Area Report (1968). This Area is bounded by Blue Island Avenue and Cermak Road on the north, the Dan Ryan Expressway on the east, Garfield Boulevard on the south, and Western Avenue on the west. The Development Area contains the residential community known as New City, more commonly known as the "Back of the Yards".

The Back of the Yards community was the home of the Chicago Union Stockyards, a once thriving meat-processing and packing area. A portion of the Union Stockyards has been redeveloped as a modern industrial park. This occurred due to the funding injected into the area by the City and Federal governments which was utilized to develop an infrastructure system consisting of streets, water, sewerage, street lighting and other utilities. Also the City, State and Federal Governments provided specific financing assistance for companies to locate in the New Stockyards industrial park. The northwest quadrant of the Stockyards remains primarily blighted due to the presence of dilapidated buildings, the lack of necessary infrastructure and land suitable for redevelopment.

The Southwest Development Area Report states the following with regard to the redevelopment of land in the Stockyards area:

"At the height of operation, in the early 1940's, the stockyards and Packingtown meant more than 30,000 jobs... The westward movement of the meat packing industry caused a decline in job opportunities which culminated in the mid-1950's when most major firms closed their Chicago operations. The result was a serious need for jobs ... and a large amount of unused industrial land. (pp. 15-16)

The redevelopment of that land with job producing industries has been a high priority problem that is today only partly solved. Rail yards that are now larger than needed, large tracts of land with extensive existing construction unsuited for new uses and a complex of private streets and utilities have presented many serious physical and legal obstacles. Prime location alone will not insure success of this project; air pollution and offensive odors must be controlled; the area must be made attractive to compete with newer areas... (p. 16)

The retail shopping facilities in the Back of the Yards follows the general city-wide pattern of commercial frontage along major arterial streets. This pattern no longer meets the current needs of many consumers. A development objective for this area of Chicago includes the development of a new commercial center in order to provide increased employment opportunities and the strengthening of the tax base of the City.

The revitalization, retention and expansion of industrial areas is a key component of the City of Chicago's strategy for economic development. This strategy is documented in numerous plans and policy statements, including Chicago, 1992: Goals and Policies and Ten-Year Development Strategies which, in a discussion of the framework for economic development, cited the following as major

policy under the goal of making Chicago a "Viable Manufacturing City":

Encourage the Development of Industry in Significant Industrial Park Areas as Well as Scattered Locations Citywide.

Six major industrial concentrations have been designated as targets for development. These include: Northwest Center for Industry, Goose Island, Stockyards, Pullman, Chicago Center for Industry, and Lake Calumet. These areas are being actively serviced, enhanced and marketed. The primary advantage of these areas is their large available parcels of land, which is often a critical consideration of new or relocating industry. (Page 19)

D. ESTIMATED REDEVELOPMENT PROJECT COSTS

Redevelopment project costs mean the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan and Redevelopment Project pursuant to the State of Illinois Tax Increment Allocation Redevelopment Act. Such costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan, including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected;
2. Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of any buildings, and the clearing and grading of land;
3. Costs of the construction of public works or improvements;
4. Costs of job training and retraining projects;
5. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
6. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;

7. Payment in lieu of taxes;
8. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 10- 22.20a and 10-23.3a of the School Code;
9. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a. such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;
 - b. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 - c. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
 - d. the total of such interest payments incurred pursuant to this Act may not exceed 30 percent of the total redevelopment project costs excluding any property assembly costs and any relocation costs incurred pursuant to this Act.

The estimated redevelopment project costs are shown in Table 1. To the extent that municipal obligations have been issued to pay for such redevelopment project costs included prior to, but in anticipation of, the adoption of tax increment financing, the City shall be reimbursed for such redevelopment project costs. The total redevelopment project costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, interest and other financing costs). Within this limit, adjustments may be made in line items without amendment to this Redevelopment Plan.

TABLE 1

ESTIMATED REDEVELOPMENT PROJECT COSTS

Program Action/Improvements

Sub-Area #1 - 47th Street and South Damen Avenue

Site preparation	\$1,900,000
Contingencies	150,000
Planning, legal, studies, etc.	190,000

Sub-Area #2 - Wolcott/Railroad

Acquisition	500,000
Infrastructure improvements	1,750,000
Site preparation	1,750,000
Contingencies	1,400,000
Planning, legal, studies, etc.	400,000

Sub-Area #3 - Northwest Quadrant of the Stockyards

Acquisition	1,000,000
Infrastructure improvements	4,150,000
Site preparation	1,430,000
Contingencies	2,232,000
Planning, legal, studies, etc.	658,000

TOTAL PROJECT COST* \$17,510,000

*Exclusive of capitalized interest, issuance costs and other financing costs

E. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS

Funds necessary to pay for redevelopment project costs and municipal obligations which have been issued or incurred to pay for such costs are to be derived principally from tax increment revenues and proceeds from municipal obligations which have as their revenue source tax increment revenue. To secure the issuance of these obligations, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

The tax increment revenue which will be used to fund tax increment obligations and redevelopment project costs shall be the incremental real property tax revenues. Incremental real property tax revenue is attributable to the increase in the current equalized assessed value of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of each such property in the Redevelopment Project Area. Other sources of funds which may be used to pay for redevelopment costs and obligations issued or incurred, the proceeds of which are used to pay for such costs, are land disposition proceeds, state and federal grants, investment income, and such other sources of funds and revenues as the municipality may from time to time deem appropriate.

The City may issue general obligation bonds secured by the full faith and credit of the City for the purpose of financing redevelopment project cost. Such bonds may be payable from ad valorem taxes levied against all taxable property in the City.

Issuance of Obligations

To finance redevelopment costs a municipality may issue obligations secured by the anticipated tax increment revenue generated within the TIF redevelopment area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within twenty-three (23) years from the adoption of the ordinance approving the Redevelopment Project Area. Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One or more series of obligations may be sold at one or more times in

order to implement this Redevelopment Plan. The amounts payable in any year as principal and interest on all obligations issued by the City pursuant to the Redevelopment Plan and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds (including ad valorem taxes) as may be provided by ordinance. Obligations may be of a parity or senior/junior lean natures. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund, or optional redemptions.

Revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and redevelopment project costs, and, to the extent that real property tax increment is not used for such purposes, shall be declared surplus and shall then become available for distribution annually to taxing districts in the Redevelopment Project Area in the manner provided by the Act.

Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area

The total 1987 equalized assessed valuation for the entire Redevelopment Project Area is \$11,938,779. This equalized assessed valuation is subject to final verification by Cook

County. After verification, the County Clerk of Cook County, Illinois will certify the amount, and this amount will serve as the "Initial Equalized Assessed Valuation."

Anticipated Equalized Assessed Valuation

By the year 1998, when it is estimated that all the anticipated private development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at between \$19,000,000 and \$24,500,000. By the year 2002, the equalized assessed value of real property within the Redevelopment Project is estimated at between \$24,000,000 and \$26,500,000. These estimates are based on several key assumptions, including: 1) Redevelopment of the 47th and Damen Commercial sub-area will be completed in 1990; 2) Redevelopment of the Northwest Quadrant of the Stockyards and the Wolcott/Railroad sub-areas will occur in a timely manner; 3) the market value of the anticipated industrial developments will increase following completion of the redevelopment activities described in the Redevelopment Project and Plan; 4) the most recent State Multiplier of 1.8916 as applied to 1987 assessed values will remain unchanged and 4) for the duration of the project the tax rate for the entire Redevelopment Area is assumed to be the same and will remain unchanged from the 1987 level.

TABLE 2

1987 EQUALIZED ASSESSED VALUATION

PERM. INDEX NO.	VACANT	COMMERCIAL	INDUSTRIAL	OTHER
20-05-101-006 RR				
-007 RR				
-010 RR				
-017			29,588	
-022	21,683			
-023	1,178			
-024	1,105			
-025	180,018			
-034 EX				
-035 EX				
-036			157,235	
20-05-102-001	37,838			
-002 RR				
-003	49,416			
-004	24,674			
-006 RR				
-011				
-012		55,950		
-016	79,631			
-019			47,899	
-020	1,254			
-021	46,787			
-023	106			
-024 EX				
-025	779			
-027		45,047		
-040			65,707	
-041	48,276			
-042	113			
-043 RR				21,290
-044	46,796			
-045	8,875			
20-05-103-001	1,544			
-002			15,288	
-003				15,106
-004			7,704	
-005		4,057		
-006		3,967		
-007		3,967		
-008		107,685		
-009		37,719		
-010		4,366		
-011		6,549		
-013		4,213		

PERM. INDEX NO.	VACANT	COMMERCIAL	INDUSTRIAL	OTHER
-----------------	--------	------------	------------	-------

-014		61,297		
-015		60,560		
-018	16,854			
-020	32,670			
-021		24,680		
-022		20,870		
-023		18,331		
-024		4,266		
-025		2,113		
20-05-104-001		90,602		
-002				293,457
-004	EX			
-005	EX			
20-05-105-003	9,606			
-004				362,941
-005				204,497
20-05-106-001	EX			
-003				208,082
-006	EX			
-007	3,259			
-008	3,774			
20-05-107-001	1,483			
-002	1,483			
-003	1,483			
-004	1,483			
-005	1,483			
-006	1,483			
-007	1,483			
-008	1,483			
-009	10,504			
-010	1,544			
-011	1,544			
-012	19,510			
-013	15,231			
20-05-108-001	46,060			
-010	EX			
-012	8,480			
-013	6,333			
-014	38,191			
-015	31,247			
-016				57,520
-017		48,232		
-018		25,652		
20-05-109-002				130,282
-003	62,205			
20-05-110-003				125,226
-006				266,799
-007				114,620
-008		20,026		
-009				85,521

PERM. INDEX NO.	VACANT	COMMERCIAL	INDUSTRIAL	OTHER
-010	52,002			
-011	44,733			
20-05-111-016		3,619		
-017			966,759	
20-05-112-001			1,061,021	
-009				203,322
-010			233,342	
-011			313,338	
-012	24,212			
-013				48,750
20-05-113-002	97,586			
20-05-114-003			159,816	
-004			130,030	
-005			158,671	
-006			154,445	
-007			1,344,693	
20-05-500-001	RR			
-002	RR			
20-06-100-108			60,500	
-109			386,000	
20-06-200-014	22,998			
-046	20,864			
-057	79,239			
-058			331,389	
-061			73,383	
-068			576,815	
-069	RR			
-070	RR			
20-06-303-004	47,992			
-006	191,029			
-008	22,992			
-010	64,415			
-011	EX			
-014	44,046			
20-06-400-008			369,363	
-013			100,111	
-014			13,502	
-015	5,889			
-016			179,237	
-018			222,013	
-020			306,246	
-024	85,809			
-025	10,748			
20-06-500-001	RR			
TOTAL	1,683,503	653,768	9,313,040	288,468
TOTAL ALL USES	11,938,779			

VI. PHASING AND SCHEDULING OF REDEVELOPMENT PLAN

A phased implementation strategy will be utilized to achieve a timely and orderly redevelopment of the project area.

It is anticipated that City expenditures for redevelopment will be carefully staged on a reasonable and proportional basis to coincide with expenditures in rehabilitation and/or redevelopment by private developers.

The public and private improvements to be undertaken in the Redevelopment Project Area are anticipated to be completed in the twentieth year. Table 1, the Estimated Redevelopment Project Costs (See page 31), illustrates the public improvements to be undertaken as part of the Redevelopment Project.

VII. PROVISION FOR AMENDING ACTION PLAN

This Stockyards Industrial-Commercial Redevelopment Area Tax Increment Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

VIII. AFFIRMATIVE ACTION PLAN

The City is committed to and will affirmatively implement the following principles with respect to the Stockyards Industrial-Commercial Redevelopment Area.

- A. The assurance of equal opportunity in all personnel and employment actions with respect to the Plan and Project, including but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed, or ancestry.

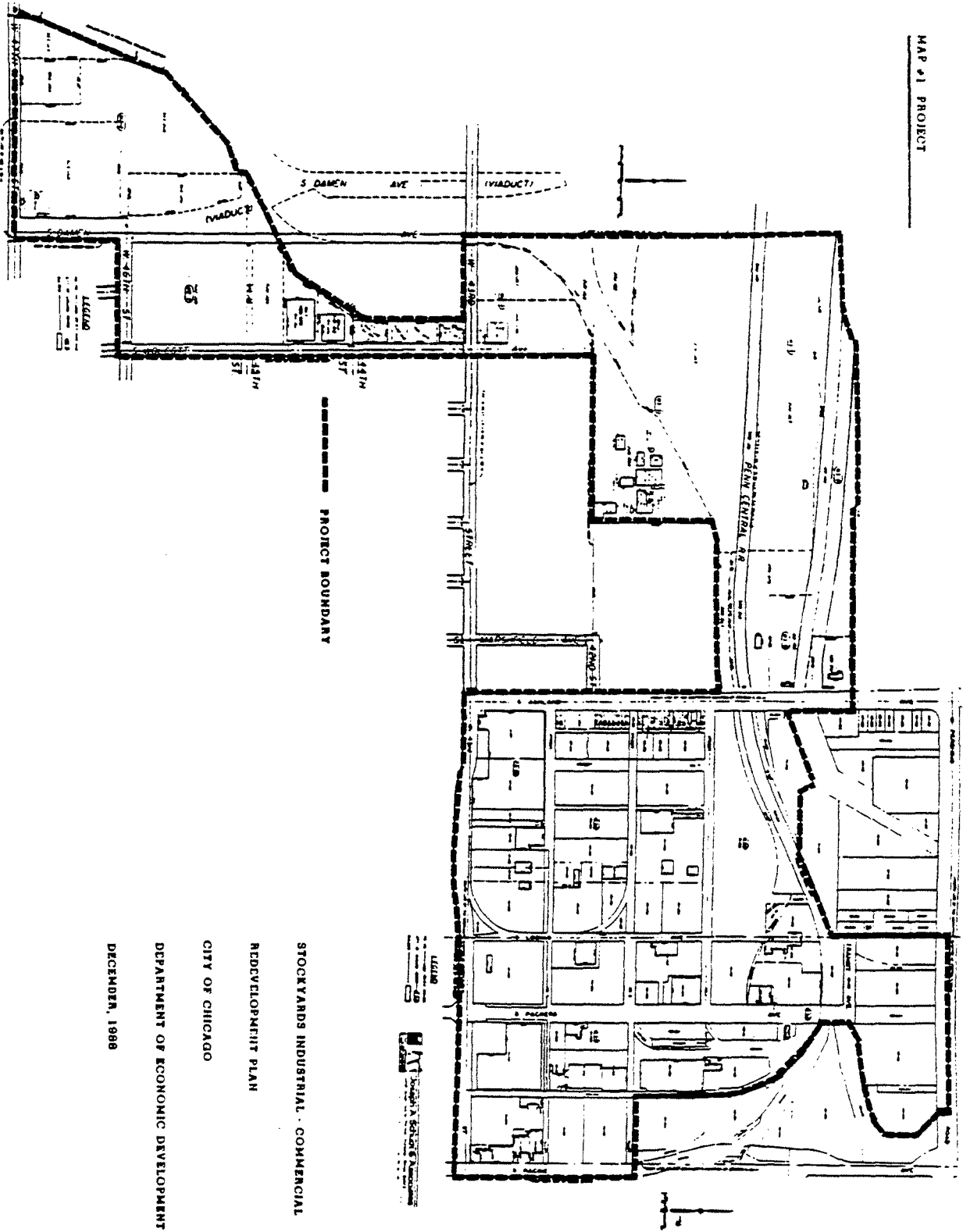
- B. This commitment to affirmative action will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.

In order to implement these principles for this Plan and Project the City shall require and all parties contracting with the City on the Project meet City goals for Minority Business Enterprises, Women's Business Enterprises, Affirmative Action and First Source Hiring.

LEGAL DESCRIPTION

That part of the East Half of the Southwest Quarter of Section 6; part of the West Half of the Southeast Quarter of Section 6; part of the Northeast Quarter of Section 6 and Section 5, all in Township 38 North, Range 14 East of the Third Principal Meridian, bounded and described as follows: Beginning at the intersection of the East line of Damen Avenue as dedicated and the South line of said Section 6; thence West 1230.4 feet along said South line (also being the centerline of 47th Street) to the Easterly right-of-way line of the Chicago River and Industrial Railroad Company; thence Northeasterly along last said Easterly line to a line 347.5 feet West of the East line of said Southwest Quarter of Section 6; thence North on last said West line to the North line of the Southeast Quarter of said Southwest Quarter; thence Northeasterly along a track right-of-way to the centerline of vacated 44th Street, said point being 176.27 feet West of the West line of Wolcott Avenue; thence continuing North along said track to the South line of 43rd Street, said point being 130 feet West of the West line of Wolcott Avenue; thence West along the South line of 43rd Street to the North and South centerline of said Section 6; thence North along last said North and South centerline to the Northerly most track in the vacated channel of the South branch of the Chicago River; thence Easterly along said track to the West line of the East 2013.04 feet of the Northeast Quarter of Section 6; thence East 923 feet along a line to a point 513 feet South of the North line of said Section 6; thence South 15.58 feet; thence East 1115.55 feet along a line 548.58 feet South of the North line of said Section 6 to the East line of Ashland Avenue; thence South along said East right-of-way line to the South line of the West fork of the South fork of the South branch of the Chicago River as filled (also being the North line of Lot 4 in Circuit Court Partition of the Northwest Quarter of Section 5); thence Northeast, Southeast and East along the Northerly line of said lot 4 to the North right-of-way line of the Penn Central Railroad main right-of-way; thence Northeasterly along last said North right-of-way line to the East line of the Northwest Quarter of the Northwest Quarter of said Section 5; thence North along last said East line to the North line of the Northwest Quarter of said Section 5; thence East along last said North line 900 feet; thence South to the South right-of-way line of Pershing Road at the intersection of a railroad spur track 360 feet more or less West of the East line of the Northwest Quarter of Section 5; thence Southeast 156 feet to the East line of a tract of land having a Tax Number of 20-05-102-044; thence Southerly along last said East line to the North right-of-way line of the Penn Central main line; thence Westerly along last said North line to the East line of Packer Avenue extended North; thence South along last said East line to the Southerly most spur track of said railroad; thence Southeast along said spur track to the South line of Lot 2 in Packer's Addition to Chicago; thence East along said South line to

~~the East line of the Northwest Quarter of said Section 5;~~ thence continuing East to the East right-of-way line of South Racine Avenue in the Northeast Quarter of said Section 5; thence South along said East line to the South right-of-way line of 43rd Street; thence Westerly along last said South right-of-way line to the West line of Ashland Avenue as dedicated; thence North along last said West line to the North right-of-way line of Lots 1 and 2 of Sulzberger and Sons Company's Block C Subdivision; thence Westerly along last said North line to a line 932.8 feet West of and parallel to the West line of Ashland Avenue; thence South 603.95 feet along last said line to the centerline of 42nd Street extended West; thence West along last said centerline to the East right-of-way line of Wolcott Avenue; thence South along last said East line to the South line of 46th Street as dedicated; thence West along last said South line to the East line of Damen Avenue; thence South along last said East line to the place of beginning, all in City of Chicago, Cook County, Illinois.



PROJECT BOUNDARY

STOCKYARDS INDUSTRIAL - COMMERCIAL

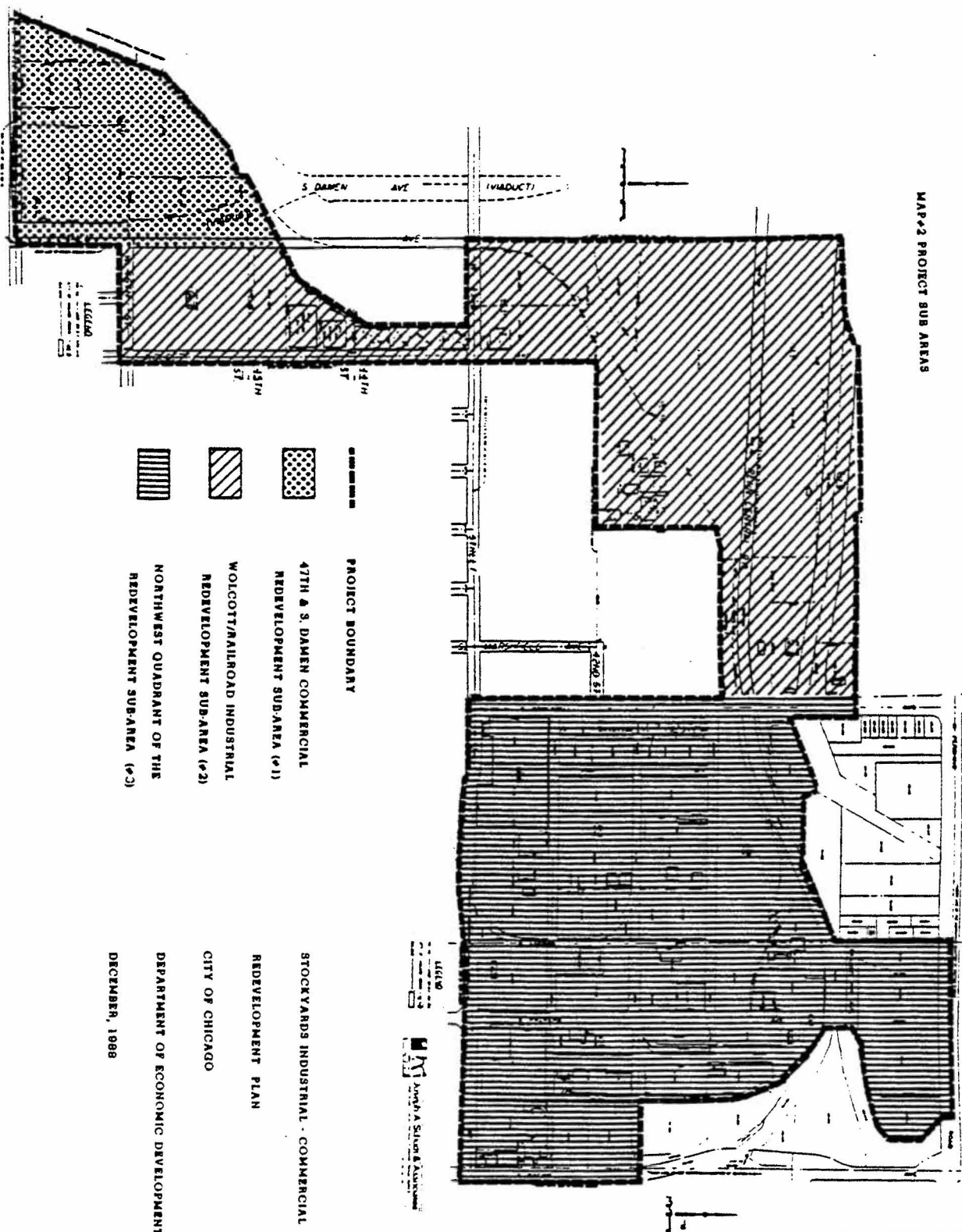
REDEVELOPMENT PLAN




CITY OF CHICAGO

DEPARTMENT OF ECONOMIC DEVELOPMENT

DECEMBER, 1988

MAP #2 PROJECT SUB AREAS

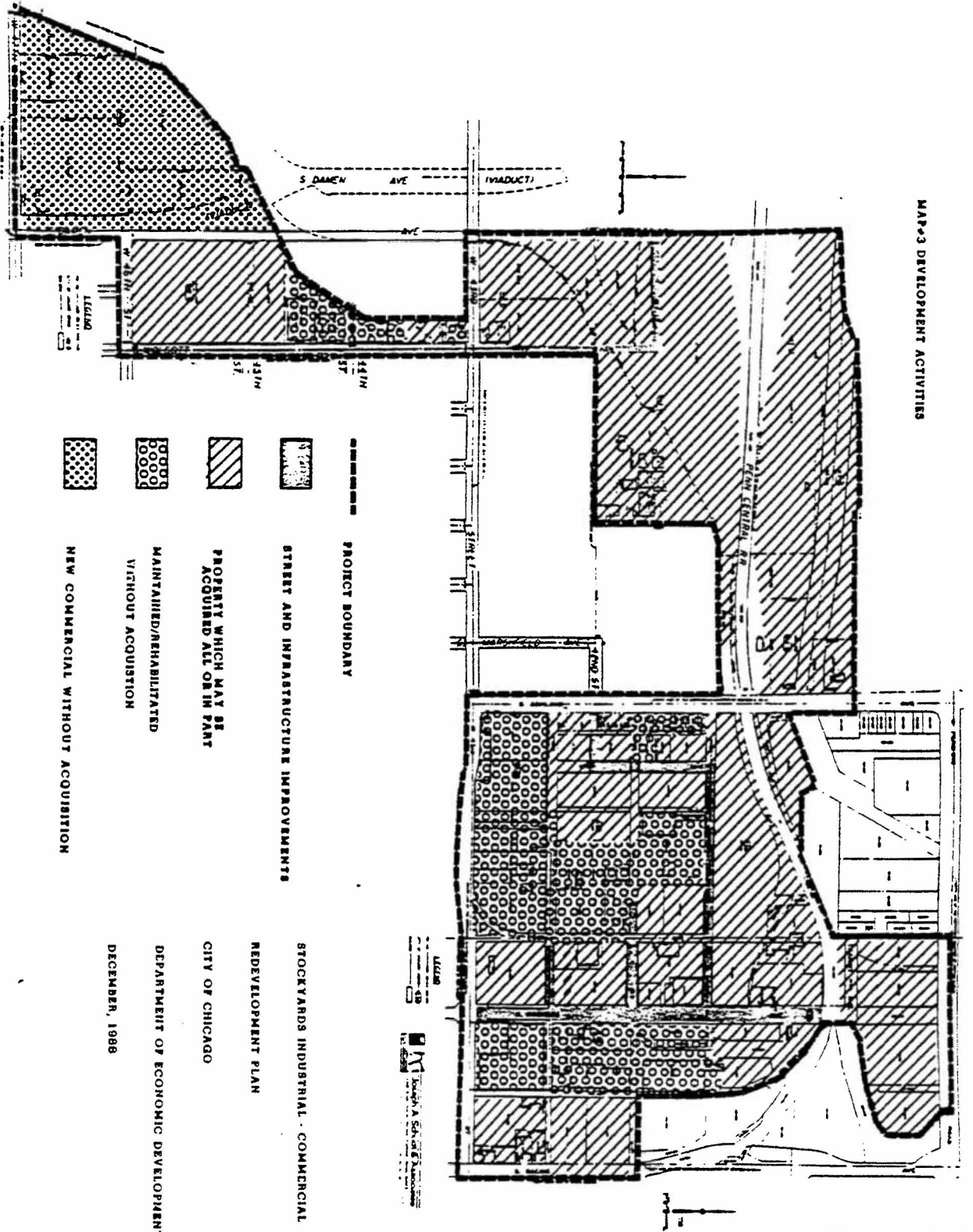







- 
PROJECT BOUNDARY
 47TH & S. DAMEN COMMERCIAL
 REDEVELOPMENT SUB-AREA (#1)
- 
 WOLCOTT/RAILROAD INDUSTRIAL
 REDEVELOPMENT SUB-AREA (#2)
- 
 NORTHWEST QUADRANT OF THE
 REDEVELOPMENT SUB-AREA (#3)

STOCKYARDS INDUSTRIAL - COMMERCIAL
 REDEVELOPMENT PLAN
 CITY OF CHICAGO
 DEPARTMENT OF ECONOMIC DEVELOPMENT
 DECEMBER, 1988

LEGEND
 AMPLA Studio & Associates

MAP-3 DEVELOPMENT ACTIVITIES

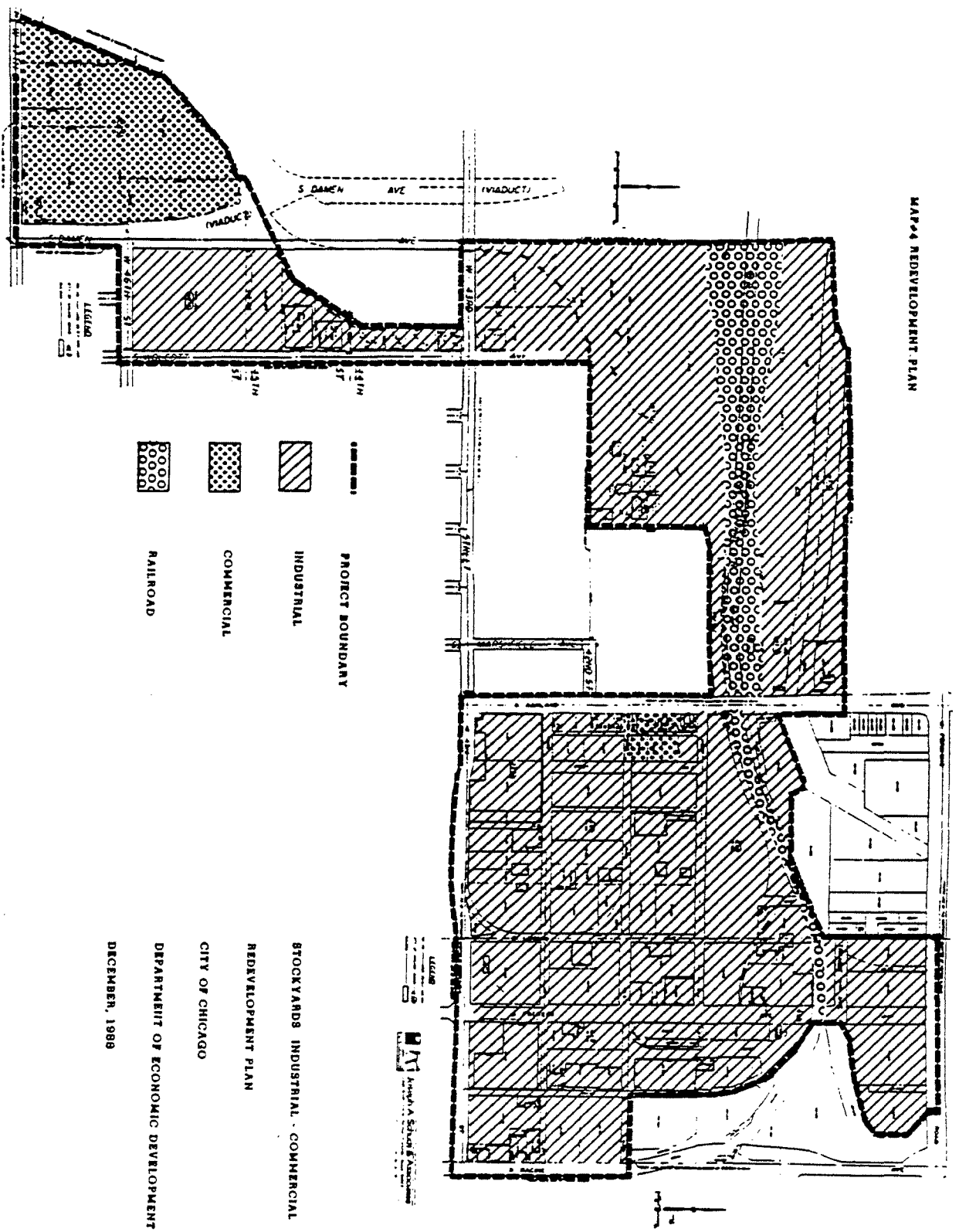


-  PROJECT BOUNDARY
-  STREET AND INFRASTRUCTURE IMPROVEMENTS
-  PROPERTY WHICH MAY BE ACQUIRED ALL OR IN PART
-  MAINTAINED/REHABILITATED WITHOUT ACQUISITION
-  NEW COMMERCIAL WITHOUT ACQUISITION

STOCKYARDS INDUSTRIAL - COMMERCIAL
REDEVELOPMENT PLAN
CITY OF CHICAGO
DEPARTMENT OF ECONOMIC DEVELOPMENT
DECEMBER, 1988

ILLINOIS
M
Municipal Surveyors
INC.

MAP 24 REDEVELOPMENT PLAN



- PROJECT BOUNDARY
- INDUSTRIAL
- COMMERCIAL
- RAILROAD

STOCKYARDS INDUSTRIAL - COMMERCIAL
REDEVELOPMENT PLAN
CITY OF CHICAGO
DEPARTMENT OF ECONOMIC DEVELOPMENT
DECEMBER, 1989

Scale
North Arrow
Map 24 Stockyards Industrial - Commercial Redevelopment Plan

SUPPLEMENTARY INFORMATION

SCHEDULE OF CASH ACTIVITIES
YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
Cash flows from operating activities		
Property taxes received	\$ 2,364,999	\$ 2,348,719
Payments for capital projects	(206,850)	(466,368)
Interest received	<u>219,902</u>	<u>234,310</u>
Net cash provided by operating activities	<u>2,378,051</u>	<u>2,116,661</u>
Cash flows from financing activities		
Debt service		
Principal retirement	-	(12,700,000)
Interest paid	(1,003,474)	(1,439,069)
Proceeds of debt	-	14,800,000
Operating transfers out	-	<u>(1,743,617)</u>
Net cash used in financing activities	<u>(1,003,474)</u>	<u>(1,082,686)</u>
Increase in cash and investments	1,374,577	1,033,975
Cash and investments, beginning of year	<u>6,944,080</u>	<u>5,910,105</u>
Cash and investments, end of year	<u>\$ 8,318,657</u>	<u>\$ 6,944,080</u>
Reconciliation of revenues over (under) expenditures to net cash provided by operating activities		
Revenues over (under) expenditures	\$ 1,222,890	\$ (11,481,282)
Adjustments to reconcile revenues over (under) expenditures to net cash provided by operating activities		
Financing activities	1,003,474	14,139,069
Changes in assets - (increase)		
Property tax receivable	(47,848)	(478,213)
Accrued interest receivable	(70,183)	(59,970)
Changes in liabilities - increase (decrease)		
Vouchers payable	78,991	(21,720)
Due to other City funds	137,863	77,258
Accrued interest payable	(2,940)	(536,670)
Deferred revenue	<u>55,804</u>	<u>478,189</u>
	<u>\$ 2,378,051</u>	<u>\$ 2,116,661</u>

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

<u>Code Description</u>	<u>1998</u>	<u>1997</u>
Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, and marketing	\$ 137,114	\$ 97,593
Costs of property assembly, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and buildings, and the clearing and grading of land	107,408	52,288
Costs of the construction of public works or improvements	138,237	-
Costs of financing, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and or not exceeding 36 months thereafter and including reasonable reserves related thereto	<u>1,041,479</u>	<u>13,974,424</u>
	<u>\$1,424,238</u>	<u>\$14,124,305</u>

**Stockyards Industrial-Commercial Redevelopment Project Area
1998 Annual Report**

(k) DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS

**TABLE K
DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS**

<u>YEAR</u>	<u>MUNICIPAL SALES TAX INCREMENT</u>	<u>STATE SALES TAX INCREMENT</u>	<u>MUNICIPAL UTILITY TAX INCREMENT</u>	<u>NET STATE UTILITY TAX INCREMENT</u>	<u>INITIAL EAV</u>	<u>TOTAL 1997 EAV</u>	<u>TOTAL INCREMENTAL PROPERTY TAXES 1997</u>
1998	N.A. (1)	N.A. (1)	N.A. (1)	N.A. (1)	\$10,176,325	\$33,431,797	\$2,363,255

(1) N.A. -not applicable.

**Stockyards Industrial-Commercial Redevelopment Project Area
1998 Annual Report**

(I) CERTAIN CONTRACTS OF TIF CONSULTANTS

During 1998, no TIF consultant was paid by the City for assisting to establish the Project Area and paid by any entity that has received or is currently receiving payments financed by tax increment revenues from the Project Area.

**Stockyards Industrial-Commercial Redevelopment Project Area
1998 Annual Report**

**(m) COMPLIANCE STATEMENT PREPARED BY AN INDEPENDENT PUBLIC
ACCOUNTANT**

BERNARD J. SULLIVAN, C.P.A.
RICHARD J. QUINN, C.P.A.
FRANK S. GADZALA, C.P.A.
PAUL A. MERKEL, C.P.A.
THOMAS A. TYLER, C.P.A.
JOHN W. GANEW III, C.P.A.
THOMAS A. GERWIN, C.P.A.
STEPHEN R. PANFIL, C.P.A.
MICHAEL D. HUELS, C.P.A.
ROBERT J. WARSCHAW, C.P.A.
THOMAS J. CAPLICE, C.P.A.
ROBERT J. HANNIGAN, C.P.A.
GERARD J. PATER, C.P.A.
VINCENT M. GUZALDO, C.P.A.
TIMOTHY J. QUINN, C.P.A.

Bansley and Kiener, L.L.P.
Certified Public Accountants

Established 1922

125 SOUTH WACKER DRIVE CHICAGO, ILLINOIS 60606-4496 312/263-2700 FAX: 312/263-6935

INDEPENDENT AUDITOR'S REPORT

The Honorable Richard M. Daley, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited, in accordance with generally accepted auditing standards, the combined balance sheet of Stockyards Industrial/Commercial Redevelopment Project of the City of Chicago, Illinois as of December 31, 1998, and the related combined statement of revenues, expenditures and changes in fund balance for the year then ended, and have issued our report thereon dated May 18, 1999.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the Stockyards Industrial/Commercial Redevelopment Project of the City of Chicago, Illinois.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

Bansley and Kiener, L.L.P.

Certified Public Accountants

May 18, 1999

**ATTACHMENT
REDEVELOPMENT PLAN**

CITY OF CHICAGO

**STOCKYARDS SOUTHEAST QUADRANT INDUSTRIAL REDEVELOPMENT AREA
TAX INCREMENT ALLOCATION FINANCE PROGRAM**

REDEVELOPMENT PLAN AND PROJECT

September, 1991

Richard M. Daley
Mayor

**REDEVELOPMENT PLAN AND PROJECT FOR
STOCKYARDS SOUTHEAST QUADRANT INDUSTRIAL REDEVELOPMENT AREA
TAX INCREMENT FINANCING PROGRAM**

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
INTRODUCTION	7
REDEVELOPMENT PROJECT AREA AND LEGAL DESCRIPTION	10
REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES	11
BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA	13
STOCKYARDS SOUTHEAST QUADRANT INDUSTRIAL REDEVELOPMENT PROJECT ...	17
REDEVELOPMENT PROJECT AREA GOAL AND OBJECTIVES	17
REDEVELOPMENT PLAN	18
GENERAL LAND-USE PLAN	19
ESTIMATED REDEVELOPMENT PROJECT COSTS	20
SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS	22
PROVISION FOR AMENDING ACTION PLAN	26
AFFIRMATIVE ACTION PLAN	27
LEGAL DESCRIPTION	28
MAPS	31

EXECUTIVE SUMMARY

GOALS AND OBJECTIVES

General Goals:

- * Improve the quality of life in Chicago by eliminating the influence of, as well as the manifestations of, both physical and economic blight in the Redevelopment Project Area.
- * Provide sound economic development in the Redevelopment Project Area.
- * Revitalize the Redevelopment Project Area to make it an important center contributing to the revitalization of the Redevelopment Area.
- * Create an environment within the Redevelopment Project Area which will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties in the Redevelopment Project Area.
- * Create suitable locations for industry.
- * Create job opportunities.
- * Achieve changes of land use, through development of coordinated clusters of uses for neighborhood shopping and industry.

Redevelopment Objectives:

- * Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a Blighted Area. Section IV of this document, Blighted Area Conditions Existing in the Redevelopment Project Area, describes the blighting conditions.
- * Return tax delinquent properties back to the tax roles;
- * Enhance the tax base of the City of Chicago and of the other taxing districts which extend into the Redevelopment Project Area by encouraging private investment in new commercial and industrial construction.
- * Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values, and job opportunities.
- * Encourage the assembly of land into parcels functionally adaptable with respect to shape and size for industrial redevelopment needs and standards.
- * Provide needed incentives to encourage improvements for new development efforts.

- * ~~Improve the appearance and security of the Redevelopment Project Area by creating a new industrial area.~~
- * Provide needed incentives to encourage a broad range of improvements in both new development and rehabilitation efforts.
- * Encourage the participation of minorities and women in the development of the Redevelopment Project Area.

Development and Design Objectives

- * Establish a pattern of land use activities arranged in compact, compatible groupings to increase efficiency of operation and economic relationships.
- * Encourage coordinated development of parcels and structures in order to achieve efficient building design; unified off-street parking, trucking and service facilities; and appropriate access to nearby highways.
- * Achieve development which is integrated both functionally and aesthetically with nearby existing development.
- * Ensure safe and adequate circulation patterns and capacity in the project area.
- * Encourage a high-quality appearance of buildings, rights-of-way and open spaces, and encourage high standards of design.
- * Encourage development of usable industrial space of all sizes.

Based upon surveys, inspections, research and analysis of the area by Louik/Schneider & Associates, Inc., the Stockyards Southeast Quadrant Industrial Redevelopment Project Area qualifies as a vacant "blighted area" as defined by the Act. The area is characterized by the presence of two of the blighting factors for vacant land as listed in the Act, impairing the sound growth of the taxing districts in the City of Chicago.

Specifically:

- * Of the fourteen factors set forth in the law, eleven are present in the Study Area.
- * The blighting factors which are present are reasonably distributed throughout the Study Area.
- * All areas within the Study Area show the presence of blighting factors.

Based upon the findings of the Eligibility Study for the Stockyards Southeast Quadrant Industrial Area, the Redevelopment Project Area on the whole has not been subject to growth and

development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this Redevelopment Plan.

REDEVELOPMENT PLAN

The Redevelopment Plan proposes the development of approximately 70 acres of new industrial facilities that will stimulate other industrial development by the private sector in the area outside of the proposed Redevelopment Project Area. In order to accomplish the City of Chicago objective of stimulating industrial development in the Stockyards Southeast Quadrant Industrial Redevelopment Area, public and private improvements need to take place. This Redevelopment Plan will make approximately 70 acres of land available for industrial facilities development.

The proposed Stockyards Southeast Quadrant Industrial Redevelopment Project Area will require planning and programming of improvements. The redevelopment agreement will generally provide for the City to provide funding for necessary soil and site improvements. The funds for said improvements are to come from the City's issuance of bonds to be repaid from the incremental increase in tax revenues to be generated from the entire Redevelopment Project Area. Developers or users will undertake the responsibility for the required soil and site improvements, a portion of which may be paid for from the issuance of bonds, and will further be required to build any agreed to improvements and necessary ancillary improvements required for the project.

The estimated redevelopment project costs are shown in Table 1. To the extent that municipal obligations have been issued to pay for such redevelopment project costs included prior to, but in anticipation of, the adoption of tax increment financing, the City shall be reimbursed for such redevelopment project costs. The total redevelopment project costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, interest and other financing costs).

TABLE 1

Program Action/Improvements

Land Acquisition	\$ 500,000
Demolition	3,500,000
Site preparation	5,300,000
Environmental remediation	2,500,000
Public Improvements	500,000
Job Training	500,000
Interest Subsidies	1,000,000
Contingencies	400,000
Planning, legal, studies, etc.	300,000

TOTAL PROJECT COST* \$14,500,000

*Exclusive of capitalized interest, issuance costs and other financing costs

Funds necessary to pay for redevelopment project costs and municipal obligations which have been issued or incurred to pay for such costs are to be derived principally from tax increment revenues and proceeds from municipal obligations which have as their revenue source tax increment revenue. To secure the issuance of these obligations, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

The tax increment revenue which will be used to fund tax increment obligations and redevelopment project costs shall be the incremental real property tax revenues. Incremental real property tax revenue is attributable to the increase in the current equalized assessed value of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of each such property in the Redevelopment Project Area. Other sources of funds which may be used to pay for redevelopment costs and

obligations issued or incurred, the proceeds of which are used to pay for such costs, are ~~land disposition proceeds, state and federal grants,~~ investment income, and such other sources of funds and revenues as the municipality may from time to time deem appropriate.

Issuance of Obligations

To finance redevelopment costs a municipality may issue obligations secured by the anticipated tax increment revenue generated within the TIF redevelopment area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net tax increment revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and redevelopment project costs, and, to the extent that real property tax increment is not used for such purposes, shall be declared surplus and shall then become available for distribution annually to taxing districts in the Redevelopment Project Area in the manner provided by the Act.

Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area

The total 1989 equalized assessed valuation for the entire Redevelopment Project Area is \$20,448,607. This equalized assessed valuation is subject to final verification by Cook County. After verification, the County Clerk of Cook County, Illinois will certify the amount, and this amount will serve as the "Initial Equalized Assessed Valuation."

Anticipated Equalized Assessed Valuation

By the year 2000, when it is estimated that all the anticipated private development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at between \$32,000,000 and \$37,000,000. These estimates are based on several key assumptions, including: 1) all new industrial development will be completed in 1998; 2) the market value of the anticipated developments will increase following completion of the redevelopment activities described in the Redevelopment Project and Plan; 3) the most recent State Multiplier of 1.9133 as applied to 1989 assessed values will remain unchanged and 4) for the duration of the project the tax rate for the entire Redevelopment Project Area is assumed to be the same and will remain unchanged from the 1989 level.

INTRODUCTION

The Stockyards Southeast Quadrant Industrial Redevelopment Project Area contains approximately 228.5 acres. The Redevelopment Project Area is bounded generally on the North by Exchange Avenue, on the east by Halsted Street, on the south by West 47th Street, and on the west by Packers Avenue. Halsted Street, 47th Street and Racine Avenue provide the major access to the Redevelopment Project Area. The Redevelopment Project Area is located in an area of Chicago that has excellent transportation access. The Dan Ryan Expressway lies one mile east along 39th Street, Root Street to 43rd Street and 47th Street, and the Stevenson Expressway is 1.5 miles north along Ashland Avenue. The location and boundaries of the Redevelopment Project Area are shown on Map 1, Project Boundary.

The Stockyards Southeast Quadrant Industrial Redevelopment Project Area is located in the New City Community Area within the area known as the former Union Stockyards which is primarily an industrial area. The Redevelopment Project Area is under-utilized. It contains considerable areas of vacant land on which there is debris including cinders, bricks, concrete and wood. Some previous building improvements were removed in the 1960's due to their advanced state of decay. There are abandoned railroad tracks in portions of the Redevelopment Project Area.

The purpose of the Redevelopment Plan is to create a mechanism to allow for the development of new industrial facility on the vacant and under-utilized land and to remove dilapidated structures to create an environment suitable for industrial development in the Redevelopment Project Area. The redevelopment of this Project Area is expected to encourage economic revitalization within the community and surrounding area.

Tax Increment Allocation Redevelopment Act.

An analysis of conditions within this area indicates that it is appropriate for designation as a redevelopment project, utilizing the State of Illinois tax increment financing legislation. The area is characterized by conditions which warrant the designation as a "blighted area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (hereafter referred to as

the "Act"). The Act is found in the Illinois Revised Statutes, Chapter 24 Section 11-74.4-1 et seq., as amended.

The Act provides a means for municipalities, after the approval of a "Redevelopment Plan and Project" to redevelop blighted areas by pledging the increase in tax revenues generated by public and private redevelopment in order to pay for the up front public costs which are required to stimulate such private investment in new redevelopment and rehabilitation. Municipalities may issue obligations to be repaid from the stream of real property tax increments that occur within the tax increment financing district.

The property tax increment revenue is calculated by determining the difference between the initial equalized assessed value (the Certified EAV Base) for all real estate located within the district and the current year EAV. Any increase in EAV is then multiplied by the current tax rate, which determines the incremental real property tax.

The Stockyards Southeast Quadrant Industrial Redevelopment Area Project and Plan (hereafter referred to as the "Redevelopment Plan") has been formulated in accordance with the provision of the Act. It is a guide to all proposed public and private action in the Redevelopment Project Area. In addition to describing the objectives of redevelopment, the Redevelopment Plan sets forth the overall program to be undertaken to accomplish these objectives. This program is the "Redevelopment Project".

This Redevelopment Plan also specifically describes the Stockyards Southeast Quadrant Industrial Redevelopment Tax Increment Redevelopment Project Area (hereafter referred to as the "Redevelopment Project Area"). This area meets the eligibility requirement of the Act. The Redevelopment Project Area boundaries are described in Section II of the Redevelopment Plan and shown in Map 1, Boundary Map.

After its approval of the Redevelopment Plan, the City Council then formally designates the Redevelopment Project Area.

The purpose of this Redevelopment Plan is to ensure that new development occurs:

1. On a coordinated rather than a piecemeal basis to ensure that the land-use, vehicular access, parking, service and urban design systems will meet modern-day principles and standards.

2. On a reasonable, comprehensive and integrated basis to ensure that blighting factors are eliminated.

3. Within a reasonable and defined time period.

Revitalization of the Redevelopment Project Area is a large and complex undertaking and presents challenges and opportunities commensurate to its scale. The success of this effort will depend to a large extent on the cooperation between the private sector and agencies of local government. The adoption of the Redevelopment Plan makes possible the implementation of a logical program to stimulate redevelopment in the Redevelopment Project Area -- an area which cannot reasonably be anticipated to be developed without the adoption of this Redevelopment Plan. Public investments, will create the appropriate environment to attract the investment required for the rebuilding of the area.

Successful implementation of the Redevelopment Plan and Project requires that the City of Chicago take full advantage of the real estate tax increments attributed to the Redevelopment Project as provided in accordance with the Act. The Redevelopment Project Area would not be reasonably developed without the use of such incremental revenues.

REDEVELOPMENT PROJECT AREA AND LEGAL DESCRIPTION

The Stockyards Southeast Quadrant Industrial Redevelopment Project Area is located approximately six miles northwest of Chicago's Central Business District. The Redevelopment Project Area contains approximately 228.5 acres. The Redevelopment Project Area is bounded generally on the North by Exchange Avenue, on the east by Halsted Street, on the south by West 47th Street, and on the west by Packers Avenue. Halsted Street, 47th Street and Racine Avenue provide the major access to the Redevelopment Project Area.

The legal description of the Stockyards Southeast Quadrant Industrial Redevelopment Project Area is as follows:

A tract of land in the Northeast quarter, in the Southeast quarter, and in the East half of the Southwest quarter of Section 5, Township 38 North, Range 14 East of the Third Principal Meridian, described as follows:

Beginning at the Southeast corner of said Section 5; thence West along the South line of said Southeast quarter 2640 feet more or less, to the West line of said Southeast quarter; thence North 1320 feet along last said West line to the South line of the Northeast quarter of the Southwest quarter (being the South line of Packers Subdivision as recorded September 20, 1870 as Document No. 66615); thence West 910 feet along last said South line to a line 33 feet West of and parallel to the centerline of Packers Avenue; thence North 1330 feet along last said line 33 feet West of the centerline of Packers Avenue to the North line of said Southwest quarter of Section 5; thence East 910 feet more or less, along last said North line to the West line of the Northeast quarter of said Section 5; thence North 962 feet along last said West line to the centerline of Exchange Avenue as shown on Stock Yards Subdivision as recorded March 14, 1903 as Document No. 3362808; thence East 1020 feet along the centerline of Exchange Avenue to the West line extended North of Donovan Industrial Park as recorded July 1, 1976 as Document No. 23542559; thence South 952 feet along last said West line to the centerline of 43rd Street (also being the South line of Northeast quarter of said Section 5); thence East 320 feet along the centerline of 43rd Street to the centerline of Morgan Street as shown in said Donovan Industrial Park; thence North 250 feet along last said centerline of Morgan Street to the South line of the North 190 feet of Lot 4 extended West of said Donovan Industrial Park; thence East 620.4 feet along last said South line to the East line of Lot 4 of Donovan Industrial Park; thence North 660 feet more or less, along the East line of Lots 4 and 1 in Donovan Industrial Park to the centerline of Exchange Avenue; thence East 710 feet along the centerline of Exchange Avenue to the East line of said Section 5; thence South along last said East line of Section 5 to the Southeast corner of Section 5 being the place of beginning, all in Lake Township, Cook County, Illinois.

Property contains 228.5 acres, more or less.

REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

General Goals:

- * Improve the quality of life in Chicago by eliminating the influence of, as well as the manifestations of, both physical and economic blight in the Redevelopment Project Area.
- * Provide sound economic development in the Redevelopment Project Area.
- * Revitalize the Redevelopment Project Area to make it an important center contributing to the revitalization of the Redevelopment Area.
- * Create an environment within the Redevelopment Project Area which will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties in the Redevelopment Project Area.
- * Create suitable locations for industry.
- * Create job opportunities.
- * Achieve changes of land use, through development of coordinated clusters of uses for neighborhood shopping and industry.

Redevelopment Objectives:

- * Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a Blighted Area. Section IV of this document, Blighted Area Conditions Existing in the Redevelopment Project Area, describes the blighting conditions.
- * Return tax delinquent properties back to the tax roles;
- * Enhance the tax base of the City of Chicago and of the other taxing districts which extend into the Redevelopment Project Area by encouraging private investment in new commercial and industrial construction.
- * Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values, and job opportunities.
- * Encourage the assembly of land into parcels functionally adaptable with respect to shape and size for industrial redevelopment needs and standards.
- * Provide needed incentives to encourage improvements for new development efforts.
- * Improve the appearance and security of the Redevelopment Project Area by creating a new industrial area.
- * Provide needed incentives to encourage a broad range of improvements in both new development and rehabilitation efforts.

- * Encourage the participation of minorities and women in the development of the Redevelopment Project Area.

Development and Design Objectives

- * Establish a pattern of land use activities arranged in compact, compatible groupings to increase efficiency of operation and economic relationships.
- * Encourage coordinated development of parcels and structures in order to achieve efficient building design; unified off-street parking, trucking and service facilities; and appropriate access to nearby highways.
- * Achieve development which is integrated both functionally and aesthetically with nearby existing development.
- * Ensure safe and adequate circulation patterns and capacity in the project area.
- * Encourage a high-quality appearance of buildings, rights-of-way and open spaces, and encourage high standards of design.
- * Encourage development of usable industrial space of all sizes.

Investment in new development is essential in the Stockyards Southeast Quadrant Industrial Redevelopment Project Area. Development efforts in the Redevelopment Project Area will strengthen the entire City through environmental improvements, an increased tax base and additional employment opportunities.

This section of the Redevelopment Plan identifies the goals and objectives of the Redevelopment Project Area. A latter section of the Redevelopment Plan identifies more specific programs which the City plans to undertake in achieving the redevelopment goals and objectives which have been identified.

BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

Based upon surveys, inspections, research and analysis of the area by Louik/Schneider & Associates, Inc. the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act. A separate report entitled "Stockyards Southeast Quadrant Industrial Redevelopment Area Tax Increment Financing District Eligibility Report," dated September, 1991 describes in detail the surveys and analysis undertaken and the basis for the finding that the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act.

Summarized below are the findings of the Eligibility Report: The area is characterized by the presence of eleven of the blighting factors for an improved area as listed in the Act, impairing the sound growth of the taxing districts in this area of the City. Specifically:

- * Of the fourteen factors set forth in the law, eleven are present in the area.
- * The blighting factors which are present are reasonably distributed throughout the Study Area.
- * All areas within the Study Area show the presence of blighting factors.

1. Age

Age as a factor is present in two of the three blocks in the Study Area. Of the 30 total buildings in the Study Area, 21 (70 percent) are 35 years of age or older.

2. Dilapidation

Dilapidation is present in two parcels containing eleven interconnected buildings. These buildings significantly impact one block of the Study Area.

3. Obsolescence

Obsolescence as a factor is present in two of the three blocks. Sixteen of the Thirty structures (53 percent) are obsolete and there are numerous parcels which are obsoletely platted.

4. Deterioration

Deterioration as a factor is present in many of the parcels in the Study Area. Conditions contributing to this factor include deteriorating structures, deteriorating off-street parking and storage areas and site surface areas. Twenty-one of the thirty structures (70 percent) are characterized by deterioration including four parcels which contain structures that have deterioration of parking surfaces.

5. Illegal use of individual structures

There was no evidence of structures which were illegal uses as defined by municipal ordinance.

6. Structures Below Minimum Code Standards

Structures below the city's minimum code standards for existing buildings as a factor is present in one parcel having a major impact on one block.

7. Excessive Vacancies

Excessive vacancies as a factor is present in two of the three blocks. Twelve buildings were entirely vacant (40 percent) and another was partially vacant. The Study Area contains over 70 acres of vacant under-utilized land (31 percent of the entire area).

8. Overcrowding of structures and community facilities

There was no evidence of overcrowding of structures in the Study Area.

9. Lack of Ventilation, Light or Sanitary Facilities

Twelve structures in the Study Area exhibit a lack of ventilation, light or sanitary facilities.

10. Inadequate Utilities

Inadequate utilities are present in the interior area of one Block and in providing direct access to another Block in the Study Area.

11. Excessive land coverage

~~There was no evidence of excessive land coverage in the Study Area.~~

12. Deleterious Land-Use or Layout

Deleterious land-use or layout is present in 54 parcels of the 65 parcels (83 percent) in the Study Area. Conditions contributing to this factor include outside storage areas, large tracts of vacant and under-utilized land, vacant and dilapidated structures and sub-standard streets limiting access to portions of the Study Area.

13. Depreciation of Physical Maintenance

Depreciation of physical maintenance is present in twenty of the thirty structures (67 percent) in the Study Area. In addition, almost all vacant parcels have deteriorated surfaces and fly dumping. Conditions contributing to this factor include deferred maintenance and lack of maintenance of buildings, parking and storage areas, and site improvements. Depreciation of physical maintenance is present in 50 of the 65 parcels (77 percent) in the Study Area.

14. Lack of Community Planning

Lack of community planning is present to a major extent throughout the Study Area. Conditions contributing to this factor include parcels of inadequate size contemporary development in accordance with current day needs and standards, and the lack of reasonable development controls for building uses, setbacks, off-street parking and loading and the limited access provided by the present street system in combination with the vacant inaccessible land areas. The area lacks an overall plan for coordinated development on a parcel by parcel basis. The entire Study Area exhibits this factor.

The analysis above was based upon data assembled by the City of Chicago, Department of Economic Development and Louik/Schneider & Associates, Inc. The surveys, research and analysis conducted include:

1. Exterior surveys of the condition and use of the Redevelopment Project Area;

2. ~~Field surveys of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;~~
3. Analysis of existing and previous uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning maps;
5. Historical analysis of site uses and users;
6. Analysis of original and current platting and building size layout;
7. Analysis of Tax delinquency;
8. Review of previously prepared plans, studies and data.

Based upon the findings of the Eligibility Study for Stockyards Southeast Quadrant Industrial Study Area, the Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this Redevelopment Plan.

STOCKYARDS SOUTHEAST QUADRANT INDUSTRIAL REDEVELOPMENT PROJECT

A. REDEVELOPMENT PROJECT AREA GOAL AND OBJECTIVES

The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including but not limited to tax increment financing, and by undertaking some or all of the following actions:

1. Assemblage of Sites. To achieve the renewal of the Redevelopment Project Area, property identified in Map 3, Development Activities, attached hereto and made a part hereof, may be acquired by the City of Chicago and cleared of all improvements if any and either (a) sold or leased for private redevelopment, or (b) sold, leased or dedicated for construction of public improvements or facilities. The City may determine that to meet the renewal objectives of this Redevelopment Plan, other properties in the Redevelopment Project Area not scheduled for acquisition should be acquired, or certain property currently listed for acquisition should not be acquired. Acquisition of land for public rights-of-way may also be necessary for the portions of said rights-of-way that the City does not own (see Map 3).

As a necessary part of the redevelopment process, the City may hold and secure property which it has acquired and place it in temporary uses until such property is scheduled for disposition and redevelopment. Such uses may include, but are not limited to, project office facilities, parking or other uses the City may deem appropriate.

2. Provision of Public Improvements and Facilities. Adequate public improvements and facilities will be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to:
 - a. Construction of Packers Street
 - b. Provision of utilities necessary to serve the redevelopment.
3. Provision for Demolition and Environmental Remediation. Funds may be made available for demolition and removal of dilapidated structures and any necessary environmental remediation required for such building sites.
 - a. Demolition of the former Hammond Warehouse, Inc. storage facility and any necessary environmental remediation will be accomplished through a redevelopment agreement with the Back of the Yards Neighborhood Council which is obtaining this property through the Cook County Tax Reactivation Program.

4. Provision for Soil and Site Improvements. Funds may be made available for improvements properties for the purpose of making land suitable for development.
 - a. Entering into a redevelopment agreement for necessary soil preparation and site improvements in the Redevelopment Project Area.
5. Provision for Interest Subsidy. Funds may be made available to privately held properties for the purpose of reducing interest costs for the purpose of redeveloping properties.
6. Provision for Job Training. Funds may be made available for companies building or expanding facilities in the Project Area for the training of new employees or existing employees.
7. Redevelopment Agreements. Land assemblage shall be conducted for (a) sale, lease, or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific controls than those stated in the Redevelopment Plan.

In the event that the City determines that construction of certain improvements is not financially feasible, the City may reduce the scope of the proposed improvements.

B. REDEVELOPMENT PLAN

The Redevelopment Plan proposes the development of new industrial facilities that takes advantage of the Redevelopment Project Area's excellent location. The industrial facilities and ancillary services will cover all of the almost all of the Stockyards Southeast Quadrant Industrial Redevelopment Project Area. The Redevelopment Project Area will allow for the development of 1,000,000 square feet of new industrial facilities employing approximately 500 persons.

The Redevelopment Plan proposes a redevelopment by the Back of the Yards Neighborhood Council (BYNC) that will stimulate other industrial development by the private sector in the

Redevelopment Project Area as well as areas outside of the Redevelopment Project Area.

The propose of BYNC's plan is the removal of 11 multi-storied vacant and uninhabited storage buildings which were built at the turn of the century. These buildings are in a blighted state of repair and can not be rehabilitated. The buildings have no electricity, heat, they lack windows, doors, and operating systems. The buildings are located on 476,236 square feet of land (approximately 11 acres), which will be developed with new industrial buildings when the 11 buildings are demolished. In order to accomplish the City of Chicago's objective of stimulating industrial development, numerous public and private improvements need to take place. This Redevelopment Plan will make approximately 70 acres of land available for new industrial facilities development.

The proposed Stockyards Southeast Quadrant Industrial Redevelopment Project Area will require planning and programming of improvements. The redevelopment agreement will generally provide for the City to provide funding for necessary soil and site improvements. The funds for said improvements are to come from the City's issuance of bonds to be repaid from the incremental increase in tax revenues to be generated from the entire Redevelopment Project Area. Developers or users will undertake the responsibility for the required soil and site improvements, a portion of which may be paid for from the issuance of bonds, and will further be required to build any agreed to improvements and necessary ancillary improvements required for the project.

The Redevelopment Plan and Project conforms to the Comprehensive Plan of the City of Chicago.

C. GENERAL LAND-USE PLAN

The Redevelopment Plan and the proposed projects described herein conform to the land uses and development policies for the City as a whole as currently provided by the Comprehensive Plan of Chicago (1966).

D. ESTIMATED REDEVELOPMENT PROJECT COSTS

Redevelopment project costs mean the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan and Redevelopment Project pursuant to the State of Illinois Tax Increment Allocation Redevelopment Act. Such costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan, including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected;
2. Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
3. Cost of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures;
4. Costs of the construction of public works or improvements;
5. Costs of job training and retraining projects;
6. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
7. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;
8. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
9. Payment in lieu of taxes;
10. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced

vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;

11. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a. such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;
 - b. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 - c. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
 - d. the total of such interest payments paid pursuant to this Act may not exceed 30 percent of the total of (i) costs paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act.
12. Unless explicitly stated in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.

The estimated redevelopment project costs are shown in Table 1. To the extent that municipal obligations have been issued to pay for such redevelopment project costs included prior to, but in anticipation of, the adoption of tax increment financing, the City shall be reimbursed for such redevelopment project costs. The total redevelopment project costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, interest and other financing costs). Within this limit, adjustments may be made in line items without amendment to this Redevelopment Plan.

TABLE 1

ESTIMATED REDEVELOPMENT PROJECT COSTS

Program Action/Improvements

Land Acquisition	\$ 500,000
Demolition	3,500,000
Site preparation	5,300,000
Environmental remediation	2,500,000
Public Improvements	500,000
Job Training	500,000
Interest Subsidies	1,000,000
Contingencies	400,000
Planning, legal, studies, etc.	300,000

TOTAL PROJECT COST* \$14,500,000

*Exclusive of capitalized interest, issuance costs and other financing costs

E. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS

Funds necessary to pay for redevelopment project costs and municipal obligations which have been issued or incurred to pay for such costs are to be derived principally from tax increment revenues and proceeds from municipal obligations which have as their revenue source tax increment revenue. To secure the issuance of these obligations, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

The tax increment revenue which will be used to fund tax increment obligations and eligible redevelopment project costs shall be the incremental real property tax revenues. Incremental real property tax revenue is attributable to the increase in the current equalized assessed value of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of each such property in the Redevelopment Project Area. Other sources of funds which may be used to pay for redevelopment costs and obligations issued or incurred, the proceeds of which are used to pay for such costs, are land disposition proceeds, state and federal grants, investment income, and such other sources of funds and revenues as the municipality may from time to time deem appropriate. Without the use of such tax incremental revenues, the Redevelopment Project Area would not reasonably be developed. All incremental revenues utilized by the City of Chicago will be utilized exclusively for the development of the Redevelopment Project Area.

Issuance of Obligations

To finance redevelopment costs a municipality may issue obligations secured by the anticipated tax increment revenue generated within the TIF redevelopment area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within twenty-three (23) years from the adoption of the ordinance approving the Redevelopment Project Area. Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. The amounts payable in any year as principal and interest on all obligations issued by the City pursuant to the Redevelopment Plan and the Act shall not

exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds (including ad valorem taxes) as may be provided by ordinance. Obligations may be of a parity or senior/junior lien natures. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund, or optional redemptions.

Revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and redevelopment project costs, and, to the extent that real property tax increment is not used for such purposes, shall be declared surplus and shall then become available for distribution annually to taxing districts in the Redevelopment Project Area in the manner provided by the Act.

Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area

The total 1989 equalized assessed valuation for the entire Redevelopment Project Area is 20,448,607. This equalized assessed valuation is subject to final verification by Cook County. After verification, the County Clerk of Cook County, Illinois will certify the amount, and this amount will serve as the "Initial Equalized Assessed Valuation."

Anticipated Equalized Assessed Valuation

By the year 2000, when it is estimated that all the anticipated private development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at between \$32,000,000 and \$37,000,000. These estimates are based on several key assumptions, including: 1) all industrial development will be completed in 1998; 2) the market value of the anticipated developments will increase following completion of the redevelopment activities described in the Redevelopment Project and Plan; 3) the most recent State Multiplier of 1.9133 as applied to 1989 assessed values will remain unchanged and 4) for the duration of the project the tax

rate for the entire Redevelopment Project Area is assumed to be the same and will remain unchanged from the 1989 level.

PROVISION FOR AMENDING ACTION PLAN

The Stockyards Southeast Quadrant Industrial Redevelopment Project Area Tax Increment
Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

AFFIRMATIVE ACTION PLAN

The City is committed to and will affirmatively implement the following principles with respect to the Stockyards Southeast Quadrant Industrial Redevelopment Project Area.

- A. The assurance of equal opportunity in all personnel and employment actions with respect to the Plan and Project, including but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed, or ancestry.

- B. This commitment to affirmative action will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.

LEGAL DESCRIPTION

A tract of land in the Northeast quarter, in the Southeast quarter, and in the East half of the Southwest quarter of Section 5, Township 38 North, Range 14 East of the Third Principal Meridian, described as follows:

Beginning at the Southeast corner of said Section 5; thence West along the South line of said Southeast quarter 2640 feet more or less, to the West line of said Southeast quarter; thence North 1320 feet along last said West line to the South line of the Northeast quarter of the Southwest quarter (being the South line of Packers Subdivision as recorded September 20, 1870 as Document No. 66615); thence West 910 feet along last said South line to a line 33 feet West of and parallel to the centerline of Packers Avenue; thence North 1330 feet along last said line 33 feet West of the centerline of Packers Avenue to the North line of said Southwest quarter of Section 5; thence East 910 feet more or less, along last said North line to the West line of the Northeast quarter of said Section 5; thence North 962 feet along last said West line to the centerline of Exchange Avenue as shown on Stock Yards Subdivision as recorded March 14, 1903 as Document No. 3362808; thence East 1020 feet along the centerline of Exchange Avenue to the West line extended North of Donovan Industrial Park as recorded July 1, 1976 as Document No. 23542559; thence South 952 feet along last said West line to the centerline of 43rd Street (also being the South line of Northeast quarter of said Section 5); thence East 320 feet along the centerline of 43rd Street to the centerline of Morgan Street as shown in said Donovan Industrial Park; thence North 250 feet along last said centerline of Morgan Street to the South line of the North 190 feet of Lot 4 extended West of said Donovan Industrial Park; thence East 620.4 feet along last said South line to the East line of Lot 4 of Donovan Industrial Park; thence North 660 feet more or less, along the East line of Lots 4 and 1 in Donovan Industrial Park to the centerline of Exchange Avenue; thence East 710 feet along the centerline of Exchange Avenue to the East line of said Section 5; thence South along last said East line of Section 5 to the Southeast corner of Section 5 being the place of beginning, all in Lake Township, Cook County, Illinois.

Property contains 228.5 acres, more or less.