

Restoration of the lobby of The Chicago Theatre lobby after termination of the Off-Track Betting lease at the expense of the Page Bros. Building owner.

Equitable allocation of joint operating costs of Page Bros. Building and The Chicago Theatre, including elevator service, security and utility services with consideration of the joint use of The Chicago Theatre lobby for the benefit of the Page Bros. Building owner.

Termination of the Off-Track Betting lease on or before December 31, 2004.

Modification of insurance provisions (Article 7), particularly modifying the "replacement cost" insurance requirements and deleting the "original owner" restrictions on certain provisions (7.6) in the existing Reciprocal Easement Agreement.

Reciprocal leases of the fourth (4<sup>th</sup>) and fifth (5<sup>th</sup>) floors of The Chicago Theatre building to the owner of the Page Bros. Building and of the sixth (6<sup>th</sup>) and seventh (7<sup>th</sup>) floors of the Page Bros. Building to the owner of The Chicago Theatre [please provide a copy of the existing leases for the fourth (4<sup>th</sup>) and fifth (5<sup>th</sup>) floors].

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APPROVAL OF TAX INCREMENT FINANCING REDEVELOPMENT PLAN  
FOR 35<sup>TH</sup>/STATE REDEVELOPMENT PROJECT AREA.

The Committee on Finance submitted the following report:

CHICAGO, January 14, 2004.

*To the President and Members of the City Council:*

Your Committee on Finance, having had under consideration a substitute ordinance approving a redevelopment plan for the 35<sup>th</sup>/State Tax Increment Financing Redevelopment Project Area, having had the same under advisement,

begs leave to report and recommend that Your Honorable Body *Pass* the proposed substitute ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,  
*Chairman.*

On motion of Alderman Burke, the said proposed substitute ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

*Yeas* -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Shiller, Schulter, M. Smith, Stone -- 45.

*Nays* -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, It is desirable and in the best interest of the citizens of the City of Chicago, Illinois (the "City") for the City to implement tax increment allocation financing ("Tax Increment Allocation Financing") pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the "Act"), for a proposed redevelopment project area to be known as the 35<sup>th</sup>/State Tax Increment Financing Redevelopment Project Area (the "Area") described in Section 2 of this ordinance, to be redeveloped pursuant to a proposed redevelopment plan and project attached hereto as Exhibit A (the "Plan"); and

WHEREAS, By authority of the Mayor and the City Council of the City (the "City Council", referred to herein collectively with the Mayor as the "Corporate Authorities") and pursuant to Section 5/11-74.4-5(a) of the Act, the City's

Department of Planning and Development established an interested parties registry and, on September 27, 2002, published in a newspaper of general circulation within the City a notice that interested persons may register in order to receive information on the proposed designation of the Area or the approval of the Plan; and

WHEREAS, Notice of a public meeting (the "Public Meeting") was made pursuant to notices from the City's Commissioner of the Department of Planning and Development, given on dates not less than fifteen (15) days before the date of the Public Meeting: (i) on May 14, 2003, by certified mail to all taxing districts having real property in the proposed Area and to all entities requesting that information that have taken the steps necessary to register to be included on the interested parties registry for the proposed Area in accordance with Section 5/11-74.4-4.2 of the Act, and (ii) with a good faith effort, on May 14, 2003, by regular mail to all residents and the last known persons who paid property taxes on real estate in the proposed Area (which good faith effort was satisfied by such notice being mailed to each residential address and the person or persons in whose name property taxes were paid on real property for the last preceding year located in the proposed Area), which to the extent necessary to effectively communicate such notice, was given in English and in other languages; and

WHEREAS, The Public Meeting was held in compliance with the requirements of Section 5/11-74.4-6(e) of the Act on May 29, 2003 at 6:00 P.M. at 3658 South State Street, Chicago, Illinois; and

WHEREAS, The Plan (including the related eligibility report attached thereto as an exhibit and, if applicable, the feasibility study and the housing impact study) was made available for public inspection and review pursuant to Section 5/11-74.4-5(a) of the Act since May 30, 2003, being a date not less than ten (10) days before the meeting of the Community Development Commission of the City ("Commission") at which the Commission adopted Resolution 03-CDC-29 on June 10, 2003 fixing the time and place for a public hearing ("Hearing"), at the offices of the City Clerk and the City's Department of Planning and Development; and

WHEREAS, Pursuant to Section 5/11-74.4-5(a) of the Act, notice of the availability of the Plan (including the related eligibility report attached thereto as an exhibit and, if applicable, the feasibility study and the housing impact study) was sent by mail on June 20, 2003, which is within a reasonable time after the adoption by the Commission of Resolution 03-CDC-29 to: (a) all residential addresses that, after a good faith effort, were determined to be (i) located within the Area and (ii) located

within seven hundred fifty (750) feet of the boundaries of the Area (or, if applicable, were determined to be the seven hundred fifty (750) residential addresses that were closest to the boundaries of the Area); and (b) organizations and residents that were registered interested parties for such Area; and

WHEREAS, Due notice of the Hearing was given pursuant to Section 5/11-74.4-6 of the Act, said notice being given to all taxing districts having property within the Area and to the Department of Commerce and Community Affairs of the State of Illinois by certified mail on June 20, 2003, by publication in the *Chicago Sun-Times* on July 18, 2003 and July 25, 2003, by certified mail to taxpayers within the Area on July 25, 2003; and

WHEREAS, A meeting of the joint review board established pursuant to Section 5/11-74.4-5(b) of the Act (the "Board") was convened upon the provision of due notice on July 11, 2003 at 10:00 A.M., to review the matters properly coming before the Board and to allow it to provide its advisory recommendation regarding the approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area, and other matters, if any, properly before it; and

WHEREAS, Pursuant to Sections 5/11-74.4-4 and 5/11-74.4-5 of the Act, the Commission held the Hearing concerning approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area pursuant to the Act on August 12, 2003; and

WHEREAS, The Commission has forwarded to the City Council a copy of its Resolution 03-CDC-48 attached hereto as Exhibit B, adopted on August 12, 2003, recommending to the City Council approval of the Plan, among other related matters; and

WHEREAS, The Corporate Authorities have reviewed the Plan (including the related eligibility report attached thereto as an exhibit and, if applicable, the feasibility study and the housing impact study), testimony from the Public Meeting and the Hearing, if any, the recommendation of the Board, if any, the recommendation of the Commission and such other matters or studies as the Corporate Authorities have deemed necessary or appropriate to make the findings set forth herein, and are generally informed of the conditions existing in the Area; now, therefore,

*Be It Ordained by the City Council of the City of Chicago:*

SECTION 1. Recitals. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Area. The Area is legally described in Exhibit C attached hereto and incorporated herein. The street location (as near as practicable) for the Area is described in Exhibit D attached hereto and incorporated herein. The map of the Area is depicted on Exhibit E attached hereto and incorporated herein.

SECTION 3. Findings. The Corporate Authorities hereby make the following findings as required pursuant to Section 5/11-74.4-3(n) of the Act:

a. the Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be expected to be developed without the adoption of the Plan;

b. the Plan:

(i) conforms to the comprehensive plan for the development of the City as a whole; or

(ii) either (A) conforms to the strategic economic development or redevelopment plan issued by the Chicago Plan Commission or (B) includes land uses that have been approved by the Chicago Plan Commission;

c. the Plan meets all of the requirements of a redevelopment plan as defined in the Act and, as set forth in the Plan, the estimated date of completion of the projects described therein and retirement of all obligations issued to finance redevelopment project costs is not later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third (23<sup>rd</sup>) calendar year after the year in which the ordinance approving the redevelopment project area is adopted, and, as required pursuant to Section 5/11-74.4-7 of the Act, no such obligation shall have a maturity date greater than twenty (20) years;

d. within the Plan:

(i) as provided in Section 5/11-74.4-3(n)(5) of the Act, the housing impact study: a) includes data on residential unit type, room type, unit occupancy, and

racial and ethnic composition of the residents; and b) identifies the number and location of inhabited residential units in the Area that are to be or may be removed, if any, the City's plans for relocation assistance for those residents in the Area whose residences are to be removed, the availability of replacement housing for such residents and the type, location and cost of the replacement housing, and the type and extent of relocation assistance to be provided;

(ii) as provided in Section 5/11-74.4-3(n)(7) of the Act, there is a statement that households of low-income and very low-income persons living in residential units that are to be removed from the Area shall be provided affordable housing and relocation assistance not less than that which would be provided under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations under that Act, including the eligibility criteria.

SECTION 4. Approval Of The Plan. The City hereby approves the Plan pursuant to Section 5/11-74.4-4 of the Act.

SECTION 5. Powers Of Eminent Domain. In compliance with Section 5/11-74.4-4(c) of the Act and with the Plan, the Corporation Counsel is authorized to negotiate for the acquisition by the City of parcels contained within the Area. In the event the Corporation Counsel is unable to acquire any of said parcels through negotiation, the Corporation Counsel is authorized to institute eminent domain proceedings to acquire such parcels. Nothing herein shall be in derogation of any proper authority.

SECTION 6. Invalidity Of Any Section. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this ordinance.

SECTION 7. Superseder. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 8. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

[Exhibit "E" referred to in this ordinance printed  
on page 17119 of this *Journal*.]

Exhibits "A", "B", "C" and "D" referred to in this ordinance read as follows:

*Exhibit "A".*  
(To Ordinance)

*35<sup>th</sup>/State Tax Increment Financing  
Redevelopment Plan And Project.*

*May 29, 2003*  
(Revised October 7, 2003)

## I. INTRODUCTION

This document presents a Tax Increment Financing Redevelopment Plan and Project (hereinafter referred to as the "Plan") pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) as amended, (the "Act") for the 35<sup>th</sup>/State Redevelopment Project Area (the "Project Area") located in the City of Chicago, Illinois (the "City"). The Project Area boundaries are delineated on *Figure 1, Redevelopment Project Area Boundary Map in Appendix A* and legally described in *Appendix B*. The Project Area boundaries are generally West 33<sup>rd</sup> Street and West 34<sup>th</sup> Street on the north, South State Street on the east, West Pershing Road on the south and South Wentworth Avenue and the Dan Ryan Expressway on the west. The Project Area also includes Chicago Rock Island and Pacific Railroad right-of-way that extends north to 31<sup>st</sup> Street.

35<sup>th</sup> Street divides the Project Area into two separate, but linked components. Improved property north of 35<sup>th</sup> Street is owned by the Illinois Institute of Technology (IIT) and includes a mix of vacant and underutilized facilities, some of which has been leased to for-profit entities. Most of the land south of 35<sup>th</sup> Street is owned by the Chicago Housing Authority (CHA) and comprised the Stateway Gardens public housing complex, which is slated for redevelopment as a new mixed-income community. Public right-of-way and active rail lines forms the western portion of the Project Area.

With the exception of the Crispus Attucks School, all the buildings in the Stateway Gardens (CHA) portion of the Project Area (south of 35<sup>th</sup> Street) will be demolished as part of the revitalization effort.

The IIT portion of the Project Area contains several buildings, including the IIT Research Institute (IITRI) Materials Technology Building which was the first building in the United States designed by the world famous architect, Ludwig Mies van der Rohe, in 1943.

The Plan responds to problem conditions within the Project Area and reflects a commitment by the City to improve and revitalize the Project Area.

The Plan summarizes the analyses and findings of Ernest R. Sawyer Enterprises, Inc. (hereinafter referred to as "The Consultant") which, unless otherwise noted, is the responsibility of the Consultant. The City is entitled to rely on the findings and conclusions of this Plan in designating the Redevelopment Project Area as a redevelopment project area under the "Act".

The Consultant has prepared this Plan, the related eligibility study and housing impact study ("Housing Impact Study") with the understanding that the City would rely: 1) on the findings and conclusions of the Plan and the related eligibility study in proceeding with the designation of the Redevelopment Project Area and the adoption and implementation of the Plan, and 2) on the fact that the Consultant has obtained the necessary information so that the Plan and the related eligibility study and Housing Impact Study will comply with the Act.

The Plan presents certain factors, research and analysis undertaken to document the eligibility of the Project Area for designation as a "blighted area" tax increment financing ("TIF") district. The need for public intervention, goals and objectives, land use policies, and other policy materials are presented in the Plan. The results of a study documenting the eligibility of the Project Area as a blighted area are presented in *Appendix C, Eligibility Study* (the "Study").

### **Tax Increment Financing**

In adopting the Act, the Illinois State Legislature pursuant to Section 5/11-74.4-2(a) found that:

...there exists in many municipalities within this State blighted, conservation and industrial park conservation areas as defined herein;

and pursuant to Section 5/11-74.4-2(b) also found that:

...in order to promote and protect the health, safety, morals and welfare of the public, that blighted conditions need to be eradicated... and that redevelopment of such areas be undertaken... The eradication of blighted areas... by redevelopment projects is hereby declared to be essential to the public interest.

In order to use the tax increment financing technique, a municipality must first establish that the proposed redevelopment project area meets the statutory criteria for designation as a "blighted area," "conservation area" or "industrial park conservation area." A redevelopment plan must then be prepared pursuant to Sections 65 ILCS 5/11-74.4-3, et seq. of the Act, which describes the development or redevelopment program intended to be undertaken to reduce or eliminate those conditions which qualified the redevelopment project area as a "blighted area," "conservation area," or combination thereof, or "industrial park conservation area," and thereby enhance the tax base of the taxing districts which extend into the redevelopment project area.

In order to be adopted, a municipality seeking to qualify a redevelopment project area as a "blighted area" must find that a Plan meets the following conditions pursuant to Section 5/11-74.4-3(n) of the Act:

- (1) The redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the redevelopment plan;
- (2) the



redevelopment plan and project conform to the comprehensive plan for the development of the municipality as a whole, or, for municipalities with a population of 100,000 or more, regardless of when the redevelopment plan and project was adopted, the redevelopment plan and project either: (i) conforms to the strategic economic development or redevelopment plan issued by the designated planning authority of the municipality, or (ii) includes land uses that have been approved by the planning commission of the municipality; and (3) the redevelopment plan establishes the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (which dates shall not be later than December 31 of the year in which the payment to the municipal treasurer as provided in 65 ILCS 5/11-74.4-8(b) of the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the redevelopment project area is adopted.

Redevelopment projects are defined as any public or private development projects undertaken in furtherance of the objectives of the redevelopment plan and in accordance with the Act. The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance eligible "redevelopment project costs" with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" are derived from the increase in the current equalized assessed value ("EAV") of real property within the redevelopment project area over and above the "Certified Initial EAV" of such real property. Any increase in EAV is then multiplied by the current tax rate to arrive at the Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

To finance redevelopment project costs, a municipality may issue obligations secured by Incremental Property Taxes to be generated within the redevelopment project area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following:

- (a) net revenues of all or part of any redevelopment project;
- (b) taxes levied and collected on any or all property in the municipality;
- (c) the full faith and credit of the municipality;
- (d) a mortgage on part or all of the redevelopment project; or
- (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Tax increment financing does not generate tax revenues. This financing mechanism allows the municipality to capture, for a certain number of years, the new tax revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. This revenue is then reinvested in the area through rehabilitation, developer subsidies, public improvements and other eligible redevelopment activities. Under TIF, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs necessary to implement the

redevelopment plan have been paid and such excess Incremental Property Taxes are not otherwise required, pledged or otherwise designated for other redevelopment projects. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

The City authorized an evaluation to determine whether a portion of the City, to be known as the 35<sup>th</sup>/State Redevelopment Project Area, qualifies for designation as a blighted area pursuant to the provisions contained in the Act. If the Project Area is so qualified, the City requested the preparation of a redevelopment plan for the Project Area in accordance with the requirements of the Act.

### **The 35<sup>th</sup>/State Redevelopment Project Area Overview**

The Project Area is approximately 91.2 acres in size, of which 33.5 acres (36.7%) are devoted to alley, street and rail rights-of-way. The Project Area is comprised of improved property and vacant land. Of the 57.7 acres not devoted to public or railroad rights-of-way, approximately 26.2 acres are classified as improved property and approximately 31.5 acres consists of vacant land.

There are a total of 122 tax parcels within the Project Area. 99 of which are located within the Dan Ryan Expressway and LaSalle Street right-of-way. One tax parcel contains active railroad right-of-way. The remaining 22 tax parcels comprise the improved and vacant portions of the Project Area. These tax parcels are located on 17 tax blocks, as defined by Cook County, and shown on *Figure C. Tax Block Map in Appendix C*. Nine of these tax blocks are improved property, five tax blocks are entirely vacant, and three tax blocks contain only public and railroad rights-of-way. There are a total of 16 buildings located on seven improved tax blocks. Two tax parcels contain multiple buildings.

The improved portion of the Project Area is characterized by:

- Dilapidation
- Obsolescence
- Deterioration
- Presence of structures below minimum code standards
- Excessive vacancies
- Inadequate utilities
- Excessive land coverage or overcrowding of community facilities
- Deleterious land use or layout
- Lack of community planning

Vacant land within the Project Area suffers from the following statutory qualifying factors:

- Obsolete platting
- Diversity of ownership
- Tax and special assessment delinquencies

- Deterioration of structures or site improvements in adjacent areas
- Stagnant or declining equalized assessed valuation (EAV)
- Blighted before becoming vacant

As a result of these conditions, the Project Area is in need of redevelopment, rehabilitation and/or revitalization. In recognition of the unrealized potential of the Project Area, the City is taking action to facilitate its revitalization.

The Project Area, as a whole, has not been subject to growth and development by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Plan. The *Eligibility Study*, attached hereto as *Appendix C*, concludes that property in this area is experiencing deterioration and disinvestment. The analysis of conditions within the Project Area indicates that it is appropriate for designation as a blighted area in accordance with the Act.

The purpose of the Plan is to create a mechanism to allow for the development of new residential, commercial and community facilities on existing vacant and underutilized land; the development of research and development facilities or other commercial uses that will provide jobs for area residents and expansion of existing businesses; the redevelopment of obsolete land uses; and the improvement of the area's physical environment and infrastructure. The redevelopment of the Project Area is expected to encourage residential and economic revitalization within the community and the surrounding area.

The Plan has been formulated in accordance with the provisions of the Act. This document is a guide to all proposed public and private actions in the Project Area.

## 2. PROJECT AREA DESCRIPTION

The proposed boundaries of the 35<sup>th</sup> State Redevelopment Project Area are shown in *Figure 1. Redevelopment Project Area Boundary Map* (see *Appendix A*). The Project Area is approximately 91.2 acres in size, including public rights-of-way. A legal description of the Project Area is included as *Appendix B* of this document. The Project Area includes only those contiguous parcels that are anticipated to be substantially benefited by the proposed redevelopment project improvements and, which, collectively qualify for designation as a "blighted area."

The general area has been the subject of various planning studies in recent years. Specifically, in 2001, the Chicago Housing Authority (CHA) began comprehensive planning and coordination with the City of Chicago and selected development teams for the redevelopment of the CHA's Stateway Gardens housing complex and its surrounding area. IIT has also been actively pursuing improvements to its campus, including development of a new Green Line CTA station.

Despite the troubled state of public housing and economic conditions, the Project Area contains numerous physical assets as highlighted below:

- The Project Area has excellent access to and from the interstate highway system including

- entrances and exits to Interstate 90/94 (Dan Ryan Expressway) at 35<sup>th</sup> Street and Pershing Road (39<sup>th</sup> Street) and access to Lake Shore Drive at Oakwood Boulevard and 31<sup>st</sup> Street.
- Public transportation options include CTA elevated service, CTA buses and the Metra Illinois-Central Electric Rail Line. CTA trains to the Loop and other locations are available via the Green Line and Red Line, located at 35<sup>th</sup> Street and State Street and 35<sup>th</sup> Street & the Dan Ryan Expressway, respectively. CTA buses that serve the area include the #1, #35 and #39 buses. The Metra station is located less than one mile northeast of the Project Area at 27<sup>th</sup> Street, just east of Ellis Avenue.
  - Pedestrian access to the lakefront is available via 35<sup>th</sup> Street while vehicular and pedestrian access is available via Oakwood Boulevard and 31<sup>st</sup> Street.
  - Community facilities within the Project Area include the 35<sup>th</sup> Street Red Line CTA station, Stateway Park and Crispus Attucks School, which are expected to serve as anchors as the revitalization of the Project Area evolves.
  - The Project Area is surrounded by a number of public facilities including public parks, schools, libraries, transit stations, and police stations. Stateway Park is located within the boundaries of the Project Area. 31<sup>st</sup> Street Beach and Oakwood Beach are located within one mile of the Project Area.
  - The Project Area is in close proximity to multiple landmark structures from the golden age of the Black Metropolis-Bronzeville area, including the Chicago Bee Building and the Overton Hygienic Building across the street from the Project Area on State Street within the Bronzeville TIF district. In addition, several buildings owned by IIT within the Project Area are recognized as landmark structures.

In general, the Project Area has experienced a lack of growth or development from investment from the private sector. Evidence of this lack of growth and development is detailed in *Section 4* of this Plan and summarized below.

- Between 1998 and 2002, the growth in EAV of the vacant areas lagged behind the average EAV growth for property in the City in three of the last five years. In two of those years, the EAV actually declined.
- Of the three taxable properties within the Project Area, two (66.6%) were tax delinquent in 2001.
- Between 1998 and 2002, there were a total of 23 building permits issued in the Project Area. The majority of those permits were issued to address basic maintenance needs. Sixteen permits were issued for rehabilitation and repairs, representing 69.6% of the total number of permits issued. Five permits or 21.7% of the total were issued for demolition. Only two permits were issued for new construction, with an estimated total construction value of \$238,905.
- The City of Chicago's Department of Buildings issued a total of 10 violations to buildings in the Project Area between 1998 and 2002.

The nine tax blocks that comprise the improved portion of Project Area are characterized by nine improved "blighted area" qualifying factors: 1) dilapidation, 2) obsolescence, 3) deterioration, 4)

presence of structures below the minimum code standards, 5) excessive vacancies, 6) inadequate utilities, 7) excessive land coverage or overcrowding of community facilities, 8) deleterious land use or layout, and 9) an overall lack of community planning

The five tax blocks that comprise the vacant part of the Project Area are characterized by five vacant "blighted area" qualifying factors under Section 74.4-3(a)(2) of the Act (the "Vacant Blighted Area Option A Factors"): 1) obsolete platting, 2) diversity of ownership, 3) tax and special assessment delinquencies, 4) deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, and 5) stagnant or declining EAV. The CHA and City documentation also indicate that the vacant portion of the Project Area also satisfies one of the vacant "blighted area" qualifying factors under Section 74.4-3(a)(3) of the Act (the "Vacant Blighted Area Option B Factors") in that it qualified as blighted prior to becoming vacant. These declining physical and economic conditions impede the potential for growth and development through private investment. Without the intervention of the City and the adoption of tax increment financing and this Plan, the Project Area would not reasonably be expected to be redeveloped.

Three tax blocks consist entirely of public or active railroad right-of-way. These blocks were not analyzed as part of the *Eligibility Study* in *Appendix C* because they contain only public or railroad right-of-way, not subject to private investment.

### **Community Context**

The Project Area lies within the Douglas Community which has a long and diverse history. Earliest use of the area was by Native Americans who marked a trail that became the modern-day Vincennes Avenue. White settlement came as a result of the development of the Illinois Central railroad. The Douglas Community was home to Irish Catholic immigrants working on the railroads in the 1850s and a large population of German Jews following the Chicago Fire of 1871.

The area has a minor connection to Illinois and Civil War politics. Former Senator Stephen A. Douglas, who in the 1858 Senatorial campaign famously debated Abraham Lincoln, lived here and lent his name to the area. While the area was not the center of ethnic tensions at the time, Douglas was at the forefront of the slavery debate with Lincoln. Douglas supported the idea of popular sovereignty – that the people of the new states of the union should decide by popular referendum if the state would be slave or free. That Douglas' namesake area later became an important African-American neighborhood is ironic.

In the late 19<sup>th</sup> century, as the population in the Douglas Community grew, African-American settlements were concentrated in the area bounded by the rail yard and industrial properties on the north and west and the affluent white neighborhoods on the east. Restrictive covenants and racial discrimination confined black families of all income levels to the overcrowded slums that became known as the "Black Belt" or the "Black Metropolis" and was largely ignored by Chicago's business and social community.

As a result, the African-American business and political community began to satisfy its own demand for goods and services. A tremendous influx of African-Americans leaving the South between 1910 and 1920, a period often referred to as the Great Migration, fueled the community's financial independence and established the Black Metropolis as the center for African-American business and political power nationally.

African-American culture flourished, invigorated by the nationally-influential spirit of the Harlem Renaissance and W.E.B. DuBois' idea of the "Talented Tenth," who formed black artistic class culture into a classical tradition. International stars of African-American literary arts, music and visual arts frequented the area clubs, restaurants and shops. Famous writers like Langston Hughes, Ama Bontemps and Richard Wright saw the Douglas neighborhood as an inspiration. Wright's novel *Native Son* is largely set in the area and reflects the sentiments and anxieties of the time.

Several landmark buildings owned and financed by African-American entrepreneurs were built during the heyday of the Black Metropolis including the Chicago Bee Building and the Overton Hygienic Building on State Street which remain standing today. The area was also home to a number of music-oriented clubs and cafés that earned Chicago its reputation as the jazz center and attracted such performers as Louis Armstrong, Jelly Roll Morton, King Oliver and Duke Ellington.

Despite hope and progress, the area has reflected physically and spiritually the tragedy of American race relations. The race riots of the "Red Summer of 1919" reflected the belief of many white Chicagoans that the growing African-American population should and must remain within the boundaries established for it. While this type of segregation allowed for the development of some African-American businesses and institutions, the lack of access to financing and other resources hindered growth. The Black Metropolis reached its peak in the mid 1920s. By 1925, the number of new arrivals had decreased considerably along with employment opportunities undermining the stability of the African-American owned business community. New business and commercial opportunities established outside the community to compete with the businesses within the Black Metropolis, further weakened its energy and financial base. Jobs disappeared. The final blow came with the Stock Market Crash of 1929 and the Great Depression. The independent businesses that relied strictly on the local community were unable to recover.

The housing infrastructure became overcrowded and dilapidated. In the 1950's many homes were abandoned or destroyed for urban renewal and large-scale public housing projects. Pockets of concentrated poverty were created in the CHA's public housing complex and the surrounding area as the economy of the South Side, and Chicago in general, became less industrialized during the ensuing decades.

Overcrowding, unemployment and deteriorating living conditions worsened in the years that followed. The urban renewal program of the 1950s and 1960s dramatically changed the

landscape of the neighborhood. Entire blocks were cleared along State Street for the construction of public housing and the campus of the Illinois Institute of Technology.

In 1955, the City began constructing what was to become Stateway Gardens, a 32.7-acre public housing development of eight residential high rise buildings and three non-residential buildings. The development was fully occupied by 1958.

At a density of 50.3 units per acre, Stateway Gardens provided 1,644 units. Other public housing projects in the Douglas area including the Robert Taylor Homes, the Ida B. Wells Homes, Dearborn Homes, Prairie Avenue Courts and Clarence Darrow Homes resulted in historic overcrowded and racially concentrated housing.

In 1969, the Court's ruling in *Dorothy Gautreaux et al. vs. The Chicago Housing Authority* ("*Gautreaux*") imposed location and density restrictions on the CHA's ability to redevelop new public housing units. After nearly two decades of inactivity on the part of CHA, the court appointed a Receiver, The Habitat Company, to administer the CHA's new housing construction. Section 202 of the 1996 HUD appropriations bill mandates demolition of certain distressed developments, including eight high rise developments and five low and mid rise developments for a total of approximately 14,000 units. Stateway Gardens is included among the Section 202 mandated demolitions in Chicago.

In 2001, the CHA began comprehensive planning and coordination with the City of Chicago and selected a development team for the Stateway Gardens redevelopment project.

It is important to note that in addition to the impressive history of the Douglas Community as a whole, the history of the Illinois Institute of Technology (IIT) is equally impressive. Located within the Douglas Community Area, for more than 100 years, IIT is the result of the merger of the Armour and Lewis Institutes. Ludwig Mies van der Rohe arrived in the United States in 1938 to direct the architecture program at Armour Institute. He had been the director of the Bauhaus, a renowned school of art and architecture in Germany. The Armour and Lewis Institutes were close to a merger at the time and Armour's president, Henry Heald, asked Mies to plan an extended campus for the university that would be known as the Illinois Institute of Technology.

His new curriculum reflected the revolutionary influence of the German Bauhaus School. Unifying art and technology, his vision found expression in the new campus he designed for IIT, a campus selected in 1976 by the American Institute of Architecture national membership as one of the top 200 architectural achievement in the United States. Mies' masterpiece, S.R. Crown Hall, recognized as one of the most significant buildings of the 20<sup>th</sup> century, continues to house IIT's College of Architecture, Mies' "home of ideas and adventures." Crown Hall was designated as a National Historic Landmark in 2001.

IIT's commitment to architecture has also shaped the skyline of Chicago. Many of the city's soaring buildings and most innovative spaces were designed or engineered by College of Architecture alumni and faculty.

### **Current Land Use and Community Facilities**

The current land use within the Project Area consists of residential, institutional and for-profit business uses. The existing business uses are located within the IIT buildings included in the Project Area. The Project Area also includes a significant amount of vacant land, created through the demolition of obsolete and deteriorated CHA high-rise buildings. The current configuration of land use is represented in *Figure 2. Existing Land Use (see Appendix A)*.

The Project Area is located within a half mile of 38 public facilities including public parks, schools, libraries, transit stations, and police stations. One public park, Stateway Park is located within the boundaries of the Project Area. Crispus Attucks School is also located within the Project Area. Two other educational facilities are housed in IIT buildings within the Project Area. Other public parks and recreation opportunities that are available in close proximity to the Project Area are identified on *Figure 3. Community Facilities in Appendix A*.

The Project Area is in close proximity to multiple landmark structures from the golden age of the Black Metropolis-Bronzeville area, including the Chicago Bee Building and the Overton Hygienic Building which is across the street from the Project Area on State Street. Additionally, as stated else where in this document, there are many buildings of architectural significance located on the IIT Campus, a portion of which is located within the Project Area.

### **Transportation Characteristics**

The Project Area has excellent access to and from the interstate highway system including entrances and exits to Interstate 90/94 (Dan Ryan Expressway) at 35<sup>th</sup> Street and Pershing Road (39<sup>th</sup> Street); access to Lake Shore Drive at Oakwood Boulevard and 31<sup>st</sup> Street.

Public transportation options include CTA elevated service, CTA buses and the Metra Illinois-Central Electric Rail Line. CTA trains to the Loop and other locations are available via the Green and Red Lines, located at 35<sup>th</sup> Street and State Street and 35<sup>th</sup> Street and the Dan Ryan Expressway respectively. Each of these rapid transit stations is within a five minute walking distance from more than half of the Project Area and have a commute time of seven minutes to the Loop. CTA buses that serve the area include the #1, #35 and #39 buses. The #1 bus runs north and south along Indiana Avenue between 29<sup>th</sup> Street and 51<sup>st</sup> Street and eventually reaches the Loop. The #35 bus runs east and west on 35<sup>th</sup> Street between Cottage Grove Avenue and Kedzie Street, then to 36<sup>th</sup> Street and Mercy Hospital. The #39 bus runs east and west along Pershing Road between the lakefront and St. Louis Avenue. The Metra station is located less than one mile northeast of the Project Area at 27<sup>th</sup> Street, just east of Ellis Avenue and a new Metra Commuter Rail station has been proposed as part of the Redevelopment Plan. Additionally, pedestrian access to the lakefront is available via 35<sup>th</sup> Street while vehicular and pedestrian access is available via Oakwood Boulevard and 31<sup>st</sup> Street. 31<sup>st</sup> Street Beach and Oakwood Beach are located within one mile of the Project Area.

The combination of CTA and the possible future Metra service provides good public transportation to the Project Area. The excellent public transportation to the area will make the entire Chicago Metro Area easily accessible for jobs and entertainment outside the immediate Project Area.



### 3. ELIGIBILITY OF THE PROJECT AREA FOR DESIGNATION AS A BLIGHTED AREA

The Project Area, on the whole, has not been subject to significant growth and development through investment by private enterprise. Based on the conditions present, the Project Area is not likely to be comprehensively or effectively developed without the adoption of the Plan. A series of studies were undertaken to establish whether the proposed Project Area is eligible for designation as a blighted area in accordance with the requirements of the Act. This analysis concluded that the Project Area so qualifies.

The Project Area contains a total of 17 tax blocks, which are identified in *Figure C, Tax Block Map* in *Appendix C*. Nine tax blocks consist of improved property and five tax blocks consist entirely of vacant land. Three tax blocks consist of public or active railroad right-of-way not subject to private investment, and were not analyzed as part of the Eligibility Study.

For improved property, the presence of five of the 13 conditions set forth in the Act is required for designation as a blighted area. These factors must be meaningfully present and reasonably distributed within the Project Area. Of the 13 factors cited in the Act for improved property, nine factors are present within the Project Area. Seven of these factors are meaningfully present, while two factors are present to a minor extent. All factors are reasonably distributed throughout the Project Area.

The following factors were found to a meaningful extent within the Project Area:

- Obsolescence (affecting 67% of improved tax blocks)
- Deterioration (affecting 88% of improved tax blocks, four tax blocks to a major extent and four tax blocks to a minor extent)
- Presence of structures below minimum code standards (affecting 56% of improved tax blocks)
- Inadequate utilities (affecting 100% of improved tax blocks)
- Excessive land coverage or overcrowding of community facilities (affecting 78% of improved tax blocks)
- Deleterious land use or layout (affecting 56% of improved tax blocks)
- Lack of community planning (affecting 100% of improved tax blocks)

The following factors are present to a *minor* extent with respect to improved property, affecting less than 50% of the improved tax blocks within the Project Area:

- Dilapidation (affecting 22% of improved tax blocks)
- Excessive vacancies (affecting 44% of improved tax blocks)

Five tax blocks are comprised entirely of vacant land. With respect to vacant land within the Project Area, the following Vacant Blighted Area Option A factors were found to be present:

- Obsolete platting (meaningfully present, affecting all five vacant tax blocks)
- Diversity of ownership (present to a minor extent, affecting one tax block)

- Tax or special assessment delinquencies (present to a minor extent, affecting one tax block)
- Deterioration of structure or site improvements in areas adjacent to vacant land (meaningfully present, affecting all five vacant tax blocks)
- Stagnant or declining EAV (present to a meaningful extent affecting all five vacant tax blocks)

In addition, the following Vacant Blighted Area Option B factor was found to be present:

- Qualified as blighted before becoming vacant (present to a major extent, affecting three of the five vacant tax blocks)

For more detail on the basis for eligibility, refer to the Study in *Appendix C*.

### Need for Public Intervention

The analysis of conditions within the Project Area included an evaluation of construction activity between 1998 and 2002. *Table 1. Building Permit Activity (1998-2002)*, summarizes construction activity within the Project Area by year and project type.

**Table 1**  
**BUILDING PERMIT ACTIVITY (1998-2002)**

Construction Activity	1998	1999	2000	2001	2002	Total
<i>Construction Value</i>						
New Construction	\$0	\$0	\$200,000	\$38,905	\$0	\$238,905
Rehab/Repairs	70,000	7,746,747*	1,219,000	4,265,891	369,567	13,671,205
Demolition	0	0	900,000	2,173,891	2,536,847	5,610,738
<b>Total</b>	<b>\$70,000</b>	<b>\$7,746,747</b>	<b>\$2,319,000</b>	<b>\$6,478,687</b>	<b>\$2,906,414</b>	<b>\$19,520,848</b>
<i># of Permits Issued</i>						
New Construction	0	0	1	1	0	2
Rehab/Repairs	1	1	4	5	5	16
Demolition	0	0	1	1	3	5
<b>Total</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>23</b>

\* - This improvement was related to the rehabilitation and repair of a building on IIT's campus at 142 W. 35<sup>th</sup> Street.  
Source: City of Chicago, Dept. of Buildings

During this five-year period, a total of 23 building permits were issued for projects within the Project Area. In analyzing the building permit activity, it should be recognized that a certain level of activity occurs merely to address basic maintenance needs, which appears to account for the majority of the construction activity in the project area. 16 permits were issued for rehabilitation and repairs, representing 69.6% of the total number of permits issued, and five permits (21.7%) were issued for demolition. Only two permits for an estimated total construction value of \$238,905 were issued for new construction during the five-year period. Much of the

recent construction activity is related to the demolition of CHA buildings within the Project Area.

Between 1998 and 2002, the growth in the EAV of the vacant portions of the Project Area, which contain 31.5 acres of land, has not kept pace with the EAV growth of the City. The EAV of the vacant tax parcels increased by a total of \$1.583 over this period. Of the three taxable properties within the Project Area two were tax delinquent in 2001.

Given the blighting factors that have been documented, the overall redevelopment of the Project Area would not reasonably be expected to occur without public intervention and the adoption of the Plan. The economic and social conditions of the residents residing in the Project Area are such that the private sector would not engage in redevelopment of the Project Area or make significant private investments without active public involvement and intervention. As documented in the *Housing Impact Study* presented in Section 9 of this Plan, all of the residents of the Project Area are classified as very, very low-income households. The transformation of the Project Area, in particular the property south of 35<sup>th</sup> Street, from a deteriorated and obsolete public housing project into a dynamic mixed-income community cannot be accomplished without public assistance.

#### 4. REDEVELOPMENT PLAN GOALS AND OBJECTIVES

The proposed Redevelopment Plan and Project is consistent with City plans for the area. The land uses will be approved by the Chicago Plan Commission prior to the adoption of the Plan. The following goals and objectives are provided to guide development in the Project Area.

##### General Goals

- Reduce or eliminate deleterious conditions.
- Provide for the orderly transition from obsolete land uses to more appropriate land use patterns.
- Facilitate the CHA's efforts to revitalize the Project Area as set forth in the *Chicago Housing Authority Plan for Transformation Stateway Gardens Redevelopment Plan*.
- Redevelop the Stateway Gardens housing development as a mixed-income residential community with appropriate neighborhood commercial facilities, employment centers and community uses..
- Create an attractive environment through streetscape enhancements and other public improvements that encourage new residential and commercial development.
- Employ residents within and surrounding the Project Area in jobs generated by area development.
- Improve public facilities and amenities including new streets, utility infrastructure, and parks.
- Enhance the tax base of the Project Area.

### **Redevelopment Objectives**

- Encourage private investment, especially new development on vacant land within the Project Area.
- Direct development activities to appropriate locations within the Project Area in accordance with the land use plan and general land use strategies.
- Facilitate development of underutilized property for uses that have demonstrated market support.
- Provide opportunities for business and commercial development to support new residential neighborhoods.
- Encourage development of affordable for-sale and rental housing, as defined by the City's Department of Housing, including for-sale housing for persons earning no more than 100% of the area median income and rental housing for persons earning no more than 60% of area median income, or such other language that may be applicable.
- Encourage development of market-rate housing as part of an overall program to create a mixed-income neighborhood.
- Re-establish the traditional Chicago street grid system that existed prior to the construction of the Stateway Gardens Housing Development by rebuilding 36<sup>th</sup> Street and 37<sup>th</sup> Street west to the railroad embankment, and Dearborn Street between 38<sup>th</sup> Street and 35<sup>th</sup> Street.
- Establish job readiness and job training programs to provide residents within and surrounding the Project Area with the skills necessary to secure jobs in the Project Area and in adjacent redevelopment project areas.
- Promote the hiring of local residents, including graduates of the Project Area's job readiness and job training programs.
- Improve recreational amenities within the Project Area.
- Strengthen the economic well being of the Project Area by returning public, vacant and underutilized properties to the tax rolls.
- Encourage visually attractive buildings, rights-of-way and open spaces and encourage high standards of design.
- Encourage improvements in accessibility for people with disabilities.
- Upgrade public utilities, infrastructure and streets, including streetscape and beautification projects, improvements to schools and community facilities, and transit stations.
- Provide opportunities for minority-owned, women-owned, local businesses and local residents to share in the redevelopment of the Project Area.

### **Design Objectives**

- Establish design standards for commercial and residential redevelopment to ensure compatible high-quality development.
- Enhance the appearance of major thoroughfares including 35<sup>th</sup> Street and State Street through streetscape improvements.

- Encourage increased use of public transit facilities through pedestrian-friendly design, while also improving vehicular movement.
- Design new structures that are of the quality and standard to blend in with the existing structures within the larger community area.
- Develop a series of neighborhood parks and open spaces.
- Create a system of high quality, pedestrian friendly streets.

## 5. REDEVELOPMENT PLAN

The City proposes to achieve its redevelopment goals and objectives for the Project Area through the use of public financing techniques, including tax increment financing, and by undertaking some or all of the following actions:

### **Property Assembly, Site Preparation and Environmental Remediation**

To meet the goals and objectives of the Plan, the City may acquire and assemble property throughout the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program, and may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. 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.

*Figure 4, Land Acquisition Overview Map (see Appendix A), indicates the parcels currently proposed to be acquired for redevelopment in the Project Area. There are currently three vacant parcels proposed to be acquired: 17-33-420-024, 17-33-420-025 and 17-33-420-026. These parcels are located on South Dearborn Street within the Stateway Gardens portion of the Project Area.*

*Table 8, Land Acquisition by Block & Parcel Identification Number and Address (see Appendix A), portrays the acquisition properties in more detail.*

In connection with the City exercising its power to acquire real property not currently on the *Acquisition Map*, including the exercise of the power of eminent domain, under the Act in implementing the 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 Plan. The acquisition of such property may be paid for using TIF funds.

For properties described in *Figure 4, Acquisition Map*, the acquisition of occupied properties by the City shall commence within four years from the date of the publication of the ordinance approving the Plan. Acquisition shall be deemed to have commenced with the sending of an offer letter. After the expiration of this four-year period, the City may

acquire such property pursuant to this Plan under the Act according to its customary procedures as described in the preceding paragraph.

The City, the CHA or a private developer may a) acquire any historic structure (whether a designated City of State landmark or on, or eligible for, nomination to the National Register of Historic Places); b) demolish any non-historic feature of such structure; c) demolish all or portions, as allowed by laws, of historic structures, if necessary, to implement a project that meets the goals and objectives of the Redevelopment Plan; and d) incorporate any historic structure or historic feature into a development on the subject property or adjoining property.

### **Affordable Housing**

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 the affordable for-sale units should be priced at a level that is affordable to persons earning no more than 100% of the area median income, and affordable rental units should be affordable to persons earning no more than 60% of the area median income.

### **Intergovernmental and Redevelopment Agreements**

The City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects"). Such redevelopment agreements may be needed to support the rehabilitation or construction of allowable private improvements, in accordance with the Plan; incur costs or reimburse developers for other eligible redevelopment project costs as provided in the Act in implementing the Plan; and provide public improvements and facilities which may include, but are not limited to utilities, street closures, transit improvements, streetscape enhancements, signalization, parking, surface right-of-way improvements, public schools and parks.

Terms of redevelopment as part of this redevelopment project may be incorporated in the appropriate redevelopment agreements. For example, the City may agree to reimburse a developer for incurring certain eligible redevelopment project costs under the Act. Such agreements may contain specific development controls as allowed by the Act.

### **Job Training**

To the extent allowable under the Act, job training costs may be directed toward training activities designed to enhance the competitive advantages of the Project Area and to attract additional employers to the Project Area. Working with employers and local community organizations, job training and job readiness programs may be provided that meet employers' hiring needs, as allowed under the Act.

A job readiness/training program is a component of the Plan. The City expects to encourage hiring from the community that maximizes job opportunities for Chicago residents.

### **Relocation**

In the event that the implementation of the Plan results in the removal of residential housing units in the Project Area occupied by low-income households or very low-income households, or the displacement of low-income households or very low-income households from such residential housing units, such households shall be provided affordable housing and relocation assistance not less than that which would be provided under the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations thereunder, including the eligibility criteria. Affordable housing may be either existing or newly constructed housing. The City shall make a good faith effort to ensure that this affordable housing is located in or near the Project Area.

As used in the above paragraph, "low-income households," "very low-income households," and "affordable housing" shall have the meanings set forth in Section 3 of the Illinois Affordable Housing Act, 310 ILCS 65/3. As of the date of this Plan, these statutory terms are defined as follows: (i) "low-income household" means a single person, family or unrelated persons living together whose adjusted income is more than 50 percent but less than 80 percent of the median income of the area of residence, adjusted for family size, as such adjusted income and median income are determined from time to time by the United States Department of Housing and Urban Development ("HUD") for purposes of Section 8 of the United States Housing Act of 1937; (ii) "very low-income household" means a single person, family or unrelated persons living together whose adjusted income is not more than 50 percent of the median income of the area of residence, adjusted for family size, as so determined by HUD; and (iii) "affordable housing" means residential housing that, so long as the same is occupied by low-income households or very low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than 30 percent of the maximum allowable income for such households, as applicable.

### **Financial Impact on Taxing Districts**

The Act requires an assessment of any financial impact of the Project Area on, or any increased demand for services from, and any taxing district affected by the Plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the Project Area 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.

### **Analysis, Professional Services and Administrative Activities**

The City may undertake or engage professional consultants, engineers, architects, attorneys, and others to conduct various analyses, studies, administrative or legal services to establish, implement, and manage the Plan.

**Provision of Public Improvements and Facilities**

Adequate public improvements and facilities may be provided to service the Project Area. Public improvements and facilities may include, but are not limited to, street closures to facilitate assembly of development sites, upgrading streets including reconstruction of streets in order to reestablish the original street grid pattern, development of parks and recreational facilities, signalization improvements, provision of streetscape amenities, parking improvements, utility improvements and the provision of daycare facilities designed to meet the needs of the community.

**Financing Costs Pursuant to the Act**

Interest on any obligations issued under the Act accruing during the estimated period of construction of the redevelopment project and other financing costs may be paid from the incremental tax revenues pursuant to the provisions of the Act.

**Interest Costs Pursuant to the Act**

Pursuant to the Act, the City may allocate a portion of the incremental tax revenues to pay or reimburse developers for interest costs incurred in connection with redevelopment activities in order to enhance the redevelopment potential of the Project Area.

**Construction of New Low-Income Housing Pursuant to the Act**

Pursuant to the Act, the City may pay from incremental tax revenues up to 50% of the cost of construction of 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. The cost of construction of those units may be derived from the proceeds of bonds issued by the City under the Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from incremental tax revenues or the proceeds of bonds issued to finance the construction of that housing.

**6. REDEVELOPMENT PROJECT DESCRIPTION**

The Plan seeks to address the obsolete pattern of land use and street system incongruities resulting from the development of the Chicago Housing Authority (CHA) Stateway Gardens housing project. The Plan seeks to encourage redevelopment of the Stateway Gardens public housing site into a mixed-income community with appropriate neighborhood commercial, employment centers and community uses. The construction of new infrastructure, including re-establishing a neighborhood street grid and the enhancement of major thoroughfare rights-of-way is seen as an essential part of needed redevelopment.

The Plan also seeks to expand employment opportunities for residents of the Project Area through the development of research and development facilities or other institutional and commercial uses to be located within the IIT portion of the Project Area.



The Plan recognizes that new investment in residential and commercial property is needed to improve the Project Area. Attracting new private investment will require the redevelopment of existing properties and the rehabilitation of certain other properties. Proposals for infrastructure improvements will stress projects that serve and benefit the surrounding residential, commercial and institutional uses. A comprehensive program of aesthetic enhancements will include streetscape improvements and aesthetically compatible new development. The components will create the quality environment required to sustain the revitalization of the Project Area. The major physical improvement elements anticipated as a result of implementing the proposed Plan are outlined below.

### **Residential Redevelopment**

Residential redevelopment is proposed for majority of the Project Area. Residential building types may include single-family, townhouses, and multi-family units including mid-rise buildings. Neighborhood open space and community facilities may be incorporated into the overall residential development pattern as appropriate.

### **Commercial Development**

The Plan recognizes that attractive new commercial development will help promote investment in residential property and serve the people who live in this community. The Plan seeks to promote new commercial development along 35<sup>th</sup> Street and State Street as part of a mixed-use environment. Commercial uses may also be considered along Pershing Road as a component of residential mixed-use buildings. As described above, IIT intends to work to convert underutilized portions of its campus located within the Project Area into productive commercial and institutional uses such as research and development facilities that would provide training and employment opportunities to new residents within the Project Area and CHA residents.

### **Community and Institutional Facilities**

A daycare center is planned to support the residential and commercial uses within the Project Area. Several park facilities are expected to be incorporated into the design of the Stateway Gardens portion of the Project Area. Improvements to the Crispus Attucks School, which is in the Project Area, or other educational facilities that serve the Project Area may also be undertaken under the Plan.

### **Public Improvements**

Improvements to public infrastructure and facilities are needed to complement and attract private sector investment. Infrastructure improvements may include:

- Construction and dedication of new streets to provide adequate access to individual properties;
- New water and sewer infrastructure;

- New street lighting;
- New landscaping in compliance with the City of Chicago Landscape ordinance;
- New parks and recreation areas;
- Improvement of other public facilities that meet the needs of the community;
- New pedestrian-friendly streets and walkways;
- Streetscape enhancements along 35<sup>th</sup> Street;
- Improvements to the viaducts providing access to the Project Area; and
- New Metra station at 35<sup>th</sup> Street.

## 7. GENERAL LAND USE PLAN AND MAP

*Figure 5, Land Use Plan (see Appendix A)*, identifies land use policies to be pursued in the implementation of the Plan. The land use categories planned for the Project Area are: 1) residential; 2) residential/commercial/community mixed use; 3) institutional/commercial mixed-use; and 4) public use. The *Land Use Plan* allows for a prudent level of flexibility in land use policy to respond to future market forces. This is accomplished through the mixed-use land use category. The "residential/commercial/community" category allows for residential, commercial and community-oriented public and private institutional uses. The "institutional/commercial mixed-use" land use category is designed to accommodate the proposed IIT biomedical research and development complex and other appropriate commercial and institutional uses. The "public" land use category is limited to governmental uses and facilities, including schools, parks, libraries and public service facilities. The *Land Use Plan* is intended to serve as a guide for future land use improvements and developments within the Project Area.

The land uses proposed for the Project Area are consistent with the redevelopment goals of this Plan and are generally consistent with existing zoning.

The *Land Use Plan* is intended to serve as a broad guide for land use and redevelopment policy. The plan is general in nature to allow adequate flexibility to respond to shifts in the market and private investment. A more specific discussion of the proposed uses within the Project Area is outlined below.

### **Residential**

Residential use is proposed for most of the Project Area. This will primarily take the form of single-family and multi-family development, including townhouses and mid-rise residential buildings. Open space and neighborhood-oriented community facilities are also allowable uses within the residential land use category.

### **Residential/Commercial/Community Mixed-Use**

This land use designation applies to portions of the Project Area where supportive commercial and community uses such as a day care center and educational facilities will be incorporated into the planned residential neighborhood. Commercial uses may be located along the 35<sup>th</sup> Street, State Street and Pershing Road frontages.

**Institutional/Commercial Mixed-Use**

This land use designation has been applied to portions of the Project Area that are part of the IIT campus. It is intended to accommodate IIT facilities and other public and institutional uses, as well as for-profit research and development facilities and office uses.

**Public/Community Facility**

This land use category is limited to the planned public park along State Street. Other public and institutional uses will be accommodated within the other land use designations.

**Transportation**

This land use category has been applied to the portions of the Project Area that contain the Dan Ryan Expressway and railroad rights-of-way. New development under this category could include construction of a new Metra commuter rail station at 35<sup>th</sup> Street.

These land use strategies are intended to direct development toward the most appropriate land use pattern for the various portions of the Project Area and enhance the overall development of the Project Area in accordance with the goals and objectives of the Plan. Locations of specific uses, or public infrastructure improvements, may vary from the *Land Use Plan* as a result of more detailed planning and site design activities. Such variations are permitted without amendment to the Plan as long as they are consistent with the Plan's goals and objectives and the land uses and zoning approved by the Chicago Plan Commission.

**8. REDEVELOPMENT PLAN FINANCING**

Tax increment financing is an economic development tool designed to facilitate the redevelopment of blighted areas and to arrest decline in areas that may become blighted without public intervention. It is expected that tax increment financing will be an important means, although not necessarily the only means, of financing improvements and providing development incentives in the Project Area throughout its 23-year life.

Tax increment financing can only be used when private investment would not reasonably be expected to occur without public assistance. The Act sets forth the range of public assistance that may be provided.

It is anticipated that expenditures for redevelopment project costs will be carefully staged in a reasonable and proportional basis to coincide with expenditures for redevelopment by private developers and the projected availability of tax increment revenues.

The various redevelopment expenditures that are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed to be necessary to implement this Plan (the "Redevelopment Project Costs").

In the event the Act is amended after the date of the approval of this 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 Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as Redevelopment Project Costs under the Plan, to the extent permitted by the Act. In the event of such amendment(s) to the Act, 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 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 Plan.

### **Eligible Redevelopment Project Costs**

Redevelopment project costs include the sum total of all reasonable or necessary costs incurred, or estimated to be incurred, or incidental to the Plan pursuant the Act. Eligible costs may include, without limitation, the following:

1. Costs of studies and surveys, development of plans and specifications, implementation and administration of the Plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided however, that no charges for professional services may be based on a percentage of the tax increment collected;
2. The cost of marketing sites within the Project Area to prospective businesses, developers and investors;
3. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, 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, and the clearing and grading of land;
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the cost 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 the construction of public works or improvements subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
6. Costs of job training and retraining projects including the cost of "welfare-to-work" programs implemented by businesses located within the Project Area and such proposals featuring a community-based training program which ensures maximum reasonable employment opportunities for residents of the Project Area with particular attention to the needs of those residents who have previously experienced inadequate opportunities and development of job-related skills, including residents of public and other subsidized housing and people with disabilities.
7. 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;
8. To the extent the City, by written agreement accepts and approves the same, 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 Plan.
9. Relocation costs, to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by state or federal law or in accordance with the requirements of Section 74.4-3(n)(7) of the Act (see "Relocation" section);
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 Project Area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the

payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act, 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a.

12. Interest costs incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  - such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
  - such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
  - if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
  - the total of such interest payments paid pursuant to the Act may not exceed 30% of the total: (i) cost paid or incurred by the redeveloper for such redevelopment project, plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
  - up to 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.
13. The cost of constructing new privately-owned buildings is not an eligible redevelopment project cost, unless specifically authorized by the Act;
14. An elementary, secondary or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided for in the Act;
15. Up to 50% of the cost of construction, renovation and/or rehabilitation of all low-income and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low-income and very low-income households, only the low- and very low-income households shall be eligible for benefits under the Act; and

16. The cost of day care services for children of employees from low-income families working for businesses located within the Project Area and all or a portion of the cost of operation of day care centers established by Project Area businesses to serve employees from low-income families working in businesses located in the 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.

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 Project Costs**

A range of activities and improvements may be required to implement the Plan. The proposed eligible activities and their estimated costs over the life of the Project Area are briefly described below and shown in *Table 2, Estimated Redevelopment Project Costs*.

1. Professional services including planning studies, legal, surveys, real estate marketing costs, fees and other costs related to the implementation and administration of the Plan. This budget element provides for studies and survey costs for planning and implementation of the project, including planning and legal fees, architectural and engineering, development site marketing, financial and special service costs. (*Estimated cost: \$3,000,000*)
2. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, and other appropriate and eligible costs needed to prepare the property for redevelopment. These costs may include the reimbursement of acquisition costs incurred by private developers. Land acquisition may include acquisition of both improved and vacant property in order to create development sites, accommodate public rights-of-way or to provide other public facilities needed to achieve the goals and objectives of the Plan. Property assembly costs also include:

- demolition of existing improvements, including clearance of blighted properties or clearance required to prepare sites for new development, site preparation, including grading, and other appropriate and eligible site activities needed to facilitate new construction, and environmental remediation costs associated with property assembly which are required to render the property suitable for redevelopment. *(Estimated cost: \$10,000,000)*
3. Rehabilitation, reconstruction, repair or remodeling of existing public or private buildings and fixtures; and up to 50% of the cost of construction of low-income and very low-income housing units. *(Estimated cost: \$10,000,000)*
  4. Construction of public improvements, infrastructure and facilities. These improvements are intended to improve access within the Project Area, stimulate private investment and address other identified public improvement needs, and may include all or a portion of a taxing district's eligible costs, including increased costs of the Chicago Public Schools attributable to assisted housing units within the Project Area in accordance with the requirements of the Act. *(Estimated cost: \$15,000,000)*
  5. Relocation costs, as judged by the City to be appropriate or required to further implementation of the Plan. *(Estimated cost: \$1,000,000)*
  6. Costs of job training and retraining projects, advanced vocational education or career education, as provided for in the Act. *(Estimated cost: \$4,000,000)*
  7. Interest subsidy associated with redevelopment projects, pursuant to the provisions of the Act. *(Estimated cost: \$5,000,000)*
  8. Provision of day care services as provided in the Act. *(Estimated cost: \$2,000,000)*

The estimated gross eligible project cost over the life of the Project Area is approximately \$50 million. All project cost estimates are in 2003 dollars. Any bonds issued to finance portions of the redevelopment project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with issuance of such obligations, as well as to provide for capitalized interest and reasonably required reserves. The total project cost figure excludes any costs for the issuance of bonds. Adjustments to estimated line items, which are upper estimates for these costs, are expected and may be made without amendment to the Plan.

Additional funding from other sources such as federal, state, county, or local grant funds may be utilized to supplement the City's ability to finance Redevelopment Project Costs identified above.



**Table 2**  
**ESTIMATED REDEVELOPMENT PROJECT COSTS**

<b>Eligible Expense</b>	<b>Estimated Cost</b>
1. Analysis, Administration, Studies, Surveys, Legal, Marketing, etc.	\$3,000,000
2. Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation	\$10,000,000
3. Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation Cost	\$10,000,000
<sup>4</sup> Public Works & Improvements, including streets and utilities, parks and open space, public facilities (schools & other public facilities) <sup>(1)</sup>	\$15,000,000
5. Relocation Costs	\$1,000,000
6. Job Training, Retraining, Welfare-to-Work	\$4,000,000
7. Interest Subsidy	\$5,000,000
8. Day Care Services	\$2,000,000
<b>TOTAL REDEVELOPMENT COSTS</b> <sup>(2)(3)</sup>	<b>\$50,000,000</b> <sup>(4)</sup>

<sup>1</sup>This category may also 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 Project Area. 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.

<sup>2</sup>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.

<sup>3</sup>The amount of the Total Redevelopment Project Costs that can be incurred in the Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Project Area 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 Project Area, but will not be reduced by the amount of redevelopment project costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated from the Project Area only by a public right-of-way.

<sup>4</sup>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.

Additional funding from other sources such as federal, state, county, or local grant funds may be utilized to supplement the City's ability to finance Redevelopment project Costs identified above.

### Sources of Funds

The funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs, are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing, and other legally permissible funds as the City may deem appropriate. The City may incur redevelopment project costs (costs for line items listed on *Table 2, Estimated Redevelopment Project Costs*) which are paid for from funds of the City other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another 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.

As shown in *Figure 6, Adjacent TIF Districts*, the Project Area is contiguous to the Bronzeville Redevelopment Project Area on the east and south, and the 35<sup>th</sup> and Wallace Redevelopment Project Area on the west. The Stockyards Annex Redevelopment Project Area is located immediately southwest of the Project Area, separated only by public rights-of-way.

The Project Area may be contiguous to or separated by only a public right-of-way from other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Project Area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas, or project areas separated only by a public right-of-way, and vice versa. The amount of revenue from the Project Area, 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 Project Area, shall not at any time exceed the total redevelopment project costs described in this Plan.

The Project Area may become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.61-1 *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 Project Area, the City may determine that it is in the best interests of the City and the furtherance of the purposes of the Plan that net revenues from the Project Area 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 Project Area to pay eligible redevelopment project 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 Project Area and such areas. The amount of revenue from the Project Area so made available, when added to all amounts used to pay eligible redevelopment project costs

within the Project Area, or other areas described in the preceding paragraph, shall not at any time exceed the total redevelopment project costs described in *Table 2. Estimated Redevelopment Project Costs*.

Development of the Project Area would not be reasonably expected to occur without the use of the incremental revenues provided by the Act. Redevelopment project costs include those eligible project costs set forth in the Act. Tax increment financing or other public sources will be used only to the extent needed to secure commitments for private redevelopment activity.

### **Nature and Term of Obligations to be Issued**

The City may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation, the City may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 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 calendar year following the year in which the ordinance approving the Project Area is adopted (i.e., assuming City Council approval of the Project Area and Plan in 2003, by 2027). 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 series of obligations may be sold at one or more times in order to implement this Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of Redevelopment Project Costs, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Project Area in the manner provided by the Act.

### **Most Recent Equalized Assessed Valuation**

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the Project Area 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 Project Area. The 2002 EAV of all taxable parcels within the Project Area is \$3,722,416. This total EAV amount by Parcel Identification Number (PIN) is summarized in *Appendix D*. 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 Project Area will be calculated by Cook County.

### **Anticipated Equalized Assessed Valuation**

By the tax year 2026 (collection year 2027) and following the substantial completion of 35<sup>th</sup>/State Redevelopment Project, the EAV of the Project Area is estimated to range between approximately \$40 million and \$42 million. The estimated range is based on several key assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner; 2) approximately 880 new residential units will be constructed in the Project Area, including approximately 1/3 CHA units, 1/3 market-rate for sale units, and 1/3 affordable units (both rental and for-sale); 3) Stateway Gardens development will occur over multiple phases and be completed and occupied by May 2009; 4) approximately 27,500 square feet of new commercial space will be constructed in the Project Area and occupied by May 2009; 5) approximately 100,000 square feet of additional taxable commercial and research space in the IIT portion of the Project Area will be developed and occupied by the end of 2008; 6) an estimated annual inflation rate in EAV of 2.0 percent through 2026, realized in triennial reassessment years only (6.12 percent per triennial reassessment period); 7) the five-year average state equalization factor of 2.2225 (tax years 1998 through 2002) is used in all years to calculate estimated EAV; and 8) the land associated with for-sale units will be taxable whereas the land associated with CHA units will be completely tax-exempt.

### **Financial Impact on Taxing Districts**

The Act requires an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the Project Area 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 taxing districts presently levy taxes on properties located within the Project Area:

City of Chicago: The City is responsible for the provision of a wide range of municipal services, including police and fire protection; capital improvements and maintenance; water supply and distribution; sanitation service; building, housing and zoning codes, etc. The City also administers the City of Chicago Library Fund, formerly a separate taxing district from the City.

Chicago Park District: The 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.

Chicago School Finance Authority: The Authority was created in 1980 to exercise oversight and control over the financial affairs of the Board of Education of the City of Chicago.

Board of Education of the City of Chicago: General responsibilities of the Board of Education include the provision, maintenance and operations of educational facilities and the provision of educational services for kindergarten through twelfth grade.

Chicago Community College District 508: The Community College 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.

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

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.

Metropolitan Water Reclamation District of Greater Chicago: The Water Reclamation District provides the main trunk lines for the collection of wastewater from cities, villages and towns, and for the treatment and disposal thereof.

The proposed revitalization of the Project Area would be expected to create moderate demands on public services. The development of new residential property on vacant and deteriorated land could increase the demand for school services as well as parks and other population-based services.

Within the land use designations on the *Land Use Plan* that allow for residential use, 880 new dwelling units are planned. Total population is estimated to increase substantially from the 561 current residents. The number of school age children is also likely to increase as a result of residential redevelopment from a current population of 293 residents under the age of 18. An estimated 343 children under the age of 18 could reside in the Project Area when redevelopment is completed. This estimate was derived by applying the average number of children per household in the three adjacent census tracts, based on 2000 U.S. Census data, to the 582 residential dwelling units that are expected to accommodate households with children.

The demand for water and sewer services would increase as well. Proposed commercial development would not increase the demand for population-based services, but would increase demand for water and sewer services and similar types of infrastructure, including the Metropolitan Water Reclamation District.

Redevelopment of the Project Area may result in changes to the level of required public services. The required level of these public services will depend upon the uses that are ultimately included within the Project Area. Although the specific nature and timing of the private investment expected to be attracted to the Project Area cannot be precisely quantified at this time, a general assessment of financial impact can be made based upon the level of development and timing anticipated by the proposed Plan.

When completed, developments in the Project Area will generate property tax revenues for all taxing districts. Other revenues may also accrue to the City in the form of sales tax, business fees

and licenses, and utility user fees. The costs of some services such as water and sewer service, building inspections, etc. are typically covered by user charges. However, others are not and should be subtracted from the estimate of property tax revenues to assess the net financial impact of the Plan on the affected taxing districts.

For the taxing districts levying taxes on property within the Project Area, increased service demands are expected to be negligible because they are already serving the Project Area. Upon completion of the Plan, all taxing districts are expected to share the benefits of a substantially improved tax base. However, prior to the completion of the Plan, certain taxing districts may experience an increased demand for services.

It is expected that most of the increases in demand for the services and programs of the aforementioned taxing districts, associated with the Project Area, can be adequately handled by the existing services and programs maintained by these taxing districts. However, \$15 million has been allocated within the Project Budget to public improvements, including "taxing district capital costs" to address potential demands associated with implementing the Plan.

Real estate tax revenues resulting from increases in the EAV, over and above the Certified Initial EAV established with the adoption of the Plan, will be used to pay eligible redevelopment costs in the Project Area. Following termination of the Project Area, the real estate tax revenues, attributable to the increase in the EAV over the Certified Initial EAV, will be distributed to all taxing districts levying taxes against property located in the Project Area. Successful implementation of the Plan is expected to result in new development and private investment on a scale sufficient to overcome blighted conditions and substantially improve the long-term economic value of the Project Area.

### **Completion of the Redevelopment Project and Retirement of Obligations to Finance Redevelopment Project Costs**

The Plan will 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 calendar year following the year in which the ordinance approving the Plan is adopted (assuming adoption in 2003, by December 31, 2027).

## 9. HOUSING IMPACT STUDY

A Housing Impact Study has been conducted for the Project Area to determine the potential impact of redevelopment on area residents. As set forth in the Act, if the redevelopment plan for a 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 the City is unable to certify that no displacement of residents will occur, the municipality shall prepare a housing impact study and incorporate the study as part of the separate feasibility report required by the Act and in the redevelopment project plan. As of April 25, 2003, the Project Area contained 191 inhabited residential units. The Plan provides for the redevelopment of portions of the Project Area that contain occupied residential units. As a result, implementation of this Plan will result in the displacement of residents from 10 or more inhabited residential units. Therefore, a housing impact study is required. The Housing Impact Study, set forth in this *Section 9* presents certain factual information required by the Act and fulfills the Act's housing impact study requirement. It is also integral to the formulation of the goals, objectives, and policies of the Plan.

This Housing Impact Study is organized into two parts. Part I describes the housing survey conducted within the Project Area to determine existing housing characteristics. Part II describes the potential impact of the Plan. Specific elements of the Housing Impact Study include:

### Part I - Housing Survey

- i. Type of residential unit, either single-family or multi-family.
- ii. The number and type of rooms within the units, if that information is available.
- iii. Whether the units are inhabited or uninhabited, as determined not less than 45 days before the date that the ordinance or resolution required by subsection (a) of Section 11-74.4-5 of the Act is passed.
- iv. Data as to the racial and ethnic composition of the residents in the inhabited residential units, which shall be deemed to be fully satisfied if based on data from the most recent federal census.

### Part II - Potential Housing Impact

- i. The number and location of those units that will be or may be removed.
- ii. The municipality's plans for relocation assistance for those residents in the proposed redevelopment project area whose residences are to be removed.
- iii. The availability of replacement housing for those residents whose residences are to be removed, and the identification of the type, location and cost of the replacement housing.
- iv. The type and extent of relocation assistance to be provided.

## PART I - HOUSING SURVEY

Part I of this study provides, as required by the Act, the number, type and size of residential units within the Project Area, the number of inhabited and uninhabited units, and the racial and ethnic composition of the residents in the inhabited residential units.

### Number and Type of Residential Units

The number and type of residential units within the Project Area were identified during the building condition and land use survey conducted as part of the eligibility analysis for the area. This survey, completed on April 25, 2003, revealed that the Project Area contains two residential buildings containing a total of 362 units. The number of residential units by building type is outlined in *Table 3, Number and Type of Residential Units*.

**Table 3**  
**NUMBER AND TYPE OF RESIDENTIAL UNITS**

Building Type	Total Number of Buildings	Total Number of Units
Single-Family	0	0
Multi-Family (1)	2	362 (2)
<b>Total</b>	<b>2</b>	<b>362</b>

Source: Chicago Housing Authority and ERS Enterprises

(1) 3616-18 S. State is a 10-story residential that contains 132 units. 3651-53 S. Federal St is a 17-story residential building that contains 230 units.

(2) Of the 362 units in the two buildings 12 (3.32%) have been converted to non-dwelling uses.

### Number and Type of Rooms in Residential Units

The distribution of the 362 residential units within the Project Area by the number of bedrooms is identified in *Table 4, Units by Number of Bedrooms*.

**Table 4**  
**UNITS BY NUMBER OF BEDROOMS <sup>1</sup>**

Number of Bedrooms	Number of Units	% of Total
Studio	0	0.0%
1 Bedroom	50	13.8%
2 Bedroom	150	42.5%
3 Bedroom	154	41.4%
4 Bedroom	4	1.1%
5+ Bedroom	4	1.1%
<b>TOTAL</b>	<b>362</b>	<b>100.00%</b>

Source: Chicago Housing Authority

<sup>1</sup> As defined by the Census Bureau, number of bedrooms includes all rooms intended for use as bedrooms even if they are currently used for some other purpose. A housing unit consisting of only one room, such as a one-room efficiency apartment, is classified, by definition, as having no bedroom.



### Number of Inhabited Units

A review of data provided by the CHA of inhabited dwelling units within the Project Area was conducted by Ernest R. Sawyer Enterprises, Inc. This analysis identified 362 residential units, of which 159 (43.9%) were identified as vacant and 12 (3.32%) were identified as being converted to non-residential uses. Therefore, there are 191 total inhabited units within the Project Area. As required by the Act, this information was ascertained as of April 25, 2003, which is a date not less than 45 days prior to the date that the resolution required by subsection (a) of Section 11- 74.4-5 of the Act is or will be passed (the resolution setting the public hearing and Joint Review Board meeting dates).

### Race and Ethnicity of Residents

The racial and ethnic composition of the residents within the Project Area is identified in *Table 5, Race, Ethnicity, Age, and Gender Characteristics*, within this section. The racial and ethnic composition of the residents in the inhabited residential units was determined by using demographic information which was provided by the Chicago Housing Authority.

**Table 5**  
**RACE, ETHNICITY, AGE, AND GENDER CHARACTERISTICS**

<i>Race</i>	<b>TOTAL</b>	<b>% of Total</b>
White	0	0.0%
Hispanic	0	0.0%
African-American	561	100.0%
American Indian & Alaska Native	0	0.0%
Pacific Islander	0	0.0%
Asian	0	0.0%
Other Race	0	0.0%
<b>TOTAL</b>	<b>561</b>	<b>100.0%</b>

Source: Chicago Housing Authority

<b>Hispanic Origin</b>	<b>TOTAL</b>	<b>% of Total</b>
Hispanic	0	0.0%
Non-Hispanic	561	100.0%
<b>TOTAL</b>	<b>561</b>	<b>100.0%</b>

Source: Chicago Housing Authority

<b>Age Range</b>	<b>Male</b>	<b>Female</b>	<b>TOTAL</b>	<b>% of Total</b>
0-4 years	22	19	41	7.3%
5-13 years	82	81	163	29.0%
14-16 years	30	26	56	10.0%
17-18 years	15	18	33	5.9%
19+ years	67	201	268	47.8%
<b>TOTAL</b>	<b>216</b>	<b>345</b>	<b>561</b>	<b>100.0%</b>

Source: Chicago Housing Authority

## **PART II - POTENTIAL HOUSING IMPACT**

Part II of this study contains, as required by the Act, information on any acquisition, relocation program, along with replacement housing and relocation assistance.

### **Number and Location of Units That May Be Removed**

The primary objectives of the Plan are to redevelop vacant land and correct obsolete land use patterns through redevelopment, including replacement of existing CHA housing units. All of the 191 inhabited residential units are scheduled to be removed as this Plan is implemented. *Figure 7, Housing Impact Study Map (See Appendix A)*, identifies the 191 inhabited residential units that will be removed during the 23-year life of the 35<sup>th</sup>/State Redevelopment Project Area.

### **Plans For Relocation Assistance**

The City's efforts will provide assistance not less than that which would be provided under the Federal Uniform Relocation Assistance and Real Property Acquisition Act of 1970.

A copy of the Chicago Housing Authority's Leaseholder Housing Choice and Relocation Rights Contract is provided in *Appendix E*. The attached contract sets forth the rights and responsibilities of the Chicago Housing Authority, its agents, and the CHA Leaseholder regarding relocation either temporarily or permanently for a CHA unit and will be used to ensure that displaced residents are relocated in keeping with the intent of the Act.

### **Replacement Housing**

In accordance with Section 11-74.4-3 (n)(7) of the Act, the City shall make a good faith effort to ensure that affordable replacement housing for any qualified displaced resident whose residence is removed is located in or near the Project Area. Newly constructed affordable replacement housing built as part of the 35<sup>th</sup>/State Redevelopment Project will constitute a part of such permanent replacement housing. If affordable replacement housing cannot be provided to a displaced resident within the Project Area, then the City will make a good faith effort to ensure that appropriate replacement housing will be found in either the Project Area or the surrounding community areas.

The location, type and cost of a sample of possible replacement housing units located within the surrounding community areas were determined through classified advertisements from the Multiple Listing Service of Northern Illinois, the Chicago Association of Realtors, the *Chicago Sun-Times*, *Chicago Tribune*, *Chicago Defender*, *Hyde Park Herald*, and *Lakefront Outlook*, and from Internet listings on Apartments.com and HomeStore.com during the first part of the month of April 2003. The results of this research are presented in *Table 6, Survey of Available Rental Housing Units*. It is important to note that Chicago has a rental cycle where apartments turn over at a greater rate on May 1 and October 1 of each year. These times would likely reflect a wider variety of rental rates, unit sizes and locations than those available at other times throughout the year.

**Table 6**  
**SURVEY OF AVAILABLE RENTAL HOUSING UNITS**

No.	Location	Distance from Area	Bedrooms	Rent	Amenities	Section 8 Accepted	Community Area
1	4335 S Greenwood	1 mile	1	\$675	Central Heat/Air	No	Kenwood
2	4711 S Greenwood	1.5 miles	1	\$550	Central Heat/Air	No	Kenwood
3	49 <sup>th</sup> and St. Lawrence	2.0 miles	3	\$975	Central Heat/Air	No	Grand Boulevard
4	4220 S Michigan	1.25 miles	2 to 3	\$750 - \$900	New Renovation	Yes	Grand Boulevard
5	4509 S Michigan	2.0 miles	3	\$1,200		Yes	Grand Boulevard
6	4026 S Calumet	1.25 miles	2	\$625		No	Grand Boulevard
7	5522 S Wells	2.5 miles	4	\$1,000 - \$1,500	Central Heat/Air	Yes	Grand Boulevard
8	4901 S Michigan	2.5 miles	2 to 3	\$750 - \$900		Yes	Grand Boulevard
9	3631 S King Drive	0.5 mile	2	\$850		No	Douglas
10	4724 S Vincennes	1.5 miles	1 to 2	\$800 - \$900	New Renovation	Yes	Grand Boulevard
11	44 <sup>th</sup> and Wells	1.5 miles	2	\$980	New Renovation	Yes	Grand Boulevard
12	817 E 47 <sup>th</sup> Place	2.5 miles	4	\$900		No	Grand Boulevard
13	40 <sup>th</sup> and Calumet	1.0 miles	2 to 3	\$750-\$850	Individual heat	Yes	Grand Boulevard
14	48 <sup>th</sup> and Prairie	1.5 miles	2 to 3	\$750-\$850		Yes	Grand Boulevard
15	5136 S King Drive	2.0 miles	3	\$1,200	Heat Included	Yes	Grand Boulevard
16	4841 S Evans	1.5 miles	2	\$650	New Renovation	Yes	Grand Boulevard
17	4423 S Indiana	1.5 miles	2	\$775	New Renovation	No	Grand Boulevard
18	4856 S Prairie	1.5 miles	5	\$1,500	New Renovation	Yes	Grand Boulevard
19	4420 S Calumet	1.5 miles	3	\$950	New Renovation	Yes	Grand Boulevard
20	3840 S King Drive	0.5 miles	1	\$675	New Renovation	Yes	Douglas
21	4110 S. King Drive	.075 miles	2	\$700	Heat Included	No	Grand Boulevard
22	34 <sup>th</sup> and Giles	0.25 miles	1 to 2	\$550-\$900	New Renovation	Yes	Douglas
23	4329 S. Indiana	1.25	4	\$1,400	Central Heat/Air	No	Grand Boulevard

Source: Chicago Sun-Times, Chicago Tribune, Chicago Defender, Lakefront Outlook, Hyde Park Herald, Apartments.com, and Homestore.com

### **Relocation Assistance**

If the removal or displacement of low-income, very low-income or very, very low-income households is required, such residents will be provided with relocation assistance in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations there under, including the eligibility criteria. The City shall make a good faith effort to ensure that affordable replacement housing for the aforementioned households is located in or near the Project Area.

As used in the above paragraph, "low-income households," "very low-income households," "very, very low-income households" and "affordable housing" have the meanings set forth in Section 3 of the Illinois Affordable Housing Act, 310 ILCS 65/3. These statutory terms have the following meanings:

- a. "low-income households" means a single-person, family or unrelated persons living together whose adjusted income is more than 50 percent but less than 80 percent of the median income of the area of residence, adjusted for family size, as such adjusted income and median income are determined from time to time by the United States Department of Housing and Urban Development (HUD) for purposes of Section 8 of the United States Housing Act of 1937;
- b. "very low-income households" means a single-person, family or unrelated persons living together whose adjusted income is not more than 50 percent of the median income of the area of residence, adjusted for family size, as so determined by HUD;
- c. "very, very low-income households" means a single-person, family or unrelated persons living together whose adjusted income is not more than 30 percent of the median income of the area of residence, adjusted for family size, as so determined by HUD; and
- d. "affordable housing" means residential housing that, so long as the same is occupied by low-income households or very low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than 30 percent of the maximum allowable income for such households, as applicable.

In order to estimate the number of moderate-, low-, very low- and very, very low-income households within the Project Area, ERS obtained demographic information from the Chicago Housing Authority. Based on the available information from the Chicago Housing Authority and the Income limits provided by Housing and Urban Development Agency (HUD) and the Illinois Housing Development Authority (IHDA). It is estimated that 100% of the households within the Project Area can be classified as very, very low-income. This information is summarized in *Table 7, Household Income*.

**Table 7**  
**HOUSEHOLD INCOME**

Income Category	Annual Income Range	% of Households	Number of Households
Very, Very, Low-Income	\$0-\$15,850	100%	191
Very Low Income	\$15,851 - \$26,400	0.0%	0
Low-Income	\$26,401 - \$39,550	0.0%	0
Moderate-Income	\$39,551 - \$52,800	0.0%	0
Above Moderate-Income	\$52,801 or above	0.0%	0
<b>TOTAL</b>		<b>100.0%</b>	<b>191</b>

Source: HUD, IHDA, and CHA.

As described above, the estimates of the total number of moderate-, low-, very low- and very, very low-income households within the Project Area collectively represent 100% of the total inhabited units, and the number of households in the low-income categories collectively represent 100% of the total inhabited units. Therefore, replacement housing for any displaced households over the course of the 23-year life of the 35<sup>th</sup>/State Redevelopment Project Area should be affordable at these income levels. It should be noted that these income levels are likely to change over the 23-year life of the Project Area as both median income and income levels within the Project Area change.

## 10. PROVISIONS FOR AMENDING THE PLAN

The Plan may be amended pursuant to the provisions of the Act.

## 11. CITY OF CHICAGO COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION

The City is committed to and will affirmatively implement the following principles with respect to this Plan:

1. The assurance of equal opportunity in all personnel and employment actions, with respect to the Redevelopment Project, including but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status.

2. Redevelopers must meet the City of Chicago's standards for participation of 25 percent Minority Business Enterprises and 5 percent Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.
3. This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
4. Redevelopers will meet City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

The City shall have the right in its sole discretion to exempt certain small business, residential property owners and developers from the above.

[Appendix "A" -- Figure 1 referred to in this 35<sup>th</sup>/State Tax Increment Financing Redevelopment Plan and Project constitutes Exhibit "E" to the ordinance and is printed on page 17119 of this *Journal*.]

[Appendix "A" -- Figures 2, 3, 4, 5, 6 and 7 referred to in this 35<sup>th</sup>/State Tax Increment Financing Redevelopment Plan and Project printed on pages 17078 through 17083 of this *Journal*.]

[Appendix "B" referred to in this 35<sup>th</sup>/State Tax Increment Financing Redevelopment Plan and Project constitutes Exhibit "C" to the ordinance and is printed on pages 17116 through 17118 of this *Journal*.]

Appendix "A" -- Table 8 and Appendices "C", "D" and "E" referred to in this 35<sup>th</sup>/State Tax Increment Financing Redevelopment Plan and Project read as follows:

*Appendix "A" -- Table 8.  
(To 35<sup>th</sup>/State Tax Increment Financing  
Redevelopment Plan And Project)*

*Land Acquisition By Parcel  
Identification Number  
And Address.*

The following list of parcels represents those parcels identified for acquisition on the Acquisition Map of this Plan:

Properties To Be Acquired Under This Plan.				
Permanent Index Number	Street Address	City	State	Zip Code
17-33-420-024	3800 South Dearborn Street	Chicago	Illinois	60609
17-33-420-025	3804 South Dearborn Street	Chicago	Illinois	60609
17-33-420-026	3806 South Dearborn Street	Chicago	Illinois	60609

*Appendix "C".*  
(To 35<sup>th</sup>/State Redevelopment Plan And Project)

*Eligibility Study.*

The purpose of this study is to determine whether a portion of the City of Chicago identified as the 35<sup>th</sup>/State Redevelopment Project Area qualifies for designation as a tax increment financing district within the definitions set forth under 65 ILCS 5/11-74.4 contained in the "Tax Increment Allocation Redevelopment Act" (65 ILCS 5/11-74.4-1 *et seq.*), as amended. This legislation focuses on the elimination of blighted or rapidly deteriorating areas through the implementation of a redevelopment plan. The Act authorizes the use of tax increment revenues derived in a project area for the payment or reimbursement of eligible redevelopment project costs.

The area proposed for designation as the 35<sup>th</sup>/State Redevelopment Project Area, hereinafter referred to as the "Study Area," is shown in *Figure A, Study Area Boundary Map*. The Study Area is approximately 91.2 acres in size and includes 122 tax parcels. The Study Area includes approximately 33.5 acres of land devoted to public and railroad rights-of-way. One tax parcel (17-33-502-001) is devoted to active rail right-of-way. The Study Area also includes 99 tax parcels on four tax blocks that contain Dan Ryan right-of-way and a relocated LaSalle Street. Although these parcels are clearly devoted to transportation use, they were never replatted by Cook County to delineate the public right-of-way as it presently exists.

Improved property within the Study Area totals 26.2 acres on nine tax blocks. Of the 14 improved tax parcels, 12 contain buildings and two contain park improvements. There are a total of 16 buildings within the improved portions of the Study Area.

There are eight vacant parcels within the Study Area found on five tax blocks. Vacant land accounts for 31.5 acres within the Study Area.

This study summarizes the analyses and findings of the consultant's work, which, unless otherwise noted, is solely the responsibility of Ernest R. Sawyer Enterprises, Inc. and its sub-consultants and does not necessarily reflect the views and opinions of potential developers or the City of Chicago. Ernest R. Sawyer Enterprises, Inc. has prepared this report with the understanding that the City would rely 1) on the findings and conclusions of this report in proceeding with the designation of the Study Area as a redevelopment project area under the Act, and 2) on the fact that Ernest R. Sawyer Enterprises, Inc. has obtained the necessary information to conclude that the Study Area can be designated as a redevelopment project area in compliance with the Act.



## 1. INTRODUCTION

The Tax Increment Allocation Redevelopment Act (the "Act") permits municipalities to induce redevelopment of eligible "blighted," "conservation" or "industrial park conservation areas" in accordance with an adopted redevelopment plan. The Act stipulates specific procedures, which must be adhered to, in designating a redevelopment project area. One of those procedures is the determination that the area meets the statutory eligibility requirements. Under 65 ILCS 5/11-74.4-3(p), the Act defines a "redevelopment project area" as:

"... an area designated by the municipality, which is not less in the aggregate than 1-1/2 acres, and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area, conservation area or industrial park conservation area, or combination of both blighted and conservation areas."

In adopting the Act, the Illinois State Legislature found that:

1. ...there exists in many municipalities within this State blighted, conservation and industrial park conversation areas...(at 65 ILCS 5/11-74.4-2(a)); and
2. ...the eradication of blighted areas and treatment and improvement of conservation areas by redevelopment projects is hereby declared to be essential to the public interest (at 65 ILCS 5/11-74.4-2(b)).

The legislative findings were made on the basis that the presence of blight, or conditions that lead to blight, is detrimental to the safety, health, welfare and morals of the public. The Act specifies certain requirements, which must be met, before a municipality may proceed with implementing a redevelopment project in order to ensure that the exercise of these powers is proper and in the public interest.

Before the tax increment financing ("TIF") technique can be used, the municipality must first determine that the proposed redevelopment area qualifies for designation as a "blighted area," "conservation area," or "industrial park conservation area." Based on the conditions present, this Eligibility Study (the "Study") finds that the Study Area qualifies for designation as a blighted area, both with respect to its improved area and with respect to its vacant area.

### **Blighted Areas**

If the property under consideration is improved, a combination of five or more of the following factors must be present for designation as a blighted area, as more fully discussed in Section 74.4-3(a)(1) of the Act:

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Presence of structures below minimum code standards

5. Illegal use of individual structures
6. Excessive vacancies
7. Lack of ventilation, light or sanitary facilities
8. Inadequate utilities
9. Excessive land coverage and overcrowding of structures and community facilities
10. Deleterious land use or layout
11. Environmental clean-up requirements
12. Lack of community planning
13. Stagnant or declining equalized assessed value

If the property consists of vacant land, a combination of two or more of the following factors qualifies the area as blighted, all as more fully discussed in Section 74.4-3(a)(2) of the Act (the "Vacant Blighted Area Option A Factors"):

1. Obsolete platting of vacant land
2. Diversity of ownership of vacant land
3. Tax or special assessment delinquencies on such land
4. Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land
5. Environmental clean-up requirements
6. Stagnant or declining equalized assessed value

Vacant land may also qualify as blighted if any one of the following factors is present, all as more fully described in Section 74.4-3(a)(3) of the Act (the "Vacant Blighted Area Option B Factors"):

1. The area consists of one or more unused quarries, mines or strip mine ponds;
2. The area consists of unused rail yards, tracks or rights-of-way;
3. The area is subject to flooding as certified by a registered professional engineer or appropriate regulatory agency;
4. The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation or dredge sites;
5. The area is between 50 to 100 acres, 75 percent vacant, shows deleterious qualities and was designated as a town center before 1982, but not developed for that purpose;
6. The area qualified as blighted immediately before it became vacant.

The Act defines blighted areas and recent amendments to the Act also provide guidance as to when the factors present qualify an area for such designation. Where any of the factors defined in the Act are found to be present in the Study Area, they must be: 1) documented to be present to a meaningful extent so that the municipality may reasonably find that the factor is clearly present within the intent of the Act; and 2) reasonably distributed throughout the vacant or improved part of the Study Area, as applicable, to which such factor pertains.

The test of eligibility of the Study Area is based on the conditions of the area as a whole. The Act does not require that eligibility be established for each and every property in the Study Area.

## 2. ELIGIBILITY STUDIES AND ANALYSIS

An analysis was undertaken to determine whether any or all of the blighting factors listed in the Act are present in the Study Area, and if so, to what extent and in which locations.

In order to accomplish this evaluation the following tasks were undertaken:

1. Exterior survey of the condition and use of each building.
2. Field survey of environmental conditions involving parking facilities, public infrastructure, site access, fences and general property maintenance.
3. Analysis of existing land uses and their relationships.
4. Comparison of surveyed buildings to zoning regulations.
5. Analysis of the current platting, building size and layout.
6. Analysis of building floor area and site coverage.
7. Review of previously prepared plans, studies, inspection reports and other data.
8. Analysis of real estate assessment data.
9. Review of available building permit records to determine the level of development activity in the area.
10. Review of building code violations

The exterior building condition survey and site conditions survey of the Study Area were undertaken between April 11, 2003 and April 24, 2003. The analysis of site conditions was organized by tax block as shown in *Figure C: Tax Block Map*, with the corresponding existing land use shown in *Figure D: Existing Land Use*.

Where a factor is described as being present to a *meaningful* extent, the factor is present with respect to a majority of the improved or vacant tax blocks in the Study Area, as applicable. The presence of such conditions has a major adverse impact or influence on adjacent and nearby property. A factor described as being present to a *minor* extent indicates that the factor is present, but that the distribution of impact of the condition is more limited, affecting fewer than 50% of the improved or vacant tax blocks, as applicable. A statement that the factor is *not present* indicates that either no information was available or that no evidence was documented as a result of the various surveys and analyses. Factors whose presence could not be determined with certainty were not considered in establishing eligibility.

Each factor identified in the Act for determining whether an area qualifies as a blighted area is discussed below and a conclusion is presented as to whether or not the factor is present in the Study Area to a degree sufficient to warrant its inclusion as a blighting factor in establishing the eligibility of the area as a blighted area under the Act. These findings describe the conditions that exist and the extent to which each factor is present.

### **3. PRESENCE AND DISTRIBUTION OF ELIGIBILITY FACTORS**

The Act establishes different eligibility factors for improved property versus vacant land. Property within the Study Area consists of a combination of improved property and vacant land. Three tax blocks within the Study Area consist entirely of public or railroad right-of-way not subject to private investment and have been excluded from the eligibility analysis which follows.

Improved property includes parcels that contain buildings, structures, parking or other physical improvements. Improved property may include single parcels or multiple parcels under single or common ownership. Landscaped yards, open space or other ancillary functions may also be classified as improved property for the purposes of the eligibility analysis if they are obviously accessory to an adjacent building (primary use). For the purpose of this analysis, Stateway Park, located on tax blocks 17-33-416 and 17-33-417, has been classified as improved property.

In order to establish the eligibility of a redevelopment project area under the improved "blighted area" criteria established in the Act, at least five of 13 eligibility factors must be meaningfully present and reasonably distributed throughout the Study Area with respect to improved property. For vacant land, either two Vacant Blighted Area Option A Factors or one Vacant Blighted Area Option B Factor must be meaningfully present and reasonably distributed with respect to the vacant land.

This eligibility study finds that the Study Area qualifies for designation as a combination of an improved blighted area and vacant blighted area under the criteria contained in the Act. The following seven qualifying factors for an improved blighted area are meaningfully present to a major extent and reasonably distributed within the improved portions of the Study Area:

1. Obsolescence
2. Deterioration
3. Presence of structures below minimum code standards
4. Inadequate utilities
5. Excessive land coverage or overcrowding of community facilities
6. Deleterious land use or layout
7. Lack of community planning

Two other qualifying factors for improved property are present to a minor extent within the Study Area. Dilapidation is present on two of the nine improved tax blocks. Excessive vacancies were found on four of the nine improved tax blocks.

The following five Vacant Blighted Area Option A Factors apply to the vacant land in the Study Area:

1. Obsolete platting
2. Diversity of ownership
3. Tax and special assessment delinquencies

4. Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land
5. Stagnant or declining EAV

Three of these factors are meaningfully present to a major extent, affecting each of the five vacant tax blocks. Two factors (diversity of ownership and tax and special assessment delinquencies) are present to a minor extent affecting only one tax block. Although these conditions affect only a small portion of the Study Area, the location of the affected tax parcels adversely impacts the redevelopment potential of a much larger portion of the Study Area.

In addition, the following Vacant Blighted Area Option B Factor is present with respect to vacant parcels on three of the five vacant tax blocks:

- The area qualified as blighted immediately before it became vacant

Vacant land that previously contained CHA buildings qualifies as blighted because it qualified as a blighted improved area immediately prior to becoming vacant by virtue of the presence of the following eligibility factors applicable to improved property:

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Presence of structures below minimum code standards
5. Excessive vacancies
6. Deleterious land use or layout
7. Lack of community planning
8. Deleterious land use or layout
9. Stagnant or declining equalized assessed value

The presence and distribution of eligibility factors related to the qualification of the Study Area for designation as a combination of an improved blighted area and a vacant blighted area are discussed below. The thirteen conditions that were analyzed with respect to the improved portion of the Study Area are presented in two sections: factors present within the Study Area and factors not found to be present or whose presence could not be determined. Following this discussion, the eligibility factors related to vacant land are discussed.

All of these factors are well distributed throughout the Study Area, as indicated in *Table C. Distribution of Blighting Factors*.

### **Improved Property**

Of the 14 tax blocks within the Study Area that are not exclusively devoted to rights-of-way, nine tax blocks, containing a total of 14 tax parcels were characterized as improved property.

## **Factors Present Within The Study Area**

### ***1. Dilapidation***

*As defined in the Act, "dilapidation" refers to an advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvement 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.*

This section summarizes the process used for assessing building conditions in the Study Area, the standards and criteria used for evaluation, and the findings as to the existence of dilapidation or deterioration of structures.

The building condition analysis is based on a thorough exterior inspection of the buildings and sites conducted by Ernest R. Sawyer Enterprises, Inc., in April, 2003. Structural deficiencies in building components and related environmental deficiencies in the Study Area were noted during the survey.

#### *Building Components Evaluated*

During the field survey, each component of the buildings in the Study Area was examined to determine whether it was in sound condition or had minor, major, or critical defects. Building components examined were of two types:

##### Primary Structural Components

These include the basic elements of any building: foundation walls, load-bearing walls and columns, roof, roof structures and facades.

##### Secondary Components

These are components generally added to the primary structural components and are necessary parts of the building, including exterior and interior stairs, windows and window units, doors and door units, interior walls, chimney, and gutters and downspouts.

Each primary and secondary component was evaluated separately as a basis for determining the overall condition of individual buildings. This evaluation considered the relative importance of specific components within a building and the effect that deficiencies in components will have on the remainder of the building.

#### *Building Component Classification*

The four categories used in classifying building components and systems and the criteria used in evaluating structural deficiencies are described below:

Sound

Building components that contain no defects, are adequately maintained, and require no treatment outside of normal ongoing maintenance.

Deficient – Requiring Minor Repair

Building components containing defects (loose or missing material or holes and cracks over a limited area), which often may be corrected through the course of normal maintenance. Minor defects have no real effect on either the primary or secondary components and the correction of such defects may be accomplished by the owner or occupants, such as tuckpointing masonry joints over a limited area or replacement of less complicated components. Minor defects are not considered in rating a building as structurally substandard.

Deficient – Requiring Major Repair

Building components that contain major defects over a widespread area that would be difficult to correct through normal maintenance. Buildings in the major deficient category would require replacement or rebuilding of components by people skilled in the building trades.

Critical

Building Components that contain major defects (bowing, sagging, or settling to any or all exterior components causing the structure to be out-of-plumb, or broken, loose or missing material and deterioration over a widespread area) so extensive that the cost of repair would be excessive.

*Final Building Rating*

After completion of the exterior-interior building condition survey, each structure was placed in one of three categories based on the combination of defects found in various primary and secondary building components. Each final rating is described below:

Sound

Sound buildings can be kept in a standard condition with normal maintenance. Buildings so classified have no minor defects.

Deficient

Deficient buildings contain defects that collectively are not easily correctable and cannot be accomplished in the course of normal maintenance. The classification of major or minor reflects the degree or extent of defects found during the survey of the building.

- Deficient-Minor

Buildings classified as “deficient – requiring minor repairs” have more than one minor defect, but no major defects.

- Deficient-Major

Buildings classified as "deficient – requiring major repairs" have at least one major defect in one of the primary components or in the combined secondary components, but less than one critical defect.

Substandard

Structurally substandard buildings contain defects that are so serious and so extensive that the building must be removed. Buildings classified as structurally substandard have two or more major defects.

Minor deficient and major deficient buildings are considered to be the same as deteriorating buildings as referenced in the Act. Substandard buildings are the same as dilapidated buildings. The words building and structure are presumed on the exterior survey.

*Conclusion: Dilapidation was found to be present within the Study Area to a major extent on two tax blocks (blocks 17-33- 407 and 17-33-408). However, because dilapidation affected fewer than 50% of the improved tax blocks, this condition was found to be present to a minor extent within the Study Area overall.*

**2. Obsolescence**

*As defined in the Act, "obsolescence" refers to the condition or process of falling into disuse. Structures have become ill suited for the original use.*

In making findings with respect to buildings, it is important to distinguish between *functional obsolescence* which relates to the physical utility of a structure, and *economic obsolescence* which relates to a property's ability to compete in the marketplace.

Functional Obsolescence

Historically, structures have been built for specific uses or purposes. The design, location, height, and space arrangement are intended for a specific occupant at a given time. Buildings become obsolete when they contain characteristics or deficiencies which limit their use and marketability after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, the improper orientation of the building on its site, etc., which detracts from the overall usefulness or desirability of a property.

Economic Obsolescence

Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and depreciation in market values.

If functionally obsolete properties are not periodically improved or rehabilitated, or economically obsolete properties are not converted to higher and better uses, the income and value of the property erodes over time. This value erosion leads to deferred maintenance, deterioration, and excessive vacancies. These manifestations of obsolescence then begin to have



an overall blighting influence on surrounding properties and detract from the economic vitality of the overall area.

Obsolescence as a factor should be based upon the documented presence and reasonable distribution of buildings evidencing such obsolescence.

Obsolete buildings contain characteristics or deficiencies that limit their long-term sound use or re-use. Obsolescence in such buildings is typically difficult and expensive to correct. Obsolete building types have an adverse affect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

Obsolescence is present in the two Stateway Gardens high rises and the IIT buildings. The CHA and IIT buildings are obsolete with limited amenities, outdated plumbing, electrical and heating systems, lack of energy efficiency based on inadequate insulation and single pane window walls and a lack of provisions for American Disability Act (ADA) accessibility, all of which would require major renovation to update these structures. Estimates to renovate the CHA high-rise residential buildings are close to \$30 million per building. The Stateway Gardens development was constructed between 1955 and 1958, and has not been substantially improved or rehabilitated. IIT buildings were constructed in 1951 and expanded in 1959 and are impacted by similar obsolete characteristics.

A block in which more than 20% of the buildings or sites are obsolete is indicated as characterized by the presence of obsolescence to a major extent. A block in which less than 20% of the buildings or sites are obsolete is indicated as characterized by the presence of obsolescence to a minor extent.

*Conclusion: Obsolescence is present to a meaningful extent, affecting buildings on six of the nine improved tax blocks to a major extent and buildings on one improved tax block to a minor extent. Therefore, this factor is present to a meaningful extent and reasonably distributed throughout the Study Area.*

### **3. Deterioration**

*As defined in the Act, "deterioration" refers to, 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, 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.*

Based on the definition given by the Act, deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair.

Deterioration of streets and sidewalks is present along Federal Street, south of 35<sup>th</sup> Street, and Dearborn Street, north of 39<sup>th</sup> Street. The pavement is deteriorated and includes broken sections and potholes. Sidewalks contain broken, settled sections and broken or missing curbs. The plaza section above the basement level around the IIT Research Tower contains settled and broken sections that allow water penetration into the space below.

The analysis of building deterioration is based on the survey methodology and criteria described in the preceding discussion of "dilapidation." Each of the 16 buildings within the Study Area contains either minor or major deficiencies. Advanced deterioration, broken and/or missing components in the CHA buildings included fascias, door canopies, windows, doors, gutters and downspouts and peeling paint. The IIT buildings in blocks 17-33-220, 17-33-223 and 17-33-224 show presence of peeling paint on windows and broken concrete on the plaza of the tower building.

*Conclusion: Deterioration is present to a major extent in four of the nine improved tax blocks and to a minor extent in four other improved tax blocks. Therefore, the factor of deterioration is present to a meaningful extent and reasonably distributed throughout the Project Area, affecting eight of the nine improved tax blocks.*

#### **4. Presence of Structures Below Minimum Code Standards**

*As defined in the Act, the "presence of structures below minimum code standards" refers to 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.*

As referenced in the definition above, the principal purposes of governmental codes applicable to properties are to require buildings to be constructed in such a way as to sustain safety of loads expected from the type of occupancy; to be safe for occupancy against fire and similar hazards; and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code standards are characterized by defects or deficiencies that threaten health and safety.

Determination of the presence of structures below minimum code standards was based upon visible defects and advanced deterioration of building components from the exterior surveys. Data contained in the Chicago Housing Authority Plan for Transformation Stateway Gardens Redevelopment Plan was also reviewed.

City of Chicago Building Department records between 1998 and 2002 include code violations for both the IIT and CHA buildings within the Study Area. These code violations affect three of the of the 16 buildings that remain in the Study Area. Code violations were identified in buildings on two other tax blocks during the building condition survey conducted in April 2003. In conjunction with the CHA Demolition Applications and accompanying HUD Forms 52860 and 531, specific code violations cited by the City of Chicago include:

- Exposed wiring and loose electrical fixtures and outlets
- Broken windows, doors and frames
- Broken flooring
- Broken exterior balconies
- Missing plumbing fixtures, water leaks or lack of hot water in units
- Plaster damage from plumbing leaks, loose and cracked plaster
- Broken or missing exit signs or smoke detectors
- Interior garbage dumping, exposed debris in hallways
- Infestation of rodents and roaches

The factor is considered to be present to a major extent in a block if 20% or more of the buildings on a block are below minimum code standards. The factor is considered to be present to a minor extent on a block if fewer than 20% of the buildings are below minimum code standards.

*Conclusion: The factor of structures below minimum code standards is present to a major extent in five of the nine improved tax blocks. Therefore, the factor of structures below minimum code standards is present to a meaningful extent and reasonably distributed throughout the Study Area.*

##### **5. Excessive Vacancies**

*As defined in the Act, "excessive vacancies" refers to 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.*

Wide-spread vacancies of residential units within the Stateway Gardens high rises as well as within the IIT buildings were documented in consultants' field evaluations and documents received from CHA and IIT in April of 2003. There are two remaining residential towers in the CHA Stateway Gardens development. Of the 362 total units in the two remaining towers, only 191 are occupied.

According to detailed information received from HT staff, vacancies within their existing buildings are significant. The three-cluster building group fronting 35<sup>th</sup> Street contains vacant floor areas ranging from 100 percent (Chemical Research Building) to 33 percent. Within the four building group fronting State Street, vacant space varies from 28 to 60 percent. Four of the seven tax blocks containing buildings have excessive vacancies.

A block in which 20% or more of the buildings are partially or totally vacant is characterized by the presence of excessive vacancies to a major extent. A block where fewer than 20% of the buildings partially or totally vacant is characterized by the presence of excessive vacancies to a minor extent.

*Conclusion: Excessive vacancies, as a factor, is present to a major extent in four of the nine improved tax blocks within the Study Area. Therefore, while present, the factor of excessive vacancies is not considered present to a meaningful extent because it affects fewer than 50% of the improved tax blocks. Although present to a minor extent, this condition is reasonably distributed throughout the Study Area.*

#### **6. Inadequate Utilities**

*As defined in the Act, "inadequate utilities" refers to 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.*

According to reports received from the City's Department of Water and Sewers, existing sewers in the Study Area were installed between 1873 and 1881, an age of 121 to 129 years. Future replacement of the aging sewers will cost more than \$2 million. Some water mains are over 100 years of age and other water mains are approaching 100 years. Existing 6-inch lines need to be replaced with the minimum 8-inch ductile iron lines. The projected cost for replacement of existing water mains is estimated at \$1,167,500.

*Conclusion: Inadequate utilities, as a factor, is present to a meaningful extent and reasonably distributed throughout all portions of the Study Area.*

#### **7. Excessive Land Coverage or Overcrowding of Community Facilities**

*As defined in the Act, "excessive land coverage or overcrowding of community facilities" refers to 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.*

The improved portion of the Study Area consists of larger, super-block areas where local streets were vacated for the development of the southern portion of the IIT campus and the CHA Stateway Gardens public housing complex. This layout restricts accessibility to the area and prohibits accessibility within the interior of these blocks. A narrow strip of land with limited width along the rail line, the result of street closures, remains but houses two power plants and limited parking. The super block configuration created for the CHA housing developments and the IIT buildings lack proper interior street access for circulation, loading and parking. The existing block and limited street pattern of the area does not satisfy contemporary standards and limits potential for private development.

The IIT portion of the Study Area includes a group of three buildings on one block fronting 35<sup>th</sup> Street and a group of four buildings fronting State Street. These buildings occupy almost the entire block on which they are located. There is very limited vehicle access and parking on the interior of the building group fronting 35<sup>th</sup> Street and no vehicle access for parking, loading and service for the building group fronting State Street. Parking for these IIT structures is in a remote area, east of State Street and east of the "L" tracks.

The Stateway Gardens housing development originally consisted of 8 buildings containing 1,644 dwelling unit on 33 acres, or approximately 50 dwelling units per acre. Apart from the overcrowding of dwelling units within buildings, the high-rise structures are placed with only interior walkways for site access. There are no interior streets, parking or loading areas within the blocks where buildings are located. Current standards require a minimum of at least one parking space per dwelling unit. A narrow strip of surface parking exists along the Metra Rail Line which can accommodate approximately 30 cars and is insufficient for the number of units that remain in adjacent high-rise buildings and does not provide access to the interior for loading and service.

The Crispus Attucks Elementary School covers its entire site, with the building located on two tax parcels. The amount of space for the structure and the open space and related play areas around the school also prohibits proper access, loading and parking provisions comparable to current standards.

*Conclusion: Excessive land coverage and overcrowding of structures and community facilities is present to a major extent in seven improved tax and is reasonably distributed throughout the Project Area. Therefore, this factor is meaningfully present and reasonably distributed throughout the Study Area.*

#### **8. Deleterious Land Use or Layout**

*As defined in the Act, "deleterious land-use or layout" refers to 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.*

The present uses on the Stateway Gardens portion of the Study Area are incompatible in terms of configuration and location with the CHA's efforts to develop the area as a mixed income residential community. The central power plant, located on tax block 17-33-404, is one example of a use that is incompatible with the intended residential character of the portion of the Study Area located south of West 35<sup>th</sup> Street. Additionally, the present layout of the blocks is not conducive to redevelopment within the Study Area.

*Conclusion: The factor of deleterious land-use or layout is found to be present to a major extent in five of the nine improved tax blocks. Therefore, this factor is meaningfully present and reasonably distributed throughout the Study Area.*

### **9. Lack of Community Planning**

*As defined in the Act, "lack of community planning" means that 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 layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.*

The Study Area's block, parcel and street configuration, assembly of blocks for the placement of CHA and IIT buildings with a lack of interior vehicular access and sufficient off-street parking, are evidence of the absence of effective community planning. Although the development of Stateway Gardens and the IIT campus were the result of major redevelopment efforts following World War II, these planning approaches have been demonstrated to be flawed, especially with respect to the decision to concentrate the poor in high-rise public housing projects. The *Chicago Housing Authority Plan For Transformation Stateway Gardens Redevelopment Plan* recognizes the inadequacies of the current land use and community plan and will address these deficiencies accordingly.

Additionally, the Court decision in *Gautreaux vs. The CHA et al.* concluded in 1969, that the CHA program for locating public housing between 1949 and 1969 was flawed in that the CHA located new public housing projects only in poor and minority neighborhoods. As a result, the location and arrangement of high concentrations of public housing developments has proven to be evidence of ineffective community planning.

*Conclusion: Lack of community planning as a factor is present to a major extent, affecting the entire Study Area. Therefore, this factor is meaningfully present and reasonably distributed throughout the Study Area.*

### **Factors Found Not To Be Present Or Whose Presence Could Not Be Determined**

#### ***Illegal Use of Structures***

There is an illegal use of a structure when structures are used in violation of federal, state or local laws. Based on the surveys conducted, no structures in the Study Area are used illegally. *This factor was found not to be present within the Study Area.*

#### ***Lack of Ventilation, Light, or Sanitary Facilities***

As defined in the Act, "lack of ventilation, light, or sanitary facilities" refers to 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 or inadequacy 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.

*Conclusion: Conditions pertaining to a lack of ventilation, light, or sanitary facilities were not documented to an extent sufficient to warrant use of this factor to qualify the area as an improved blighted area.*

***Environmental Clean-Up***

*As defined in the Act, "environmental clean-up" means that 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.*

*Conclusion: No existing environmental surveys were found that identify sites within the Study Area as environmentally contaminated, nor were any such surveys conducted as part of this Study. Therefore, the presence of environmental contamination could not be determined.*

***Stagnant or Declining Equalized Assessed Value***

*As defined in the Act, this factor is present when the Study Area can be described by one of the following three conditions: 1) the total equalized assessed value ("EAV") has declined in three of the last five years; 2) the total EAV is increasing at an annual rate that is less than the balance of the municipality for three of the last five years; or 3) the total EAV is increasing at an annual rate that is less than the Consumer Price Index for all Urban Consumers for three of the last five years.*

*Table A, Comparative Increase in Equalized Assessed Value – Improved Property compares the annual change in EAV for improved property within the Study Area with the balance of the City. There is only one taxable improved tax parcel within the Study Area. This property is the owned by IIT. The portion of the building occupied by for-profit entities is assessed for property tax purposes. The fluctuation in EAVs is a reflection of the number of taxable uses located in the IIT buildings within the Study Area in a given year.*

**Table A**  
**COMPARATIVE INCREASE IN EQUALIZED ASSESSED VALUE - IMPROVED PROPERTY**

	2002	2001	2000*	1999	1998
Improved Property within the Study Area	\$3,708,892	\$3,708,892	\$3,571,281	\$5,079,914	\$1,632,054
	0%	3.85%	-29.70%	211.26%	1.44%
City of Chicago	7.98%	3.71%	14.50%	4.20%	1.70%

\*Reassessment years

Source: Cook County Tax Extension Office

*Conclusion: Stagnant or declining EAV was found to be present within the Study Area for only two of the last five years as shown in Table A, Comparative Increase in Equalized Assessed Value. Therefore, this factor is not present within the improved portion of the Study Area.*

**Summary Conclusions -- Improved Area**

On the basis of the above review of current conditions, the improved part of the Study Area meets the criteria for qualification as a blighted area. The Project Area exhibits the presence of nine of the 13 improved blighted area factors. Seven of these factors are meaningfully present and reasonably distributed throughout the Study area. Only five factors are required to qualify as a blighted area under the Act. Two factors are present to a more limited extent and were not used to qualify the Study Area as an improved blighted area.

**VACANT LAND**

Five tax blocks are classified as vacant land for purposes of this eligibility analysis. The vacant areas were previously occupied by six Stateway Gardens high-rise buildings demolished in 2001 and 2002 and a daycare center demolished in May 2003. Vacant land may qualify as a blighted area if any of two of the six Vacant Blighted Area Option A Factors exist or if any one of the Vacant Blighted Area Option B factors exist. The five vacant tax blocks include eight tax parcels. Each of the five vacant tax blocks within the Study Area meets the criteria required for designation as a "vacant blighted area" as set forth in the Act.

The vacant part of the Study Area satisfies three of the Vacant Blighted Area Option A Factors and one of the Vacant Blighted Area Option B Factors, thus qualifying under each of the blighted area tests.



### **Vacant Blighted Area Option A Factors**

Vacant areas within the Study Area may qualify for designation as part of a redevelopment project area, if the sound growth of the redevelopment project area is impaired by a combination of two of six factors listed in section 11-74.4-3(a)(2) of the Act, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains. These factors include:

#### **a. *Obsolete Platting***

This factor is present when the platting of vacant land results in parcels of limited or narrow size or configuration of parcels in irregular size or shape that would be difficult to develop on a planned basis, in a manner compatible with contemporary standards and requirements. Obsolete platting is also evident where there is a failure to create rights-of-way for streets or alleys or where public rights-of-way are of inadequate widths, or easements for public utilities have not been provided.

When the Stateway Gardens public housing was developed, the traditional lot and block structure of the original neighborhood was eliminated. In its place, superblocs were created and the underlying street grid was eliminated. Redevelopment of the Study Area as a mixed income residential community that includes single-family, townhouse and mid-rise multi-family building types cannot occur given the current platting of the vacant portions of the Study Area.

*This factor affects all five of the vacant tax blocks and is present to a major extent in the Study Area. Therefore, this factor is meaningfully present and reasonably distributed within the Study Area.*

#### **b. *Diversity of Ownership***

This factor is present when the number of owners of the vacant land is sufficient in number to retard or impede the assembly of land for development. *This factor affects one tax block with three small, strategically located parcels that will hinder the ability of the CHA and selected developer to redevelop the Stateway Gardens site. While present, this factor was not used to qualify the vacant part of the Study Area as a blighted vacant area under the Act.*

#### **c. *Tax and Special Assessment Delinquencies***

This factor exists when tax or special assessment delinquencies exist or the vacant land has been the subject of tax sales under the property tax code within the last five years. *This condition applies to two tax parcels located on one tax block. This factor is present to a minor extent within the Study Area and is not present to a degree that is sufficient to qualify the vacant portions of the Study Area as a blighted vacant area under the Act.*

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

Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land includes the improved areas as described in the previous sections. The criteria used for evaluating the deterioration of structures and site improvements in neighboring areas is presented in greater detail elsewhere in the Eligibility Study.

The improved part of the Study Area is adjacent to the vacant portion of the Study Area. As described previously in this report, deterioration is present to a meaningful degree in the improved portion of the Study Area. The factor of deterioration of structures or site improvements in neighboring areas adjacent to the vacant land is present to a meaningful extent and impacts all of the vacant tax blocks.

*Conclusion: Deterioration of structures or site improvements in neighboring areas adjacent to the vacant area impacts each of the five vacant tax blocks to a major extent and is therefore present to a meaningful extent and reasonably distributed throughout the vacant parts of the Study Area.*

**e. Declining or Lagging EAV**

*As defined in the Act, a "declining or lagging equalized assessed valuation" means that the total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years prior to the year in which the redevelopment project is designated or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 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 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.*

Collectively, the vacant portion of the Study Area experienced a growth rate in EAV that lagged behind the growth rate for the balance of the City in four of the last five years and actually declined in one of those years. *Table B, Comparative Increase in Equalized Assessed Value – Vacant Land* presents the percent change in EAV by year for the vacant portion of the Study Area and the rate of growth in EAV for the balance of the City.

**Table B  
COMPARATIVE INCREASE IN EQUALIZED ASSESSED VALUE – VACANT LAND**

	2002	2001	2000	1999	1998
Vacant Land within the Study Area	\$13,524	\$12,635	\$12,180	\$12,329	\$11,941
	7.04%	3.88%	-1.21%	3.25%	1.44%
City of Chicago	7.98%	3.71%	14.50%	4.20%	1.77%

\*Reassessment years

Source: Cook County Tax Extension Office

*Conclusion: The vacant portion of the Study Area satisfies the definition contained in the Act with respect to stagnant or declining EAV for four of the past five years. Therefore, this factor is meaningfully present and reasonably distributed throughout the Study Area.*

**f. Environmental Clean-Up**

*As defined in the Act, "environmental clean-up" means that 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.*

*Conclusion: No existing environmental surveys were found that identify sites within the Study Area as environmentally contaminated, nor were any such surveys conducted as part of this Study. Therefore, this factor was not found to be present within the Study Area.*

**Blighted Vacant Area Option B Factors**

Vacant areas within the Study Area may also qualify for designation as part of a redevelopment project area, if the sound growth of the redevelopment project area is impaired by one of six other factors listed in section 11-74.4-3(a)(3) of the Act, that (i) is present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains. The only factor that is present is defined in the Act as follows:

*The area qualified as a blighted improved area immediately prior to becoming vacant and there has not been substantial private investment in the immediately surrounding area.*

When it was originally built during the period 1955 to 1958, the Stateway Gardens development included eight high-rise buildings located between State and Federal Streets, from 35<sup>th</sup> Street to Pershing Road. Four of the eight buildings were demolished in 2001 and early 2002 as part of *Chicago Housing Authority Plan for Transformation Stateway Gardens Redevelopment Plan*. More recently, in November 2002, one more CHA high-rise building (3542-44 South State Street) was demolished. Building conditions in the first four CHA buildings prior to their demolition were documented in the *Request for Approval of Demolition of One High-Rise Building within the STATEWAY GARDENS (IL2-22)* and *Request for Approval for the Demolition of 3 High-Rise Buildings within the STATEWAY GARDENS (IL2-22)* (collectively referred to as "CHA Demolition Applications"), which were submitted to the U.S. Department of

Housing and Urban Development, March 14, 2000 and May 19, 2000, respectively. Conditions in the fifth building at 3543-44 South State, demolished in November 2002, were documented by field surveys taken by Trkla, Pettigrew, Allen & Payne, Inc. in October and November of 2002 and by S.B. Friedman & Company in August and June of 2002 (collectively referred to as "Consultants field surveys"). All of the aforementioned was reviewed and field surveys were updated in April 2003 by Ernest R. Sawyer Enterprises, Inc. The problem conditions documented in the CHA Demolition Applications and the Consultants field surveys are the basis by which it has been determined that the area qualified as a blighted improved area immediately prior to becoming vacant.

Using the definitions for an improved blighted area as stated in the Act, presented below is a summary evaluation of the eight improved blighted area factors that were present with respect to the three vacant tax blocks that previously contained CHA buildings before becoming vacant..

- a. **Obsolescence** - The CHA Demolition Applications cited a number of obsolete systems by today's standards including the central heating system, the electrical service, which required an upgrade in order to comply with City of Chicago Building Code; and dwelling units, common areas and elevators, which required upgrades to meet current ADA codes. In addition, a majority of all units in each building required comprehensive modernization.
- b. **Deterioration** - Both building and site deterioration were present prior to demolition and cited in the CHA Demolition Applications. The buildings exhibited concrete spalling and cracking of the exterior walls, stairwells, and open gallery areas.
- c. **Presence of structures below minimum code standards** - Prior to demolition each of the buildings had received one or more building code violations. The CHA Demolition Applications indicates that the one building had been cited for 29 building code violations by the City of Chicago and a second had been cited for 23. Building code violations ranged from missing doors, interior repairs, and lighting repairs to rodent and insect infestation, plumbing and sewage problems, and exterior wall, floor and balcony repairs. Three of the five building had been remanded to housing court in 1997 for failure to correct code violations. Between 1987 and 1997 nearly every building on site appeared before the City of Chicago Housing Court for code violations.
- d. **Excessive vacancies** - At the time of the CHA Demolition Applications in the spring of 2000, 59.6% of the units in four of the five buildings had been vacant for 12 or more months. CHA documents from 1997 indicated an overall vacancy rate for Stateway Gardens as 28.7%.
- e. **Inadequate utilities** - Based on reports provided by the City of Chicago's Water and Sewer Departments, a number of utilities within the vacant areas, in addition to the remaining Project Area, are aging or inadequate. This includes sewers that were built between 1873 and 1881, water mains that are over 100 years of age and others that are approaching 100 years.

Existing 6-inch water lines are of insufficient capacity and need to be replaced with the minimum 8-inch ductile iron lines.

**f. Excessive Land Coverage and Overcrowding** – The site design and high density of the Stateway Gardens development have contributed to the physical, social and economic isolation of residents which has been cited in the CHA Demolition Applications as having “an imminent threat to the health and safety of not only the public housing residents but the surrounding community as well.” Stateway Gardens were developed at a density of 50.3 units per acre. In addition to the high density, the development lacked through streets and was physically isolated by the IIT Campus on the north the expressway on the west and the Robert Taylor Homes on the south. Because of its physical isolation from the rest of the community, Stateway Gardens became a haven for crime. The placement of the high-rise buildings and excessive site coverage did not permit sufficient off-street parking for residents or close-in access for loading, servicing or delivery.

**g. Lack of Community Planning** – As evidenced in the Gautreaux decision in 1969, the CHA program for locating public housing between 1949 and 1969 was flawed in that the CHA located new public housing projects only in poor and minority neighborhoods. The CHA Plan for Transformation Proposes to address this deficiency by developing mixed income neighborhood housing types.

**h. Stagnant or Declining Equalized Assessed Value**

This factor is present when the Study Area can be described by one of the following three conditions: 1) the total equalized assessed value (“EAV”) has declined in three of the last five years; 2) the total EAV is increasing at an annual rate that is less than the balance of the municipality for three of the last five years; or 3) the total EAV is increasing at an annual rate that is less than the Consumer Price Index for all Urban Consumers for three of the last five years.

*Stagnant or declining EAV was found to be present with respect to vacant land within the Study Area to a major extent. A stagnant or declining EAV is indicative of economic and functional obsolescence. This condition relates to the lack of growth and private investment in an area resulting in economic and physical decline. Table B, Comparative Increase in Equalized Assessed Value, shows that the EAV for the Study Area declined for one of the past five years and increased at a slower rate than the balance of the City in three other tax years.*

**Lack of Investment in Surrounding Area** – The eligibility criterion under which “the area qualified as a blighted improved area immediately prior to becoming vacant” cannot be used if there has been substantial private investment in the immediately surrounding area. Publicly owned properties border the vacant areas on the south and west, IIT properties are located to the north, and privately and publicly held land is located to the east. There have been no building or repair permits issued for the properties immediately east of the vacant areas and only one of the three IIT buildings has received private investment or improvements in the last five years. It is therefore determined that substantial private investment has not occurred in the immediately

**Table C:  
DISTRIBUTION OF BLIGHTING FACTORS**

Improved Tax Blocks	Improved Property Eligibility Factors												
	("X": factor present to major extent; "*" : Factor present to minor extent)												
Tax Block	1	2	3	4	5	6	7	8	9	10	11	12	13
17-33-219*													
17-33-220		X	*			X		X	X			X	
17-33-223		X	*					X	X			X	
17-33-224		*	*	X		X		X	X			X	
17-33-404		X	X	X				X		X		X	
17-33-407	X	X	X	X		X		X	X	X		X	
17-33-408	X	X	X	X		X		X	X	X		X	
17-33-416		X		X				X	X	X		X	
17-33-417			X					X		X		X	
17-33-418*													
17-33-421			*					X	X			X	
17-33-502*													

\* - These blocks are comprised solely of railroad or highway right-of-way not subject to private investment and were, therefore, not analyzed as part of the Eligibility Study.

<b>Total: Major Presence</b>	2	6	4	5	0	4	0	9	7	5	0	9	0
<b>Total: Minor Presence</b>	0	1	4	0	0	0	0	0	0	0	0	0	0
<b>Legend of Eligibility Factors- Improved Property</b>													
1	Dilapidation												
2	Obsolescence												
3	Deterioration												
4	Presence of structures below minimum code standards												
5	Illegal use of structures												
6	Excessive vacancies												
7	Lack of ventilation, light or sanitary facilities												
8	Inadequate utilities												
9	Excessive land coverage or overcrowding of community facilities												
10	Deleterious land use or layout												
11	Environmental contamination												
12	Lack of community planning												
13	Stagnant or declining EAV												

**Table C: (Continued)**  
**DISTRIBUTION OF BLIGHTING FACTORS**

Vacant Tax Blocks	Vacant Land Eligibility Factors										
	("X": factor present to major extent; ""; factor present to minor extent)										
Tax Block	A	B	C	D	E	F	G	H	I	J	K
17-33-405	X			X		X					X
17-33-406	X			X		X					X
17-33-415	X			X		X					
17-33-419	X			X		X					
17-33-420	X	X	X	X		X					X
<b>Total: Major Presence</b>	5	1	1	5	0	5	0	0	0	0	3
<b>Total: Minor Presence</b>	0	0	0	0	0	0	0	0	0	0	0

<b>Legend of Eligibility Factors - Vacant Land</b>	
<b>A</b>	Obsolete platting
<b>B</b>	Diversity of ownership
<b>C</b>	Tax and special assessment delinquencies
<b>D</b>	Deterioration of structure or site improvements in areas adjacent to vacant land
<b>E</b>	Environmental contamination
<b>F</b>	Stagnant or declining equalized assessed valuation
<b>G</b>	Unused quarries, mines or strip ponds
<b>H</b>	Unused rail yards, rail tracks or railroad right-of-ways
<b>I</b>	Subject to chronic flooding as certified by registered engineer or regulatory agency
<b>J</b>	Unused or illegal disposal site
<b>K</b>	Blighted before becoming vacant

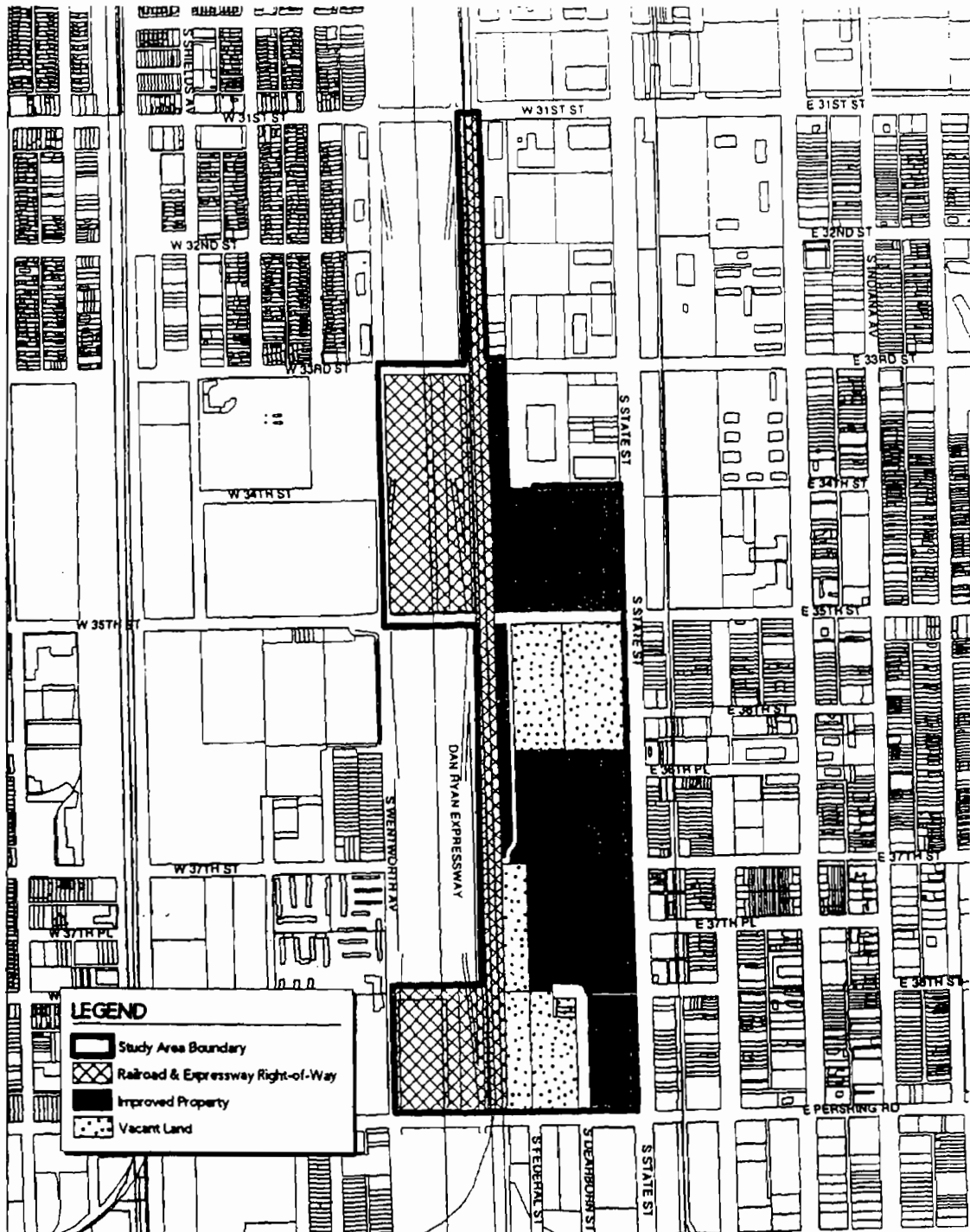
[Figure "A" referred to in this 35<sup>th</sup>/State Redevelopment Plan and Project Area Eligibility Study constitutes Exhibit "E" to the ordinance and is printed on page 17119 of this *Journal*.]

[Figure "D" referred to in this 35<sup>th</sup>/State Redevelopment Plan and Project Area Eligibility Study constitutes Appendix "A" -- Figure 2 to the ordinance and is printed on page 17078 of this *Journal*.]

[Figures "B" and "C" referred to in this 35<sup>th</sup>/State Redevelopment Plan and Project Area Eligibility Study printed on pages 17074 through 17075 of this *Journal*.]

Appendix "C" -- Figure "B".  
(To 35<sup>th</sup>/State Redevelopment Plan And Project)

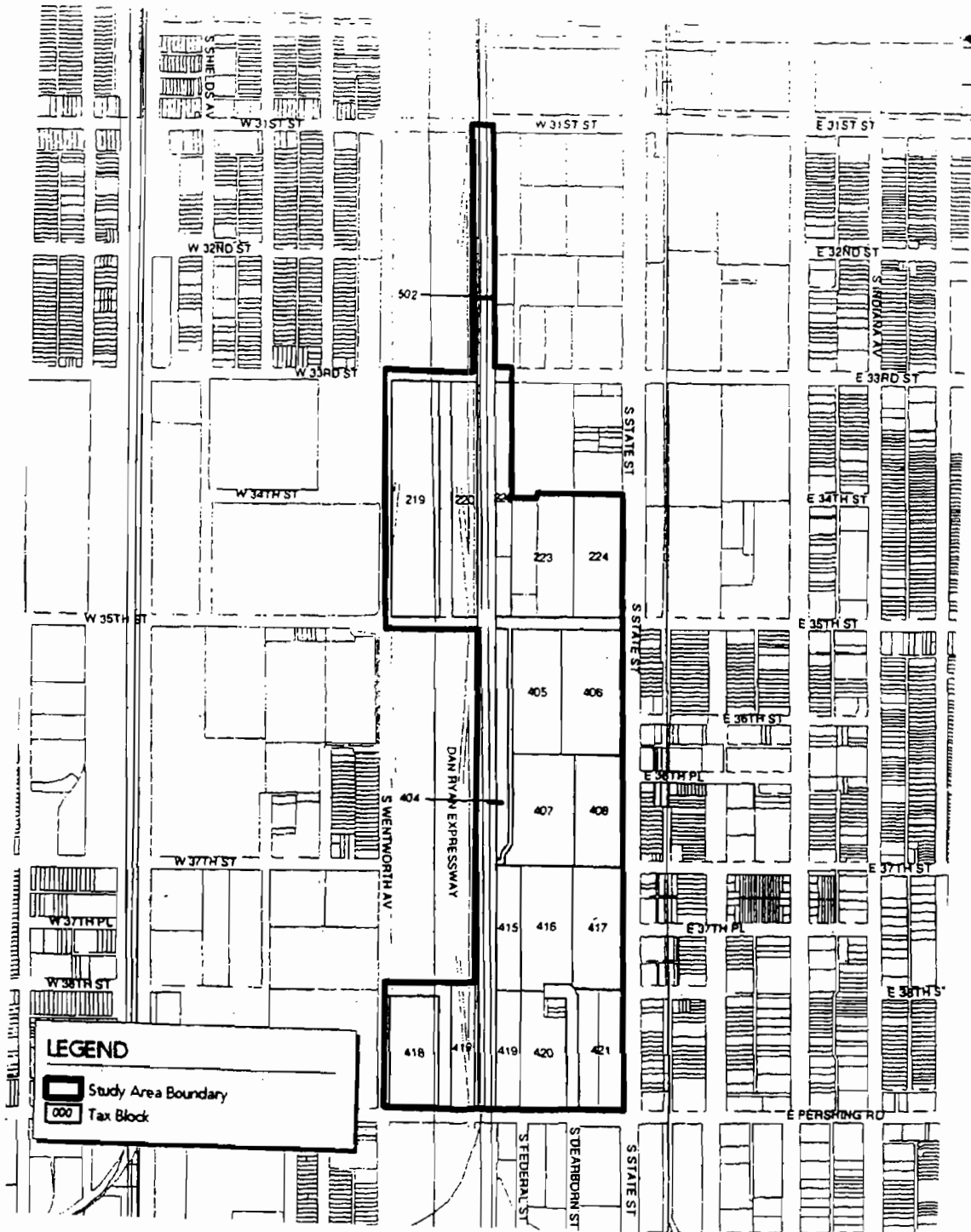
Property Type.





Appendix "C" -- Figure "C".  
(To 35<sup>th</sup>/State Redevelopment Plan And Project)

Tax Block Map.



*Appendix "D".*(To 35<sup>th</sup>/State Redevelopment Plan And Project)*Initial Equalized Assessed Value.*

(Page 1 of 2)

#	PIN NO.	2002 EAV	#	PIN NO	2002 EAV
1	17-33-219-001	Exempt	31	17-33-220-018	Exempt
2	17-33-219-002	Exempt	32	17-33-223-020	Exempt
3	17-33-219-003	Exempt	33	17-33-223-038	Exempt
4	17-33-219-004	Exempt	34	17-33-223-039	Exempt
5	17-33-219-005	Exempt	35	17-33-224-054	\$3,708,892
6	17-33-219-006	Exempt	36	17-33-404-101	Exempt
7	17-33-219-007	Exempt	37	17-33-405-050	Exempt
8	17-33-219-008	Exempt	38	17-33-406-050	Exempt
9	17-33-219-009	Exempt	39	17-33-407-059	Exempt
10	17-33-219-010	Exempt	40	17-33-408-048	Exempt
11	17-33-219-011	Exempt	41	17-33-415-045	Exempt
12	17-33-219-012	Exempt	42	17-33-416-048	Exempt
13	17-33-219-013	Exempt	43	17-33-417-048	Exempt
14	17-33-219-014	Exempt	44	17-33-418-001	Exempt
15	17-33-219-015	Exempt	45	17-33-418-002	Exempt
16	17-33-219-016	Exempt	46	17-33-418-003	Exempt
17	17-33-219-017	Exempt	47	17-33-418-004	Exempt
18	17-33-219-018	Exempt	48	17-33-418-005	Exempt
19	17-33-220-001	Exempt	49	17-33-418-006	Exempt
20	17-33-220-005	Exempt	50	17-33-418-007	Exempt
21	17-33-220-006	Exempt	51	17-33-418-008	Exempt
22	17-33-220-007	Exempt	52	17-33-418-009	Exempt
23	17-33-220-008	Exempt	53	17-33-418-010	Exempt
24	17-33-220-009	Exempt	54	17-33-418-011	Exempt
25	17-33-220-010	Exempt	55	17-33-418-012	Exempt
26	17-33-220-011	Exempt	56	17-33-418-013	Exempt
27	17-33-220-012	Exempt	57	17-33-418-014	Exempt
28	17-33-220-015	Exempt	58	17-33-418-015	Exempt
29	17-33-220-016	Exempt	59	17-33-418-016	Exempt
30	17-33-220-017	Exempt	60	17-33-418-017	Exempt

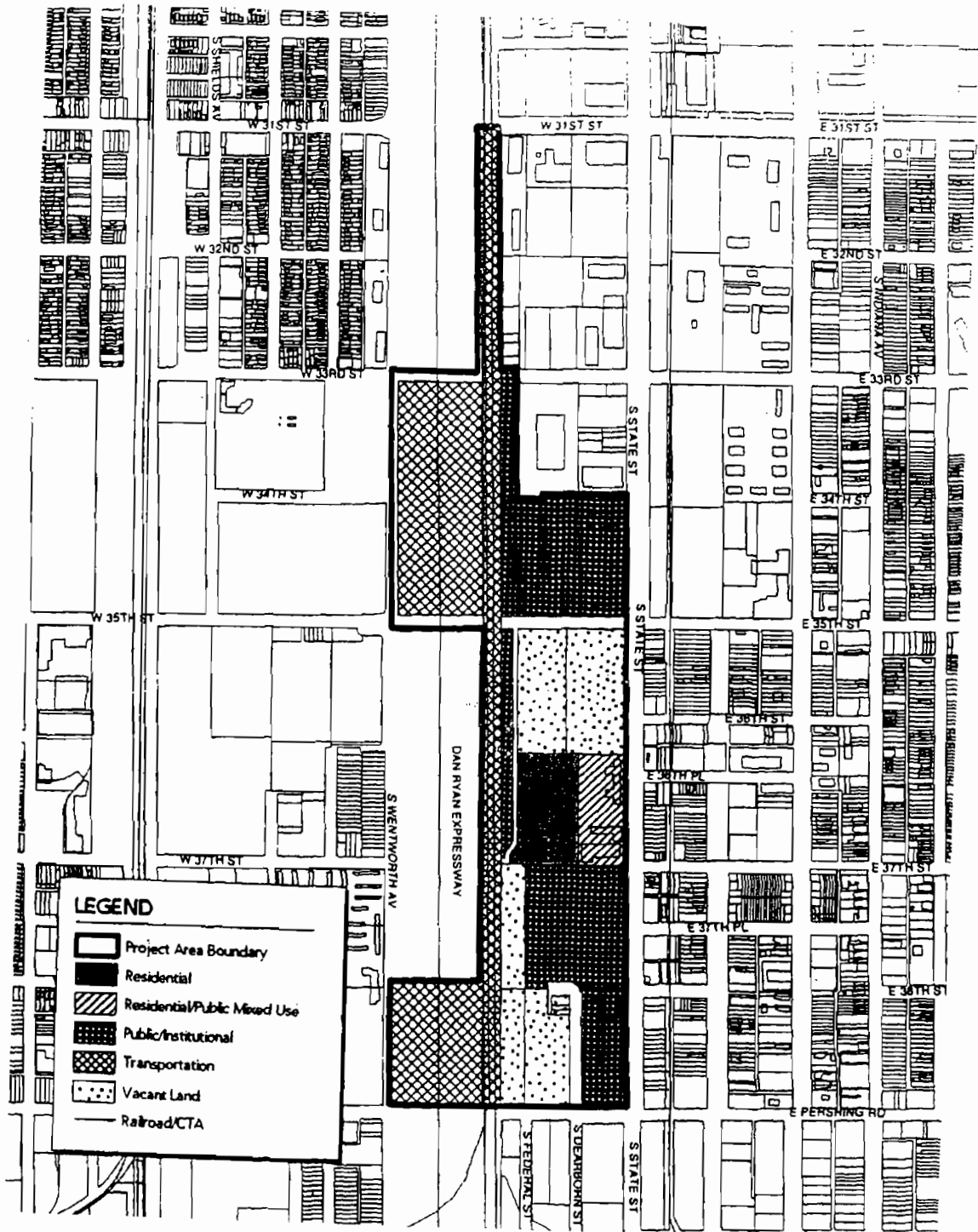
*Appendix "D".*  
(To 35<sup>th</sup>/State Redevelopment Plan And Project)

*Initial Equalized Assessed Value.*  
(Page 2 of 2)

#	PIN NO.	2002 EAV	#	PIN NO	2002 EAV
61	17-33-418-018	Exempt	91	17-33-419-005	Exempt
62	17-33-418-019	Exempt	92	17-33-419-006	Exempt
63	17-33-418-020	Exempt	93	17-33-419-007	Exempt
64	17-33-418-021	Exempt	94	17-33-419-008	Exempt
65	17-33-418-022	Exempt	95	17-33-419-009	Exempt
66	17-33-418-023	Exempt	96	17-33-419-010	Exempt
67	17-33-418-024	Exempt	97	17-33-419-011	Exempt
68	17-33-418-025	Exempt	98	17-33-419-012	Exempt
69	17-33-418-026	Exempt	99	17-33-419-013	Exempt
70	17-33-418-027	Exempt	100	17-33-419-014	Exempt
71	17-33-418-028	Exempt	101	17-33-419-015	Exempt
72	17-33-418-029	Exempt	102	17-33-419-016	Exempt
73	17-33-418-030	Exempt	103	17-33-419-017	Exempt
74	17-33-418-031	Exempt	105	17-33-419-019	Exempt
75	17-33-418-032	Exempt	106	17-33-419-020	Exempt
76	17-33-418-033	Exempt	107	17-33-419-021	Exempt
77	17-33-418-034	Exempt	108	17-33-419-022	Exempt
78	17-33-418-035	Exempt	109	17-33-419-023	Exempt
79	17-33-418-036	Exempt	110	17-33-419-024	Exempt
80	17-33-418-037	Exempt	111	17-33-419-025	Exempt
81	17-33-418-038	Exempt	112	17-33-419-026	Exempt
82	17-33-418-039	Exempt	113	17-33-419-050	Exempt
83	17-33-418-040	Exempt	114	17-33-419-051	Exempt
84	17-33-418-041	Exempt	115	17-33-419-052	Exempt
85	17-33-418-042	Exempt	116	17-33-420-024	\$8,473
86	17-33-418-043	Exempt	117	17-33-420-025	\$5,051
87	17-33-418-044	Exempt	118	17-33-420-026	Exempt
88	17-33-419-002	Exempt	119	17-33-420-049	Exempt
89	17-33-419-003	Exempt	120	17-33-421-047	Exempt
90	17-33-419-004	Exempt	121	17-33-421-048	Exempt
			122	17-33-502-001	Exempt

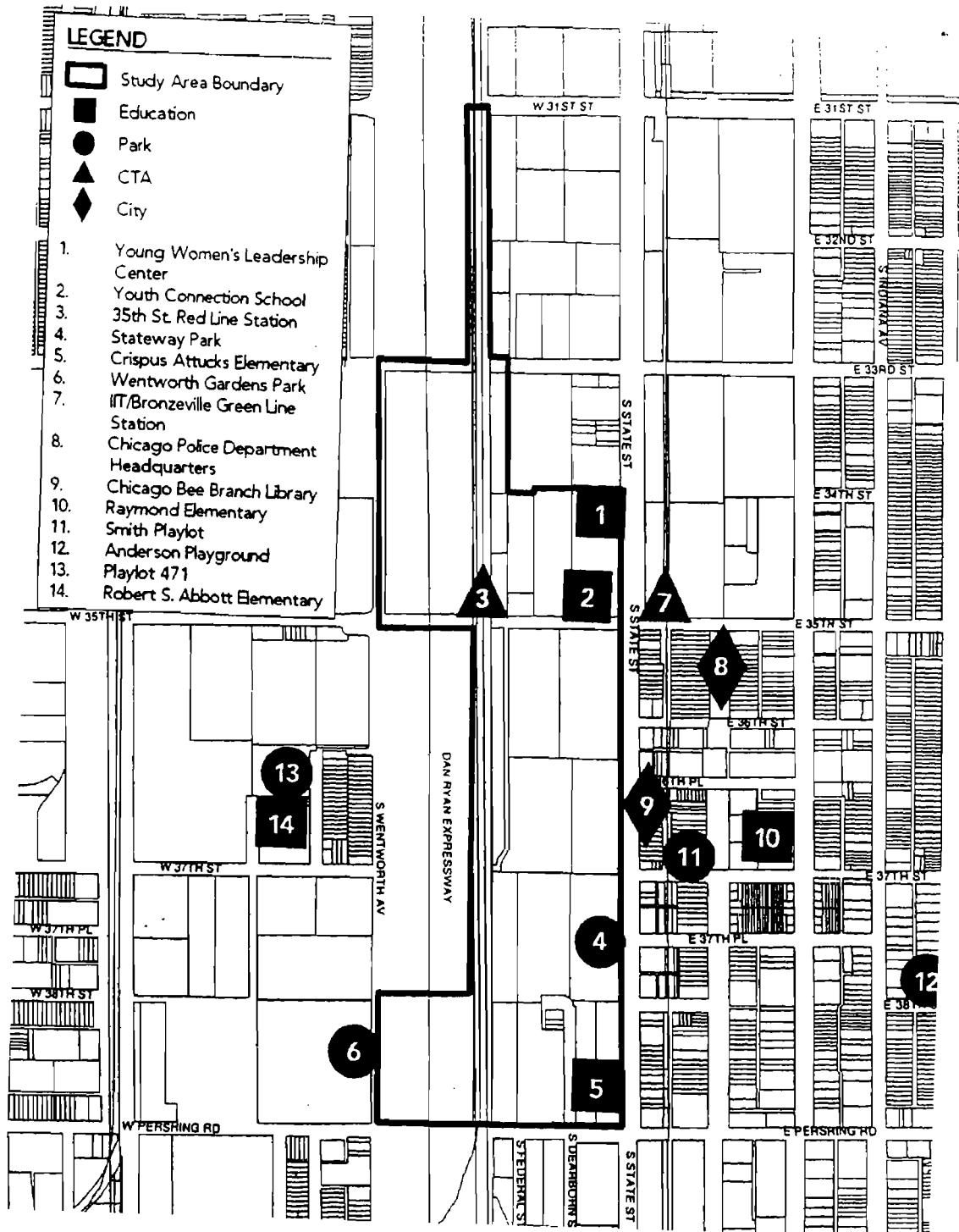
Appendix "A" -- Figure 2.  
(To 35<sup>th</sup>/State Redevelopment Plan And Project)

Existing Land-Use.



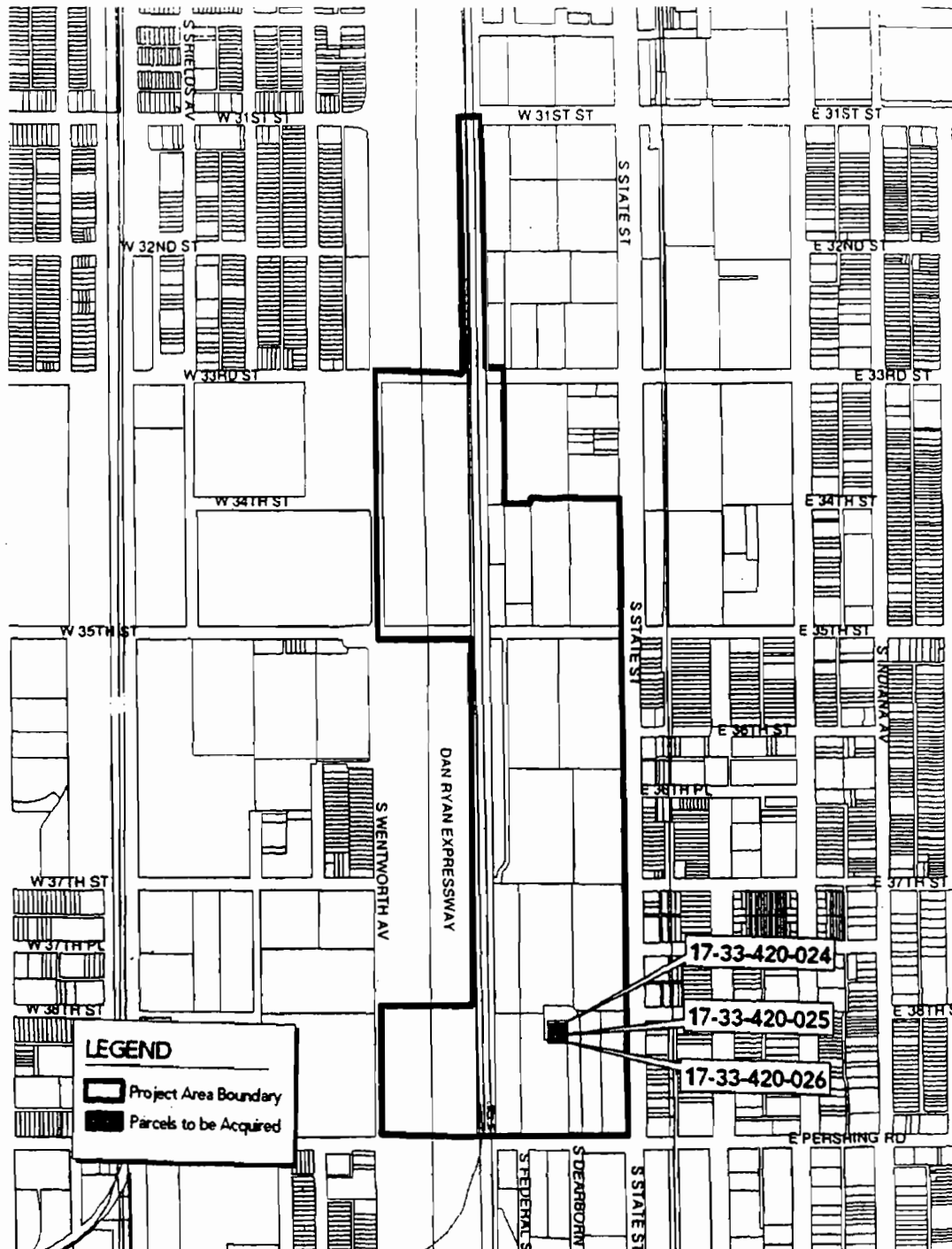
Appendix "A" -- Figure 3.  
(To 35<sup>th</sup>/State Redevelopment Plan And Project)

Community Facilities.



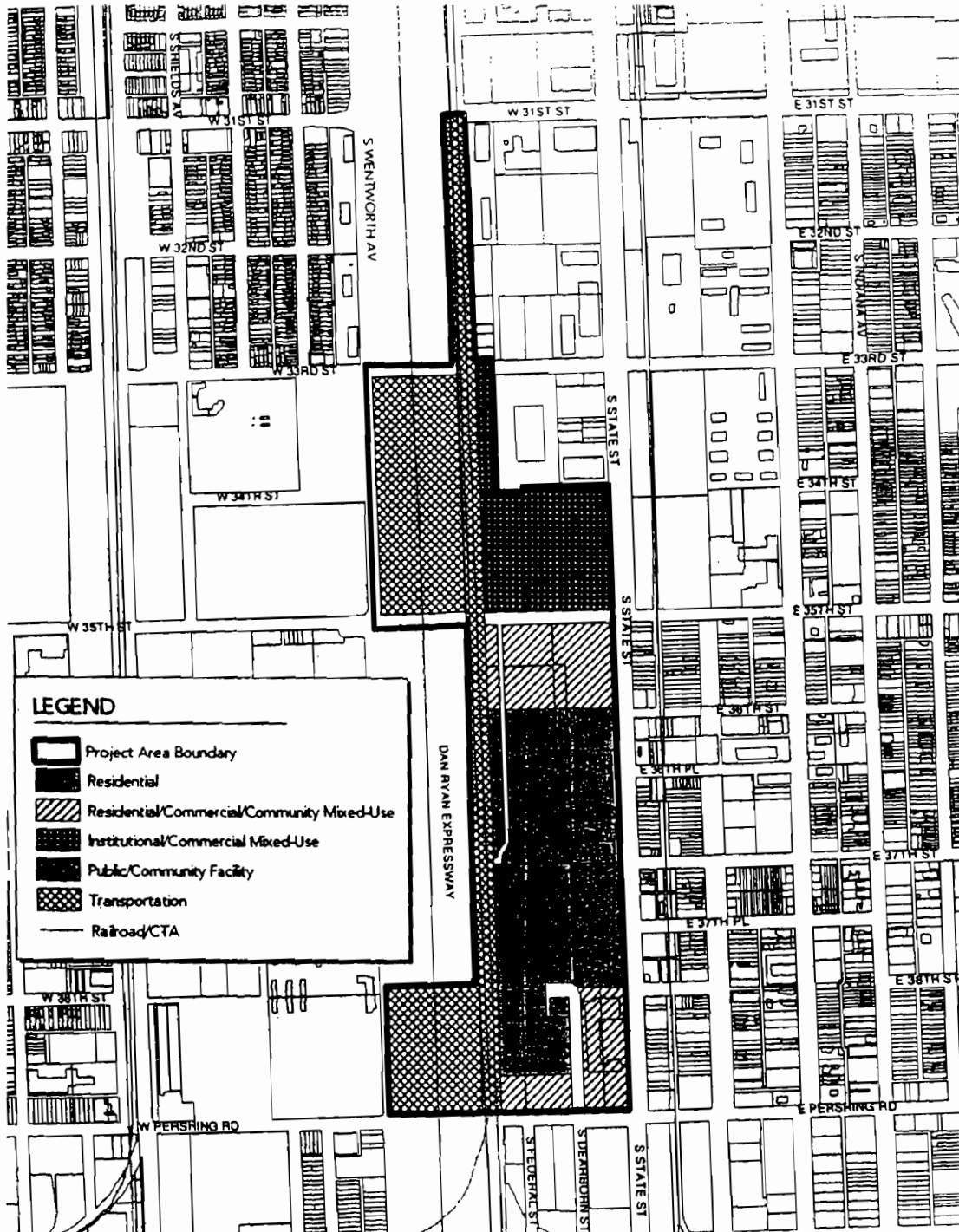
Appendix "A" -- Figure 4.  
(To 35<sup>th</sup>/State Redevelopment Plan And Project)

Acquisition Map.



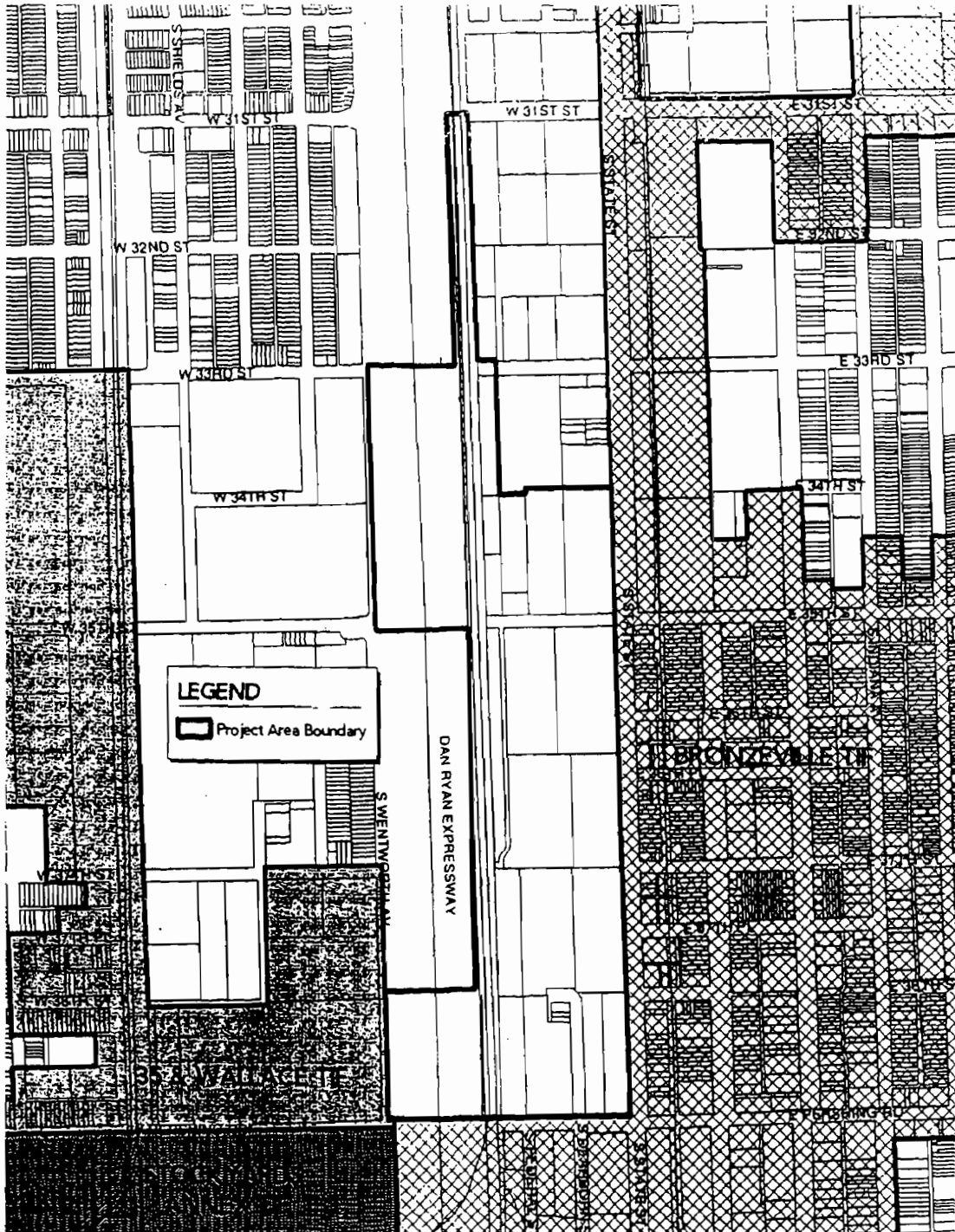
Appendix "A" -- Figure 5.  
(To 35<sup>th</sup>/State Redevelopment Plan And Project)

Land-Use Plan.



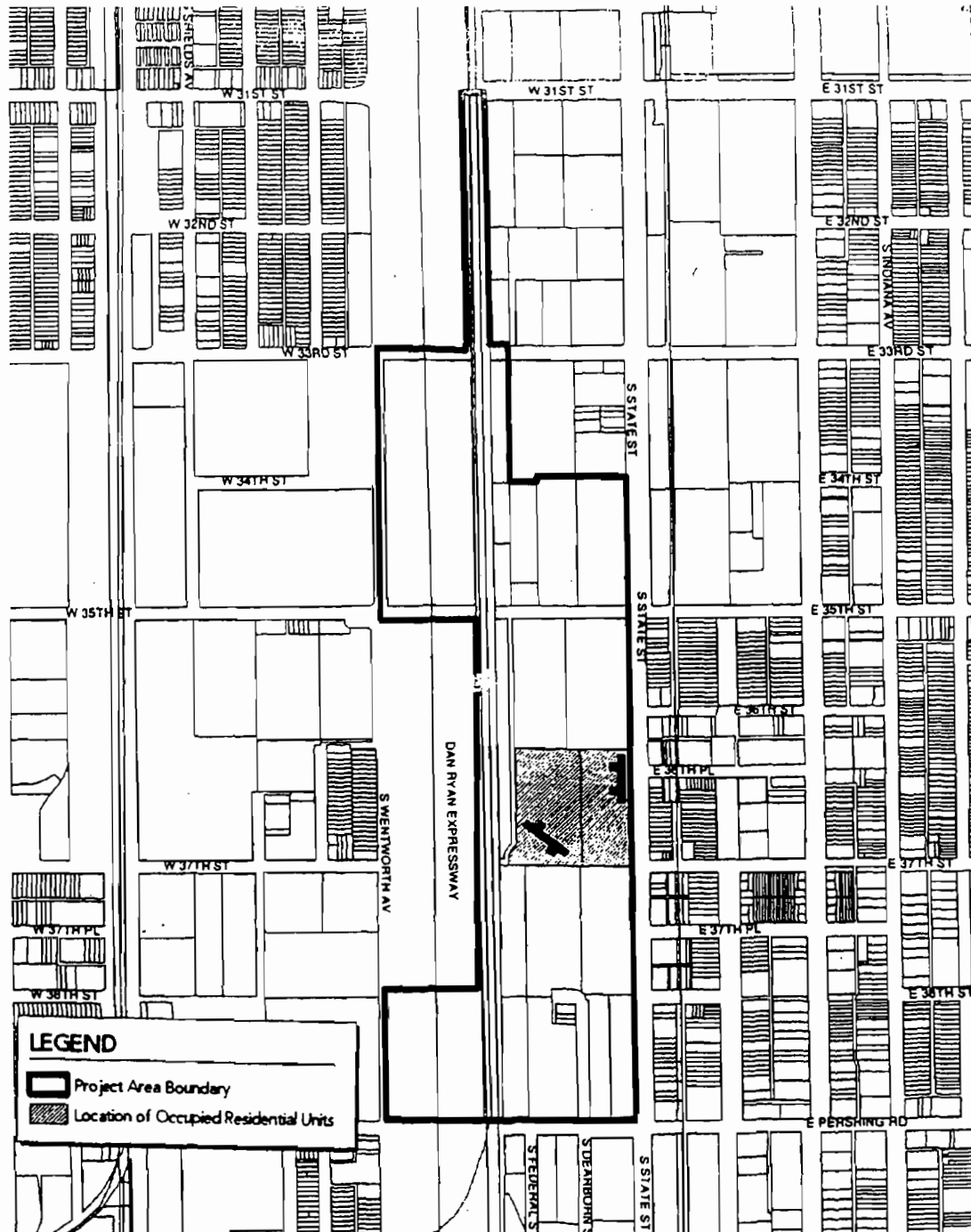
Appendix "A" -- Figure 6.  
(To 35<sup>th</sup>/State Redevelopment Plan And Project)

Adjacent T.I.F. Districts.





Appendix "A" -- Figure 7.  
(To 35<sup>th</sup>/State Redevelopment Plan And Project)  
Housing Impact Study Map.



*Appendix "E".*

(To 35<sup>th</sup>/State Redevelopment Plan And Project)

*Chicago Housing Authority's Leaseholder Housing  
Choice And Relocation Rights Contract.<sup>(1)</sup>*

**General Purpose.**

This Contract sets forth the rights and responsibilities of the Chicago Housing Authority (CHA), its agents, and the CHA Leaseholder. The terms of this Contract shall apply in the event that CHA relocates said Leaseholder from his or her CHA unit either temporarily or permanently for any reason beyond the control of the Leaseholder when in conjunction with redevelopment, demolition, consolidation, rehabilitation, court order or required conversion to tenant-based assistance.

It is understood that CHA's ability to offer a right of return is subject to the federal funding commitments identified in the Moving to Work Agreement ("MTW") with the United States Department of Housing and Urban Development ("HUD"). To the extent HUD reduces its commitment, fewer hard units will be built or rehabilitated. In the event that federal funds are reduced to a level that is insufficient to meet the level of hard unit production as described in the Plan for Transformation, it is the CHA's obligation under the Plan to consult with the Central Advisory Council ("CAC") to make revisions to the Plan as necessitated by this reduced funding. The MTW Agreement also provides that if there is insufficient funding to meet the level of hard unit production, Leaseholders covered by this contract will receive a Section 8 voucher. This contract does not commit CHA to build units at a particular development to satisfy all families with a right of return. After meeting the Plan for Transformation goal of approximately twenty five thousand (25,000) public housing units, CHA agrees to make reasonable efforts to identify opportunities to add public housing units to its inventory.

This Contract does not apply to transfers required to fill vacant units (routine turnover units), to address building system failures, or CHA's failure to provide habitable housing when such housing is not subject to the redevelopment process as laid out in the CHA's Plan for Transformation. This contract, including the rights and obligations set forth herein and implementation thereof, is subject to any decisions or orders of the Gautreaux Court or any other applicable court order.

This Contract constitutes the basic rights and responsibilities of the CHA, its agents and the Leaseholder during the redevelopment process. Any existing or proposed

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<sup>1</sup> If the agreed upon language conflicts with CHA's Admissions and Occupancy Policy, the Policy will be amended accordingly.

Redevelopment Agreement between the developer and the CHA negotiated as part of the redevelopment process may contain additional relocation terms, conditions, and property specific requirements for admission and continued occupancy. In such cases, the Redevelopment Agreement will govern, provided that the protections to Leaseholders under this Contract are not diminished. CHA agrees to modify the terms and conditions of any existing or proposed Redevelopment Agreement(s) to ensure that Leaseholder rights and housing options covered by this Contract are retained. Similarly, if a Memorandum of Agreement (MOA) with the Local Advisory Council (LAC) results from the redevelopment process, the terms and conditions of that MOA may not diminish the rights and protections afforded under this contract.

This Contract shall provide the rights and responsibilities for:

1. Leaseholders in occupancy on October 1, 1999 that are determined lease compliant; and
2. Household members of Leaseholders described above that become Leaseholders pursuant to the Admissions and Occupancy Policy (A&O Policy) and CHA's Split Family Transfer Procedures in order to address overcrowded conditions or for CHA initiated reasons. Household members must be authorized occupants as defined by the A & O Policy.
3. This Contract is not applicable to residents whose occupancy begins after 10/1/99.
  - a. These families do not have a right to return to a public housing unit. These families are, however, provided the relocation process protections outlined in this contract. The rights and responsibilities of these families are discussed in more detail in a separate contract.
  - b. The CHA agrees to track these families while they participate in the Section 8 Program. These families will be offered a Section 8 voucher with a preference on a site based waiting list and Citywide preference list. These families will be provided a priority over new admissions but after families with a right of return under this contract (See Section 4(d) & (c)(2)).

**1. Lease Compliance, Additional Lease Requirements, Property Specific Requirements and Lease Amendments.**

This Contract applies to lease compliant Leaseholders as determined by this paragraph and paragraphs 3 and 5 below. The conditions of lease compliance, additional lease requirements and property specific requirements are:

- a. Leaseholder is current with rent, or is current in a repayment agreement.
- b. When the Leaseholder is responsible for utility charges as a CHA Leaseholder, the Leaseholder has no unpaid balance with the CHA or a utility company or is current on a repayment agreement with the CHA or utility company.
- c. The Leaseholder, household member, or guest under the control of the Leaseholder is in compliance with the terms of the CHA lease adopted by the CHA board on August 15, 2000, and any additional terms subsequently required to be added to such lease by federal law. Non-compliance with respect to the Lease obligations must be demonstrated by notices of Lease violations and/or evidence of serious or repeated violations of material terms of the Lease.
- d. Compliance with Section II of the A&O Policy, which prohibits unauthorized occupants, as defined in subparagraphs 6(c) and (d) of the Lease, or requires the household to add such occupants in accordance with the Lease.
- e. Leaseholder has a good housekeeping record (Leaseholder has maintained a clean and safe unit) as indicated by the housekeeping inspection reports in the Leaseholder's file.
- f. Leaseholder has not destroyed, defaced, damaged, or removed any part of a dwelling unit or development as indicated by the housekeeping inspection reports in the Leaseholder's file or work orders reflecting a pattern of Leaseholder damage or abuse.
- g. Lease compliance as defined above shall include the period during which the family lives in CHA housing and any period of Section 8 assistance.
- h. New Authority-Wide Requirements: In addition to the lease requirements established by subparagraphs 1 (a) through (g) above, additional lease requirements may be adopted pursuant to subparagraph 1 (j) below. A Leaseholder who is and remains lease compliant as provided in

subparagraphs 1 (a) through (g) above, but who is not in compliance with the additional lease requirements shall have the right not to be evicted and shall continue to have the right to return to a newly constructed or rehabilitated public housing unit as described in paragraphs 4 and 8 below, unless an independent hearing officer, as described in subparagraph 1(l), finds that the Leaseholder is not making a good faith effort to comply with the additional lease requirements. In making such a determination, the hearing officer shall take into consideration all of the Leaseholder's circumstances, including, but not limited to, the ability of the Leaseholder to comply with the additional lease requirements and to access adequate outreach, assessment, referral or follow-up services as part of the initiative to assist the Leaseholder to comply with additional lease requirements. The determination of the hearing officer shall be subject to the applicable provisions of existing law.

Additional lease requirements shall not include minimum income requirements. A Leaseholder who is exempt under the Community Service Requirements of the Quality Housing and Work Responsibility Act of 1998, and/or any amendments thereto, as set forth in 24 CFR 960.501, or exempt under any provisions set forth in the Relocation Rights Contract, shall not be required to comply with additional lease requirements that consist of work requirements or require other actions related to the basis for such exemption.

- i. Property Specific Requirements: In addition to the lease compliance requirements established by subparagraphs 1 (a) through (h) above, existing or proposed Redevelopment Agreements may include property specific requirements. Property specific requirements include but are not limited to: criteria for admission, return to the property, requirements for continued occupancy, time periods and activities for meeting or curing a failure to meet such requirements, and documentation to establish or verify compliance with such requirements. Such requirements are to be developed by the working group engaged in the planning process for a property. As soon as such requirements are developed and adopted for the property, notice of such requirements to affected residents will be provided no less than one year prior to the date of housing offer.
- j. Any amendments to the CHA Residential Lease that exceed the minimum HUD regulatory requirements (24 CFR 966) will be subject to public notice and comment and HUD approval, consistent with paragraph 18 of the Resident Protection Agreement/MTW Agreement.
- k. At sites where property specific requirements are in place, lease

compliance shall be defined to include such additional criteria. At sites where property specific requirements are not in place, lease compliance shall include only those criteria established in subparagraphs 1 (a) through (h) above.

- l. Determinations of lease compliance with respect to new authority-wide requirements as described in 1 (h) and of property specific requirements as described in 1 (i) are subject to the grievance procedures as referenced in subparagraph 11 (b) of this contract. Hearing Officers for such grievances will be independent parties jointly agreed to by the CAC and CHA.
- m. The benefit of any priority or preference for right of return or continued occupancy based on property specific requirements that include work must also be given to households where the head, spouse, or sole member is age 62 or older or is a person with disabilities (24 CFR 960.205 (b) (2)).
- n. Property specific requirements will apply equally to the private and public housing rental units in mixed income developments, unless otherwise required by law.

**2. Utility Connections.**

Families who select a permanent housing choice that requires tenant paid utilities must be able to obtain utility connections for that unit. If the Leaseholder (head of household) cannot demonstrate the ability to have utilities turned on in the Leaseholder's name at the time a permanent relocation unit is identified for that Leaseholder, the Leaseholder will not be offered the permanent relocation unit.

Prior to being made an offer, the Leaseholder must demonstrate to the CHA that the Leaseholder can have utilities turned on in the Leaseholder's name. Failure to obtain utility connections will not result in the loss of the right to return under this contract; however, prior to any subsequent unit offers, the Leaseholder must demonstrate the ability to obtain utility connections.

**3. Recertifications and Determination of Lease Compliance.**

The CHA has two recertification processes:

- a. Annual or interim recertifications, completed as a normal function of property management; and
- b. "Right of return" recertifications (annual or interim), that are completed in conjunction with relocation and in accordance with this contract.

- (1) Initial Right of Return Recertification: Upon implementation of this Contract, all families who were in occupancy as of October 1, 1999 will attend a right of return recertification interview as a part of an annual or interim recertification. At this right of return recertification interview, families will be asked to sign a Residential Lease Agreement which incorporates their rights under the Relocation Rights Contract and complete a Housing Choice Survey.
- (2) Final Right of Return Recertification: This right of return recertification process will begin when the CHA is ready to fill new or rehabilitated public housing units at a particular site. At this right of return recertification interview, families will be examined for continued lease compliance and compliance with any applicable property specific requirements.

The recertification to determine lease compliance shall be made as described in subparagraph 5(h) below. Serious Lease violations subsequent to recertification of either type, may result in termination of the Lease.

4. Basic Rights of CHA Leaseholders.

In cases of relocation due to redevelopment, demolition, required conversion, tenant-based assistance, rehabilitation, consolidation or court order, the CHA shall provide the following basic rights to the Leaseholders as described in the General Purpose Section of this Contract:

- a. Comparable replacement housing as defined in paragraph 10 below.
- b. To the maximum extent possible and subject to subparagraph 4(c) below, CHA will house each Leaseholder in the Leaseholder's preferred housing choice. CHA will provide each Leaseholder with all relevant information regarding the available replacement housing choices. In the event of permanent relocation, the Leaseholder will be allowed to select up to three replacement housing choices in order of preference. Where temporary relocation is necessary, the Leaseholder will be able to choose a temporary Section 8 voucher, or state a public housing development preference that will be honored to the extent feasible. These choices are defined in Section 8 of this document and shall be listed on the Housing Choice Survey (HCS).
- c. Lottery System and Unit Offers:
  - (1) Lease compliant Leaseholders are guaranteed the right to return to a newly constructed or rehabilitated public housing unit. However

the CHA cannot guarantee that all families displaced by redevelopment activity will be able to return to their site of origin or receive their permanent housing choice.

When public housing units become available, first priority for those units (see order of offers provided in subparagraph 4(d) below) will be determined by lottery. The lottery will be by priority group and type and size of unit.

- (2) In order to satisfy the right of return, CHA will, in accordance with subparagraph 4(b) above, make two offers of otherwise comparable dwelling units. It is understood that these offers may not be the Leaseholder's site of origin or HCS preference. Failure to accept the second offer will result in the loss of right of return under this contract. Upon loss of the right of return, CHA will offer a preference for return to a public housing unit. This preference will be based on the Housing Choice Survey (HCS) and will permit the Leaseholder to obtain a preference on a site-based waiting list and preference on a citywide placement list. Families in occupancy after 10/1/99 will get a preference on these lists after right of return families who fail to accept a second offer of housing.

A Leaseholder will be offered the first available unit from the site-based waiting list or citywide placement list. A Leaseholder with preference status will be offered a unit based on availability and only after a right of return Leaseholder is offered a unit, but prior to a new admission.

If the Leaseholder rejects an offer from a site based or citywide preference list, the Leaseholder will be removed from all lists and will not retain a preference for a public housing unit. CHA's exercise of this paragraph is subject to the grievance procedures under this Contract, pursuant to subparagraph 10(b).

- d. The CHA will house Leaseholders using the priorities listed below. Within any priority group, a lottery will be used to determine the order of offers. Lease compliant families not selected in a lottery will be eligible for lotteries at other sites where units are available.

For all public housing units, subject to applicable court orders and provided for in a redevelopment plan, the order of offers by unit type and bedroom size shall be as follows, subject to the additional requirements listed on pages 7 through 10 of this contract:



- (1) Leaseholders who lived at the site on October 1, 1999 and chose that site as their permanent housing choice, are lease compliant and meet property specific requirements.
- (2) Leaseholders who lived at the site on October 1, 1999 and chose that site as their permanent housing choice, are lease compliant and are engaged in activities to meet property specific requirements.
- (3) Leaseholders who did not live at the site on October 1, 1999, but chose that site as their permanent public housing choice, are lease compliant, and meet property specific requirements.
- (4) Leaseholders who did not live at the site on October 1, 1999 and chose that site as their permanent public housing choice, are lease compliant, and are engaged in activities to meet property specific requirements.
- (5) Leaseholders who were moved temporarily to the site due to redevelopment activities at their site of origin, are lease compliant, and meet property specific requirements.
- (6) Leaseholders who were moved temporarily to the site due to redevelopment activities at their site of origin, are lease compliant, and are engaged in activities to meet property specific requirements.
- (7) Leaseholders who were not selected in other lotteries, are lease compliant, and meet property specific requirements.
- (8) Leaseholders who were not selected in other lotteries, are lease compliant, and are engaged in activities to meet property specific requirements.
- (9) Leaseholders who receive a temporary Section 8 voucher in accordance with the criteria established for households who are unable to meet property specific requirements. (If such households are being offered units at a property without a redevelopment plan, the move from temporary Section 8 to a public housing unit will be treated as an administrative transfer.)

- (10) Leaseholders with a return preference as described in subparagraph 4(c)(2) above, who are lease compliant, and meet property specific requirements.
- (11) Leaseholders with a return preference as described in subparagraph 4(c)(2) above, who are lease compliant, and are engaged in activities to meet property specific requirements.
- (12) Leaseholders who wish to make a Gautreaux transfer as described in the A & O Policy to a redeveloped property, are lease compliant, and meet property specific requirements.
- (13) Leaseholders who wish to make a Gautreaux transfer as described in the A & O Policy to a redeveloped property, are lease compliant, and are engaged in activities to meet property specific requirements.
- (14) New admissions based on income requirements established in the A&O Policy or as agreed to in the Redevelopment Agreement for that site. Families in this group must meet the property specific requirements as established in the redevelopment plan for the site.

For categories 1, 3, 5, 7, 10, 12, and 14, the following must be true at the time of the housing offer:

- The household meets any additional property specific requirements established in the redevelopment agreement for the property; and
- The household must be lease compliant as defined in subparagraphs 1 (a) through (h) of this contract.

In the event the household subsequently fails to meet the property specific requirements, in order to continue in occupancy, the household must show evidence in activities to meet the property specific requirements and meet such requirements within a minimum of one (1) year (or a longer period as specified in the Redevelopment Agreement). The Property Manager will retain the discretion to provide the Leaseholder with additional time to cure.

Should the household fail to meet such requirements within one (1) year or a longer period as specified in the Redevelopment Agreement, the Leaseholder is entitled to one transfer to another CHA unit in accordance with the following:

- CHA will offer a unit that meets Housing Quality Standards (HQS) as defined by HUD's regulations at a property where the Leaseholder meets the property specific requirements.
- If the Leaseholder declines the transfer unit, the CHA will offer a permanent Section 8 voucher.
- In the event a unit of appropriate bedroom size as defined in the Admissions and Occupancy Policy is unavailable; CHA will offer the family a temporary Section 8 until such time as an appropriate unit becomes available. The family must be relocated to temporary Section 8, or housed in a CHA unit as described in (a), not more than 180 days after expiration of the one-year cure period. Public housing units offered to families in temporary Section 8 as a result of this paragraph will be located in a development where the household meets the property specific requirements. Such moves will be made in accordance with the order of offers established in this contract.

Notwithstanding the above mentioned one-transfer entitlement, such transfer will not diminish the Leaseholder's right to remain in a public housing unit subject to being lease compliant, as defined in the CHA Residential Lease and its attachments.

For categories 2, 4, 6, 8, 11, and 13, the following must be true at the time of the housing offer:

- The household must provide evidence that they are engaged in activities in order to meet the property specific requirements; and
- The household must be lease compliant as defined in subparagraphs 1 (a) through (h) of this contract;
- The household must meet the property specific requirements referenced above within a minimum of one year (or a longer period as specified in the Redevelopment Agreement) from the date of admission.

In the event the household fails to meet the property specific requirements within one year (or a longer period as specified in the Redevelopment Agreement) the Leaseholder is entitled to one transfer to another CHA unit. The Property Manager will retain the discretion to provide the

Leaseholder with additional time to cure. The transfer unit will be offered in accordance with the following:

- CHA will offer a unit that meets HQS as defined by HUD's regulations at a property where the Leaseholder meets the property specific requirements.
- If the Leaseholder declines the transfer unit, the CHA will offer a permanent Section 8 voucher.
- In the event a unit of appropriate bedroom size as defined in the Admissions and Occupancy Policy is unavailable; CHA will offer the family a temporary Section 8 housing choice voucher until such time as an appropriate unit becomes available. The family must be relocated to temporary Section 8, or housed in a CHA unit as described in (a) above, not more than 180 days after expiration of the one-year cure period. Public Housing units offered to families in temporary Section 8 as a result of this paragraph will be located in a development where the Leaseholder meets the property specific requirements. Such moves will be made in accordance with the order of offers established in this contract.

Notwithstanding the above mentioned one-transfer entitlement, such transfer will not diminish the leaseholder rights to remain in a public housing unit subject to their being lease compliant, as defined in the CHA Residential Lease and its attachments.

e. **Emergency Transfers.**

- (1) Emergency transfers (moves required when a building or unit's condition poses an immediate threat to the Leaseholders' safety and welfare) shall be executed as expeditiously as possible and in accordance with the Emergency Transfer section of the CHA's A&O Policy. As soon as practical after the occurrence, but in no event later than forty-five (45) days, the CHA shall inform the LAC in writing about such moves, the nature of the emergency, names of Leaseholders affected and the temporary or permanent location where they are housed. The release of personal information to the LAC is contingent upon the Leaseholder's authorization as provided by the release at the end of this document. Refusal to comply with a request from the CHA for an emergency transfer can be grounds for Lease termination. A move as a result of an Emergency

Transfer does not extinguish any right of return or other relocation rights as provided by this contract.

- (2) CHA will not provide prior written notice to Leaseholders in situations where CHA has little or no warning of the condition or situation that results in an emergency. To the extent feasible, CHA will provide prior written notice within a reasonable time period to Leaseholders where there is prior knowledge or information concerning the conditions or situation creating the emergency (e.g. court ordered closing due to code violations). CHA will not use the emergency transfer provision for the purpose of building consolidation. To the maximum extent possible, CHA will close buildings using a building consolidation plan with notice as required by this contract.

**5. CHA Responsibilities Prior to Relocation.**

Prior to relocating any Leaseholder, the CHA shall:

- a. Conduct Relocation Planning Meetings for all affected Leaseholders to:
  - (1) Explain the reason for the relocation and any proposed plans for the development, including the proposed numbers of newly constructed or rehabilitated units (if applicable).
  - (2) Develop a relocation plan in consultation with the LAC and affected residents. CHA will conduct at least two such information sessions with at least one to be held during evening or weekend hours.
  - (3) Review the Relocation Packet described in subparagraph 5(c) below.
  - (4) Present residents with any existing scale models, photographs, video of other similar units built or rehabilitated in other CHA developments, or renderings of units to be built or rehabilitated.
- b. As part of the redevelopment process, enter into a Redevelopment Agreement that may include terms that affect the relocation process for the development. The Redevelopment Agreement will address site specific relocation issues not covered in this Contract. If there is no Redevelopment Agreement, then this Contract represents the applicable rights and procedures for the relocation process. The CHA will make a good faith effort to enter into a MOA with the LAC that reflects any

property specific understandings with respect to the redevelopment process.

- c. At the time of the Relocation Planning Meetings, provide Leaseholders with a Relocation Packet that contains information on their rights under the Uniform Relocation Act (URA) or Section 531 (Demolition and Disposition) of the Quality Housing and Work Responsibility Act (QHWRA). All Leaseholders will be required to sign for the receipt of the Relocation Packet. The Relocation Packet will include information on relocation assistance benefits, replacement housing choices as outlined in paragraph 6 of this Contract, processing time frames for Section 8 relocatees, and identify the office where the CHA Relocation Procedures Manual is available for inspection. If a Leaseholder cannot attend any of the Relocation Planning Meetings, then the CHA will provide the name of a contact person and the office address with telephone number where information may be obtained.
- d. As part of the initial right of return recertification, provide a HCS. The HCS will include the following information for each family member: name, age, gender, and any accessibility needs (e.g., wheelchair). In addition, HCS's shall allow families to identify characteristics of desirable neighborhoods and/or developments to which they are seeking to transfer. The CHA shall allow Leaseholders the opportunity to select up to three permanent replacement housing choices (including permanent Section 8) and a temporary housing choice (either public housing or Section 8). In conducting HCS's, CHA will provide written notice in accordance with subparagraph 5(h)(1)(ii) below. Families have the option to change their permanent housing choices on their HCS one time. This change may be made at any time between submitting their HCS in conjunction with their initial right of return recertification and accepting an offer of permanent replacement housing.
- e. Ensure that all communication regarding any relocation activities be written in plain, understandable language and posted and made available in the property management offices and any relocation site offices. Persons who are unable to read or understand relocation documents or notices (e.g. illiterate, foreign language, or impaired vision or other disability) must be provided with appropriate translation/communication (e.g. sign language interpreter or reader) and appropriate follow-up by CHA staff. Each written communication shall indicate the name, address and telephone number (including the telecommunication device for the deaf (TDD/TTY) number, if applicable) of a person who may be contacted for answers to questions or other needed help.

- f. Amend its property management contracts or other applicable contracts to include all rights, responsibilities, and obligations required by this Contract.
- g. Make offers of housing in accordance with the priorities established in this Contract and in accordance with CHA's approved A&O Policy and the Tenant Selection and Assignment Plan, as conformed to this Contract.
- h. Provide Leaseholders with the following written notices in the order described below:

(1) For All CHA Leaseholders

- (i) **Relocation Contract Notice:** The CHA will provide Leaseholders with information regarding lease compliance as it relates to this Contract. Any Leaseholder who was in occupancy on October 1, 1999 and is lease compliant is protected by this contract. A sample notice is attached hereto as Exhibit A.
- (ii) **Right of Return Recertification Notice:** The CHA shall provide each affected Leaseholder a fourteen (14) day written notice to attend the recertification interview that is completed in preparation for relocation and in accordance with paragraph 3 of this Contract. Sample notices are attached hereto as Exhibits B and K.

Subsequent to the right of return recertification, the property manager will prepare a building roster. The roster will identify the status of each Leaseholder with respect to right of return, family size and other household information necessary to effect the relocation process. The roster will be used to distribute and track the completion of the HCS's. This roster will also track Leaseholders with a right of return to a particular site who have been relocated to another site as the result of an emergency transfer.

- (iii) **Notice of Lease Compliance:** This written notice describes the outcome of the right to return recertification. Samples of these notices are attached hereto as Exhibits E1-E3 and L1-L2. The right to return recertification will result in one of three outcomes:

- The Leaseholder will be found lease compliant and will be recertified with the right of return; or
  - Evidence of incurable Lease violations will be discovered and the CHA will begin the Lease termination process or, if applicable, terminate Section 8 assistance. If the Court enters judgment for eviction or a hearing officer upholds termination of Section 8 assistance, the Leaseholder will be evicted with no right to return and receive a Loss of Right of Return Notice, Exhibit D1. If the Court or hearing officer enters judgment in favor of the Leaseholder, the Leaseholder is deemed lease compliant and retains all rights under this contract. If the CHA does not begin the eviction or Section 8 termination process within sixty (60) days, the Leaseholder will be deemed lease compliant; or
  - Evidence of curable Lease violations will be discovered and the Leaseholder will be given one hundred eighty (180) days to cure.
- (iv) **Notice of Final Determination of Lease Compliance (Initial Right of Return Recertification):** The CHA will notify the Leaseholder in writing at the end of the one hundred eighty (180) days as to the result of the attempt to cure. If the Leaseholder cures all existing Lease violations, then the Leaseholder will be determined Lease compliant. If the Lease violations are not cured, the CHA will terminate the Lease in accordance with subparagraph 5(h)(2)(iii). A sample of these notices are attached hereto as Exhibit F1-F2 and M1-M2.
- (2) For First Moves, Permanent or Temporary:
- (i) **180/120 Day General Information and Eligibility Notice (required by 49 CFR 24.203(a) & (b)):** The CHA shall provide each affected Leaseholder a written general information notice stating their rights under Section 531 of QHWRA (Demolition and Disposition), or the URA, as applicable. This written notice shall state:



- Whether the Leaseholder will or may have to move and caution them not to move prematurely.
- The reason for the relocation and information regarding the Relocation Planning meetings described in subparagraph 5(a) above.
- That the Leaseholder is entitled to the relocation assistance as provided by this contract.

This notice shall be issued as soon as feasible, but in no event less than six months (180 days) prior to the proposed date of relocation resulting from demolition, rehabilitation, or conversion to tenant-based assistance. A minimum of four months (120 days) prior notice is required for relocation due to planned building consolidation. A sample notice is attached hereto as Exhibit G.

(ii) **Ninety (90) Day Notice: (required by 49 CFR 24.203(c))** CHA shall provide each affected Leaseholder notice of displacement in the following manner:

- **Leaseholders moving to temporary or permanent Section 8** Leaseholders moving to Section 8 units will receive a ninety (90) day notice of displacement when ~~an approvable request for the unit has passed an HQS inspection has been submitted.~~ A sample of the notice is attached hereto as Exhibit H and N.
- **Leaseholders moving out of their development of origin** Leaseholders requiring a move to a unit that is not in their development of origin will receive a ninety (90) day notice once the address of a comparable replacement housing unit has been identified. A sample of the notices are attached hereto as Exhibit H and N.
- **Leaseholders moving to another unit within their development of origin** Leaseholders who do not leave their development of origin will be treated as administrative transfers. If applicable, leaseholders will receive notice pursuant to 49 CFR 24.203.

- (iii) **Notice of Satisfaction of Right of Return:** Leaseholders moving permanently will receive a notice stating that choosing a permanent Section 8 or new or rehabilitated public housing unit constitutes their final housing choice and that the leaseholder's right of return has been satisfied, Exhibit D2.
- (3) **For Subsequent Temporary Moves:** The notice process for subsequent temporary moves will follow the process outlined in subparagraph 5(h)(1)(ii - iv) and (2) of this Contract with the following exceptions:
- (i) At the option of the CHA, if a Leaseholder was recertified within six (6) months of a notice of subsequent temporary move, then an additional recertification will be waived. If the CHA opts to recertify the Leaseholder, then the CHA is required to provide the Leaseholder with all applicable notices as set forth in subparagraph 5(h)(2) above.
  - (ii) **Temporary Housing Choice Survey (HCS) Notice:** In the event of subsequent temporary relocation(s), the Leaseholder will have the option to fill out a temporary HCS. The permanent housing choice indicated on the first housing choice survey will remain the Leaseholder's permanent housing choice preference. The CHA will provide each Leaseholder with at least four (4) days advance written notification of the dates and times when temporary replacement housing choice surveys will be conducted by CHA relocation staff.
- (4) **Invoking the Right to Return - Final Move:**
- The written notice process for permanent or final moves follows the process for first moves as outlined in subparagraph 5(h) (1) and (2), with the following exceptions:
- (i) No Relocation Contract Notice will be given for the final move.
  - (ii) No 180/120 General Information Notice will be given for the final move.

- (iii) A Leaseholder who is given written notice of Lease violations will have thirty (30) days to cure and will be reevaluated following the cure period. A Leaseholder who has cured will receive written notice that the Leaseholder will be relocated ninety (90) days from the date of the notice as described in subparagraph 5(h)(2)(vi). During the cure period, the Leaseholder's priority for a unit of the Leaseholder's choice will be suspended.
  - (iv) The CHA will move to terminate assistance for a Section 8 Leaseholder or evict a Leaseholder who has not cured within the thirty (30) days. If a hearing officer upholds a termination of assistance or if the Court enters judgment for eviction, the Leaseholder will lose assistance or be evicted with no right to return. If the hearing officer or Court enters judgment in favor of the Leaseholder, the Leaseholder is deemed lease compliant and retains all rights under this contract. If the CHA does not begin the assistance termination or eviction process within sixty (60) calendar days, the Leaseholder will be deemed Lease compliant.
- i. In addition to the notices described above, the following notice will be given in conjunction with the Redevelopment Process:
- (i) **Notice of Property Specific Requirements:** As redevelopment working groups develop property specific requirements for sites undergoing redevelopment, the CHA will give notice to all families with a right of return describing the approved requirements. Such notice will be given no less than one (1) year prior to an offer of a replacement housing unit.

## 6. CHA Responsibilities During Relocation.

- a. Good Neighbor and Transition counseling will be made available to all Leaseholders and members of their household. Transition counseling consists of an introductory information session that includes an overview of the Section 8 program, information on private sector housing requirements, home management training, and Leaseholder rights under the Federal Fair Housing Act and related state and local Fair Housing laws. Individual counseling sessions will also occur. Individual counseling will provide families with the opportunity to connect to supportive services.

receive information on housing search techniques, engage in financial planning, and if requested receive a referral to a Mobility Counseling program. Transition Counseling will also include limited follow-up contact after the move.

Mobility Counseling is available for Leaseholders interested in moving to opportunity areas. Opportunity areas are defined as census tracts with no more than 23.49 % of families with incomes below the poverty level ("low poverty census tract") and no more than 30 % African-American population ("racially diverse census tract"). Mobility Counseling is available for Leaseholders who indicate an interest in moving to opportunity areas or to low poverty or racially diverse census tracts. Mobility Counseling will also include follow-up contact by telephone and at least one (1) post-move visit to the family (provided the family is within the Chicago metropolitan area).

- b. The CHA or its designee shall provide public transportation stipends for any relocatee to Section 8 housing, and transportation assistance for mobility moves sufficient to allow the Leaseholder in each case to inspect up to three Section 8 units.
- c. The CHA shall allow the Leaseholder adequate time to enter into a lease for the unit selected. Adequate time for public housing Leaseholders will be defined as one (1) year. The CHA or its Section 8 contractor will permit increased time through extensions or re-issuance of vouchers for relocatees.
- d. The CHA shall provide the Leaseholder with relocation assistance or services in accordance with either the URA or Section 531 of QHWA, titled Demolition and Disposition, as applicable. Such assistance shall apply for both temporary and permanent relocation. Upon request, the CHA will make available a copy of any applicable property specific Redevelopment Agreement to the Leaseholder.
- e. The CHA shall ensure that each comparable replacement dwelling unit is decent, safe, and sanitary, at a minimum meets the Section 8 housing quality standards and conforms to the requirements in subparagraphs 10(a) and (b) of this Contract.
- f. The CHA will provide the following moving services to the Leaseholder for relocation: transportation (as described in subparagraph 6(b) above), packing materials, temporary storage (not to exceed ninety (90) days), reimbursements for utility hook-up including telephone and cable, and credit checks. Through the moving company, CHA will also provide

property replacement insurance. CHA will reimburse families for any reasonable losses sustained during the move. CHA may also provide reimbursement for other moving related activities determined by the CHA to be reasonable and necessary to the move.

- g. In providing moving services pursuant to subparagraph 6(f) above, the following shall apply: For all local temporary moves to Section 8, defined as any move within the Chicago metropolitan area, CHA will provide moving services for both the initial move to the temporary housing choice and the return move to the permanent housing offered. CHA will not reimburse or provide moving services for Leaseholders using a temporary Section 8 voucher outside the Chicago metropolitan area. For permanent Section 8 moves outside the Chicago metropolitan area, CHA will provide moving services as outlined in subparagraph 6(f) above.
- h. The CHA is obligated to abide by the above set of responsibilities for all Leaseholder relocation associated with this Contract.
- i. CHA will work to assure access to existing social services for CHA residents.

**7. Leaseholder Obligations.**

During the relocation process, the Leaseholder shall be bound by certain duties and responsibilities. Failure to adhere to these duties and responsibilities may result in the delay or forfeiture of the right of return as provided for in this Contract.

- a. A Leaseholder may lose the right to return by failing to abide by any of the following:
  - (1) Provide all relevant information, in a timely manner, to the CHA during a recertification process and attend recertification appointments.

If the Leaseholder fails to comply with this obligation, CHA will send written notice of this failure to the Leaseholder. The Leaseholder must provide the necessary information and/or schedule any necessary appointments within fifteen (15) calendar days from the verified date of mailing. In the event the Leaseholder fails to respond to this notice within fifteen (15) calendar days, the CHA may evict the Leaseholder, resulting in the loss of the right to return.

- (2) Attend at least one (1) Relocation and/or Redevelopment Planning Meeting described in subparagraph 5(a) that explains the relocation process, plans for development, and the timing of such procedures to be implemented, or pick up a Relocation Packet at the Redevelopment Planning Meeting or at the Leaseholder's management office and sign a certification attesting to its receipt.

If the Leaseholder fails to pick up and sign for a Relocation Packet, the CHA will send written notice of failure to comply with this obligation. The Leaseholder must attend a presentation to receive a Relocation Packet or retrieve one from the management office within fifteen (15) calendar days from the verified date of mailing and sign a certification. Failure of the Leaseholder to respond to this notice within the fifteen (15) calendar days may result in the loss of the right to return.

- (3) Complete and return a signed Housing Choice Survey (HCS) form.

If the Leaseholder fails to comply with this obligation, the CHA will send written notice to the Leaseholder informing the Leaseholder of the failure. The Leaseholder must return a signed HCS within fifteen (15) calendar days from the verified date of mailing of the notice of failure to comply. If no HCS is received from the Leaseholder, the CHA will assign the Leaseholder a temporary relocation unit based on availability, without regard to preference, and the Leaseholder will lose the right to return.

- (4) Maintain lease compliance in accordance with the terms and conditions in CHA's Lease and Leases executed during tenure as a temporary Section 8 resident. When notified of lease compliance issues, the Leaseholder must take appropriate steps to remedy such issues. Failure to maintain lease compliance may result in eviction and loss of the right to return as stated in paragraphs 3 and 5.
- (5) Remove a household member who is subject to a lifetime registration requirement under a state sex offender registration program within fifteen (15) days of notice to do so.
- (6) Accept one of two (2) housing offers as described in subparagraph 4(c)(2) of this contract.

- b. A Leaseholder may delay the right of return by failing to abide by any one of the following:
  - (1) If applicable, failing to attend and participate in all required Section 8 screening, orientation, briefing sessions, and recertifications; and
  - (2) At the time of the permanent move, failing to abide by the personal housing choice ranking identified through the HCS process outlined in paragraph 5 of this document.
- c. The Right of Return is extinguished at the time of acceptance of an offer of a CHA newly rehabilitated or newly constructed unit.

**8. Types of Permanent Housing.**

The CHA will provide lease compliant Leaseholders with the following permanent comparable replacement housing options:

- a. Section 8. A Section 8 unit is an existing unit owned by a private landlord located anywhere in the United States, and is in compliance with all Section 8 Program standards. Permanent Section 8 is a final housing choice. If a Leaseholder is successful in securing a Section 8 unit within the one year time allotment as provided in subparagraph 6(c), then the CHA will not provide a Right to Return. Therefore, if the Leaseholder chooses Permanent Section 8 on the HCS, then the Leaseholder must select two (2) public housing choices in the event that no Section 8 unit is secured within one (1) year.
- b. Rehabilitated Scattered Site. A scattered site unit is a public housing unit constructed in accordance with the orders of the Federal Court in the Gautreaux case. (These units are identified as Category 3 in the Plan for Transformation). Subject to satisfaction of all rights to return established through this Contract, scattered site units will be occupied in accordance with the percentages established in the Gautreaux Court Ordered Tenant Selection and Assignment Plan. For the purposes of this Contract, scattered sites do not include local replacement housing units described in subparagraphs 8(c)(1) and (2) below.
- c. Local Replacement Housing
  - (1) Rehabilitated Unit. A rehabilitated unit is a unit located in a development that is substantially rehabilitated as part of the

redevelopment plan. A substantially rehabilitated unit is defined as a unit that is rehabilitated at a level sufficient to remain a viable public housing unit for twenty (20) years following rehabilitation. Lease compliant Leaseholders who are currently residing in the units to be rehabilitated shall have first priority for those units in accordance with the order of offers in subparagraph 4(d).

- (2) Newly Constructed Units. Lease compliant Leaseholders who currently reside in units to be demolished shall have first priority for all on-site or neighborhood public housing units located in or near the developments or sub-developments from which they were displaced.
  - (i) On-site Unit. An on-site unit is a newly constructed unit located on the site of the units that were demolished as part of the redevelopment plan.
  - (ii) Neighborhood Unit. A neighborhood unit is a newly constructed unit located in the community area adjacent to the public housing development.

#### 9. **Types of Temporary Housing:**

The CHA will provide lease compliant Leaseholders with the following temporary comparable replacement housing options:

- a. Transfer Unit. A transfer unit is a decent, safe, and sanitary unit, in compliance with Section 8 housing quality standards, local health and safety codes, located in any CHA development. A lease compliant Leaseholder who selects a transfer unit will retain the right of return to a local replacement housing unit as described above.
- b. Existing Scattered Site. Same as defined in subparagraph 8(b) above with the provision that a lease compliant Leaseholder who selects an existing scattered site unit as a temporary choice will retain the right to return to a new or rehabilitated scattered site unit or local replacement housing unit as referenced above.
- c. Section 8 Unit. Same as defined in subparagraph 8(a) above with the provision that, in accordance with the A&O Policy, Leaseholders opting for temporary Section 8 will be given a right of return to a local replacement



housing unit. In addition, temporary Section 8 Leaseholders invoking their right to return, will be classified as CHA transferees.

- d. Non-CHA Housing. Other housing options voluntarily chosen by the Leaseholder. Lease compliant Leaseholders who select this option retain their right of return to a local replacement housing unit.

**10. Nature of Comparable Replacement Housing.**

Each relocated Leaseholder is entitled to a comparable replacement-housing unit.

- a. A comparable replacement housing unit, whether public housing or Section 8, is defined as one that is decent, safe and sanitary, functionally equivalent to the Leaseholder's original dwelling unit, adequate in size to accommodate the Leaseholder's household, located in an area not subject to unreasonable adverse environmental conditions, located in an area not less desirable than the location of the Leaseholder's original dwelling unit with respect to commercial and public facilities, reasonably accessible to the Leaseholder's place of employment, located on a site that is typical in size for residential development with normal site improvements, meets Section 8 housing quality standards (where applicable) and is no more costly to the Leaseholder than the public housing unit from which the Leaseholder is moving.
- b. Consistent with applicable federal regulations, a comparable replacement housing unit must meet the accessibility needs of the Leaseholder and/or the Leaseholder's family members.
- c. A Leaseholder may reject an offer of a replacement housing unit that is not comparable as described in subparagraphs 10(a) and (b). Such refusal will not affect the Leaseholder rights under this contract.
- d. For Section 8, the CHA will foster moves to opportunity areas, but the final location choice belongs to the Leaseholder. An opportunity area is defined as a census tract with no more than 23.49 % of families with incomes below the poverty level and no more than 30 % African-American population.

**11. Monitoring and Enforcing this Contract.**

- a. Reporting. On a quarterly basis, the CHA shall report to the CHA Board of

Commissioners, the CAC, and the community at large on development and relocation activities. The report shall also include site-by-site information with sufficient detail to enable the CHA Board of Commissioners and the CAC to ensure that Leaseholders are afforded the rights guaranteed under this Contract. The information in the report shall include but not be limited to the timely service of notices, the timely presentation of relocation information, completed recertifications, family status as a result of the recertification, and HCS results. The report will also include Section 8 utilization information and identify the number of expired Section 8 vouchers where families are not successful in finding housing. This report shall be in writing and shall be forwarded to the CHA Board of Commissioners and the CAC, and be made available to the community at large, within thirty (30) days of the end of each quarter. The CHA shall contract with an independent auditor to ensure monitoring and tracking of the relocation process.

b. Grievance Procedures.

1. Public housing Leaseholders, as well as Leaseholders who choose Section 8 as a temporary housing choice and are program participants, may enforce the guarantees contained in this contract through the standard CHA grievance process. This in no way restricts a Leaseholder's right to seek enforcement of this contract through the judicial system. This Agreement does not supercede applicable federal, state, or local law.
2. A temporary Section 8 household, as described above, may use the CHA grievance process including the right to a formal hearing (unless otherwise excluded by the CHA grievance procedures), only to enforce provisions of the contract or any termination of Section 8 assistance pursuant to 24 CFR 982.552. In the event that a household with a temporary Section 8 voucher files a grievance, the informal hearing shall be conducted by the contractor for the Section 8 program. Any subsequent formal hearing shall be heard by a Hearing Officer designated by CHA's General Counsel.

12. Applicability.

For those choosing a temporary Section 8 voucher or other non-CHA housing with the right to return, the applicable portions of this contract shall survive the termination of the Leaseholder's Lease.

**13. Amendment.**

If policy changes to this contract are required, the CHA will negotiate the proposed changes with the CAC and request approval from the CHA's Board of Commissioners. If procedural changes to this contract are required, the CHA will similarly negotiate these changes with CAC prior to implementation, but need not seek the approval of the CHA's Board of Commissioners for such changes. Such changes will be approved in writing by the CEO or his/her designee.

**LEASEHOLDER:**

**CHA:**

\_\_\_\_\_  
Name (printed)

\_\_\_\_\_  
Name (printed)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Phone

Date: \_\_\_\_\_

[(Sub)Exhibits "A", "B", "C", "D-1", "D-2", "E-1", "E-2", "E-3",  
"F-1", "F-2", "G", "H", "L-1", "L-2", "M-1", "M-2" and "N"  
referred to in this Chicago Housing Authority's  
Leaseholder Housing Choice and Relocation  
Rights Contract unavailable at  
time of printing.]



*Recommending To The City Council Of*

*The City Of Chicago*

*For The Proposed*

*35<sup>th</sup>/State Redevelopment Project Area:*

*Approval Of A Redevelopment Plan,*

*Designation of A Redevelopment Project Area*

*And*

*Adoption Of Tax Increment Allocation Financing.*

Whereas, The Community Development Commission (the "Commission") of the City of Chicago (the "City") has heretofore been appointed by the Mayor of the City with the approval of its City Council ("City Council", referred to herein collectively with the Mayor as the "Corporate Authorities") (as codified in Section 2-124 of the City's Municipal Code) pursuant to Section 5/11-74.4-4(k) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the "Act"); and

Whereas, The Commission is empowered by the Corporate Authorities to exercise certain powers set forth in Section 5/11-74.4-4(k) of the Act, including the holding of certain public hearings required by the Act; and

Whereas, Staff of the City's Department of Planning and Development has conducted or caused to be conducted certain investigations, studies and surveys of the 35<sup>th</sup>/State Tax Increment Allocation Redevelopment Area, the street boundaries of which are described on (Sub)Exhibit A hereto (the "Area"), to determine the eligibility of the Area as a redevelopment project area as defined in the Act (a "Redevelopment Project Area") and for tax increment allocation financing pursuant to the Act ("Tax Increment Allocation Financing"), and previously has presented the following documents to the Commission for its review:

35<sup>th</sup>/State Redevelopment and Project Area Eligibility Study (the "Report"); and  
35<sup>th</sup>/State Tax Increment Financing Redevelopment Plan and Project (the "Plan");  
and

Whereas, The Commission has heretofore passed Resolution 02-CDC-114 on December 10, 2002 that contains the information required by Section 5/11-74.4-4.1(a) of the Act to be included therein and that provides for the preparation of a feasibility study on designation of the Area as a Redevelopment Project Area and requires that such feasibility study include the preparation of the housing impact study set forth in Section 5/11-74.4-3(n)(5) of the Act, all as required by Section 5/11-74.4-4.1(b) of the Act, which has resulted in the preparation of the Report and the Plan being presented to the Commission; and

Whereas, A public meeting (the "Public Meeting") was held in accordance and in compliance with the requirements of Section 5/11-74.4-6(e) of the Act on May 29, 2003 at 6:00 P.M. at the Stateway Park Field House at 3658 South State Street, Chicago, Illinois, being a date not less than fourteen (14) business days before the mailing of the notice of the hearing (hereinafter defined), pursuant to notice from the City's Commissioner of the Department of Planning and Development given on May 14, 2003, being a date not less than fifteen (15) days before the date of the Public Meeting, by certified mail to all taxing districts having real property in the proposed Area and to all entities requesting that information that have taken the steps necessary to register to be included on the interested parties registry for the proposed Area in accordance with Section 5/11-74.4.2 of the Act and, with a good faith effort, by regular mail to all residents and the last known persons who paid property taxes on real estate in the proposed Area (which good faith effort was satisfied by such notice being mailed to each residential address and the person or persons in whose name property taxes were paid on real property for the last preceding year located in the proposed Area), which to the extent necessary to effectively communicate such notice, was given in English and in other languages; and

Whereas, Prior to the adoption by the Corporate Authorities of ordinances approving a redevelopment plan, designating an area as a Redevelopment Project Area or adopting Tax Increment Allocation Financing for an area, it is necessary that the Commission hold a public hearing (the "Hearing") pursuant to Section 5/11-74.4-5(a) of the Act, convene a meeting of a joint review board (the "Board")

pursuant to Section 5/11-74.4-5(b) of the Act, set the dates of such Hearing and Board meeting and give notice thereof pursuant to Section 5/11-74.4-6 of the Act; and

Whereas, The Report and Plan were made available for public inspection and review since May 30, 2003, being a date not less than ten (10) days before the Commission meeting at which the Commission adopted Resolution 03-CDC-29 on June 10, 2003 fixing the time and place for the Hearing, at City Hall, 121 North LaSalle Street, Chicago, Illinois, in the following offices: City Clerk, Room 107 and Department of Planning and Development, Room 1000; and

Whereas, Notice of the availability of the Report and Plan, including how to obtain this information, were sent by mail on June 20, 2003, which is within a reasonable time after the adoption by the Commission of Resolution 03-CDC-29 to: (a) all residential addresses that, after a good faith effort, were determined to be (i) located within the Area and (ii) located outside the proposed Area and within seven hundred fifty (750) feet of the boundaries of the Area (or, if applicable, were determined to be the seven hundred fifty (750) residential addresses that were outside the proposed Area and closest to the boundaries of the Area); and (b) organizations and residents that were registered interested parties for such Area; and

Whereas, Notice of the Hearing by publication was given at least twice, the first publication being on July 18, 2003, a date which is not more than thirty (30) nor less than ten (10) days prior to the Hearing, and the second publication being on July 25, 2003, both in the *Chicago Sun-Times* or the *Chicago Tribune*, being newspapers of general circulation within the taxing districts having property in the Area; and

Whereas, Notice of the Hearing was given by mail to taxpayers by depositing such notice in the United States mail by certified mail addressed to the persons in whose names the general taxes for the last preceding year were paid on each lot, block, tract or parcel of land lying within the Area, on July 25, 2003, being a date not less than ten (10) days prior to the date set for the Hearing; and where taxes for the last preceding year were not paid, notice was also mailed to the persons last listed on the tax rolls as the owners of such property within the preceding three (3) years; and

Whereas, A good faith effort was made to give notice of the Hearing by mail to all residents of the Area by, at a minimum, giving notice by mail to each residential address located in the Area, which to the extent necessary to effectively communicate such notice was given in English and in the predominant language of residents of the Area other than English on July 25, 2003, being a date not less than ten (10) days prior to the date set for the Hearing; and

Whereas, Notice of the Hearing was given by mail to the Illinois Department of Commerce and Economic Opportunity ("D.C.E.O.") and members of the Board (including notice of the convening of the Board), by depositing such notice in the United States mail by certified mail addressed to D.C.E.O. and all Board members, on June 20, 2003, being a date not less than forty-five (45) days prior to the date set for the Hearing; and

Whereas, Notice of the Hearing and copies of the Report and Plan were sent by mail to taxing districts having taxable property in the Area, by depositing such notice and documents in the United States mail by certified mail June 20, 2003, being a date not less than forty-five (45) days prior to the date set for the Hearing; and

Whereas, The Hearing was held on August 12, 2003 at 1:00 P.M. at Cook County Board Room, 118 North Clark Street, Room 569, Chicago, Illinois, as the official public hearing, and testimony was heard from all interested persons or representatives of any affected taxing district present at the Hearing and wishing to testify, concerning the Commission's recommendation to City Council regarding approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; and

Whereas, The Board meeting was convened on July 11, 2003 at 10:00 A.M. (being a date at least fourteen (14) days but not more than twenty-eight (28) days after the date of the mailing of the notice to the taxing districts on June 20, 2003) in Room 1003A, City Hall, 121 North LaSalle Street, Chicago, Illinois, to review the matters properly coming before the Board to allow it to provide its advisory recommendation regarding the approval of the Plan, designation of the Area as a Redevelopment Project Area, adoption of Tax Increment Allocation Financing within the Area and other matters, if any, properly before it, all in accordance with Section 5/11-74.4-5(b) of the Act; and

Whereas, The Commission has reviewed the Report and Plan, considered testimony from the Hearing, if any, the recommendation of the Board, if any, and such other matters or studies as the Commission deemed necessary or appropriate in making the findings set forth herein and formulating its decision whether to recommend to City Council approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; now, therefore,

Be It Resolved by the Community Development Commission of the City of Chicago:

Section 1. The above recitals are incorporated herein and made a part hereof.



Section 2. The Commission hereby makes the following findings pursuant to Section 5/11-74.4-3(n) of the Act or such other section as is referenced herein:

a. the Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be expected to be developed without the adoption of the Plan;

b. the Plan:

- (i) conforms to the comprehensive plan for the development of the City as a whole; or
- (ii) the Plan either (A) conforms to the strategic economic development or redevelopment plan issued by the Chicago Plan Commission or (B) includes land uses that have been approved by the Chicago Plan Commission;

c. the Plan meets all of the requirements of a redevelopment plan as defined in the Act and, as set forth in the Plan, the estimated date of completion of the projects described therein and retirement of all obligations issued to finance redevelopment project costs is not later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 5/11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third (23<sup>rd</sup>) calendar year following the year of the adoption of the ordinance approving the designation of the Area as a redevelopment project area and, as required pursuant to Section 5/11-74.4-7 of the Act, no such obligation shall have a maturity date greater than twenty (20) years;

d. to the extent required by Section 5/11-74.4-3(n)(6) of the Act, the Plan incorporates the housing impact study, if such study is required by Section 5/11-74.4-3(n)(5) of the Act;

e. the Area includes only those contiguous parcels of real property and improvements thereon that are to be substantially benefitted by proposed Plan improvements, as required pursuant to Section 5/11-74.4-4(a) of the Act;

f. as required pursuant to Section 5/11-74.4-3(p) of the Act:

- (i) the Area is not less, in the aggregate, than one and one-half (1½) acres in size; and

(ii) conditions exist in the Area that cause the Area to qualify for designation as a redevelopment project area and a blighted area as defined in the Act;

g. if the Area is qualified as a "blighted area", whether improved or vacant, each of the factors necessary to qualify the Area as a Redevelopment Project Area on that basis is (i) present, with that presence documented to a meaningful extent so that it may be reasonably found that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part or vacant part, as applicable, of the Area as required pursuant to Section 5/11-74.4-3(a) of the Act.

Section 3. The Commission recommends that the City Council approve the Plan pursuant to Section 5/11-74.4-4 of the Act.

Section 4. The Commission recommends that the City Council designate the Area as a Redevelopment Project Area pursuant to Section 5/11-74.4-4 of the Act.

Section 5. The Commission recommends that the City Council adopt Tax Increment Allocation Financing within the Area.

Section 6. If any provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this resolution.

Section 7. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 8. This resolution shall be effective as of the date of its adoption.

Section 9. A certified copy of this resolution shall be transmitted to the City Council.

Adopted: August 12, 2003.

[(Sub)Exhibit "A" referred to in this Resolution 03-CDC-48 constitutes Exhibit "D" to the ordinance and is printed on page 17118 of this *Journal*.]

*Exhibit "C".*  
(To Ordinance)

*35<sup>th</sup>/State Redevelopment And Project  
Area Legal Description.*

All that part of the east half of Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, bounded and described as follows:

beginning at the point of intersection of the north line of West Pershing Road with the west line of South State Street; thence north along said west line of South State Street to the north line of heretofore vacated West 34<sup>th</sup> Street; thence west along said north line of heretofore vacated West 34<sup>th</sup> Street to the northerly extension of the east line of Lot 26 in Hanna Busby's Subdivision of part of the southwest quarter of Block 16 in the Canal Trustee's Subdivision of Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, said northerly extension being also the east line of that part of heretofore vacated West 34<sup>th</sup> Street bearing Permanent Index Number 17-33-221-003; thence south along said east line of that part of heretofore vacated West 34<sup>th</sup> Street bearing Permanent Index Number 17-33-221-003 to the centerline of said vacated West 34<sup>th</sup> Street, said centerline of vacated West 34<sup>th</sup> Street being also the south line of the parcel of property bearing Permanent Index Number 17-33-221-003; thence west along said south line of the parcel of property bearing Permanent Index Number 17-33-221-003 to the west line of the east 22.50 feet of vacated South Federal Street (formerly South Butterfield Street), said west line of the east 22.50 feet of vacated South Federal Street (formerly South Butterfield Street) being also the west line of the parcel of property bearing Permanent Index Number 17-33-221-003; thence north along said west line of the parcel of property bearing Permanent Index Number 17-33-221-003 and along the northerly extension thereof to the north line of West 33<sup>rd</sup> Street; thence west along said north line of West 33<sup>rd</sup> Street to the west line of the vacated alley lying west of and adjoining Lot 182 in Boone, Jones and Kiefer's Subdivision of the north three-quarters of Block 1 and the east 75 feet of Block 2 and Lot 49 in Beecher's Subdivision of the south half of the south half of Block 1 of the Canal Trustee's Subdivision of Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, said west line of the vacated alley being also the east line of the joint railroad right-of-way of the New York Central System and the Chicago, Rock Island and Pacific Railway; thence north along said east line of the joint railroad right-of-way to the north line of aforesaid Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, said north line being also the centerline of West 31<sup>st</sup> Street; thence west along said centerline of West 31<sup>st</sup> Street to the west line of the aforesaid joint railroad right-of-way; thence south along said joint railroad right-of-way to the north line of West 33<sup>rd</sup> Street; thence

west along said north line of West 33<sup>rd</sup> Street and along the westerly extension thereof to the west line of the east half of the northeast quarter of aforesaid Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, said west line being also the centerline of South Wentworth Avenue; thence south along said west line of the east half of the northeast quarter of Section 33 and along the west line of the east half of the southeast quarter of said Section 33 to the westerly extension of the north line of Lots 57 through 61, both inclusive, in Enos Ayres' Subdivision of Lot 2 in the subdivision of Lot 18 of the Canal Trustee's Subdivision of Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, said north line of Lots 57 through 61, both inclusive, being also the south line of West 35<sup>th</sup> Street; thence east along said westerly extension and the south line of West 35<sup>th</sup> Street to the east line of the alley lying east of and adjoining Lot 1 in said Enos Ayres' Subdivision, said east line being also the west line of the joint railroad right-of-way of the New York Central System and the Chicago, Rock Island and Pacific Railway; thence south along said west line of the joint railroad right-of-way of the New York Central System and the Chicago, Rock Island and Pacific Railway to the north line of West 38<sup>th</sup> Street; thence west along said north line of West 38<sup>th</sup> Street and along the westerly extension thereof to the west line of the east half of the southeast quarter of Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, said west line being also the centerline of South Wentworth Avenue; thence south along said west line of the east half of the southeast quarter of aforesaid Section 33 to the westerly extension of the south line of Lot 72 in Young and Rowley's Subdivision of the south half of Block 31 of the Canal Trustee's Subdivision of Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, lying west of the Chicago, Rock Island and Pacific Railroad land, said south line of Lot 72 in Young and Rowley's Subdivision being also the north line of West Pershing Road; thence east along said north line of West Pershing Road to the point of beginning at the west line of South State Street, all in the City of Chicago, Cook County, Illinois.

*Exhibit "D".*  
(To Ordinance)

*Street Location.*

The Redevelopment Project Area is bound approximately by West 33<sup>rd</sup> Street and West 34<sup>th</sup> Street on the north, West Pershing Road on the south, South State Street on the east and the Dan Ryan Expressway on the west.



DESIGNATION OF 35<sup>TH</sup>/STATE REDEVELOPMENT PROJECT  
AREA AS TAX INCREMENT FINANCING DISTRICT.

The Committee on Finance submitted the following report:

CHICAGO, January 14, 2004.

*To the President and Members of the City Council:*

Your Committee on Finance, having had under consideration a substitute ordinance designating the 35<sup>th</sup>/State Tax Increment Financing Redevelopment Project Area, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,  
*Chairman.*

On motion of Alderman Burke, the said proposed substitute ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

*Yeas* -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Shiller, Schulter, M. Smith, Stone -- 45.

*Nays* -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, It is desirable and in the best interest of the citizens of the City of Chicago, Illinois (the "City") for the City to implement tax increment allocation financing ("Tax Increment Allocation Financing") pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the "Act"), for a proposed redevelopment project area to be known as the 35<sup>th</sup>/State Tax Increment Financing Redevelopment Project Area (the "Area") described in Section 2 of this ordinance, to be redeveloped pursuant to a proposed redevelopment plan and project (the "Plan"); and

WHEREAS, A public meeting ("Public Meeting") was held in compliance with the requirements of Section 5/11-74.4-6(e) of the Act on May 29, 2003 at 6:00 P.M. at 3658 South State Street, Chicago, Illinois; and

WHEREAS, The Plan (including the related eligibility report attached thereto as an exhibit and, if applicable, the feasibility study and the housing impact study) was made available for public inspection and review pursuant to Section 5/11-74.4-5(a) of the Act since May 30, 2003, being a date not less than ten (10) days before the meeting of the Community Development Commission of the City ("Commission") at which the Commission adopted Resolution 03-CDC-29 on June 10, 2003 fixing the time and place for a public hearing ("Hearing"), at the offices of the City Clerk and the City's Department of Planning and Development; and

WHEREAS, Pursuant to Section 5/11-74.4-5(a) of the Act, notice of the availability of the Plan (including the related eligibility report attached thereto as an exhibit and, if applicable, the feasibility study and the housing impact study) was sent by mail on June 20, 2003, which is within a reasonable time after the adoption by the Commission of Resolution 03-CDC-29 to: (a) all residential addresses that, after a good faith effort, were determined to be (i) located within the Area and (ii) located within seven hundred fifty (750) feet of the boundaries of the Area (or, if applicable, were determined to be the seven hundred fifty (750) residential addresses that were closest to the boundaries of the Area); and (b) organizations and residents that were registered interested parties for such Area; and

WHEREAS, A meeting of the joint review board established pursuant to Section 5/11-74.4-5(b) of the Act (the "Board") was convened upon the provision of due notice on July 11, 2003 at 10:00 A.M., to review the matters properly coming before the Board and to allow it to provide its advisory recommendation regarding the approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area, and other matters, if any, properly before it; and

WHEREAS, Pursuant to Sections 5/11-74.4-4 and 5/11-74.4-5 of the Act, the Commission held the Hearing concerning approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area pursuant to the Act on August 12, 2003; and

WHEREAS, The Commission has forwarded to the City Council a copy of its Resolution 03-CDC-48, recommending to the City Council approval of the Plan, among other related matters; and

WHEREAS, The City Council has heretofore approved the Plan, which was identified in An Ordinance Of The City Of Chicago, Illinois, Approving A Redevelopment Plan For The 35<sup>th</sup>/State Tax Increment Financing Redevelopment Project Area; now, therefore,

*Be It Ordained by the City Council of the City of Chicago:*

SECTION 1. Recitals. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Area. The Area is legally described in Exhibit A attached hereto and incorporated herein. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein.

SECTION 3. Findings. The Corporate Authorities hereby make the following findings:

a. the Area includes only those contiguous parcels of real property and improvements thereon that are to be substantially benefitted by proposed Plan improvements, as required pursuant to Section 5/11-74.4-4(a) of the Act;

b. as required pursuant to Section 5/11-74.4-3(p) of the Act:

(i) the Area is not less, in the aggregate, than one and one-half (1½) acres in size; and

(ii) conditions exist in the Area that cause the Area to qualify for designation as a redevelopment project area and a blighted area as defined in the Act;

c. if the Area (or a portion thereof) is qualified as a "blighted area," whether improved or vacant, each of the factors necessary to qualify the Area as a redevelopment project area on that basis is (i) clearly present within the intent of



the Act and with that presence documented to a meaningful extent, and (ii) reasonably distributed throughout the improved part or vacant part, as applicable, of the Area as required pursuant to Section 5/11-74.4-3(a) of the Act;

d. if the Area (or a portion thereof) is qualified as a "conservation area," the combination of the factors necessary to qualify the Area as a redevelopment project area on that basis is detrimental to the public health, safety, morals or welfare, and the Area may become a blighted area.

SECTION 4. Area Designated. The Area is hereby designated as a redevelopment project area pursuant to Section 5/11-74.4-4 of the Act.

SECTION 5. Invalidity Of Any Section. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this ordinance.

SECTION 6. Superseder. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 7. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

[Exhibit "C" referred to in this ordinance  
printed on page 17126 of this *Journal*.]

Exhibits "A" and "B" referred to in this ordinance read as follows:

*Exhibit "A".*  
(To Ordinance)

*35<sup>th</sup>/State Redevelopment And Project  
Area Legal Description.*

All that part of the east half of Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, bounded and described as follows:

beginning at the point of intersection of the north line of West Pershing Road with the west line of South State Street; thence north along said west line of South State Street to the north line of heretofore vacated West 34<sup>th</sup> Street; thence west along said north line of heretofore vacated West 34<sup>th</sup> Street to the northerly extension of the east line of Lot 26 in Hanna Busby's Subdivision of part of the southwest quarter of Block 16 in the Canal Trustee's Subdivision of Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, said northerly extension being also the east line of that part of heretofore vacated West 34<sup>th</sup> Street bearing Permanent Index Number 17-33-221-003; thence south along said east line of that part of heretofore vacated West 34<sup>th</sup> Street bearing Permanent Index Number 17-33-221-003 to the centerline of said vacated West 34<sup>th</sup> Street, said centerline of vacated West 34<sup>th</sup> Street being also the south line of the parcel of property bearing Permanent Index Number 17-33-221-003; thence west along said south line of the parcel of property bearing Permanent Index Number 17-33-221-003 to the west line of the east 22.50 feet of vacated South Federal Street (formerly South Butterfield Street), said west line of the east 22.50 feet of vacated South Federal Street (formerly South Butterfield Street) being also the west line of the parcel of property bearing Permanent Index Number 17-33-221-003; thence north along said west line of the parcel of property bearing Permanent Index Number 17-33-221-003 and along the northerly extension thereof to the north line of West 33<sup>rd</sup> Street; thence west along said north line of West 33<sup>rd</sup> Street to the west line of the vacated alley lying west of and adjoining Lot 182 in Boone, Jones and Kiefer's Subdivision of the north three quarters of Block 1 and the east 75 feet of Block 2 and Lot 49 in Beecher's Subdivision of the south half of the south half of Block 1 of the Canal Trustee's Subdivision of Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, said west line of the vacated alley being also the east line of the joint railroad right-of-way of the New York Central System and the Chicago, Rock Island and Pacific Railway; thence north along said east line of the joint railroad right-of-way to the north line of aforesaid Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, said north line being also the centerline of West 31<sup>st</sup> Street; thence west along said centerline of West 31<sup>st</sup> Street to the west line of the aforesaid joint railroad right-of-way; thence south along said joint railroad right-of-way to the north line of West 33<sup>rd</sup> Street; thence west along said north line of West 33<sup>rd</sup> Street and along the westerly extension thereof to the west line of the east half of the northeast quarter of aforesaid Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, said west line being also the centerline of South Wentworth Avenue; thence south along said west line of the east half of the northeast quarter of Section 33

and along the west line of the east half of the southeast quarter of said Section 33 to the westerly extension of the north line of Lots 57 through 61, both inclusive, in Enos Ayres' Subdivision of Lot 2 in the subdivision of Lot 18 of the Canal Trustee's Subdivision of Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, said north line of Lots 57 through 61, both inclusive, being also the south line of West 35<sup>th</sup> Street; thence east along said westerly extension and the south line of West 35<sup>th</sup> Street to the east line of the alley lying east of and adjoining Lot 1 in said Enos Ayres' Subdivision, said east line being also the west line of the joint railroad right-of-way of the New York Central System and the Chicago, Rock Island and Pacific Railway; thence south along said west line of the joint railroad right-of-way of the New York Central System and the Chicago, Rock Island and Pacific Railway to the north line of West 38<sup>th</sup> Street; thence west along said north line of West 38<sup>th</sup> Street and along the westerly extension thereof to the west line of the east half of the southeast quarter of Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, said west line being also the centerline of South Wentworth Avenue; thence south along said west line of the east half of the southeast quarter of aforesaid Section 33 to the westerly extension of the south line of Lot 72 in Young and Rowley's Subdivision of the south half of Block 31 of the Canal Trustee's Subdivision of Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, lying west of the Chicago, Rock Island and Pacific Railroad land, said south line of Lot 72 in Young and Rowley's Subdivision being also the north line of West Pershing Road; thence east along said north line of West Pershing Road to the point of beginning at the west line of South State Street, all in the City of Chicago, Cook County, Illinois.

*Exhibit "B".*  
(To Ordinance)

*Street Location.*

The Redevelopment Project Area is bound approximately by West 33<sup>rd</sup> Street and West 34<sup>th</sup> Street on the north, West Pershing Road on the south, South State Street on the east and the Dan Ryan Expressway on the west.

Exhibit "C".  
(To Ordinance)

Boundary Map.

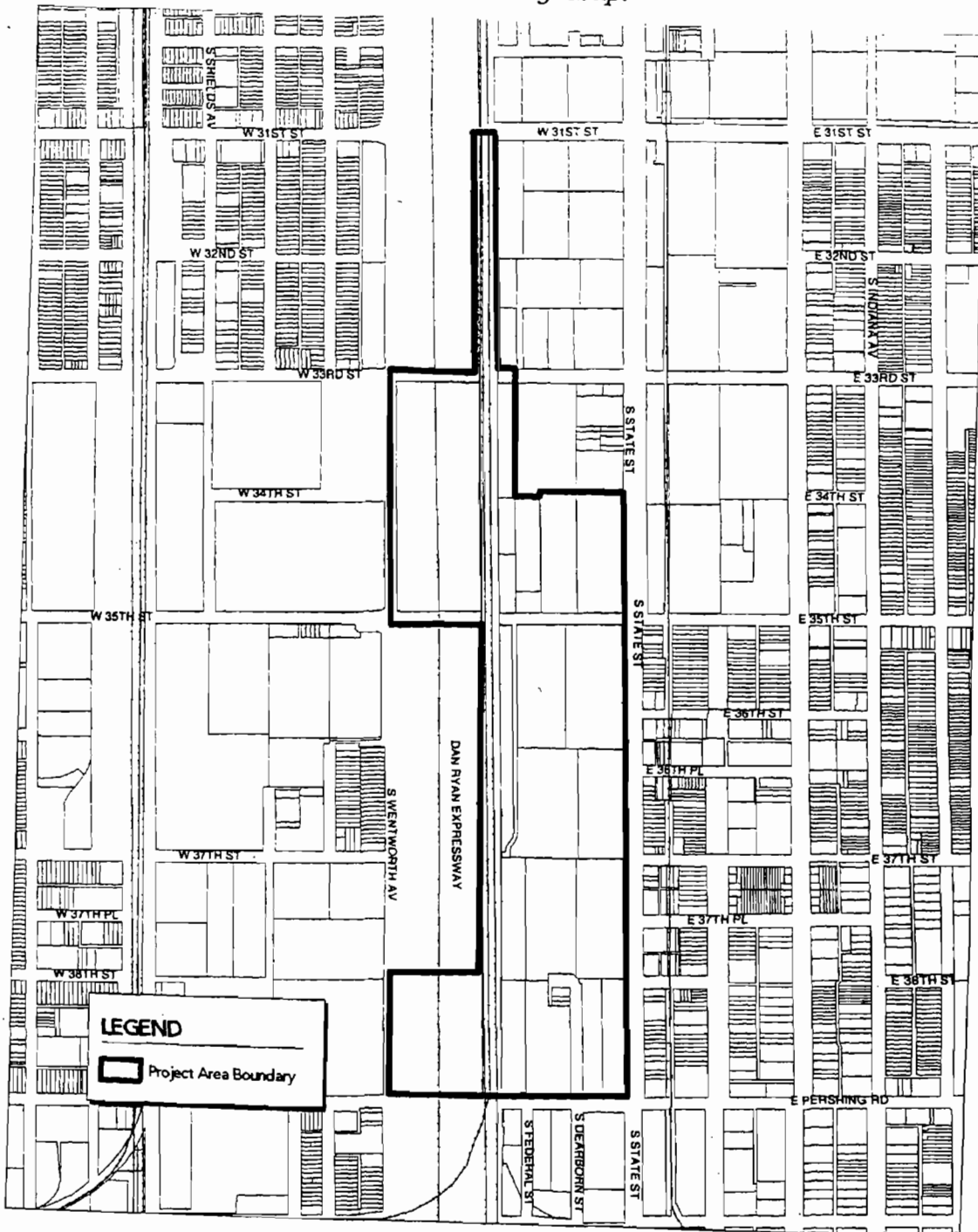
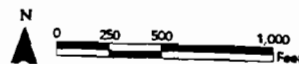


FIGURE 1  
35th/STATE REDEVELOPMENT PROJECT AREA



ADOPTION OF TAX INCREMENT ALLOCATION FINANCING FOR  
35<sup>TH</sup>/STATE REDEVELOPMENT PROJECT AREA.

The Committee on Finance submitted the following report:

CHICAGO, January 14, 2004.

*To the President and Members of the City Council:*

Your Committee on Finance, having had under consideration a substitute ordinance adopting Tax Increment Financing for the 35<sup>th</sup>/State Tax Increment Financing Redevelopment Project Area, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed substitute ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,  
*Chairman.*

On motion of Alderman Burke, the said proposed substitute ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

*Yeas* -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Shiller, Schulter, M. Smith, Stone -- 45.

*Nays* -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, It is desirable and in the best interest of the citizens of the City of Chicago, Illinois (the "City") for the City to implement tax increment allocation financing ("Tax Increment Allocation Financing") pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the "Act"), for a proposed redevelopment project area to be known as the 35th/State Tax Increment Financing Redevelopment Project Area (the "Area") described in Section 2 of this ordinance, to be redeveloped pursuant to a proposed redevelopment plan and project (the "Plan"); and

WHEREAS, The Community Development Commission of the City has forwarded to the City Council of the City ("City Council") a copy of its Resolution 03-CDC-48, recommending to the City Council the adoption of Tax Increment Allocation Financing for the Area, among other things; and

WHEREAS, As required by the Act, the City has heretofore approved the Plan, which was identified in An Ordinance Of The City Of Chicago, Illinois, Approving A Redevelopment Plan For The 35<sup>th</sup>/State Tax Increment Redevelopment Project Area and has heretofore designated the Area as a redevelopment project area by passage of An Ordinance Of The City Of Chicago, Illinois, Designating The 35<sup>th</sup>/State Tax Increment Redevelopment Project Area A Redevelopment Project Area Pursuant To The Tax Increment Allocation Redevelopment Act and has otherwise complied with all other conditions precedent required by the Act; now, therefore,

*Be It Ordained by the City Council of the City of Chicago:*

SECTION 1. Recitals. The above recitals are incorporated herein and made a part hereof.

SECTION 2. Tax Increment Allocation Financing Adopted. Tax Increment Allocation Financing is hereby adopted pursuant to Section 5/11-74.4-8 of the Act to finance redevelopment project costs as defined in the Act and as set forth in the Plan within the Area legally described in Exhibit A attached hereto and incorporated herein. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein. The map of the Area is depicted in Exhibit C attached hereto and incorporated herein.

SECTION 3. Allocation Of Ad Valorem Taxes. Pursuant to the Act, the ad valorem taxes, if any, arising from the levies upon taxable real property in the Area

by taxing districts and tax rates determined in the manner provided in Section 5/11-74.4-9(c) of the Act each year after the effective date of this ordinance until redevelopment project costs and all municipal obligations financing redevelopment project costs incurred under the Act have been paid, shall be divided as follows:

a. that portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the Area shall be allocated to, and when collected, shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of Tax Increment Allocation Financing; and

b. that portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Area over and above the initial equalized assessed value of each property in the Area shall be allocated to, and when collected, shall be paid to the City Treasurer who shall deposit said taxes into a special fund, hereby created and designated the "35<sup>th</sup>/State Tax Increment Redevelopment Project Area Special Tax Allocation Fund" of the City for the purpose of paying redevelopment project costs and obligations incurred in the payment thereof.

SECTION 4. Invalidation Of Any Section. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this ordinance.

SECTION 5. Superseder. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 6. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

[Exhibit "C" referred to in this ordinance printed on pages 17130 through 17131 of this *Journal*.]

Exhibits "A" and "B" referred to in this ordinance read as follows:

*Exhibit "C".*  
(To Ordinance)

*35<sup>th</sup>/State Redevelopment And Project  
Area Legal Description.*

All that part of the east half of Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, bounded and described as follows:

beginning at the point of intersection of the north line of West Pershing Road with the west line of South State Street; thence north along said west line of South State Street to the north line of heretofore vacated West 34<sup>th</sup> Street; thence west along said north line of heretofore vacated West 34<sup>th</sup> Street to the northerly extension of the east line of Lot 26 in Hanna Busby's Subdivision of part of the southwest quarter of Block 16 in the Canal Trustee's Subdivision of Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, said northerly extension being also the east line of that part of heretofore vacated West 34<sup>th</sup> Street bearing Permanent Index Number 17-33-221-003; thence south along said east line of that part of heretofore vacated West 34<sup>th</sup> Street bearing Permanent Index Number 17-33-221-003 to the centerline of said vacated West 34<sup>th</sup> Street, said centerline of vacated West 34<sup>th</sup> Street being also the south line of the parcel of property bearing Permanent Index Number 17-33-221-003; thence west along said south line of the parcel of property bearing Permanent Index Number 17-33-221-003 to the west line of the east 22.50 feet of vacated South Federal Street (formerly South Butterfield Street), said west line of the east 22.50 feet of vacated South Federal Street (formerly South Butterfield Street) being also the west line of the parcel of property bearing Permanent Index Number 17-33-221-003; thence north along said west line of the parcel of property bearing Permanent Index Number 17-33-221-003 and along the northerly extension thereof to the north line of West 33<sup>rd</sup> Street; thence west along said north line of West 33<sup>rd</sup> Street to the west line of the vacated alley lying west of and adjoining Lot 182 in Boone, Jones and Kiefer's Subdivision of the north three-quarters of Block 1 and the east 75 feet of Block 2 and Lot 49 in Beecher's Subdivision of the south half of the south half of Block 1 of the Canal Trustee's Subdivision of Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, said west line of the vacated alley being also the east line of the joint railroad right-of-way of the New York Central System and the Chicago, Rock Island and Pacific Railway; thence north along said east line of the joint railroad right-of-way to the north line of aforesaid Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, said north line being also the centerline of West 31<sup>st</sup> Street; thence west along said centerline of West 31<sup>st</sup> Street to the west line of the aforesaid joint railroad right-of-way; thence south



along said joint railroad right-of-way to the north line of West 33<sup>rd</sup> Street; thence west along said north line of West 33<sup>rd</sup> Street and along the westerly extension thereof to the west line of the east half of the northeast quarter of aforesaid Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, said west line being also the centerline of South Wentworth Avenue; thence south along said west line of the east half of the northeast quarter of Section 33 and along the west line of the east half of the southeast quarter of said Section 33 to the westerly extension of the north line of Lots 57 through 61, both inclusive, in Enos Ayres' Subdivision of Lot 2 in the subdivision of Lot 18 of the Canal Trustee's Subdivision of Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, said north line of Lots 57 through 61, both inclusive, being also the south line of West 35<sup>th</sup> Street; thence east along said westerly extension and the south line of West 35<sup>th</sup> Street to the east line of the alley lying east of and adjoining Lot 1 in said Enos Ayres' Subdivision, said east line being also the west line of the joint railroad right-of-way of the New York Central System and the Chicago, Rock Island and Pacific Railway; thence south along said west line of the joint railroad right-of-way of the New York Central System and the Chicago, Rock Island and Pacific Railway to the north line of West 38<sup>th</sup> Street; thence west along said north line of West 38<sup>th</sup> Street and along the westerly extension thereof to the west line of the east half of the southeast quarter of Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, said west line being also the centerline of South Wentworth Avenue; thence south along said west line of the east half of the southeast quarter of aforesaid Section 33 to the westerly extension of the south line of Lot 72 in Young and Rowley's Subdivision of the south half of Block 31 of the Canal Trustee's Subdivision of Section 33, Township 39 North, Range 14 East of the Third Principal Meridian, lying west of the Chicago, Rock Island and Pacific Railroad land, said south line of Lot 72 in Young and Rowley's Subdivision being also the north line of West Pershing Road; thence east along said north line of West Pershing Road to the point of beginning at the west line of South State Street, all in the City of Chicago, Cook County, Illinois.

*Exhibit "B".*  
(To Ordinance)

*Street Location.*

The Redevelopment Project Area is bound approximately by West 33<sup>rd</sup> Street and West 34<sup>th</sup> Street on the north, West Pershing Road on the south, South State Street on the east and the Dan Ryan Expressway on the west.



AMENDMENT OF ORDINANCE WHICH ESTABLISHED  
PARKING RATES FOR MILLENNIUM PARK GARAGE.

The Committee on Finance submitted the following report:

CHICAGO, January 14, 2004.

*To the President and Members of the City Council:*

Your Committee on Finance, having had under consideration an ordinance authorizing the Director of the Department of Revenue to amend the parking rates at the Millennium Park Garage, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,  
*Chairman.*

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

*Yeas* -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Shiller, Schulter, M. Smith, Stone -- 45.

*Nays* -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

*Be It Ordained by the City Council of the City of Chicago:*

SECTION 1. The ordinance passed by the City Council on March 28, 2001 (published on pages 55313 -- 55315 of the *Journal of the Proceedings of the City Council of the City of Chicago*) is hereby amended by deleting the language struck through and by inserting the language underscored, as follows:

Section 1. The parking fees at the rates set forth below shall be charged and collected for each vehicle parked at the Millennium Park Garage:

A. For less than twelve (12) hours: ~~Seven and 75/100 Dollars (\$7.75)~~ \$9.75.

B. For twelve (12) hours or more but less than twenty-four hours: ~~Ten and 75/100 Dollars (\$10.75)~~ \$12.75.

C. For monthly use of the garage: ~~One Hundred Fifty five Dollars (\$155)~~ \$165.

The fees shall be in addition to all applicable taxes. The director of revenue may by written order authorize a temporary reduction of up to \$2.00 in the rate specified in subsections (A) or (B) of this section.

SECTION 2. This ordinance shall take full force and effect upon passage and approval.

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AUTHORIZATION FOR ISSUANCE OF FREE PERMITS AND  
LICENSE FEE EXEMPTIONS FOR CERTAIN CHARITABLE,  
EDUCATIONAL AND RELIGIOUS INSTITUTIONS.

The Committee on Finance submitted the following report:

CHICAGO, January 14, 2004.

*To the President and Members of the City Council:*

Your Committee on Finance, to which had been referred November 5, and 19 and