

67th/Cicero Redevelopment Project Area
Tax Increment Financing District
Eligibility Study, Redevelopment Plan and Project

City of Chicago
Richard M. Daley, Mayor

May 31, 2002

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1. Executive Summary

In December of 2001, *S. B. Friedman & Company* was engaged to conduct a Tax Increment Financing Eligibility Study and prepare a Redevelopment Plan and Project (the “Eligibility Study and Redevelopment Plan”). This report details the eligibility factors found within a defined portion of land at the southeast corner of 67th Street and Cicero Avenue, in the City of Chicago (the “Study Area”) in support of its designation as a “blighted area” within the definitions set forth in the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the “Act”), and thus in support of its designation as the 67th/Cicero Redevelopment Project Area Tax Increment Financing District (the “67th/Cicero RPA” or “RPA”). This report also contains the Redevelopment Plan and Project for the 67th/Cicero RPA.

The 67th/Cicero RPA consists of a single tax parcel of vacant land located within the West Lawn Community Area at the southeast corner of 67th Street and Cicero Avenue. The RPA is located wholly within the City of Chicago and borders the municipality of Bedford Park on the west.

Determination of Eligibility

This report concludes that the 67th/Cicero RPA is eligible for Tax Increment Financing (“TIF”) designation as a “blighted area” because the following three (3) eligibility factors for vacant land have been found to be present to a meaningful extent and reasonably distributed throughout the RPA:

- Obsolete Platting;
- Adjacent Deterioration; and
- Lack of Growth in Equalized Assessed Value.

Eligibility Study and Redevelopment Plan Goal, Objectives, and Strategies

The overall goal of the TIF Eligibility Study and Redevelopment Plan is to reduce or eliminate the conditions that qualify the 67th/Cicero RPA as a blighted area and to provide the direction and mechanisms necessary to support both public and private development and improvements in the RPA. Development of the RPA will improve the local housing stock; improve the relationship between the area’s diverse land uses; improve access to public resources; and attract private redevelopment. This goal is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate additional private investment.

Objectives. Eleven (11) broad objectives support the overall goal of area-wide revitalization of the 67th/Cicero RPA. These include:

1. Facilitate the assembly, preparation, and marketing of vacant, underutilized land within the RPA for residential development;
2. Promote new residential development that accommodates a diverse economic mix of residents, particularly senior citizens, including the opportunity for the development of new

affordable housing by providing assistance to qualified developers;

3. Create a physical environment which is conducive to the development of new housing through the provision of public infrastructure where needed, including underground water and sanitary systems, sidewalks, and streets;
4. Increase the taxable value of the vacant land within the RPA that is not affiliated with the existing baseball diamonds;
5. Provide adequate on- and off-street parking for visitors, employees, and patrons of the RPA;
6. Create an environment for recreational, and other institutional facilities where needed and in accordance with the Eligibility Study and Redevelopment Plan by providing enhancement opportunities for new and existing public facilities and institutions, such as the existing baseball diamonds and surrounding surface parking uses;
7. Promote new open space uses on any available vacant land east of the existing baseball diamonds;
8. Encourage pedestrian-friendly uses and design strategies that include, but are not limited to, the following: facilitate safe pedestrian movement across wide arterial streets with pedestrian amenities; widen narrow sidewalks; and create visual interest and safer pedestrian environments with streetscaping, landscaping, lighting, and buffering;
9. Provide opportunities for women-owned, minority-owned, and locally owned businesses to share in the job and construction opportunities associated with the redevelopment of the 67th/Cicero RPA;
10. Support job training programs and increase employment opportunities for area residents; and
11. Promote new development on any public uses that become inactive and not used during the life of the RPA.

Strategies. These objectives will be implemented through four (4) specific and integrated strategies. These include:

1. **Develop Vacant and Underutilized Sites.** The redevelopment of vacant, underutilized sites within the 67th/Cicero RPA is expected to stimulate private investment and enhance the RPA. Development of vacant, underutilized sites is anticipated to have a positive impact on other properties beyond the individual project sites.
2. **Facilitate Property Assembly, Demolition, and Site Preparation.** Specific sites may be acquired and assembled by the City to attract future private investment and development. The consolidated ownership of these sites will make them easier to market to potential developers and will streamline the redevelopment process. In addition, financial assistance may be provided to private developers seeking to acquire land and assemble and prepare

sites to undertake projects supportive of this Eligibility Study and Redevelopment Plan.

To meet the goals, policies or objectives of this Eligibility Study and Redevelopment Plan, the City may acquire and assemble other property throughout the RPA. Land assemblage by the City may be done by purchase, exchange, donation, lease, eminent domain, or through the Tax Reactivation Program and may be for the purposes of (a) sale, lease, or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Site preparation may include such preparatory work as demolition of existing improvements and environmental remediation, where appropriate. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

In connection with the City exercising its powers to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing this Eligibility Study and Redevelopment Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Eligibility Study and Redevelopment Plan. Relocation assistance may be provided to facilitate redevelopment of portions of the RPA, and to meet other City objectives. Businesses or households legally occupying properties to be acquired by the City may be provided with relocation advisory and/or financial assistance as determined by the City.

3. **Encourage Private Sector Activities and Support New Development.** Through the creation and support of public-private partnerships, or through written agreements, the City may provide financial and other assistance to encourage the private sector, including local property owners and businesses, to undertake rehabilitation and redevelopment projects and other improvements that are consistent with the goals of this Eligibility Study and Redevelopment Plan.

The City requires that developers who receive TIF assistance for market-rate housing set aside 20% of the units to meet affordability criteria established by the City's Department of Housing or any successor agency. Generally, this means that affordable for-sale housing units should be priced at a level that is affordable to persons earning no more than 120% of the area median income, and affordable rental units should be affordable to persons earning no more than 80% of the area median income. TIF funds can also be used to pay for up to 50% of the cost of construction or up to 75% of interest costs for new housing units to be occupied by low-income and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act.

A potential project is being proposed in the RPA. This project may include a mixed-income housing development oriented towards senior citizens that would include a rental facility and separate for-sale townhomes/condominiums. The project would be located on the vacant land on the west end of the RPA. The proposed project may include the participation of

several City departments.

4. **Implement Public Improvements.** A series of public improvements throughout the 67th/Cicero RPA may be designed and implemented to help define and create an identity for the area, prepare sites for anticipated private investment, and create a more conducive environment for residential and institutional development. Public improvements which are implemented with TIF assistance are intended to complement and not replace existing funding sources for public improvements in the RPA.

These improvements may include new streetscaping, street and sidewalk lighting, resurfacing of existing alleys, sidewalks and streets, improvement of underground water and sewer infrastructure, enhancement of parks and open space, and other public improvements consistent with the Eligibility Study and Redevelopment Plan. These public improvements may be completed pursuant to redevelopment agreements with private entities or intergovernmental agreements with other public entities, and may include the construction, rehabilitation, renovation, or restoration of public improvements on one or more parcels.

Required Findings

The conditions required under the Act for the adoption of the Eligibility Study and Redevelopment Plan and Project are found to be present within the 67th/Cicero RPA.

First, the RPA has not been subject to growth and development through investment by private enterprise. There has been some use of a portion of the parcel as baseball fields, which has generated a public benefit, however, the majority of the land which comprises the RPA has remained underutilized. The equalized assessed value ("EAV," which is the value of property from which property taxes are based) in the 67th/Cicero RPA is zero, and therefore the RPA does not contribute to the tax base.

Second, without the support of public resources, the redevelopment objectives of the 67th/Cicero RPA will most likely not be realized. TIF assistance may be used to fund land assembly, site preparation, infrastructure improvements, and improvements and expansions to public facilities. But for creation of the 67th/Cicero RPA, these types of projects are unlikely to occur without the benefits associated with the designation of the 67th/Cicero RPA as a tax increment financing district.

Third, the 67th/Cicero RPA includes only the contiguous real property that is expected to substantially benefit from the proposed Eligibility Study and Redevelopment Plan improvements.

Finally, the proposed land uses described in this Eligibility Study and Redevelopment Plan must be approved by the Chicago Plan Commission prior to its adoption by the City Council. The redevelopment opportunities identified in earlier area planning initiatives will be substantially supported and their implementation facilitated through the creation of the Eligibility Study and Redevelopment Plan.

2. Introduction

The Study Area

This document serves as the Eligibility Study and Redevelopment Plan and Project for the 67th/Cicero Redevelopment Project Area. The 67th/Cicero RPA is located within the West Lawn Community Area of the City of Chicago (the “City”), in Cook County (the “County”). In December 2001, *S. B. Friedman & Company* was engaged to conduct a study of certain properties in this neighborhood to determine whether the area containing these properties would qualify for status as a “blighted area” and/or “conservation area” under the Act.

The community context of the 67th/Cicero RPA is detailed on Map 1.

The RPA consists of 1 tax parcel on 1 block and contains approximately 18 acres of land. The RPA is roughly the shape of a quarter-circle and is generally bounded by Cicero Avenue and the municipality of Bedford Park to the west, 67th Street to the north, and the Chicago Belt Railway railroad right-of-way to the south and east.

Map 2 details the boundary of the 67th/Cicero RPA, which includes only the contiguous real property that is expected to substantially benefit from the Eligibility Study and Redevelopment Plan improvements discussed herein. The boundaries encompass an area containing predominantly vacant land with minor public/institutional improvements such as the existing baseball diamonds that serve the surrounding neighborhood.




Appendix 1 contains the legal description of the 67th/Cicero RPA.

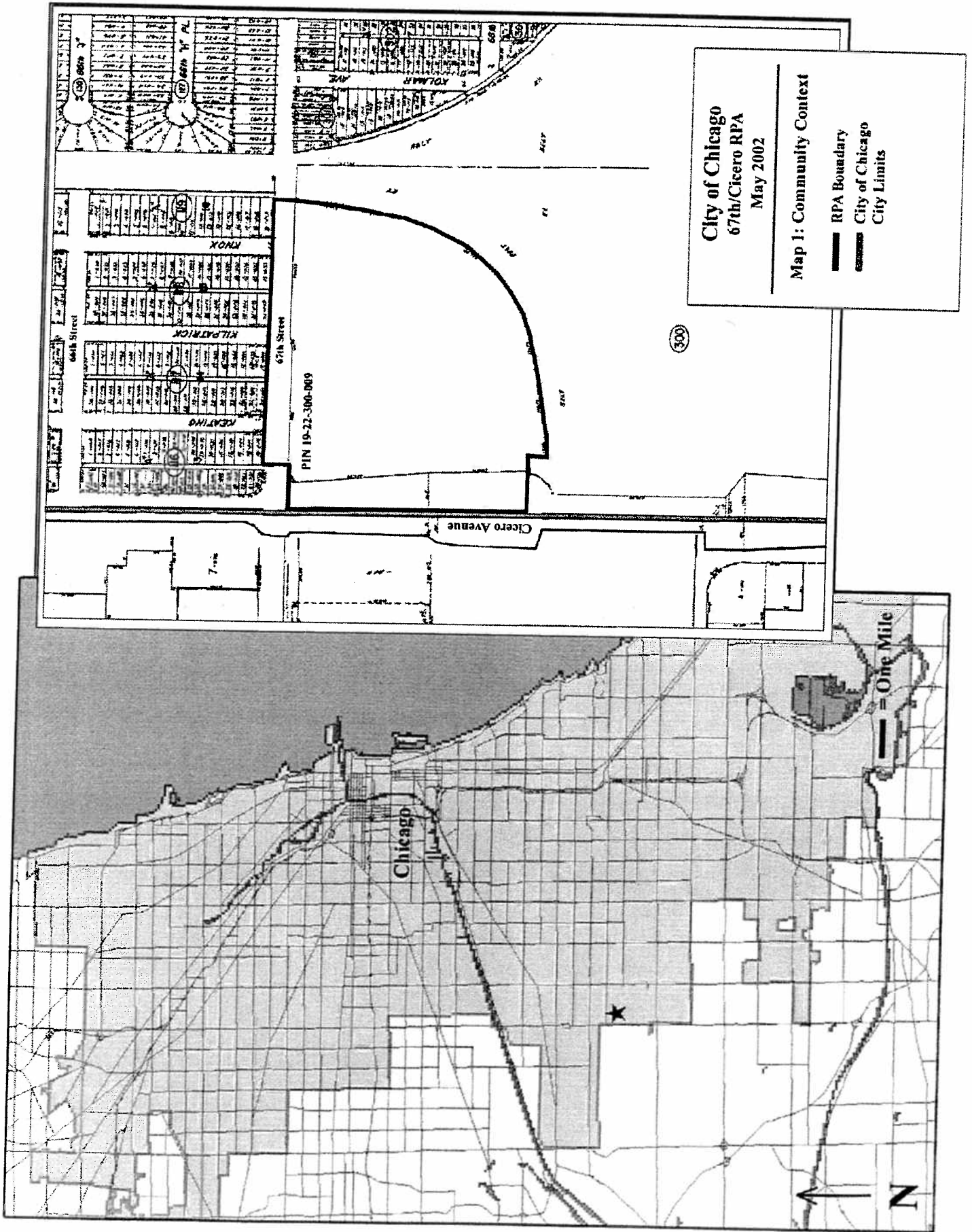
The Eligibility Study and Redevelopment Plan covers events and conditions that exist and that were determined to support the designation of the 67th/Cicero RPA as a “blighted area” under the Act at the completion of our research on March 6, 2002 and not thereafter. These events or conditions include, without limitation, governmental actions and additional developments. As a whole, the area suffers from a lack of growth and investment, and its development potential is hindered by obsolete platting and the deterioration of structures on adjacent parcels. Without a comprehensive approach to address these issues, the RPA is not likely to benefit from future development opportunities. The Eligibility Study and Redevelopment Plan addresses these issues by providing the means to facilitate private development and for improvements to the area’s infrastructure and public facilities. These improvements will benefit all of the property within the RPA.

This Eligibility Study, Redevelopment Plan and Project report summarizes the analysis and findings of *S. B. Friedman & Company*’s work which, unless otherwise noted, is solely the responsibility of *S. B. Friedman & Company*. The City is entitled to rely on the findings and conclusions of the Eligibility Study and Redevelopment Plan in designating the 67th/Cicero RPA as a redevelopment project area under the Act. *S. B. Friedman & Company* has prepared this Eligibility Study and Redevelopment Plan with the understanding that the City would rely (1) on the findings and conclusions of the Eligibility Study and Redevelopment Plan in proceeding with the designation of the Study Area as the 67th/Cicero RPA and the adoption and implementation of the Eligibility Study and Redevelopment Plan, and (2) on the fact that *S. B. Friedman & Company* has obtained the

City of Chicago
67th/Cicero RPA
May 2002

Map 1: Community Context

-  RPA Boundary
-  City of Chicago
-  City Limits



Archer/Central TIF

66th Street

63rd/Pulaski TIF

130 66th J

127 66th H PL.

7-02x

Cicero Avenue

67th Street





KOLMAR AVE.

68th

300

City of Chicago
67th/Cicero RPA
May 2002

Map 2: Study Area Boundary

-  RPA Boundary
-  Archer/Central TIF Boundary
-  63rd/Pulaski TIF Boundary
-  Greater Southwest Industrial Corridor West TIF Boundary

Greater Southwest Industrial
Corridor West TIF

KEATING

KILPATRICK

KNOX

BELT

BELT

BELT

BELT

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necessary information including, without limitation, information relating to the equalized assessed value of parcels comprising the 67th/Cicero RPA, so that the Eligibility Study and Redevelopment Plan will comply with the Act and that the 67th/Cicero RPA can be designated as a redevelopment project area in compliance with the Act.

History of Area¹

The 67th/Cicero RPA is located within the West Lawn Community Area, on the Southwest Side of the City of Chicago. The Community Area is generally bounded by 59th Street on the north and the Grand Trunk & Western Railroad (GT&W RR) on the east. Irregular boundaries mark the remaining sides, where the community boundary runs along the Belt Railroad, south along Pulaski Road, and then picks up at 77th Street, the western boundary travels along Cicero Avenue to 67th Street where it travels east to continue north along the Belt Railroad.

The West Lawn Community Area takes its name from its southern neighbor, Chicago Lawn. After early developers subdivided a piece of property west of Central Park Avenue between 59th Street and 67th Street, the area west of the Grand Trunk Railroad tracks became known as "West Lawn." Along with the rest of the Town of Lake, West Lawn became a part of the City of Chicago in 1889, but remained slow to develop due to marshy terrain. In 1902, streetcar lines were extended to Central Avenue to serve the growing Clearing Industrial District to the northwest; access to transportation and this new development spurred limited growth in West Lawn.

Until World War II, West Lawn remained a small neighborhood of immigrants and their children, most notably Germans, Lithuanians, and Italians. By 1940, the housing stock in West Lawn consisted of predominantly single-family homes, with some two-flats but virtually no apartments. A district survey from that era indicated only two buildings that contained more than four residences. As rows of homes gradually began to appear in the community, the area took on the characteristics of a working class in-city suburb. Industry also was slow to come to West Lawn. Before the war, most residents shopped in the Chicago Lawn neighborhood to the east; after the war, this situation changed dramatically. A bomber engine plant that had been built on the corner of Cicero Avenue and 77th Street was converted to produce the Tucker automobile. Today it is the site of Ford City Mall, the largest shopping center in the City of Chicago. The center remains a major anchor for the Southwest Side, and has undergone over \$50 million in renovations and expansions since 1987. The area is also home to various industrial establishments, as well as the Great Lakes Region Federal Record Center, an army reserve base, the Ford City Apartments complex, and Daley City College.

Today, the West Lawn neighborhood is more accessible to Chicagoans, due to the creation of the Chicago Transit Authority's Orange Line in 1993, which serves the Southwest Side of the city. The tracks, which end at Midway Airport, are planned to extend a few miles to the Ford City Mall in the future. The community remains solidly working class; in 1989 (as reported by the 1990 Census),

¹Information on the history of the West Lawn community area was derived from the Local Community Fact Book Chicago Metropolitan Area 1990, edited by the Chicago Fact Book Consortium, (copyright 1995, Board of Trustees of the University of Illinois) at pages 187 through 188.

the median family income in West Lawn was \$40,000 – \$10,000 more than that of the City as a whole. Additionally the rate of residence ownership was twice as high as the city as a whole, and the median value of owner-occupied homes is the same as the City overall at \$77,600.

Existing Land Use

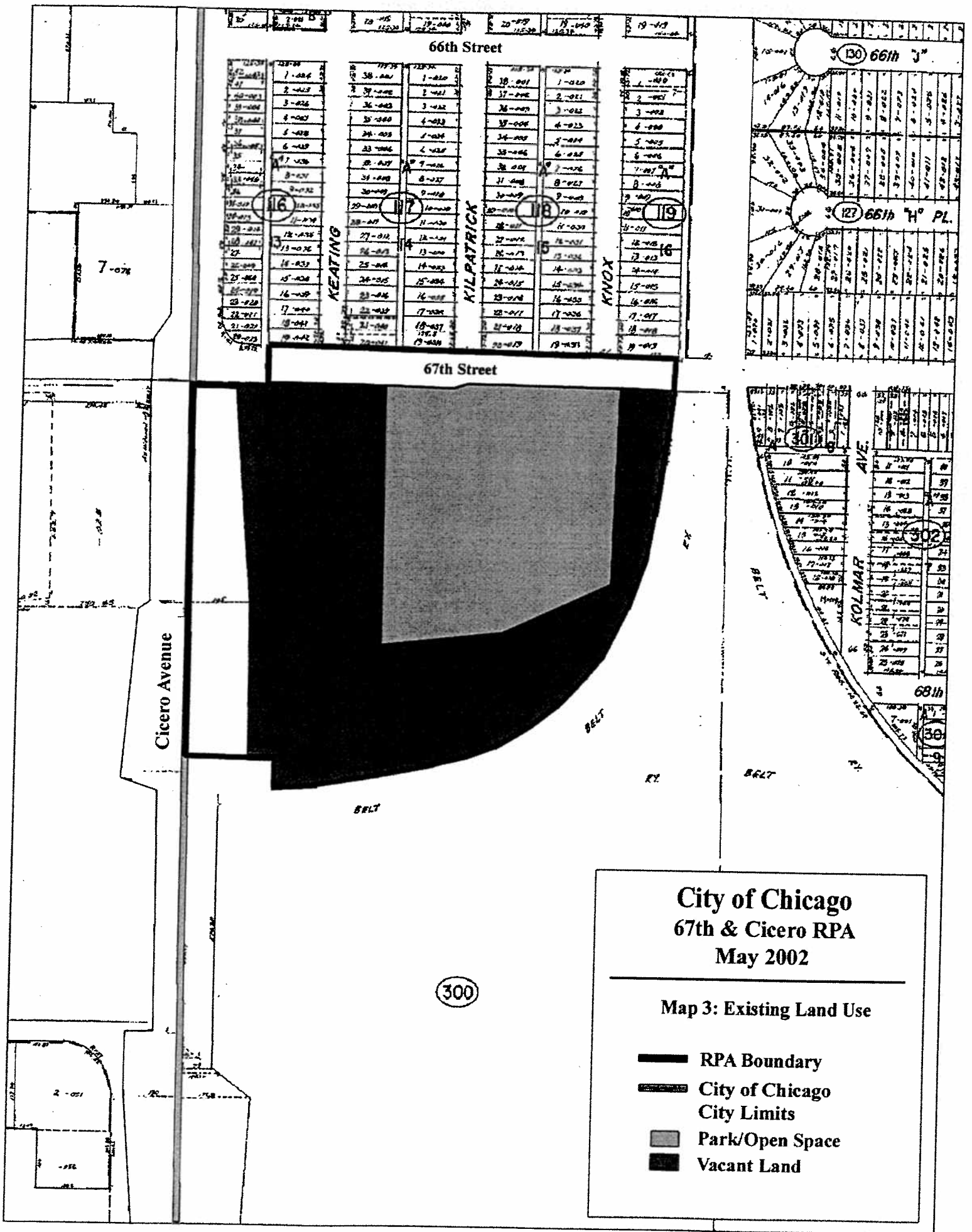
Based upon *S. B. Friedman & Company's* research, two (2) land uses have been identified within the 67th/Cicero RPA:

- Vacant Land; and
- Park/Open Space.

The existing land use pattern in the 67th/Cicero RPA is shown in Map 3. The predominant land use within the area is vacant land. A portion of the land in the RPA owned by the Chicago Park District and dedicated as Park No. 484, has been improved as baseball diamonds with ancillary non-permanent structures such as trailers and fencing. Residential neighborhoods are the predominant land use to the north and east of the RPA. Commercial and industrial uses predominate to the west and south of the RPA.

Vacant Land. Vacant and underutilized land which has never been developed comprises about two-thirds of the total area of the RPA.

Parks/Open Space. Approximately one-third of the RPA is being utilized by the presence of baseball diamonds on land owned by the Chicago Park District, Chicago Park No. 484. These baseball diamonds are surrounded on the west, south, and east by vacant land.



3. Eligibility Analysis

Provisions of the Illinois Tax Increment Allocation Redevelopment Act

Based upon the conditions found within the 67th/Cicero RPA at the completion of *S. B. Friedman & Company's* research, it has been determined that the 67th/Cicero RPA meets the eligibility requirements of the Act as a blighted area. The following outlines the provisions of the Act to establish eligibility.

Under the Act, two primary avenues exist to establish eligibility for an area to permit the use of tax increment financing for area redevelopment: declaring an area as a "blighted area" and/or a "conservation area."

"Blighted areas" are those improved or vacant areas with blighting influences that are impacting the public safety, health, morals, or welfare of the community, and are substantially impairing the growth of the tax base in the area. "Conservation areas" are those improved areas which are deteriorating and declining and soon may become blighted if the deterioration is not abated.

The statutory provisions of the Act specify how a district can be designated as a "conservation" and/or "blighted area" district based upon an evidentiary finding of certain eligibility factors listed in the Act. The eligibility factors for each designation are identical for improved property. A separate set of factors exists for the designation of vacant land as a "blighted area." There is no provision for designating vacant land as a conservation area.

Factors For Improved Property

For improved property to constitute a "blighted area," a combination of five or more of the following thirteen eligibility factors listed at 65 ILCS 5/11-74.4-3 (a) and (b) must meaningfully exist and be reasonably distributed throughout the RPA. "Conservation areas" must have a minimum of 50% of the total structures within the area aged 35 years or older, plus a combination of three or more of these eligibility factors which are detrimental to the public safety, health, morals, or welfare and which could result in such an area becoming a blighted area.

Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.

Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration including but not

limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

Presence of Structures Below Minimum Code Standards. All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.

Illegal Use of Individual Structures. The use of structures in violation of the applicable Federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

Excessive Vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

Lack of Ventilation, Light or Sanitary Facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

Inadequate Utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.

Excessive Land Coverage and Overcrowding of Structures and Community Facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.

Deleterious Land Use or Lay-Out. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.

Environmental Clean-Up. The proposed redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

Lack of Community Planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land use relationships, inadequate street lay-out, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

Lack of Growth in Equalized Assessed Value. The total equalized assessed value of the proposed redevelopment project area has declined for three of the last five calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for three of the last five calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three of the last five calendar years prior to the year in which the redevelopment project area is designated.

Factors For Vacant Land

Under the provisions of the "blighted area" section of the Act, for vacant land to constitute a "blighted area", a combination of two or more of the following six factors must be identified as being present to a meaningful extent and reasonably distributed which act in combination to impact the sound growth in tax base for the proposed district.

Obsolete Platting of Vacant Land. Parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.

Diversity of Ownership. Diversity of ownership is when adjacent properties are owned by multiple parties. When diversity of ownership of parcels of vacant land is sufficient in number to retard or impede the ability to assemble the land for development, this factor applies.

Tax and Special Assessment Delinquencies. Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last five years.

Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the

Vacant Land. Evidence of structural deterioration and area disinvestment in blocks adjacent to the vacant land may substantiate why new development had not previously occurred on the vacant parcels.

Environmental Clean-Up. The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

Lack of Growth in Equalized Assessed Value. The total equalized assessed value of the proposed redevelopment project area has declined for three of the last five calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for three of the last five calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three of the last five calendar years prior to the year in which the redevelopment project area is designated.

Additionally, under the “blighted area” section of the Act, eligibility may be established for those vacant areas that would have qualified as a blighted area immediately prior to becoming vacant. Under this test for establishing eligibility, building records may be reviewed to determine that a combination of five (5) or more of the 13 “blighted area” eligibility factors for improved property listed above were present immediately prior to demolition of the area’s structures.

The vacant “blighted area” section includes six (6) other tests for establishing eligibility, but none of these is relevant to the conditions within the 67th/Cicero RPA.

Methodology Overview and Determination of Eligibility

Analysis of eligibility factors was done through research involving an extensive field survey of all property both within and adjoining the 67th/Cicero RPA, as well as a review of building and property records. Property records include building code violation citations, building permit data, and assessor information. Our survey of the area established that there are no primary structures within the 67th/Cicero RPA.

The 67th/Cicero RPA contains predominantly vacant land. The property was examined for qualification factors consistent with the “blighted area” requirements of the Act for vacant land. Based upon these criteria, the property within the 67th/Cicero RPA qualifies for designation as a TIF Redevelopment Project Area as a “blighted area” as defined by the Act.

To arrive at this designation, *S. B. Friedman & Company* documented the existence of the qualifying eligibility factors present in the RPA and confirmed that these factors applied to the entire RPA and not just a portion of it. The buildings and site improvements adjacent to the RPA were surveyed for evidence of structural deterioration and disinvestment. This information was then tabulated and

graphically plotted on a structure-base map of the 67th/Cicero RPA and surrounding area to establish the presence and distribution of adjacent deterioration as an eligibility factor.

While it may be concluded under the Act that the mere presence of the minimum number of the stated factors may be sufficient to make a finding of the RPA as a blighted area, this evaluation was made on the basis that the blighted area factors must be present to an extent that indicates that public intervention is appropriate or necessary. Secondly, the blighted area factors must be reasonably distributed throughout the RPA so that non-qualifying areas are not arbitrarily included in the RPA simply because of proximity to areas that qualify as a blighted area.

Blighted Area Findings

As required by the Act, for vacant land to constitute a “blighted area,” at least two of six eligibility factors must be found present to a meaningful extent and reasonably distributed within the 67th/Cicero RPA.

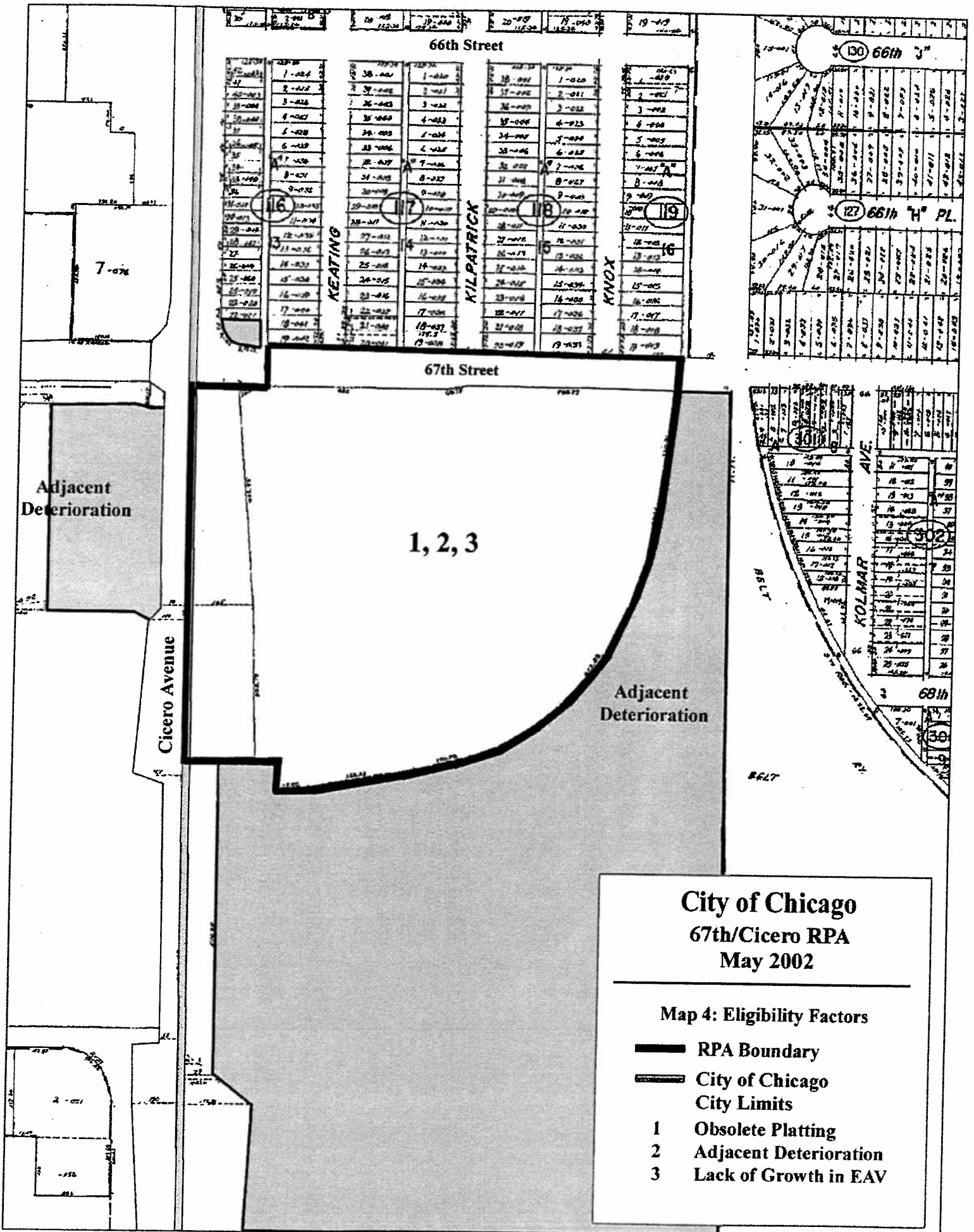
Our research has revealed that the following three factors are present to a meaningful extent and are reasonably distributed throughout the RPA:

- Obsolete Platting;
- Adjacent Deterioration; and
- Lack of Growth in Equalized Assessed Value.

Based on the presence of these factors, the RPA meets the requirements of a “blighted area” under the Act.



As a whole, the area suffers from platting which failed to create adequate rights-of way for streets and alleys, and the adverse impact of deterioration of adjacent buildings and site improvements which illustrates the level of physical deficiencies surrounding the 67th/Cicero RPA. Finally, the total equalized assessed value (EAV) of the RPA is zero and has had no growth in the last five years. Some of the land is used for public purpose, however the majority of the land is vacant and does not benefit the public or contribute to the City’s tax base.

Map 4 illustrates that these eligibility factors are present and reasonably distributed throughout the RPA. The following sections summarize our field research as it pertains to each of the identified eligibility factors found within the 67th/Cicero RPA.



City of Chicago
67th/Cicero RPA
May 2002

Map 4: Eligibility Factors

-  RPA Boundary
-  City of Chicago City Limits
- 1** Obsolete Platting
- 2** Adjacent Deterioration
- 3** Lack of Growth in EAV

1. Obsolete Platting

The RPA consists of a single tax parcel of an irregular shape which essentially was created as an orphaned parcel of land resulting from two man-made barriers, an east-west to north-south bend in the adjacent Railroad, and the elevation and associated embankment of Cicero Avenue. Thus, potential access to the land from public rights-of-way is severely limited and potential land uses and redevelopment opportunities are restricted. Despite the existence of two owners, this parcel has never been subdivided, nor has there been platting for rights-of-way for streets or alleys or easements for public utilities, possibly because of the limitations to create rights-of-way that result from the barriers to the west, south, and east.

Obsolete platting has been an impediment to significant development, either public or private, and limits the opportunities for development.

2. Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Land

Approximately 74% of the perimeter of the RPA consists of parcels which contain either deteriorating structures or deteriorating site improvements. Catalogued deterioration included collapsed or missing gutters and down spouts, cracked, broken or missing windows, evidence of roof leaks, building foundation problems, and cracked exterior wall surfaces. These are conditions not readily correctable through normal maintenance. There are three recently created existing TIF districts which abut the 67th/Cicero RPA, indicating that there has been a significant lack of growth and investment in neighboring areas adjacent to the RPA.

3. Lack of Growth in Equalized Assessed Value

A lack of growth in EAV has been found for the RPA in that the rate of growth of EAV for the RPA has been less than that of the balance of the City of Chicago for five out of the last five years for which information is available (1995 through 2000). The RPA has been entirely tax-exempt and therefore has no EAV. While a portion of the RPA serves as a park and provides public benefit, the majority of the RPA does not contribute to the public benefit or the municipal tax base.

TABLE 1: Percent Change in Annual Equalized Assessed Valuation (EAV)

	Percent Change in EAV 1995/1996	Percent Change in EAV 1996/1997	Percent Change in EAV 1997/1998	Percent Change in EAV 1998/1999	Percent Change in EAV 1999/2000
67th/Cicero RPA	0.00%	0.00%	0.00%	0.00%	0.00%
City of Chicago (balance of)	1.26%	8.40%	1.77%	4.17%	14.50%

The percent change in EAV of the RPA was lower than that of the balance of the City of Chicago for five of the last five years. Therefore, the RPA as a whole qualifies for the Lack of Growth in EAV factor.

4. Redevelopment Project & Plan

Redevelopment Needs of the 67th/Cicero RPA

The existing land use pattern and physical conditions in the 67th/Cicero RPA suggest five (5) redevelopment needs for the area:

1. Property assembly, and site preparation;
2. Infrastructure improvements, streetscaping, and buffering/screening between land uses;
3. Resources for residential development;
4. Improvement and expansion of public facilities and other supportive land uses; and
5. Job training

The Eligibility Study and Redevelopment Plan identifies the tools that the City will use to guide redevelopment in the 67th/Cicero RPA to create and sustain a strong residential community that is part of the neighborhood fabric while continuing to provide park/open space land that serves the surrounding community.

The goals, objectives, and strategies discussed below have been developed to address these needs and to facilitate the sustainable redevelopment of the 67th/Cicero RPA. The proposed public improvements outlined in the Eligibility Study and Redevelopment Plan will help to create an environment conducive to private investment and redevelopment within the 67th/Cicero RPA. To support specific projects and encourage future investment in the RPA, public resources, including tax increment financing, may be used to: facilitate property assembly; demolition; site preparation; improve or repair RPA infrastructure; provide streetscaping, landscaping, and screening elements between land uses; develop residential buildings and/or units; build, and/or expand existing public facilities; and provide job training. In addition, tax increment financing may be used to subsidize developer interest costs related to redevelopment projects.

Goals, Objectives, and Strategies

Goals, objectives, and strategies are designed to address the needs of the community from the overall framework of the Eligibility Study and Redevelopment Plan for the use of anticipated tax increment funds generated within the 67th/Cicero RPA.

Goal. The overall goal of the TIF Eligibility Study and Redevelopment Plan is to reduce or eliminate the conditions that qualify the 67th/Cicero RPA as a blighted area and to provide the direction and mechanisms necessary to support both public and private development and improvements in the RPA. Development of the RPA will replace the vacant land at the western end of the RPA with new residential uses; improve the relationship between the area's diverse land uses; and improve the existing public uses and access to these public resources. This goal is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate additional private investment.

Objectives. Eleven (11) broad objectives support the overall goal of area-wide revitalization of the 67th/Cicero RPA. These include:

1. Facilitate the assembly, preparation, and marketing of vacant, underutilized land within the RPA for residential development;
2. Promote new residential development that accommodates a diverse economic mix of residents, particularly senior citizens, including the opportunity for the development of new affordable housing by providing assistance to qualified developers;
3. Create a physical environment which is conducive to the development of new housing through the provision of public infrastructure where needed, including underground water and sanitary systems, sidewalks, and streets;
4. Increase the taxable value of the vacant land within the RPA, that is not affiliated with the existing baseball diamond;
5. Provide adequate on- and off-street parking for visitors, employees, and patrons of the RPA;
6. Create an environment for recreational, and other institutional facilities where needed and in accordance with the Eligibility Study and Redevelopment Plan by providing enhancement opportunities for new and existing public facilities and institutions, such as the existing baseball diamonds and surrounding surface parking uses;
7. Promote new open space uses on any available vacant land east of the existing baseball diamonds;
8. Encourage pedestrian-friendly uses and design strategies that include, but are not limited to, the following: facilitate safe pedestrian movement across wide arterial streets with pedestrian amenities; widen narrow sidewalks; and create visual interest and safer pedestrian environments with streetscaping, landscaping, lighting, and buffering;
9. Provide opportunities for women-owned, minority-owned, and locally owned businesses to share in the job and construction opportunities associated with the redevelopment of the 67th/Cicero RPA;
10. Support job training programs and increase employment opportunities for area residents; and
11. Promote new development on any public uses that become inactive and not used during the life of the RPA.

Strategies. These objectives will be implemented through four (4) specific and integrated strategies. These include:

1. **Develop Vacant and Underutilized Sites.** The redevelopment of vacant and underutilized sites within the 67th/Cicero RPA is expected to stimulate private investment and enhance the RPA. Development of vacant and underutilized sites is anticipated to have a positive impact on other properties beyond the individual project sites.

2. **Facilitate Property Assembly, Demolition, and Site Preparation.** Specific sites may be acquired and assembled by the City to attract future private investment and development. The consolidated ownership of these sites will make them easier to market to potential developers and will streamline the redevelopment process. In addition, financial assistance may be provided to private developers seeking to acquire land and assemble sites to undertake projects supportive of this Eligibility Study and Redevelopment Plan.

To meet the goals, policies or objectives of this Eligibility Study and Redevelopment Plan, the City may acquire and assemble other property throughout the RPA. Land assemblage by the City may be done by purchase, exchange, donation, lease, eminent domain, or through the Tax Reactivation Program and may be for the purposes of (a) sale, lease, or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Site preparation may include such preparatory work as demolition of existing improvements and environmental remediation, where appropriate. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

In connection with the City exercising its powers to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing this Eligibility Study and Redevelopment Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Eligibility Study and Redevelopment Plan. Relocation assistance, if any, may be provided to facilitate redevelopment of portions of the RPA, and to meet other City objectives. Businesses or households legally occupying properties to be acquired by the City may be provided with relocation advisory and/or financial assistance as determined by the City.

3. **Encourage Private Sector Activities and Support New Development.** Through the creation and support of public-private partnerships, or through written agreements, the City may provide financial and other assistance to encourage the private sector, including local property owners and businesses, and to undertake rehabilitation and redevelopment projects and other improvements that are consistent with the goals of this Eligibility Study and Redevelopment Plan.

The City requires that developers who receive TIF assistance for market-rate housing set aside 20% of the units to meet affordability criteria established by the City's Department of Housing or any successor agency. Generally, this means that affordable for-sale housing units should be priced at a level that is affordable to persons earning no more than 120% of the area median income, and affordable rental units should be affordable to persons earning no more than 80% of the area median income. TIF funds can also be used to pay for up to 50% of the cost of construction or up to 75% of interest costs for new housing units to be occupied by low-income and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act.

A potential project is being proposed in the RPA. This project may include a mixed-income housing development oriented towards senior citizens that would include a rental facility and separate for-sale townhomes/condominiums. The project would be located on the vacant land on the west end of the RPA. The proposed project may include the participation of several City departments.

4. **Implement Public Improvements.** A series of public improvements throughout the 67th/Cicero RPA may be designed and implemented to help define and create an identity for the area, prepare sites for anticipated private investment, and create a more conducive environment for residential and institutional development. Public improvements which are implemented with TIF assistance are intended to complement and not replace existing funding sources for public improvements in the RPA.

These improvements may include new streetscaping, street and sidewalk lighting, resurfacing of existing alleys, sidewalks and streets, improvement of underground water and sewer infrastructure, enhancement of parks and open space, and other public improvements consistent with the Eligibility Study and Redevelopment Plan. These public improvements may be completed pursuant to redevelopment agreements with private entities or intergovernmental agreements with other public entities, and may include the construction, rehabilitation, renovation, or restoration of public improvements on one or more parcels.

These activities are representative of the types of projects contemplated to be undertaken during the life of the 67th/Cicero RPA. Market forces are critical to the completion of these projects. Phasing of projects will depend on the interests and resources of both public and private sector parties. Not all projects will necessarily be undertaken. Further, additional projects may be identified throughout the life of the 67th/Cicero RPA. To the extent that these projects meet the goals, objectives, and strategies of this Eligibility Study and Redevelopment Plan and the requirements of the Act and budget outlined in the next section, these projects may be considered for tax increment funding.

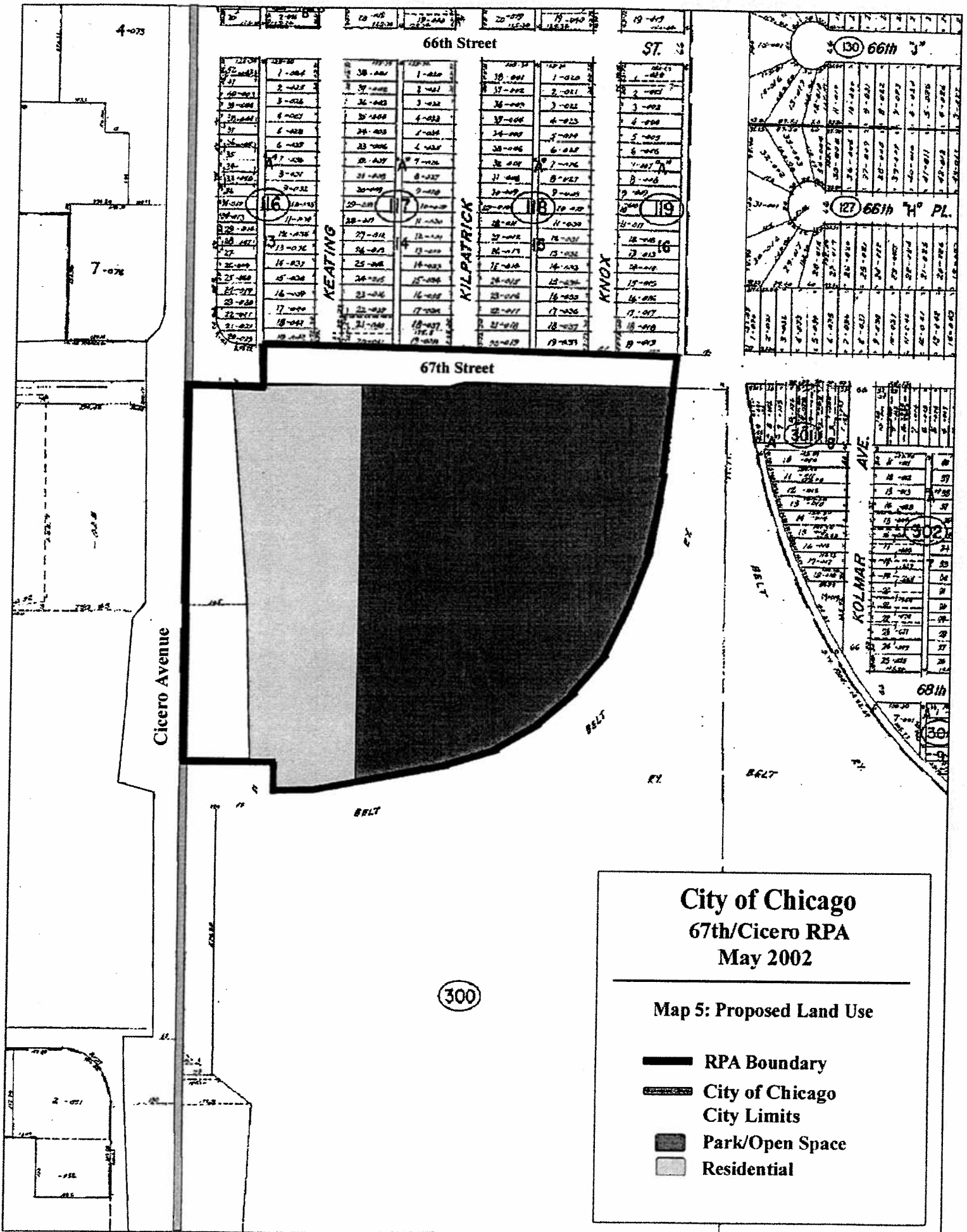
Proposed Future Land Use

The proposed future land use of the 67th/Cicero RPA reflects the objectives of the Eligibility Study and Redevelopment Plan, which are to support the improvement of the western portion of the RPA as a residential community and to support other improvements that serve the redevelopment interests of the local community and the City. The proposed objectives are compatible with historic land use patterns in the surrounding community and support current development trends in the area.

These proposed future land uses are detailed on Map 5. As noted on Map 5, the uses listed are to be predominant uses for the area indicated, and are not exclusive of any other uses.

Assessment of Housing Impact

As set forth in the Act, if the redevelopment plan for the redevelopment project area would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment



project area contains 75 or more inhabited residential units and a municipality is unable to certify that no displacement will occur, the municipality must prepare a housing impact study and incorporate the study in the redevelopment project plan. The project area does not contain any residential units, inhabited or not. Therefore, the City does not intend to acquire or displace by any other means, any residential units within the RPA. The City of Chicago hereby certifies that no displacement of residents will occur as a result of activities pursuant to this Redevelopment Plan.

5. *Financial Plan*

Eligible Costs

The Act outlines several categories of expenditures that can be funded using tax increment revenues. These expenditures, referred to as eligible redevelopment project costs, include all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this plan pursuant to the Act. 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 certain activities and incurring certain costs. The costs listed below are eligible costs under the Act pursuant to an amendment to the Act that became effective November 1, 1999. Such eligible costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans and specifications, implementation and administration of the Eligibility Study and Redevelopment Plan, including but not limited to, staff and professional service costs for architectural engineering, legal, marketing sites within the area to prospective businesses, developers, and investors, financial, planning or other services (excluding lobbying expenses), related hard and soft costs, and other related expenses; provided however, that no such 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 interest therein, demolition of buildings, and clearing and grading of land, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers;
3. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings or fixtures and leasehold improvements;
4. Costs of the construction of public works or improvements consistent with the Act, including the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project, the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
5. Costs of job training and retraining projects including the costs of "welfare to work" programs implemented by businesses located within the redevelopment project area and such proposals feature a community-based training program which ensures maximum reasonable opportunities for residents of the West Lawn Community Area with particular attention to the needs of those residents who have previously experienced inadequate employment opportunities and development of job-related skills including residents of public and other subsidized housing and people with disabilities;
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 thereunder including interest accruing during the estimated period of construction of

any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion 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 within a taxing district in furtherance of the objectives of the Eligibility Study and Redevelopment Plan and project, to the extent the municipality by written agreement accepts and approves such costs;
8. An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
9. 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, or under the Act;
10. Payment in lieu of taxes as defined in the Act;
11. Costs of job training, retraining, 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 the 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 taxing district(s), 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 the community college district of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public and Community College Act as cited in the Act and by the school districts of cost pursuant to Section 10-22.20a and 10-23.3a of the School Code as cited in the Act.
12. Interest costs incurred by a developer 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 the Act;
 - b. Such payments in any one year may not exceed thirty percent (30%) of the annual interest costs incurred by the redeveloper with regard to the development 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 (12) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
- d. The total of such interest payments paid pursuant to the Act may not exceed thirty percent (30%) of the total of (i) cost paid or incurred by the developer for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act; and
 - e. Up to seventy-five percent (75%) of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.
 - f. Instead of the interest costs described above in paragraphs 12b., 12d., and 12e., a municipality may pay from tax incremental revenues up to 50% of the cost of construction, renovation, and rehabilitation of new housing units (for ownership or rental) to be occupied by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, as more fully described in the Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for this benefit under the Act;
13. The cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the City, county, or regional median income as determined from time to time by the United States Department of Housing and Urban Development.
14. Unless explicitly stated in the Act and as provided for in relation to low- and very low-income housing units, the cost of construction of new privately owned buildings shall not be an eligible redevelopment project cost.

If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 *et seq.*, then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the redevelopment project area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

Estimated Redevelopment Project Costs

The estimated eligible costs that are deemed to be necessary to implement this Eligibility Study and Redevelopment Plan are shown in Table 2. The total eligible cost provides an upper limit on

expenditures that are to be funded using tax increment revenues, 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 Eligibility Study and Redevelopment Plan, to the extent permitted by the Act. Additional funding in the form of State, Federal, County, or local grants, private developers contributions and other outside sources may be pursued by the City as a means of financing improvements and facilities which are of benefit to the general community.

TABLE 2: ESTIMATED REDEVELOPMENT PROJECT COSTS

Project/Improvements	Estimated Project Costs*
Professional Services	\$1,200,000
Property Assembly: including site preparation and environmental remediation	\$1,100,000
Rehabilitation Costs (Institutional and Residential)	\$5,000
Eligible Construction Costs (Affordable Housing)	\$2,360,000
Relocation	\$5,000
Public Works or Improvements (1)	\$225,000
Job Training	\$100,000
Interest Costs	\$3,600,000
Day Care	\$5,000
TOTAL REDEVELOPMENT COSTS (2), (3), (4), (5)	\$8,600,000

(1) This category also may include paying for or reimbursing (i) an elementary, secondary, or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the RPA. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Plan.

(2) All costs are in 2002 dollars and may be increased by the rate of inflation reflected in the Consumer Price Index (CPI) for All Urban Consumers for All Items for the Chicago-Gary-Kenosha, IL-IN-WI CMSA, published by the U. S. Department of Labor. In addition to the above stated costs, each issue of obligations issued to finance a phase of the Redevelopment Plan and Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations, including interest costs.

(3) Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs.

(4) The amount of the Total Redevelopment Project Costs that can be incurred in the RPA will be reduced by the amount of redevelopment project costs incurred in contiguous RPAs, or those separated from the RPA only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the RPA, but will not be reduced by the amount of redevelopment project costs incurred in the RPA which are paid from incremental property taxes generated in contiguous RPAs or those separated from the RPA only by a public right-of-way.

(5) Increases in estimated Total Redevelopment Project Costs of more than five percent, after adjustment for inflation from the date of the Plan adoption, are subject to the Plan amendment procedures as provided under the Act.

Adjustments to the estimated line item costs in Table 2 are expected and may be made by the City without amendment to the Eligibility Study and Redevelopment Plan. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs as a result of changed redevelopment costs and needs.

In the event the Act is amended after the date of the approval of this Eligibility Study and Redevelopment Plan by the City Council of Chicago to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/11-74.4-3(q)(11)), this Eligibility Study and Redevelopment Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as eligible costs under the Eligibility Study and Redevelopment Plan, to the extent permitted by the Act. In the event of such amendment(s), the City may add any new eligible redevelopment project costs as a line item in Table 2, or otherwise adjust the line items in Table 2 without amendment to this Eligibility Study and Redevelopment Plan, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the total redevelopment project costs without a further amendment to this Eligibility Study and Redevelopment Plan.

Phasing and Scheduling of the Redevelopment

Each private project within the 67th/Cicero RPA shall be governed by the terms of a written redevelopment agreement entered into by a designated developer and the City and approved by the City Council. Where tax increment funds are used to pay eligible redevelopment project costs, to the extent funds are available for such purposes, expenditures by the City shall be coordinated to coincide on a reasonable basis with the actual redevelopment expenditures of the developer(s). The Eligibility Study and Redevelopment Plan shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31st of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third year calendar year following the year in which the ordinance approving this redevelopment project area is adopted (by December 31, 2026, if the ordinances establishing the RPA are adopted during 2002).

Sources of Funds to Pay Costs

Funds necessary to pay for redevelopment project costs and/or municipal obligations which may be issued or incurred to pay for such costs are to be derived principally from tax increment revenues and/or proceeds from municipal obligations which have as a repayment source tax increment revenue. To secure the issuance of these obligations and the developer's performance of redevelopment agreement obligations, the City may require the utilization of guarantees, deposits, reserves, and/or other forms of security made available by private sector developers. The City may

incur Redevelopment Project Costs which are paid from the funds of the City other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes.

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 of the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the redevelopment project area over and above the certified initial equalized assessed value of each such property. Without the use of such incremental revenues, the redevelopment project area is not likely to occur.

Other sources of funds which may be used to pay for development costs and associated obligations issued or incurred include land disposition proceeds, state and federal grants, investment income, private investor and financial institution funds, and other sources of funds and revenues as the municipality and developer from time to time may deem appropriate.

Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

The 67th/Cicero RPA is contiguous to the existing Greater Southwest Industrial Corridor (West) Redevelopment Project Area, the 63rd/Pulaski Redevelopment Project Area, and the Archer/Central Redevelopment Project Area and may, in the future, be contiguous to, or be separated only by a public right-of-way from, other redevelopment areas created under the Act. The City may utilize net incremental property tax revenues received from the 67th/Cicero RPA to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas, or those separated only by a public right-of-way, and vice versa. The amount of revenue from the 67th/Cicero RPA made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the 67th/Cicero RPA, shall not at any time exceed the total Redevelopment Project Costs described in Table 2 of this Eligibility Study and Redevelopment Plan.

The 67th/Cicero RPA may become contiguous to, or separated only by a public right-of-way from, other redevelopment project areas created under the Illinois Industrial Jobs Recovery Law, (65 ILCS 5/11-74.6-1 et. seq.). If the City finds that the goals, objectives and financial success of such contiguous redevelopment project areas or those separated only by a public right-of-way are interdependent with those of the 67th/Cicero RPA, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Plan that net revenues from the 67th/Cicero RPA be made available to support any such redevelopment project areas, and vice versa. The City, therefore, proposes to utilize net incremental revenues received from the 67th/Cicero RPA to pay eligible redevelopment projects costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and vice versa. Such revenues may be transferred or loaned between the 67th/Cicero RPA and such areas. The amount of revenue from the 67th/Cicero RPA so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the 67th/Cicero RPA or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Table 2 of this Eligibility

Study and Redevelopment Plan.

If necessary, the redevelopment plans for other contiguous redevelopment project areas that may be or already have been created under the Act may be drafted or amended as applicable to add appropriate and parallel language to allow for sharing of revenues between such districts.

Issuance of Obligations

To finance project costs, the City may issue bonds or obligations secured by the anticipated tax increment revenue generated within the 67th/Cicero RPA, or such other bonds or obligations as the City may deem as appropriate. The City may require the utilization of guarantees, deposits, or other forms of security made available by private sector developers to secure such obligations. In addition, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

All obligations issued by the City pursuant to this Eligibility Study and Redevelopment Plan and the Act shall be retired within the time frame described under “Phasing and Scheduling of the Redevelopment” above. Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more of a series of obligations may be sold at one or more times in order to implement this Eligibility Study and Redevelopment Plan. The amounts payable in any year as principal and interest on all obligations issued by the City shall not exceed the amounts available from tax increment revenues, or other sources of funds, if any, as may be provided by ordinance. Obligations may be of parity or senior/junior lien nature. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund, or optional redemptions.

In addition to paying redevelopment project costs, tax increment revenues may be used for the scheduled and/or early retirement of obligations, mandatory or optional redemptions, and the establishment of debt service reserves, and bond sinking funds. To the extent that real property tax increment is not required for such purposes or otherwise required, pledged, earmarked, or otherwise designated for anticipated redevelopment costs, revenues shall be declared surplus and become available for distribution annually to taxing districts that have jurisdiction over the 67th/Cicero RPA in the manner provided by the Act.

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

The purpose of identifying the most recent equalized assessed valuation (“EAV”) of the 67th/Cicero RPA is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the 67th/Cicero RPA. The single tax parcel which comprises the RPA is tax-exempt and therefore the 2000 EAV of all taxable parcels in the 67th/Cicero RPA is \$0. This total EAV amount by PIN is summarized in Appendix 2. The EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Redevelopment Project Area

will be calculated by Cook County. If the 2001 EAV shall become available prior to the date of adoption of the Eligibility Study and Redevelopment Plan by the City Council, the City may update the Eligibility Study and Redevelopment Plan by replacing the 2000 EAV with the 2001 EAV without further City Council action.

Anticipated Equalized Assessed Valuation

By 2025, the EAV for the 67th/Cicero RPA will be approximately \$7,500,000. This estimate is based on several key assumptions, including: 1) an inflation factor of 2% per year on the EAV of all properties within the 67th/Cicero RPA, with its cumulative impact occurring in each triennial reassessment year; 2) an equalization factor of 2.2235; and 3) a tax rate of 7.788% for the duration of the 67th/Cicero RPA.

6. Required Findings and Tests

Lack of Growth and Private Investment

The City is required under the Act to evaluate whether or not the RPA has been subject to growth and private investment and must substantiate a finding of lack of such investment prior to establishing a tax increment financing district.

The RPA has not been subject to growth and development through investment by private enterprise. There has been some use of a portion of the parcel as a park which has generated a public benefit, however, the majority of the land which comprises the RPA has remained underutilized. The equalized assessed value (“EAV,” which is the value of property from which property taxes are based) in the 67th/Cicero RPA is zero, and therefore the RPA does not contribute to the tax base.

Finding: The Redevelopment Project Area (67th/Cicero RPA) 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 the Eligibility Study and Redevelopment Plan.

But for....

The City is required to find that, but for the designation of the TIF district and the use of tax increment financing, it is unlikely that significant investment will occur in the 67th/Cicero RPA.

Without the support of public resources, the redevelopment objectives of the 67th/Cicero RPA will most likely not be realized. TIF assistance may be used to fund land assembly, site preparation, infrastructure improvements, and improvements and expansions to public facilities. But for creation of the 67th/Cicero RPA, these types of projects are unlikely to occur without the benefits associated with the designation of the 67th/Cicero RPA as a tax increment financing district.

Finding: But for the adoption of this Eligibility Study and Redevelopment Plan, critical resources will be lacking that would otherwise support the redevelopment of the 67th/Cicero RPA and the 67th/Cicero RPA would not reasonably be anticipated to be developed.

Conformance to the Plans of the City

The 67th/Cicero RPA and Eligibility Study and Redevelopment Plan must conform to the comprehensive plan for the City, conform to the strategic economic development plans, or include land uses that have been approved by the Chicago Plan Commission.

The proposed land uses described in this Eligibility Study and Redevelopment Plan must be approved by the Chicago Plan Commission prior to its adoption by the City Council.

Dates of Completion

The dates of completion of the project and retirement of obligations are described under “Phasing

and Scheduling of the Redevelopment” in Section 5, above.

Financial Impact of the Redevelopment Project

As explained above, without the adoption of this Eligibility Study and Redevelopment Plan and tax increment financing, the 67th/Cicero RPA is not expected to be redeveloped by private enterprise. While a portion of the land which comprises the RPA is owned by the Chicago Park District and provides benefit as a park/open space land use, the vacant land is not generating a public benefit. Additionally, there is a genuine threat that blighting conditions will continue to exist and spread, and that the entire area will become a less attractive site for development. The continued decline of the RPA could have a detrimental effect on the growth of property values in surrounding areas and could lead to a reduction of real estate tax revenue to all taxing districts. The RPA does not currently provide any real estate tax revenue to the taxing districts.

This document describes the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can reasonably occur. If a redevelopment project is successful, various new projects may be undertaken that will assist in alleviating blighting conditions, creating new jobs, and promoting both public and private development in the 67th/Cicero RPA.

This Eligibility Study and Redevelopment Plan is expected to have short- and long-term financial impacts on the affected taxing districts. During the period when tax increment financing is utilized, real estate tax increment revenues from the increases in EAV over and above the certified initial EAV (established at the time of adoption of this document by the City) may be used to pay eligible redevelopment project costs for the 67th/Cicero RPA. At the time when the 67th/Cicero RPA is no longer in place under the Act, the real estate tax revenues resulting from the redevelopment of the 67th/Cicero RPA will be distributed to all taxing districts levying taxes against property located in the 67th/Cicero RPA. These revenues will then be available for use by the affected taxing districts.

Demand on Taxing District Services and Program to Address Financial and Service Impact

In 1994, the Act was amended to require an assessment of any financial impact of a redevelopment project area on, or any increased demand for service from, any taxing district affected by the redevelopment plan, and a description of any program to address such financial impacts or increased demand.

The City intends to monitor development in the 67th/Cicero RPA and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development. The following major taxing districts presently levy taxes on properties located within the 67th/Cicero RPA and maintain the listed facilities within the boundaries of the RPA, or within close proximity (three to five blocks) to the RPA boundaries:

City of Chicago

Chicago Board of Education

- Lee School (6448 S. Tripp Avenue)

Chicago School Finance Authority

Chicago Park District

- Park No. 484 (4701 W. 67th Street)
- West Lawn Park (4233 W. 65th Street)

Chicago Community College District 508

Metropolitan Water Reclamation District of Greater Chicago

County of Cook

Cook County Forest Preserve District

Map 6 illustrates the locations of facilities operated by the above listed taxing districts within or in close proximity to the 67th/Cicero RPA.

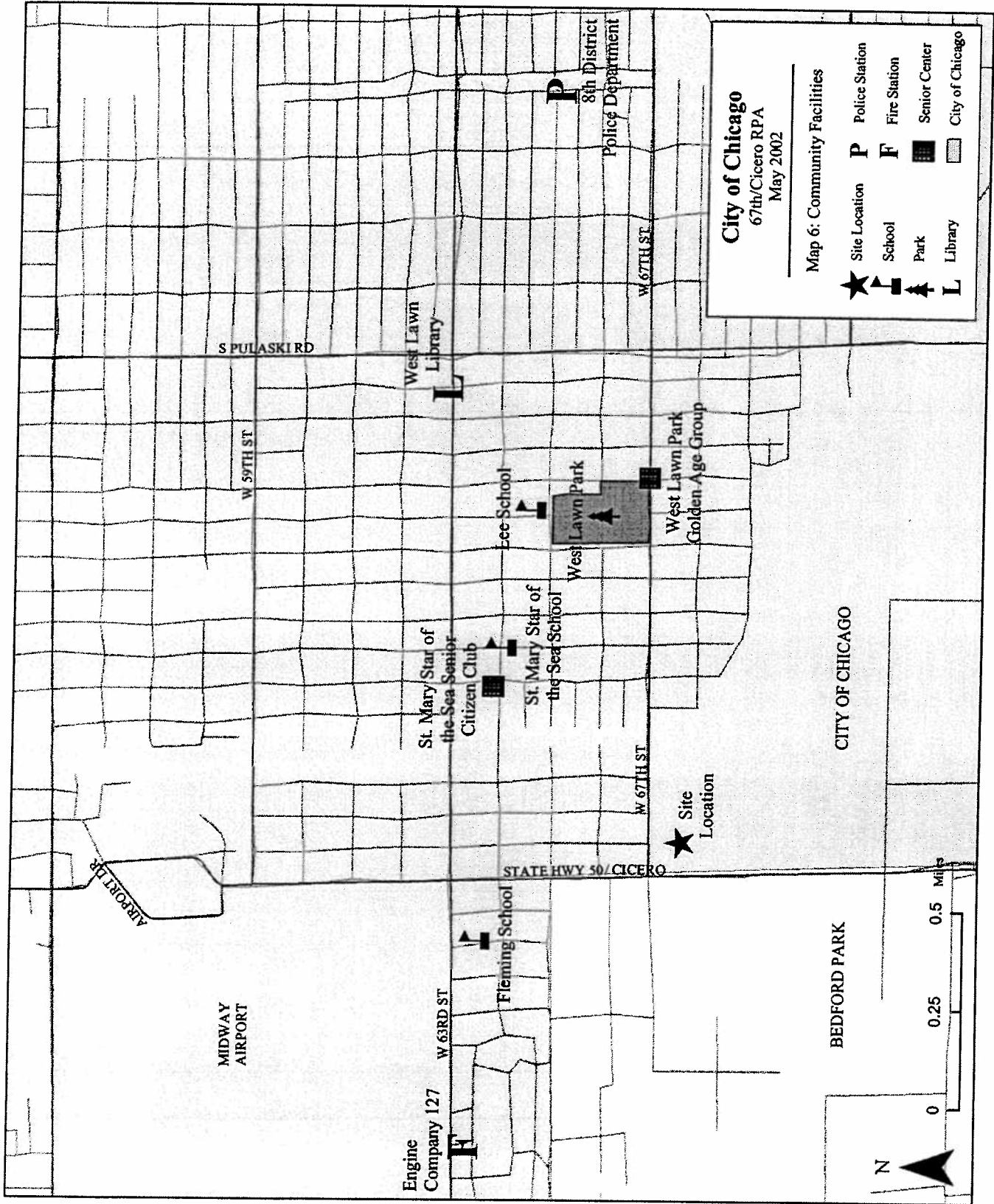
Redevelopment activity may cause increased demand for services from one or more of the above listed taxing districts. The anticipated nature of increased demands for services on these taxing districts, and the proposed activities to address increased demand are described below.

City of Chicago. The City is responsible for a wide range of municipal services, including: police and fire protection; capital improvements and maintenance; water supply and distribution; sanitation service; and building, housing and zoning codes.

Replacement of vacant and under-utilized sites with active and more intensive uses may result in additional demands on services and facilities provided by the districts. Additional costs to the City for police, fire, library circulation, and recycling and sanitation services arising from residential and non-residential development may occur. However, it is expected that any increase in demand for the City services and programs associated with the 67th/Cicero RPA can be handled adequately by City police, fire protection, library, sanitary collection and recycling services, and programs maintained and operated by the City. The impact of the 67th/Cicero RPA will not require expansion of services in this area.

Chicago Board of Education and Associated Agencies. General responsibilities of the Board of Education include the provision, maintenance and operation of educational facilities and the provision of education services for kindergarten through twelfth grade.

It is possible that some families who purchase housing or rent new apartments in the 67th/Cicero RPA will send their children to public schools, putting increased demand on area school districts. However, it is unlikely that the scope of new residential construction would exhaust existing capacity given that: 1) the residents of the new construction will most likely be elderly and are



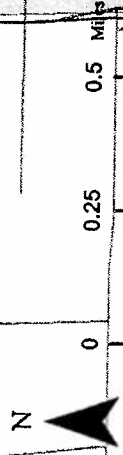
City of Chicago
67th/Cicero RPA
May 2002

Map 6: Community Facilities

- ★ Site Location
- ▲ School
- Park
- Library
- P Police Station
- F Fire Station
- Senior Center
- City of Chicago

CITY OF CHICAGO

BEDFORD PARK



MIDWAY AIRPORT

Engine Company 127

W 63RD ST

Fleming School

St. Mary Star of the Sea Senior Citizen Club

St. Mary Star of the Sea School

Lee School

West Lawn Park

West Lawn Park Golden-Age Group

West Lawn Library

8th District Police Department

W 67TH ST

S PULASKI RD

W 59TH ST

W 67TH ST

STATE HWY 50/CICERO

AIRPORT DR

unlikely to have school-aged children and 2) the schools in the area are currently operating below capacity. Additionally, increased costs to the local schools resulting from children residing in TIF-assisted housing units will trigger those provisions within the Act that provide for reimbursement to the affected school district(s) where eligible. The City intends to monitor development in the 67th/Cicero RPA and, with the cooperation of the Board of Education, will attempt to ensure that any increased demands for the services and capital improvements provided by the Board of Education are addressed in connection with each new residential project.

Chicago Park District. The Chicago Park District is responsible for the provision, maintenance and operation of park and recreational facilities throughout the City and for the provision of recreation programs.

It is expected that the households that may be added to the 67th/Cicero RPA may generate additional demand for recreational services and programs and may create the need for additional open spaces and recreational facilities operated by the Chicago Park District. The City intends to monitor development in the 67th/Cicero RPA and, with the cooperation of the Chicago Park District, will attempt to ensure that any increased demands for the services and capital improvements that may be provided by the Chicago Park District are addressed in connection with any particular residential development. The goals and objectives of the Redevelopment Plan will benefit the portion of the RPA which is owned by the Chicago Park District.

Community College District 508. This district is a unit of the State of Illinois' system of public community colleges, whose objective is to meet the educational needs of residents of the City and other students seeking higher education programs and services.

It is expected that any increase in demand for services from Community College District 508 can be handled adequately by the district's existing service capacity, programs and facilities. Therefore, at this time no special programs are proposed for this taxing district. Should demand increase, the City will work with the affected district to determine what, if any, program is necessary to provide adequate services.

Metropolitan Water Reclamation District. This district provides the main trunk lines for the collection of waste water from Cities, Villages and Towns, and for the treatment and disposal thereof.

It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the 67th/Cicero RPA can be handled adequately by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District of Greater Chicago. Therefore, no special program is proposed for the Metropolitan Water Reclamation District of Greater Chicago.

County of Cook. The County has principal responsibility for the protection of persons and property, the provision of public health services and the maintenance of County highways.

It is expected that any increase in demand for Cook County services can be handled adequately by existing services and programs maintained and operated by the County. Therefore, at this time, no special programs are proposed for these taxing districts. Should demand increase, the City will work

with the affected taxing districts to determine what, if any, program is necessary to provide adequate services.

Cook County Forest Preserve District. The Forest Preserve District is responsible for acquisition, restoration and management of lands for the purpose of protecting and preserving open space in the City and County for the education, pleasure and recreation of the public. It is expected that any increase in demand for Forest Preserve services can be handled adequately by existing facilities and programs maintained and operated by the District. No special programs are proposed for the Forest Preserve.

Given the preliminary nature of the Eligibility Study and Redevelopment Plan, specific fiscal impacts on the taxing districts and increases in demand for services provided by those districts cannot be accurately assessed within the scope of this plan.

7. Provisions for Amending Redevelopment Plan and Project

This Eligibility Study and Redevelopment Plan and Project document may be amended pursuant to the provisions of the Act.

8. Commitment to Fair Employment Practices and Affirmative Action Plan

The City is committed to and will require developers to follow and affirmatively implement the following principles with respect to this Eligibility Study and Redevelopment Plan. However, the City may implement programs aimed at assisting small businesses, residential property owners, and developers which may not be subject to these requirements.

- A. The assurance of equal opportunity in all personnel and employment actions with respect to this Eligibility Study and Redevelopment Plan and project, including, but not limited to, hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, terminations, etc. without regard to race, color, religion, sex, age, disability, national origin, sexual orientation, ancestry, marital status, parental status, military discharge status, source of income or housing status.
- B. Meeting City standards for participation of Minority Business Enterprise and Women Business Enterprise businesses as required in redevelopment agreements.
- C. The commitment to affirmative action and non-discrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
- D. Meeting City standards for the hiring of City residents to work on redevelopment project construction projects.
- E. Meeting City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

*Appendix 1:
Boundary and Legal Description*

67TH AND CICERO AVENUE TIF

ALL THAT PART OF THE WEST HALF OF THE NORTHWEST QUARTER AND THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTH LINE OF WEST 67TH STREET WITH THE WESTERLY LINE OF THE BELT RAILWAY COMPANY OF CHICAGO RIGHT OF WAY IN THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID WESTERLY LINE OF THE BELT RAILWAY COMPANY OF CHICAGO RIGHT OF WAY BEING ALSO THE EASTERLY LINE OF THE PARCEL OF PROPERTY BEARING PIN 19-22-300-009;

THENCE SOUTHERLY, SOUTHWESTERLY AND WESTERLY ALONG SAID WESTERLY LINE AND ALONG THE NORTHERLY LINE OF THE BELT RAILROAD COMPANY OF CHICAGO RIGHT OF WAY AND ALONG THE WESTERLY EXTENSION THEREOF TO THE WEST LINE OF SAID WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 22, SAID WEST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 22 BEING ALSO THE CENTER LINE OF SOUTH CICERO AVENUE AND THE WESTERLY LIMITS OF THE CITY OF CHICAGO;

THENCE NORTH ALONG SAID WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 22 TO THE WESTERLY EXTENSION OF THE SOUTH LINE OF WEST 67TH STREET, AS WIDENED;

THENCE EAST ALONG SAID WESTERLY EXTENSION AND THE SOUTH LINE OF WEST 67TH STREET, AS WIDENED TO THE SOUTHERLY EXTENSION OF THE WEST LINE OF LOT 19 IN BLOCK 13 OF MARQUETTE RIDGE, A SUBDIVISION OF THE SOUTH HALF OF THE NORTHWEST QUARTER AND THE NORTH HALF OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 22 TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID WEST LINE OF LOT 19 BEING ALSO THE EAST LINE OF THE ALLEY EAST OF SOUTH CICERO AVENUE;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION TO THE NORTH LINE OF WEST 67TH STREET;

THENCE EAST ALONG SAID NORTH LINE OF WEST 67TH STREET TO THE SOUTHEAST CORNER OF LOT 19 IN BLOCK 16 IN SAID MARQUETTE RIDGE SUBDIVISION;

Chicago Guarantee Survey Co.
601 S. LaSalle St., Suite 400, Chicago, Il., 60605
Ordered by: S> B. Friedman

Date: May 16, 2002
Order No. 0205013 r1

THENCE SOUTH ALONG THE SOUTHERLY EXTENSION OF THE EAST LINE OF SAID LOT 19 IN BLOCK 16 OF MARQUETTE RIDGE SUBDIVISION TO THE SOUTH LINE OF SAID WEST 67TH STREET

THENCE EAST ALONG THE SOUTH LINE OF WEST 67TH STREET TO THE POINT OF BEGINNING;

ALL IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS.

Chicago Guarantee Survey Co.
601 S. LaSalle St., Suite 400, Chicago, Il., 60605
Ordered by: S> B. Friedman

Date: May 16, 2002
Order No. 0205013 r1

*Appendix 2:
Summary of EAV (by PIN)*

Summary of 2000 Equalized Assessed Value By Permanent Index Number (PIN)

No.	PIN	Assessed Value 2000 (AV)	Equalized Assessed Value 2000 (EAV)
1	19 - 22 - 300 - 009 - 0000	EX	EX
	Total:	EX	EX

EX = Tax Exempt Parcels

2000 Equalization Factor

2.2235