

Very truly yours,

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

[(Sub)Exhibit "A" and Schedule 1 referred to  
in this Opinion of Developer's Counsel  
unavailable at time of printing.]

\_\_\_\_\_

APPROVAL OF TAX INCREMENT FINANCING REDEVELOPMENT  
PLAN FOR PRATT/RIDGE INDUSTRIAL PARK  
CONSERVATION AREA.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

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

Your Committee on Finance, having had under consideration an ordinance authorizing the approval of the Redevelopment Plan for the Pratt/Ridge Industrial Park Conservation 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 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, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

*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 interests 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 Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1 et. seq., as amended (the "Act"), for a proposed redevelopment project area to be known as the Pratt/Ridge Industrial Park Conservation 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, Pursuant to Sections 5/11-74.6-15 and 5/11-74.6-22 of the Act, the Community Development Commission (the "Commission") of the City, 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") called a public hearing (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 May 11, 2004; and

WHEREAS, The Plan was made available for public inspection and review pursuant to Section 5/11-74.6-22(a) of the Act beginning March 8, 2004, prior to the adoption by the Commission of Resolution 04-CDC-20 on March 9, 2004 fixing the time and place for the Hearing, at the offices of the City Clerk and the City's Department of Planning and Development; and

WHEREAS, Due notice of the Hearing was given pursuant to Section 5/11-74.6-25 of the Act, said notice being given to all taxing districts having property within the Area and to the Department of Commerce and Economic Opportunity of the State of Illinois by certified mail on March 24, 2004, by publication in the *Chicago Sun-Times* or *Chicago Tribune* on April 13, 2004 and April 20, 2004, by certified mail to taxpayers within the Area on April 13, 2004; and

WHEREAS, A meeting of the joint review board established pursuant to Section 5/11-74.6-22(b) of the Act (the "Board") was convened upon the provision of due notice on April 8, 2004 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, The Commission has forwarded to the City Council a copy of its Resolution 04-CDC-35 attached hereto as Exhibit B, adopted on May 11, 2004, recommending to the City Council approval of the Plan, among other related matters; and

WHEREAS, The Corporate Authorities have reviewed the Plan, testimony from 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 5/11-74.6-10(1) 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 in accordance with public goals stated in the Plan 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 Section 5/11-74.6-35 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 5/11-74.6-30 of the Act, no such obligation shall have a maturity date greater than twenty (20) years;

d. the Plan is reasonably expected to create or retain a significant number of permanent full time jobs as set forth in paragraph (3) of subsection (1) of Section 5/11-74.6-10 of the Act; and

e. the City is a labor surplus municipality and the implementation of the Plan is reasonably expected to create a significant number of permanent full time new jobs and, by the provision of new facilities, significantly enhance the tax base of the taxing districts that extend into the Area.

SECTION 4. Approval Of The Plan. The City hereby approves the Plan pursuant to Section 5/11-74.6-15 of the Act.

SECTION 5. Powers Of Eminent Domain. In compliance with Section 5/11-74.6-15(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 26666 this *Journal*.]

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

*Exhibit "A".*  
(To Ordinance)

*Pratt/Ridge Industrial Park Conservation Area  
Redevelopment Plan And Project.*

*March 8, 2004.*

## **I. INTRODUCTION**

This report documents the Industrial Park Conservation Area eligibility criteria and the Redevelopment Plan and Project (the "Plan") for the Pratt/Ridge Industrial Park Conservation Area (the "IPCA"). The Plan has been prepared for the use by the City of Chicago (the "City") by Ernst & Young LLP ("E&Y").

Based on the available data, as described in the following pages, E&Y performed site evaluation and the qualification of the City as a labor surplus municipality. In addition, Gremely & Biedermann, a surveyor, documented the zoning of the IPCA. Based on the analysis, the evidence has enabled E&Y to conclude that the proposed IPCA is eligible for designation as an Industrial Park Conservation Area (under Standard One) and may be designated as a tax increment finance district under the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1 et seq., as amended (the "Act").

The Plan summarizes E&Y's analyses and findings, which, unless otherwise noted, is the responsibility of E&Y. The City is entitled to rely on the findings and conclusions of this Plan in designating the IPCA as a redevelopment project area under the Act. E&Y has prepared this Plan and the related eligibility analysis with the understanding that the City would rely: 1) on the findings and conclusions of the Plan and the related eligibility analysis in proceeding with the designation of the IPCA and the adoption and implementation of the Plan, and 2) on the fact that E&Y has obtained the necessary information so that the Plan and the related eligibility analysis will comply with the Act.

### **IPCA Description**

The IPCA includes the corporate headquarters and manufacturing facilities owned and operated by the S&C Electric Company ("S&C" or the "Developer") and is located approximately 10 miles northwest of the central business district of the City, in the Rogers Park neighborhood. See Exhibit C in the Appendix. The boundaries of the IPCA include the contiguous properties owned by the Developer. The IPCA is generally bounded by Devon Avenue to the south, Ridge Boulevard to the west, Pratt Avenue on the north, and the Chicago & North Western Railway to the east. It is anticipated that the property within the boundaries of the IPCA will gain substantial benefit from the proposed redevelopment project improvements outlined below.

### **IPCA History**

S&C Electric Company is a global provider of equipment and services for electric power systems. Founded in 1911, the Chicago-based company designs and manufactures switching and protection products for electric power transmission and distribution.

S&C provides solutions for customers worldwide. The company has engineering offices and manufacturing facilities in Chicago, Illinois; Franklin, Wisconsin; Alameda, California; and Orlando, Florida. S&C subsidiaries operate in Toronto, Canada; Curitiba, Brazil; Naucalpan, Mexico; and Suzhou, China.

S&C's products help deliver electric power efficiently and reliably. Some are used to switch circuits. Others minimize damage to equipment in the event of a fault, or reduce the area of an outage by automatically rerouting power flow. S&C's sophisticated power-quality products can deliver uninterrupted power for an entire facility, and for crucial process industries. In addition, S&C offers engineering, laboratory, and testing services for electric utilities and commercial, industrial, and institutional power users.

S&C's products protect underground and overhead electrical distribution systems, interrupting system voltages from 5,000 volts up to 34,500 volts, as well as protecting electrical transmission systems (transmission lines, transformers and capacitor banks) up to 345,000 volts. By remaining a specialist, S&C has developed an expertise in power transmission / distribution practices and power quality solutions. S&C's in-depth specialization and development of proprietary products has made it a leader in the industry, competing against much larger, global companies such as Siemens Energy (Germany), ABB (Sweden), Cooper Industries (United States), Square D (Group Schneider) (France), as well as smaller, regional companies headquartered in the United States such as Hubbell Inc., Powell Industries, G&W Electric, Bridges Electric, Federal Pacific and American Superconductor. In recent years, S&C has seen an increase in low-cost overseas competitors selling imitation products made in Korea, Brazil, and Taiwan.

S&C's sales are broadly divided into two segments: public utilities (80-85%) and large power consumers (15-20%). The former category includes virtually every utility in North America and the latter category includes both large and small industrial, commercial and institutional power consumers.

### **IPCA Project Overview**

The Developer is proposing to renovate and modernize the Site, known as the John R. Conrad Industrial Complex over the next several years. At the time of this report, the proposed redevelopment project, which is the headquarters of S&C Electric Company, is a 46-acre facility that occupies 20 major buildings covering approximately 1,125,000 square feet under roof (the "Site" or the "Project Area"). The Developer is proposing to invest approximately \$145,000,000 in new redevelopment, construction, renovation, equipment, and employee training over the twenty-three (23) year life of the IPCA.

Included in the Developer's projected improvements is the proposed construction of an Advanced Technology Center for new product development and testing. The implementation of the Developer's investment is divided into four (4) phases, as described below.

- Phase I: Phase I is anticipated to occur in Years 1-5. This phase consists primarily of the engineering, site preparation and construction of the Advanced Technology Center, a new research and development facility. In addition, there are more planned expenditures which will be prioritized based on age, condition and strategic value to S&C. These expenditures are renovation and improvements to the Site which include, but are not limited to, roof replacements, mechanical and electrical infrastructure refurbishment, paving, fire protection and site beautification. Machine tool and information technology purchases are also planned, as well as a variety of job training, retraining, advanced education and career enhancement programs.
- Phase II: Phase II is anticipated to occur in Years 6-11. This phase consists primarily of the engineering, site preparation and construction of two new buildings. The first, Building 2C, will involve as modernized expansion for manufacturing operations and will include accommodations for renovated mechanical and electrical service entries. The second will be a new office building for expansion of S&C's in-house consulting/construction management team. In addition, there are more planned expenditures which will be prioritized based on age, condition and strategic value to S&C. These expenditures are renovation and improvements to the Site which include, but are not limited to, roof replacements, mechanical and electrical infrastructure refurbishment, paving, fire protection and site beautification. Machine tool and information technology purchases are also planned, as well as a variety of job training, retraining, advanced education and career enhancement programs.
- Phase III: Phase III is anticipated to occur in Years 12-17. This phase consists primarily of the engineering, site preparation and construction of Building 15B, intended as expansion space for S&C Polymer Products Division's manufacturing operations. In addition, there are more planned expenditures which will be prioritized based on age, condition and strategic value to S&C. These expenditures are renovation and improvements to the Site which include, but are not limited to, roof replacements, mechanical and electrical infrastructure refurbishment, paving, fire protection and site beautification. Machine tool and information technology purchases are also planned, as well as a variety of job training, retraining, advanced education and career enhancement programs.
- Phase IV: Phase IV is anticipated to occur in Years 18-23. This phase consists primarily of the engineering, site preparation and construction of a two story parking structure to accommodate expanded employment and replace parking areas lost to new construction activities. In addition, there are more planned

expenditures which will be prioritized based on age, condition and strategic value to S&C. These expenditures are renovation and improvements to the Site which include, but are not limited to, roof replacements, mechanical and electrical infrastructure refurbishment, paving, fire protection and site beautification. Machine tool and information technology purchases are also planned, as well as a variety of job training, retraining, advanced education and career enhancement programs.

The estimated total private investment related to these phases, as described, is detailed in Table 1.0:

Table 1.0: Estimated Total Private Investment

<b>Phase</b>	<b>Estimated Investment</b>	<b>Major Development Activity</b>
Phase I (Years 1-5)	\$ 38,000,000	Advanced Technology Center
Phase II (Years 6-11)	\$ 52,000,000	Construction of Building 2C
Phase III (Years 12-17)	\$ 33,000,000	Polymer Products Mfg Bldg 15B
Phase IV (Years 18-23)	\$ 22,000,000	Parking Structure for Employees
<b>Estimated Total Investment</b>	<b>\$ 145,000,000</b>	

### **Tax Increment Financing**

The Act is intended to help overcome the unique challenges to the redevelopment of underutilized and vacant industrial sites. Further, the Act is intended to provide resources to retain and expand the industrial economy in Illinois through the use of tax increment financing ("TIF").

The Act permits municipalities to use TIF to improve eligible "industrial park conservation areas", "vacant industrial building conservation areas", or "environmentally contaminated areas" in accordance with an adopted redevelopment plan over a period not to exceed twenty three (23) years. The cost of certain public and private improvements and programs can be paid with revenues generated by taxes paid on the increased equalized assessed values ("EAV") of taxable real estate within a designated IPCA.

The incremental property taxes associated with an increase in private investment can be used to reimburse developers for eligible redevelopment project costs. Incremental property taxes are derived from the increase in the current EAV of real property improvements within the TIF district over and above the Certified Initial EAV ("Base EAV") of real property within the same district. The Certified Initial EAV is determined when the TIF district is established by a municipality. In summary, investment in new real property in the redevelopment area increases the EAV of the property, thus creating incremental real property tax revenues.



IPCAs do not generate incremental tax revenues by increasing tax rates. Rather, incremental tax revenues are generated through utilization of the municipality's Special Tax Allocation Fund to account for the incremental property tax revenues produced by the private investment and the reassessment of properties within the TIF district. The assets of the Special Tax Allocation Fund shall be used to pay for redevelopment project costs in the IPCA.

Through the use of TIF, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the IPCA. Additionally, taxing districts may receive distributions of excess incremental property taxes when annual incremental property taxes are collected if the amount of taxes collected are greater than the amount of the incremental property taxes earmarked toward redevelopment project costs or obligations. In addition to the potential of excess incremental property tax distributions, the taxing districts may realize an increase in their respective property tax bases after the TIF district has expired and all costs and obligations have been paid.

The successful implementation of the Plan requires the City to utilize the real estate tax increment attributed to the IPCA as provided for by the Act.

The levels of public and private investment, as outlined in the Plan, is possible only if TIF is used as authorized by the Act. Implementation of the Plan will benefit the City, its residents, and all taxing districts in the form of an expanded tax base and the improvement of the community through the creation and retention of jobs.

### **Redevelopment Plan**

The Plan has been formulated in accordance with the provisions of the Act and is intended to guide improvements and activities within the IPCA in order to stimulate investment in the IPCA. The goal of the City, through implementation of the Plan, is that the entire IPCA be revitalized through a coordinated public and private enterprise effort of reinvestment, rehabilitation, and redevelopment of uses compatible with a strong, stable neighborhood, and that such revitalization occurs:

- On a coordinated, rather than piecemeal basis, to ensure that land use, access and circulation, parking, public services and urban design are functionally integrated and meet present-day principles and standards;
- On a reasonable, comprehensive, and integrated basis to ensure that the factors leading to unemployment and underutilization of industrial land are reduced; and
- Within a reasonable and defined time period so that the IPCA may contribute productively to the economic vitality of the City.

The Plan specifically describes the IPCA and summarizes the factors which qualify the IPCA as an "industrial park conservation area" as defined in the Act.

The success of this redevelopment effort will depend on the cooperation between the public and private sectors. By means of public investment, the IPCA will become a stable environment for area-wide redevelopment by the private sector. The City will help coordinate the activities to ensure a unified and cooperative public-private redevelopment effort.

The use of incremental property taxes from the IPCA will benefit the City, its residents and taxing districts by generating the following benefits:

- Increased property tax base derived from investment in real property;
- Increase in construction and other employment opportunities from the direct and indirect spin-off of investment in the IPCA;
- Improved public systems, including utilities, roadways and other infrastructure items;
- The provision of job training services which make the IPCA more attractive to investors and employers; and
- The creation of opportunities for women and minority businesses to share in the redevelopment of the IPCA.

## **II. ELIGIBILITY OF THE PROPOSED INDUSTRIAL PARK CONSERVATION AREA**

The Illinois Industrial Jobs Recovery Law authorizes Illinois municipalities to redevelop locally designated areas through TIF. To qualify as a TIF district, the Project Area can be designated under one of the following categories as defined by the Act:

- Environmentally Contaminated Area;
- Industrial Park Conservation Area; or
- Vacant Industrial Building Conservation Area.

Based on the information contained in this report, the Project Area and the City meet the eligibility criteria for designation as an "Industrial Park Conservation Area." The definition as determined by the Act is as follows:

"Industrial Park Conservation Area" means an area within the boundaries of a redevelopment project area located within the corporate limits of a municipality or within 1 1/2 miles of the corporate limits of a municipality if the area is to be annexed to the

municipality, if the area is zoned as industrial no later than the date on which the municipality by ordinance designates the redevelopment project area, and if the area includes improved or vacant land suitable for use as an industrial park or a research park, or both. To be designated as an Industrial Park Conservation Area, the area shall also satisfy one of the following standards: (65 ILCS 5/11-74.6-10(e)):

- 1) **Standard One:** "The municipality must be a labor surplus municipality and the area must be served by adequate public and or road transportation for access by the unemployed and for the movement of goods or materials and the redevelopment project area shall contain no more than 2% of the most recently ascertained equalized assessed value of all taxable real properties within the corporate limits of the municipality after adjustment for all annexations associated with the establishment of the redevelopment project area or be located in the vicinity of a waste disposal site or other waste facility. The project plan shall include a plan for and shall establish a marketing program to attract appropriate businesses to the proposed Industrial Park Conservation Area and shall include an adequate plan for financing and construction of the necessary infrastructure. No redevelopment projects may be authorized by the municipality under Standard One of subsection (e) of this Section unless the project plan also provides for an employment training project that would prepare unemployed workers for work in the Industrial Park Conservation Area, and the project has been approved by official action of or is to be operated by the local community college district, public school district or state or locally designated private industry council or successor agency." (65 ILCS 5/11-74.6-10(e)(1)).
- 2) **Standard Two:** "The municipality must be a substantial labor surplus municipality and the area must be served by adequate public and or road transportation for access by the unemployed and for the movement of goods or materials and the redevelopment project area shall contain no more than 2% of the most recently ascertained equalized assessed value of all taxable real properties within the corporate limits of the municipality after adjustment for all annexations associated with the establishment of the redevelopment project area. No redevelopment projects may be authorized by the municipality under Standard Two of subsection (e) of this Section unless the project plan also provides for an employment training project that would prepare unemployed workers for work in the Industrial Park Conservation Area, and the project has been approved by official action of or is to be operated by the local community college district, public school district or state or locally designated private industry council or successor agency." (65 ILCS 5/11-74.6-10(e)(2)).

According to the Act, no redevelopment plan shall be adopted by a municipality without findings that (65 ILCS 5/11-74.6-10(1)(5)):

"In the case of an industrial park conservation area, that the municipality is a labor surplus municipality or a substantial labor surplus municipality and that the

implementation of the redevelopment plan is reasonably expected to create a significant number of permanent full time new jobs and, by the provision of new facilities, significantly enhance the tax base of the taxing districts that extend into the redevelopment project area.”

Based on our review of the IPCA, the eligibility segment of this report provides the following data to qualify the IPCA under Standard One of the Act:

- A) Zoning;
- B) Suitability of Land for Industrial Use;
- C) Labor Surplus Municipality;
- D) Most Recent Equalized Assessed Valuation;
- E) Adequate Public Road Transportation Access;
- F) Equalized Assessed Value as a Proportion of Municipality;
- G) Required Plan Elements; and
- H) Within the Corporate Limits of the Municipality.

### Zoning

The Project Area must qualify as an “Industrial Park Conservation Area”, as defined by the Act, before the Standard One criteria area applied.

“The area within the boundaries of a redevelopment project area located within the corporate limits of a municipality or within 1 1/2 miles of the corporate limits of a municipality if the area is to be annexed to the municipality, if the area is zoned as industrial no later than the date on which the municipality by ordinance designates the redevelopment project area, and if the area includes improved or vacant land suitable for use as an industrial park or a research park, or both.” (65 ILCS 5/11-74.6-10(e)).

The IPCA is zoned as M2-2 and M1-1 (industrial classifications of the City)<sup>1</sup>.

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<sup>1</sup> A portion of the IPCA surrounding the public right of way is currently zoned C1-1 (a commercial classification of the City); however, this portion of the IPCA will be re-zoned industrial prior to adoption of the Plan by City Council.

### **Suitability of Land for Industrial Use**

According to the Act, an eligible IPCA must include improved or vacant land suitable for use as an industrial park or a research park, or both. An industrial park is defined as:

“... an area in a redevelopment project area suitable for use by any manufacturing, industrial, research, or transportation enterprise, of facilities, including but not limited to factories, mills, processing plants, assembly plants, packing plants, fabricating plants, distribution centers, warehouses, repair overhaul or service facilities, freight terminals, research facilities, test facilities or railroad facilities. An industrial park may contain space for commercial and other use as long as the expected principal use of the park is industrial and is reasonably expected to result in the creation of a significant number of new permanent full time jobs. An industrial park may also contain related operations and facilities including, but not limited to, business and office support services such as centralized computers, telecommunications, publishing, accounting, photocopying and similar activities and employee services such as child care, health care, food service and similar activities. An industrial park may also include demonstration projects, prototype development, specialized training on developing technology, and pure research in any field related or adaptable to business and industry.” (65 ILCS 5/11-74.6-10(c)).

The IPCA consists of 62 parcels, improved for industrial purposes, and is suitable for use by an industrial establishment.

### **Labor Surplus Municipality**

On the basis of Standard One, the Project Area is eligible for designation as an IPCA under the requirements of the Act. As defined by the Act, the Standard One criteria for a “labor surplus municipality” is: “a municipality in which, during the 4 calendar years immediately preceding the date the municipality by ordinance designates an Industrial Park Conservation Area, the average unemployment rate was 1% or more over the State average unemployment rate for that same period...” (65 ILCS 5/11-74.6-10(g)).

Table 2.0 provides annual local, state and national unemployment statistics for calendar years ending 1999 through 2002. According to information collected from the Bureau of Labor Statistics, for the years 1999 to 2002 inclusive, the unemployment rate in the City exceeded that of both the State of Illinois and the United States by more than 1%. Table 2.0 below illustrates the corresponding unemployment rates.

**Table 2.0: Unemployment Rates****Unemployment Rates in Chicago and the State of Illinois (Percent)**

	1999	2000	2001	2002	Four Year Average
<b>Chicago (1)</b>	5.5	5.6	7.0	8.3	6.6
<b>Illinois (2)</b>	4.3	4.4	5.4	6.5	5.2
<b>Difference</b>	1.2	1.2	1.6	1.8	1.4

**Unemployment Rates in Chicago and the United States (Percent)**

	1999	2000	2001	2002	Four Year Average
<b>Chicago (1)</b>	5.5	5.6	7.0	8.3	6.6
<b>U.S. (2)</b>	4.2	4.0	4.8	5.8	4.7
<b>Difference</b>	1.3	1.6	2.2	2.5	1.9

(1) Source: Illinois Department of Employment Security "Local Area Unemployment Statistics"

(2) Source: United States Department of Labor, Bureau of Labor Statistics "The Employment Situation"

Over the previous four years, the average unemployment rate in the City was 1.4% higher than the average unemployment rates in the State of Illinois and 1.9% higher than the average unemployment rate in the United States. These average unemployment rates indicate that the City is a labor surplus municipality, as there has been a persistently higher percentage of workers who are unemployed in the City as compared to state and national rates.

**Most Recent Ascertained 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 in the Project Area is approximately \$16,414,901\*. This total EAV amount, by Parcel Identification Number ("PIN"), is summarized in Exhibit A of the Appendix. 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. At the time of this report, 62 PINs are anticipated to be included in the IPCA.

\*Source: 2002 Cook County Assessor Property Tax Records

**Adequate Public and Road Transportation Access**

In the Standard One statutory definition "the municipality must be a labor surplus municipality and the area must be served by adequate public and or road transportation for access by the unemployed and for the movement of goods or materials...." (65 ILCS 5/11-74.6-10(e)(1)).

To provide adequate road and highway transportation the City has access convenient to several interstates including, but not limited to, I-94, I-90, US 41, I-294, I-80, and I-57.

These major highways connect the City with other areas in Illinois as well as providing access to other areas throughout the United States. In addition to the major highways, site access is provided via Devon Avenue to the south, Ridge Boulevard to the west, and Pratt Avenue on the north.

To provide adequate public transportation access, the Chicago Transit Authority provides 143 bus routes and 7 subway and elevated train lines. Of the 143 bus routes, 125 are fully accessible by persons with disabilities. Most bus routes and train lines are available almost anytime during the week and on weekends. Specifically, the Project Area is served by the CTA Howard/95<sup>th</sup> Red Line elevated train and the 155 Devon bus route.

#### **Equalized Assessed Value as Proportion of Municipality**

In Standard One of the Act, "the project area shall contain no more than 2% of the most recently ascertained equalized assessed value of all taxable real properties within the corporate limits of the municipality after adjustment for all annexations associated with the establishment of the redevelopment project area..." (65 ILCS 5/11-74.6-10(e)(1)).

At the time of this report, the Project Area EAV in Table 3.0 includes the 2002 EAV for the IPCA and the City of Chicago.

**Table 3.0: EAV as a Proportion of the Municipality**

<b>Assessment Year</b>	<b>Project Area EAV (1)</b>	<b>City of Chicago EAV (2)</b>	<b>Project Area EAV Percentage</b>
2002	\$16,414,901	\$45,337,763,388	0.036%

Source: (1) Assessed Value Source: 2002 Cook County Assessor Property Tax Records

(2) City of Chicago Office of Budget and Management

#### **Required Plan Elements**

In order to be eligible for designation as an IPCA under the requirements of Standard One, the Plan must contain a plan for and shall establish a marketing program to attract appropriate businesses and an adequate plan for financing and construction of the necessary infrastructure. Further, the Plan must provide for an employment training project that will prepare unemployed workers for work in the IPCA. The marketing plan and employment training elements are described in detail in the subsection titled "Employment Training", in Section V (Redevelopment Plan), and in the subsection titled "Marketing Program", in Section VI (Financial Plan), respectively. The plan for financing and construction of necessary infrastructure is described in Section IV (Financial Plan).

#### **Within the Corporate Limits of the Municipality**

The entire IPCA is currently within the corporate limits of the City of Chicago.

### **III. FINDINGS OF NEED FOR TAX INCREMENT FINANCING**

#### **Lack of Growth Through Private Enterprise**

Although the City as a whole has evidenced growth, the IPCA, as a whole, has not been subject to appropriate growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed in accordance with public goals stated in the Plan without the adoption of the Plan. The lack of growth is shown by the factors described in this section.

#### **Lack of New Construction / Renovation**

In the past seven years, there has been only one new building constructed within the IPCA. The new development (Building 12A at the far northern end of the Site) resulted in the elimination of some material handling problems, the avoidance of increased maintenance expenditures, and elimination of potential safety concerns. The development, which occurred two years ago, involved the demolition of two functionally obsolete structures, construction of a 100,000 square foot building, and the relocation and consolidation of shipping operations.

The two demolished buildings were greater than 50 years of age and functionally obsolete. Continuing to operate and maintain these buildings would have required S&C to make significant expenditures in order to insure these buildings remained as safe working environments for its employees. S&C determined that it was not cost-effective to maintain the buildings and therefore decided that it was necessary to construct the new building. The new development also alleviated a safety concern. Because the shipping operations were not centralized on the Site, the shipping flow of outgoing product often interfered with employees safely moving raw materials and work in process from one building to the next. This often resulted in bottlenecks at the Site. The new development centralized the shipping operations into Building 12A and assisted with the reduction of bottlenecks which inhibited product flow and caused a potential safety concern.

According to S&C, the construction of Building 12A did not substantially increase productive capacity. The Site contains 1,125,000 square feet under roof and Building 12A constitutes less than 10 percent of the overall Project Area.

In addition to the aforementioned improvement, historical building permit records were examined. The City Department of Buildings provided building permit data for the prior six years (1997-2003). During this six-year period, only 12 building permits were issued in the IPCA. These records indicate that of the \$700,000 of related improvements, a majority of the investment within the boundaries of the IPCA (as documented by the City) was related to the demolition of existing structures and the installation of new equipment. Of this amount, \$213,000 (30%) was related to the demolition of obsolete



structures, and \$300,000 (43%) was related to the installation of new equipment. These investments do not enhance land values.

Also, since 1997, completion of engineering and construction of the strategic, \$25,000,000 Advanced Technology Center as well as over \$7,000,000 in plant renovation projects have been delayed or deferred for the reasons described herein. These projects which include roof replacements, fire protection system expansion and upgrades, roadway repaving, boiler replacements, fire signaling upgrades and heating, ventilating and air conditioning systems replacements and related upgrades are important to the long term success of S&C and maintenance of a safe, modern workplace. According to an appraisal conducted by Urban Real Estate Research (2003), the majority of the renovation work deferred is related to areas considered to be well beyond normal life expectancy.

Furthermore, over \$10,000,000 in manufacturing capacity improvements for fabrication and assembly areas were deferred, forcing temporary expansion measures, crowded work spaces and limited ability to expand operations to meet customer demands. Included in these deferred improvement projects is the \$3,000,000 renovation of Pad Mounted Gear and Vista assembly lines, as well as a \$2,500,000 laser based expansion to sheet metal fabrication capacity and a \$3,000,000 silver plating line replacement. Although these expenditures would not enhance land values, they are critical to the success of S&C and they compete with plant improvements for prioritization of capital investment.

### **Inability to Redevelop Site**

As previously mentioned, the IPCA is occupied by S&C's corporate headquarters and manufacturing operations otherwise known as the John R. Conrad Industrial Complex. S&C has been located in the Rogers Park area of Chicago since 1949. Over the 55 years since S&C first occupied the Site, S&C has gradually increased its physical presence through the acquisition of adjacent land and buildings. As described in Section I, S&C is proposing to expand and improve upon their existing facilities. However, due to several factors the ability to redevelop the site is limited.

### *Physical Impediments*

Through this gradual acquisition of land and buildings, the IPCA is currently located on an irregular shaped property located in the Rogers Park neighborhood. See Appendix Exhibit D. The IPCA is bounded by residential property on the north and west, commercial property to the south, and the above grade elevated Chicago & North Western Railway commuter line on the east. Due to the surrounding incompatible land uses, the ability of S&C to expand operations beyond its current property is very limited. As a result of the inability to expand beyond its current property, S&C will have to implement creative strategies to reconfigure current manufacturing and storage space in order to accommodate any future expansion.

*Aging Structures*

In addition, the age of the buildings within the boundaries of the IPCA create challenges which inhibit the ability to reconfigure space to accommodate increases in capacity. Fourteen of the 20 buildings (70 percent) within the IPCA have an age of 30 years old or greater. Table 4.0 details the age and use of the buildings located within the boundaries of the IPCA.

Table 4.0: Age of Buildings

Building Number	Use	Age
1	Manufacturing	49
2	Manufacturing	40
2A	Manufacturing	18
2B	Office/Manufacturing	17
3	Manufacturing	33
4	Office	39
5	Manufacturing	33
6	Manufacturing	33
7	Storage/Manufacturing	57
9	Manufacturing	25
10	Office/Storage/Garage	33
12	Manufacturing/Office	16
12A	Manufacturing/Office	2
14	Office	43
15	Manufacturing	32
15A	Manufacturing/Office	7
17	Office/Manufacturing	49
18	Storage	41
19	Storage	72
21	Laboratory/Research/Office	41
<b>AVERAGE BUILDING AGE</b>		<b>34</b>

Source: Appraisal conducted by Urban Real Estate Research, Inc. May 2003.

As Table 4.0 demonstrates, the average building age is approximately 34 years. In addition, the analysis conducted by Urban Real Estate Research, Inc. estimated that the average useful life of the twenty buildings is five years. Many of these aging structures no longer have the structural ability to handle new production. Moreover, the inconsistent nature of these buildings (e.g. varying heights, footprints, utility requirements and capabilities) leads to increased costs for S&C to maintain efficient world-class quality manufacturing processes and material handling. As a result, S&C will ultimately have to demolish certain structures and construct new buildings. This reconfiguration, demolition, and reconstruction of new buildings adds additional costs to S&C's implementation of the redevelopment project. If S&C were to construct a new facility, at a greenfield site outside of the City of Chicago, the cost would be substantially less

according to Means Construction Cost Data<sup>1</sup>. This cost differential is detailed in Table 5.0.

*Increased Costs Related to Expansion/Renovation*

To remain competitive in the marketplace, S&C must continue to modernize its manufacturing capabilities. Without full implementation of the Plan, the Site may not be able to accommodate future growth of the manufacturing process in a competitive manner. Global competition is forcing S&C to accelerate its production enhancements and implementation of new technology. ~~This~~ These accelerated implementation process leads to increasing financial pressures to expand production capacity at the Site in a cost effective manner.

In order to react to the growing competition, S&C is considering significant capital investments to renovate and reconfigure the Site. The costs associated with new construction, renovation, and demolition are greater in the City than at alternate locations. As mentioned above, if S&C were to construct a new facility, in another location, the costs would be substantially less. Table 5.0 details the cost factor comparison between Chicago, Illinois and Franklin, Wisconsin which is 20 miles from Milwaukee. Data for Milwaukee, Wisconsin was used for this analysis since Franklin data was not available.

Table 5.0: Location Cost Factor Analysis

<b>Location</b>	<b>Materials</b>	<b>Installation</b>	<b>Total</b>
Chicago, Illinois	99.6	126.4	112.5
Milwaukee, Wisconsin	99.2	102.3	100.7

*Note: In order to quantify costs, take estimated costs, multiply by the factor, and divide by 100.*

As a result of the financial constraints, in recent years S&C has been unable to relocate certain production lines to the Site; instead, S&C has retained this production capacity at its Wisconsin facility. However, to keep the Site viable, in the long-term, future capacity increases must be achieved in Chicago.

*Conclusion*

In summary, the increased costs associated with the redevelopment project in the City of Chicago limit the ability of S&C to increase production capacity. S&C has determined that without full implementation of the Plan, the property may not be able to accommodate future growth of the manufacturing process in a competitive manner.

<sup>1</sup> Source: Mean's Construction Cost Data 2004.

S&C has determined that assistance from the City is of key importance to implement the 23-year plan to retain world-class manufacturing capacity, customer service, and cost competitiveness in the IPCA. Based on modern manufacturing layouts and standards, the IPCA, as a whole, has not been subject to growth and development by private enterprise, other than those items detailed in Section III. In accordance with the goals stated in the Plan, without the adoption of the Plan, the IPCA would not reasonably be expected to be developed in accordance with the public goals stated in the Plan. In the absence of City-assisted redevelopment, there is a prospect that the implementation of the 23-year planned industrial expansion would not occur.

#### **Conformance with Land Uses**

The Plan includes land uses, which were approved by the Planning Commission of the City of Chicago. The land uses anticipated in the Future Land Use Plan are consistent with current zoning of the Project Area. See Appendix Exhibit G.

#### **Job Creation**

The Plan is reasonably expected to result in the creation and retention of a significant number of permanent full-time jobs. Initially, the project is expected to result in the retention of approximately 1,500 full-time City manufacturing jobs. In addition, Table 6.0 outlines the projected creation of additional full-time jobs at the facility as the Plan is implemented.

**Table 6.0: Estimated Job Creation**

<b>Position</b>	<b>Employees</b>
Professionals	4
Technicians	4
Office and Clerical	2
Crafts Persons (Skilled)	20
Operatives (Semi-skilled)	18
<b>Estimated Total</b>	<b>48</b>

Additional job creation may result as productivity increases are realized along with an improved economy.

#### **Date of Completion**

In accordance with the Act, the estimated date for the completion of the Plan and the retirement of obligations incurred to finance redevelopment project costs is no later than December 31 of the year in which the payment to the municipal treasurer is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year the ordinance approving the IPCA is adopted by the City.

**Labor Surplus Municipality**

As described in Section II, over the previous four years, the average unemployment rate in the City was 1.4% higher than the average unemployment rates in the State of Illinois and 1.9% higher than the average unemployment rate in the United States. These average unemployment rates indicate that the City is a labor surplus municipality. The City unemployment rates have been consistently higher than state or national rates.

**IV. REDEVELOPMENT GOALS, OBJECTIVES, AND STRATEGIES**

The Plan for the City's proposed IPCA is developed to provide a description of the necessary actions to stimulate private investment in the Project Area. From an economic perspective, the implementation of the Plan through the use of tax increment financing may stimulate additional private investment over the life of the IPCA. Full realization of this combined public/private investment is expected to create new employment opportunities and enhance the tax base of the City.

**Redevelopment Goals**

The following items represent the major redevelopment goals of the Plan.

- Reduce or eliminate those conditions which inhibit investment in the IPCA.
- Provide sound economic development in the IPCA.
- Contribute to the economic well being of the City.
- Create strong public and private partnerships to capitalize upon and coordinate all available resources and assets.
- Encourage land uses which strengthen the function and appeal of the IPCA for predominantly industrial, non-residential activities.
- Employ residents of the City in the IPCA.
- Promote and protect the health, safety, morals, and welfare of the public by establishing a public / private partnership.
- Continue sound economic growth, development and training in the City by working within the guidelines of the Training Program and Business Marketing Plan as established by the City.
- Encourage private investment while conforming with the City's Comprehensive Plan.
- Enhance the City's property tax base.
- Enhance the value of the Project Area.
- Leverage private investment through the use of tax increment financing in order to retain and create industrial jobs.

### Redevelopment Objectives

The following items represent the major redevelopment objectives of the Plan.

- Provide sites which are conducive to industrial development, through activities such as demolition, rehabilitation, etc.
- Encourage the use and maintenance of the industrial land.
- Upgrade infrastructure throughout the IPCA.
- Undertake appropriate environmental remediation measures on development sites, according to customary procedures.
- Support job training programs to provide employees living in areas surrounding the IPCA with the skills necessary to maintain jobs in the IPCA with S&C.
- Repair and replace the infrastructure where needed, including, but not limited to: roads, sidewalks, public utilities, and other public infrastructure.
- Promote women-owned and minority-owned businesses and affirmative action programs, as detailed in the subsection entitled "Affirmative Action and Fair Employment Practices" under Section V (Redevelopment Plan).

### Redevelopment Strategy – Key Activities

To achieve the goals and objectives outlined above, the City proposes to assist with redevelopment of the Project Area by pledging future annual property tax increments to be used for eligible redevelopment project costs. Actions required to implement such a strategy are as follows:

- Approval of the Plan and determination of eligibility; and
- Designation of the IPCA by the City; and
- Use of TIF revenues to provide reimbursement of eligible costs associated with private investment.

In addition to the items listed above, the Appendix contains documentation to further illustrate the Plan. Table 7.0 provides the following documentation included in the Appendix of this report:

Table 7.0: Listing of Exhibits

APPENDIX	SOURCE
Exhibit A: PIN Listing and Equalized Assessed Value	2002 Cook County Assessor Property Tax Records
Exhibit B: Legal Description of Project Area	Gremely & Biedermann
Exhibit C: Map of the City of Chicago	S&C Electric Company
Exhibit D: Project Area Map	Gremely & Biedermann
Exhibit E: Current Land Use Map	S&C Electric Company
Exhibit F: Current Site Plan	S&C Electric Company
Exhibit G: Future Land Use Map	S&C Electric Company
Exhibit H: Future Site Plan	S&C Electric Company
Exhibit I: Zoning Map	Gremely & Biedermann
Exhibit J: Letter from City Colleges of Chicago	City Colleges of Chicago

## V. REDEVELOPMENT PLAN

The Redevelopment Plan as defined in the Act is “the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate the conditions that qualified the redevelopment project area or redevelopment planning area, or both, as an environmentally contaminated area or industrial park conservation area, or vacant industrial buildings conservation area, or combination thereof, and thereby to enhance the tax bases of the taxing districts that extend into the redevelopment project area or redevelopment planning area”. (65 ILCS 5/11-74.6-10(I)).

### Future Land Use

To accommodate private investment, the IPCA will remain zoned for industrial use for a minimum of 23 years following the establishment of the IPCA by the City. The future land uses are expected to be industrial and those that support the industrial development. In order to support the industrial uses, the future land use plan includes areas within the IPCA for manufacturing, warehousing and distribution, research and development, office facilities, and employee parking. See Appendix Exhibits G and H in the Appendix.

### Implementation Schedule

The City should implement the Plan for the Project Area to encourage private growth and development. To achieve this goal, the City should implement the Plan with appropriate timeliness to maximize private sector investments in the Project Area.

Private investment within the IPCA is expected to be completed by 2027 with the reimbursement of the eligible costs to be reimbursed over the life of the IPCA. Immediate implementation by the City is expected to result in the stimulation of significant private investment in the Project Area and enhance the overall impact of the Plan over its life.

The Plan sets forth the overall redevelopment project to be undertaken to accomplish the City's above-stated goal. During implementation of this redevelopment project, the City may, from time to time, (i) undertake or cause to be undertaken public improvements and activities (ii) enter into redevelopment agreements with the Developer to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels (collectively referred to as “Redevelopment Projects”) and, (iii) enter into intergovernmental agreements with public entities in support of the objectives of the Plan.

**Affirmative Action and Fair Employment Practices**

The City is committed to and will affirmatively implement the following principles with respect to the 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, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status.
2. The Developer must meet the City's standards for participation of 25% Minority Business Enterprises ("MBE") and 5% Woman Business Enterprises ("WBE") and the City Resident Construction Worker Employment Requirement ("Residency Requirement") as required in redevelopment agreements.<sup>1</sup>
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. The Developer will meet City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

In order to implement these principles, the City will require and promote equal employment practices and affirmative action on the part of itself and its contractors and vendors. In particular, parties engaged by the City shall be required to agree to the principles set forth in this section.

With respect to the public/private development's internal operations, all entities will pursue employment practices which provide equal opportunity to all people regardless of race, color, religion, sex, parental status, marital status, age, handicapped status, national origin, creed, ancestry, sexual orientation, military discharge status, source of income, or housing status. Neither party will condone discrimination against any employee or applicant because of race, color, religion; sex, parental status, marital status, age, handicapped status, national origin, creed, ancestry, sexual orientation, military discharge status, source of income, or housing status. These nondiscriminatory practices will apply to all areas of employment, including hiring, upgrading and promotions, termination, compensation, benefit programs and educational opportunities.

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<sup>1</sup> If the City, at any time, changes the MBE/WBE and/or Residency Requirement percentage, the Developer will adhere to the revised policy of the City.



Anyone involved with employment or contracting activities for this Plan will be responsible for conformance with this policy and the compliance requirement of the applicable city, state, and federal laws and regulations.

The City and the private developers involved in the implementation of the Plan will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level for the project being undertaken in the IPCA. Any public/private partnership established for the development project in the IPCA will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites and facilities at which employees are assigned to work. All on-site supervisory personnel are aware of and will carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals. The partnership will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner.

The City shall have the right in its sole discretion to exempt certain small businesses, residential property owners and developers from items 1, 2, 3, and 4 above.

#### **Marketing Program**

S&C is anticipated to be the single user of the IPCA during its entire 23-year life. However, if S & C relocated at some time in the future, the marketing program for the IPCA may include the following:

- **Market Analysis and Detailed Program:** A detailed market analysis may be prepared for the Site which will identify the types of manufacturing, research and development, distribution and warehouse users that are appropriate to the Site. The analysis may identify the industrial classification of such firms and provide the basis for identifying specific firms as appropriate. The more specific physical requirements of such firms would be researched and a detail market development program of users and user requirements prepared.
- **Master Plan:** A detailed master plan incorporating the development requirements may be prepared. This plan may include, but is not limited to, street layouts, widths, parcel size, landscaping, buffering, entrance treatments, coordination with environmental remediation, design and coordination with infrastructure improvements and phasing.
- **Marketing Management:** A marketing manager may be selected to coordinate and implement the overall marketing of the Site, including such activities as establishing target market program lists, establishing cooperative relationships with brokers and property owners, creating and implementing advertising and public relations programs, conducting calling programs to target businesses, and similar activities based on the market study and the master plan.

## VI. FINANCIAL PLAN

This section defines and presents key elements relevant to the financial plan of the IPCA.

### Eligible Redevelopment Project Costs

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.")

Redevelopment Project Costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, or incidental to this Plan pursuant to the Act. Such costs may include, without limitation, the following (65 ILCS 5/11-74.6-10(o)):

- 1) Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, or other services, but no charges for professional services may be based on a percentage of the tax increment collected. No contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years. In addition, "redevelopment project costs" shall not include lobbying expenses.
- 2) The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors.
- 3) Property assembly costs within a redevelopment project area, including but not limited to acquisition of land and other real or personal property or rights or interests therein.
- 4) Site preparation costs, including but not limited to clearance of any area within a redevelopment project area by demolition or removal of any existing buildings, structures, fixtures, utilities and improvements and clearing and grading; and including installation, repair, construction, reconstruction, or relocation of public streets, public utilities, and other public site improvements within or without a redevelopment project area which are essential to the preparation of the redevelopment project area for use in accordance with a redevelopment plan.
- 5) Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of any existing public or private buildings, improvements, and fixtures within a redevelopment project area; 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.

- 6) Costs of construction within a redevelopment project area of public improvements, including but not limited to, buildings, structures, works, utilities or fixtures. Please note, reimbursements of these eligible costs are subject to the limitations of the Act.
- 7) Costs of eliminating or removing contaminants and other impediments required by federal or State environmental laws, rules, regulations, and guidelines, orders or other requirements or those imposed by private lending institutions as a condition for approval of their financial support, debt or equity, for the redevelopment projects.
- 8) Costs of job training and retraining projects.
- 9) 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 under this Act including interest accruing during the estimated period of construction of any redevelopment project for which the obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related to those costs.
- 10) All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves those costs.
- 11) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law.
- 12) Payments in lieu of taxes.
- 13) 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, if those costs are: (i) related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) are incurred by a taxing district or taxing districts other than the municipality and are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of

employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. These costs include, specifically, the payment by community college districts of costs under Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs under Sections 10-22.20a and 10-23.3a of the School Code.

- 14) The interest costs incurred by redevelopers or other nongovernmental persons in connection with a redevelopment project, and specifically including payments to redevelopers or other nongovernmental persons as reimbursement for such costs incurred by such redeveloper or other nongovernmental person, provided that: (A) interest costs shall be paid or reimbursed by a municipality only pursuant to the prior official action of the municipality evidencing an intent to pay or reimburse such interest costs; (B) 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; (C) except as provided in (E) below, the aggregate amount of such costs paid or reimbursed by a municipality shall not exceed 30% of the total (i) costs paid or incurred by the redeveloper or other nongovernmental person in that year plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act; (D) interest costs shall be paid or reimbursed by a municipality solely from the Special Tax Allocation Fund established pursuant to the Act and shall not be paid or reimbursed from the proceeds of any obligations issued by a municipality; (E) if there are not sufficient funds available in the Special Tax Allocation Fund in any year to make such payment or reimbursement in full, any amount of such interest cost remaining to be paid or reimbursed by a municipality shall accrue and be payable when funds are available in the Special Tax Allocation Fund to make such payment.
- 15) The costs of construction of new privately owned buildings shall not be an eligible redevelopment project cost.

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

#### **Property Assembly**

To meet the goals and objectives of the Plan, the City may acquire and assemble property throughout the IPCA. 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 of 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. Such uses may include, but are not limited to, project office facilities, parking, or other uses the City may deem appropriate.

No parcels are currently proposed to be acquired for clearance and redevelopment in the IPCA. In connection with the City exercising its power to acquire real property not currently identified herein, including the exercise of the power of eminent domain, under the Act in implementing the Plan, then the City will follow its customary procedures of having each site 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 City Council, does not constitute a change in the nature of the Plan.

#### **Property Disposition**

Property to be acquired by the City in furtherance of the goals of the Plan may be assembled into appropriate redevelopment sites. As part of the redevelopment process the City may sell, lease, or convey such property for public or private use. The terms of the conveyance shall be incorporated into the appropriate disposition agreements, and may include more specific restrictions than contained in the Plan or in other municipal codes and ordinances governing the use of land or the construction of improvements.

#### **Rehabilitation of Existing Public or Private Structures**

The City may provide assistance to encourage the rehabilitation of existing public or private structures, which will remove conditions which contribute to the decline of the character and value of the IPCA. Appropriate assistance may include:

- Financial support to private property owners for the restoration and enhancement of existing structures within the IPCA.
- Improvements to the façade or rehabilitation of public or private buildings.

**Public Improvements**

The City may install public improvements within the boundaries of the IPCA to enhance the area as a whole, to support the Plan, and to serve the needs of the residents of adjacent areas. Appropriate public improvements may include, but are not limited to<sup>1</sup>:

- Vacation, removal, resurfacing, widening, reconstruction, construction, and other improvements to streets, alleys, pedestrian ways, and pathways;
- Installation of traffic improvements, viaduct improvements, street lighting, and other safety and accessibility improvements;
- Development of parks, playgrounds, plazas and places for public leisure and recreation;
- Construction of public off-street parking facilities;
- Installation, reconstruction, improvement or burial of public or private utilities;
- Construction of public buildings;
- Beautification, lighting, and signage of public properties;
- Maintenance of blighted rights in privately owned properties;
- Demolition of obsolete or hazardous structures; or
- Improvements to publicly owned land or buildings to be sold or leased.

There are currently no public improvements shown on the proposed Plan. See Exhibits G and H in the Appendix. However, the City may add new improvements to the list at a later date.

**Capital Costs of Taxing Districts**

The City may reimburse all or a portion of the costs incurred by certain taxing districts in the furtherance of the objectives of the Plan.

**Employment Training**

The Developer uses over 400 pieces of fabrication equipment that feed 20 different assembly lines. It produces a majority of the components that go into its products, working with all types of materials from polymers to metals to electronics. Therefore, most of the training is done in-house as it relates directly to its manufacturing process. Additional training will occur in a training partnership between the Developer and the local community college or other qualified training partner.

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<sup>1</sup> Note: Some items listed may not be considered eligible project costs under the Act.

As part of the redevelopment process, the Developer will participate in available training and retraining programs. These programs may be designed to meet the operational requirements of S&C. To facilitate implementation of the training plan, the City may use various state and local resources to assist S&C with job creation, job retention and training. In addition, S&C anticipates utilizing funds from the State of Illinois Employer Training Investment Program (formerly known as the Industrial Training Program), as it has done in the past.

S&C has historically worked with local neighborhood councils and secondary educational institutions to provide employment opportunities for neighborhood residents. S&C also provides training programs to its current employees to enhance opportunities for advancement. These training programs have been endorsed by the City Colleges of Chicago. See Appendix Exhibit J. In addition, the Act states that "no redevelopment projects may be authorized by the municipality under Standard One of subsection (e) of this Section unless the project plan also allows the City to provide for an employment training project that would prepare unemployed workers for possible employment in the industrial park conservation area and the project has been approved by official action or is to be operated by the local community college district, public school district or state or locally designated private industry council or successor agency." (65 ILCS 5/11-74.6-10(e)(1)).

Table 8.0 outlines two resources S&C may use to search for qualified applicants that could be employed during the construction phase or during regular operations of the plant within the Project Area.

Table 8.0: Employment Resources

<b>Resource</b>	<b>Contact</b>	<b>Benefit</b>
Mayor's Office of Workforce Development	(312) 746-7777	Assists Chicago businesses in finding qualified workers and helps Chicago residents to train for, get, maintain, and advance in their jobs.
Illinois Department of Employment Security	(888) 367-4382	IDES Local Office - has access to various Illinois Employment and Training Center ("IETC") locations

These two resources can provide services to Illinois employers, workers, and job seekers by recruiting and referring qualified job applicants, offering job search and placement assistance, career counseling, job training programs, special employment programs and tax credits.

#### Developer Interest Costs

Funds may be provided to the Developer for a portion of interest costs incurred by the Developer related to the construction, renovation or rehabilitation of a redevelopment project, provided that:

- Such costs are to be paid directly for the special tax allocation fund established pursuant to the Act; and

- Such payments in any one year may not exceed 30% of the annual interest costs incurred by the Developer with respect to the redevelopment project during that year.

### Estimated Project Costs

Table 9.0 provides the estimated eligible redevelopment project costs based on current information. Adjustments to the estimated line item costs above may be reallocated among various line items by the City without amendment to the Plan, to the extent permitted by law. This estimated budget of eligible costs does not obligate the City of Chicago to fund specific levels. Specific costs associated with the redevelopment of the Project Area will be outlined in any applicable redevelopment agreement.

Table 9.0: Estimated Project Costs

Professional Services and Studies	\$ 6,000,000
Site Assembly / Preparation / Demolition	\$ 2,100,000
Renovation, Rehabilitation, Reconstruction, Relocation, Repair or Remodeling of Existing Public or Private Buildings, Improvements, and Fixtures	\$ 35,850,000
Public Works or Improvements <sup>(1)</sup>	\$ 250,000
Environmental Remediation	\$ 500,000
Job Training, Retraining, Welfare-to-Work	\$ 3,000,000
Relocation	\$ 100,000
Payments-in-lieu of Taxes	\$ 100,000
Developer Interest Costs	\$ 100,000
<b>ESTIMATED ELIGIBLE REDEVELOPMENT COSTS<sup>(2)(3)</sup></b>	<b>\$ 48,000,000<sup>(4)</sup></b>

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

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 include: land disposition proceeds, state and federal

<sup>(1)</sup> Public improvements may also include capital costs of taxing districts and other costs allowable under the Act. Specifically, public improvements as identified in the Plan and as allowable under the Act may be made to property and facilities owned or operated by the City or other public entities. As provided in the Act, Redevelopment Project Costs may include, 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.

<sup>(2)</sup> The total Estimated Redevelopment Project Costs provides an upper limit on expenditures, and adjustments may be made in line items without amendment to the Plan.

<sup>(3)</sup> Total Redevelopment 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 Project Costs.

<sup>(4)</sup> Increases in estimated total Redevelopment Costs of more than five percent, after adjustment for inflation from the date of Plan adoption, are subject to Plan amendment procedures as provided under the Act.



grants, investment income, private financing and other legally permissible funds the City may deem appropriate. The City may incur 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.

Tax increment finance revenues resulting from increases in the EAV of the real property in the Project Area will be allocated each year to the special tax allocation fund held by the City. The assets of the special tax allocation fund shall be used to pay for eligible redevelopment project costs in the Project Area.

The IPCA is not currently contiguous to any other IPCA created under the Act. However, the IPCA may, in the future, be contiguous to, or separated only by a public right-of-way from, other IPCAs created under the Act. In the event the City determines that the goals, objectives, and financial success of such contiguous IPCAs (or those separated by a public right-of-way) are interdependent of each other, then City may determine that it is necessary to utilize net incremental property taxes to pay eligible Redevelopment Project Costs, or obligations to pay such costs, in other contiguous IPCAs separated only by a public right-of-way, and vice versa. Such revenues may be transferred, or loaned, between such areas. The amount of incremental property tax revenues used to pay for eligible Redevelopment Project Costs, shall not exceed the Redevelopment Project Costs described in the budgets described in each respective Plan.

The IPCA is contiguous to, or separated by a public right-of-way from two redevelopment project areas (Devon-Western Redevelopment Project Area and Clark/Ridge Redevelopment Project Area) created under the Tax Increment Allocation Act (65 ILCS 5/11-74.4-1, et. seq.)(the TIF Law"). If the City finds the goals, objectives, and financial success of such contiguous (or separated by a public right-of-way) redevelopment project areas created under the TIF Law are interdependent of each other, the City may utilize net incremental property taxes, received from the IPCA to pay eligible Redevelopment Project Costs, or obligations to pay such costs, in other contiguous redevelopment project areas, and vice versa. Such revenues may be transferred, or loaned, between such areas. The amount of incremental property tax revenues used to pay for eligible Redevelopment Project Costs, shall not exceed the Redevelopment Project Costs described in the budgets described in each respective Plan.

On an annual basis the City will determine whether surplus tax increment financing revenues have been generated. To the extent surplus revenues exist, the City may distribute the surplus to the taxing bodies on a proportionate basis. According to the Act, "any pledge of funds in the special tax allocation fund shall provide for distribution to the taxing districts of moneys not required, pledged, earmarked, or otherwise designated for payment and securing of the obligations and anticipated redevelopment project costs, and any excess funds shall be calculated annually and deemed to be "surplus" funds. If a municipality applies or pledges only a portion of the funds in the special tax allocation

fund for the payment or securing of anticipated redevelopment project costs or of obligations, any funds remaining in the special tax allocation fund after complying with the requirements of the application or pledge shall also be calculated annually and deemed "surplus" funds. All surplus funds in the special tax allocation fund shall be distributed annually within 180 days after the close of the municipality's fiscal year by being paid by the municipal treasurer to the county collector in direct proportion to the tax incremental revenue received as a result of an increase in the equalized assessed value of property in the redevelopment project area but not to exceed as to each such source the total incremental revenue received from that source. The county collector shall subsequently distribute surplus funds to the respective taxing districts in the same manner and proportion as the most recent distribution by the county collector to the affected taxing districts of real property taxes from real property in the redevelopment project area." (65 ILCS 5/11-74.6-30).

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

Project Area funding shall be provided by the annual incremental property tax deposits into the Special Tax Allocation Fund. The reimbursement of eligible costs shall be funded from future annual incremental property taxes associated with investment of new real property and made on a pay-as-you-go or annual basis.

In general, the level of incremental property taxes will be determined by the increased EAV of real property in the Project Area times the applicable tax rates. Funds deposited into the Special Tax Increment Allocation Fund may be used to reimburse for eligible project costs as outlined in Section A of the Plan.

Under the Act, the City may choose to issue bonds, notes, or other obligations to fund eligible redevelopment project costs in the area. To enhance the security of a municipal obligation, the City may pledge its full faith and credit through the issuance of general obligations 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 during 2004 and retirement of all obligations no later than December 31, 2028). 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.

#### **Estimate of Equalized Assessed Valuation after Redevelopment**

Based upon implementation of the Plan, growth and development of the Project Area should occur. The private redevelopment investment in the Project Area is expected to incrementally increase the EAV by the end of the TIF life to an estimated \$50,400,000 in 2028. The estimated initial base EAV of the Project Area is \$16,414,901.

The estimated redevelopment valuation assumes the following:

- Growth in EAV due to Cook County reassessment of existing real property at 2.5% per year, compounded every three years, based on the most recent EAV estimated over the life of the TIF;
- Implementation of the Plan should stimulate private investment of approximately \$145,000,000 in the IPCA, of which, over \$85,000,000 is projected to be for renovation of existing buildings or new construction. As real property improvements are completed and assessed, it is anticipated the EAV should also increase.
- The Cook County Assessor fully assesses and reassesses real property in accordance with State laws.

### **VII. FINANCIAL IMPACT OF REDEVELOPMENT**

S&C has indicated that assistance from the City is of key importance to implement the 23-year plan and to remain cost competitive. Based on modern manufacturing layouts and standards, the IPCA, as a whole, has not been subject to growth and development by private enterprise, other than those items detailed in Section III. In accordance with the goals stated in the Plan, without the adoption of the Redevelopment Plan and Project, the IPCA is not reasonably expected to be fully developed through investment by private enterprise. In the absence of City-assisted redevelopment, there is a prospect that the implementation of the 23-year planned industrial expansion would not occur.

Implementation of the Redevelopment Project is expected to have significant long term positive financial impacts on the overlapping taxing districts. In the long term, after completion of the all redevelopment activities and Redevelopment Projects, and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from any enhanced tax base.

The Act requires an assessment of any financial impact of the IPCA 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.

Direct and indirect impacts resulting from implementation of the Plan are expected to include the following:

- Direct: Increase tax base for the City (refer to estimated 2028 EAV in the previous section).
- Indirect: Stimulate additional development through public and private investment.

#### **Assessment of Taxing Jurisdictions**

The following taxing districts presently levy taxes against properties located within the IPCA.

**Cook County:** The County has principal responsibility for the protection of persons and property, the administration of the Cook County Circuit Court, the provision of public health services and the maintenance of County roads and 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:** This district provided the main trunk lines for the collection of waste water from cities, villages and towns, and for the treatment and disposal thereof.

**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 and aviation.

**Board of Education of the City of Chicago and Chicago School Finance Authority:** 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:** This district is a unit of the State of Illinois' system of public community colleges, whose objective is to meet the educational needs of residents of the City and other students seeking higher education programs and services.

**City of Chicago Library Fund:** The library fund provides for the operation and maintenance of City of Chicago public libraries.

**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.

#### **Financial Impact on Taxing Jurisdictions**

The replacement of underutilized property with expanded industrial development may cause minimal increased demand for services and/or capital improvements to be provided by these taxing districts. The estimated nature of these increased demands for services on these taxing districts, and the activities to address increased demand, are described below.

**Cook County:** Implementation of the Plan may cause a minimal increase in demand for the services and programs provided by the County. A portion of the Redevelopment Project Costs may be allocated to assist with the potential increased service demand, as provided in the Act, and in this Redevelopment Plan.

**Cook County Forest Preserve District:** Implementation of the Plan will not result in an increased population within the IPCA. As a result, demand for services provided by the Cook County Forest Preserve District is not expected to increase. Therefore, no assistance is proposed.

**Metropolitan Water Reclamation District of Greater Chicago:** Implementation of the Plan may cause a minimal increase in demand for the services and programs provided by the Metropolitan Water Reclamation District. It is expected that any increased demand for water and/or sewer associated with the IPCA will be minimal. Therefore, no assistance is proposed.

**City of Chicago:** Implementation of the Plan may cause a minimal increase in demand for certain professional services and programs provided by the City such as administrative costs associated with the IPCA. A portion of the Redevelopment Project Costs may be allocated to assist with the potential increased service demand, as provided in the Act, and in this Redevelopment Plan.

**Board of Education of the City of Chicago and Chicago School Finance Authority:** Implementation of the Plan will not result in any increase in school-aged children in the IPCA and will not directly impact the demand for educational services provided by the Board of Education. Therefore, no assistance is proposed.

**Chicago Community College District #508:** Implementation of the Plan will not result in any increase in community college students in the IPCA. However, a portion of the Redevelopment Project Costs may be allocated to assist with job training and vocational programs, as provided in the Act, and in this Redevelopment Plan.

**City of Chicago Library Fund:** Implementation of the Plan will not result in an increased population within the IPCA. As a result, demand for services provided by the City of Chicago Library Fund is not expected to increase. Therefore, no assistance is proposed.

**Chicago Park District:** Implementation of the Plan will not result in an increased population within the IPCA. As a result, demand for services provided by the Chicago Park District is not expected to increase. Therefore, no assistance is proposed.

The proposed program to address increased demand for services is contingent upon the following conditions:

- Full implementation of the Plan;
- The request for Redevelopment Project Costs by any of the above mentioned taxing districts is warranted; and
- The IPCA has generated sufficient incremental property taxes to pay for the Redevelopment Project Costs, as outlined above.

In the event the Redevelopment Project does not occur, or the circumstances prohibit the Developer from fully implementing the Plan, the City may revise the proposed program to address increase demand, to the extent the Act permits, without amending the Plan.

### VIII. PROVISION FOR AMENDING THE PLAN

This Plan may be amended in accordance with the provisions of the Illinois Industrial Jobs Recovery Law (65 ILCS 5/11-74.6-1, et seq.). Also, the City shall adhere to all annual reporting requirements and other statutory provisions as specified in the Act.

[(Sub)Exhibit "B" referred to in this Pratt/Ridge Industrial Park Conservation Area Redevelopment Plan and Project constitutes Exhibit "C" to the ordinance and is printed on pages 26664 through 26665 of this *Journal*.]

[(Sub)Exhibit "D" referred to in this Pratt/Ridge Industrial Park Conservation Area Redevelopment Plan and Project constitutes Exhibit "E" to the ordinance and is printed on page 26666 of this *Journal*.]

[(Sub)Exhibits "A", "C", "E", "F", "G", "H", "I" and "J" referred to in this Pratt/Ridge Industrial Park Conservation Area Redevelopment Plan and Project printed on pages 26651 through 26657 of this *Journal*.]

(Sub)Exhibit "A".  
(To Pratt/Ridge Industrial Park Conservation  
Area Redevelopment Plan And Project)

*P.I.N. Listing And Equalized Assessed Value.*

Source: 2002 Cook County Assessor Property Tax Records

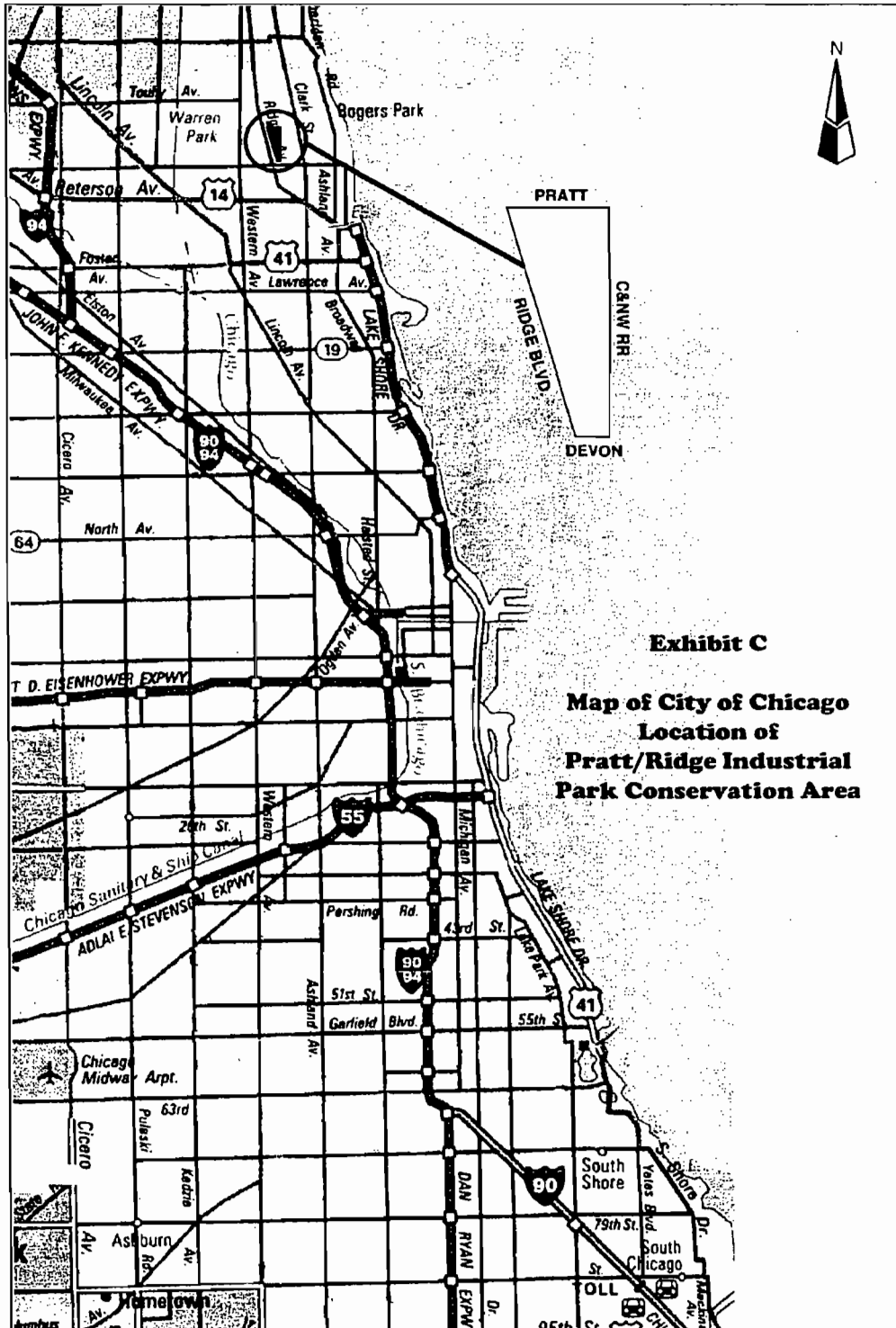
PIN Number	2002 EAV
11-31-402-007	\$ 22,437
11-31-402-008	\$ 115,754
11-31-402-009	\$ 43,924
11-31-402-010	\$ 24,931
11-31-402-011	\$ 43,559
11-31-402-012	\$ 42,095
11-31-402-013	\$ 62,155
11-31-402-014	\$ 420,256
11-31-402-015	\$ 255,813
11-31-402-016	\$ 620,810
11-31-402-017	\$ 304,825
11-31-402-019	\$ 34,105
11-31-402-020	\$ 34,110
11-31-402-021	\$ 795,314
11-31-402-022	\$ 522,859
11-31-402-026	\$ 1,673,682
11-31-402-027	\$ 68,803
11-31-402-032	\$ 231,511
11-31-402-033	\$ 219,300
11-31-402-035	\$ 759,360
11-31-402-036	\$ 523,938
11-31-402-041	\$ 199,504
11-31-402-043	\$ 34,853
11-31-402-044	\$ 33,152
11-31-402-045	\$ 32,654
11-31-402-046	\$ 32,308
11-31-402-047	\$ 49,630
11-31-402-048	\$ 182,284
11-31-402-049	\$ 59,007
11-31-402-055	\$ 504,140
11-31-402-056	\$ 1,487,897
11-31-402-057	\$ 64,665
11-31-402-058	\$ 64,665

PIN Number	2002 EAV
11-31-402-060	\$ 29,422
11-31-402-067	\$ 36,068
11-31-402-069	\$ 333,714
11-31-402-070	\$ 752,597
11-31-402-072	\$ 211,548
11-31-402-073	\$ 923,951
11-31-402-074	\$ 1,077,519
11-31-402-076	\$ 601,271
11-31-402-078	\$ 39,895
11-31-402-079	\$ 496,797
11-31-402-083	\$ 245,241
11-31-402-085	\$ 106,471
11-31-402-086	\$ 97,354
11-31-403-001	\$ 121,225
11-31-403-004	\$ 54,308
11-31-403-005	\$ 41,811
11-31-403-006	\$ 41,811
11-31-403-007	\$ 49,820
11-31-403-008	\$ 352,450
11-31-403-009	\$ 61,947
11-31-403-010	\$ 35,816
11-31-403-011	\$ 124,988
11-31-403-012	\$ 205,254
11-31-403-013	\$ 231,370
11-31-403-014	\$ 35,710
11-31-403-015	\$ 110,587
11-31-404-002	\$ 112,051
11-31-404-003	\$ 245,591
11-31-404-004	\$ 74,010
<b>EAV OF PROJECT AREA</b>	<b>\$ 16,414,901</b>



(Sub)Exhibit "C".  
(To Pratt/Ridge Industrial Park Conservation  
Area Redevelopment Plan And Project)

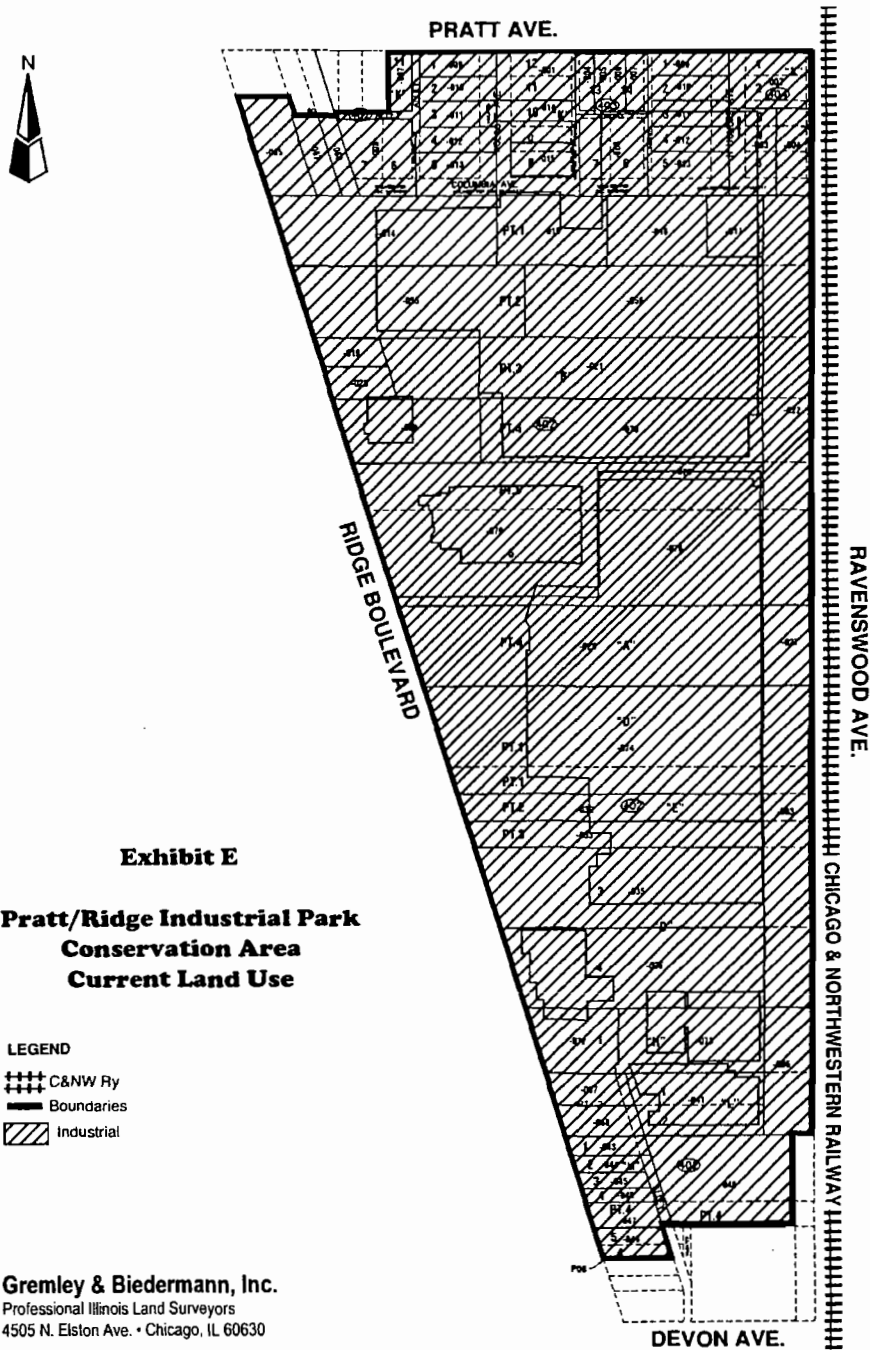
Location Map.



**Exhibit C**  
**Map of City of Chicago**  
**Location of**  
**Pratt/Ridge Industrial**  
**Park Conservation Area**

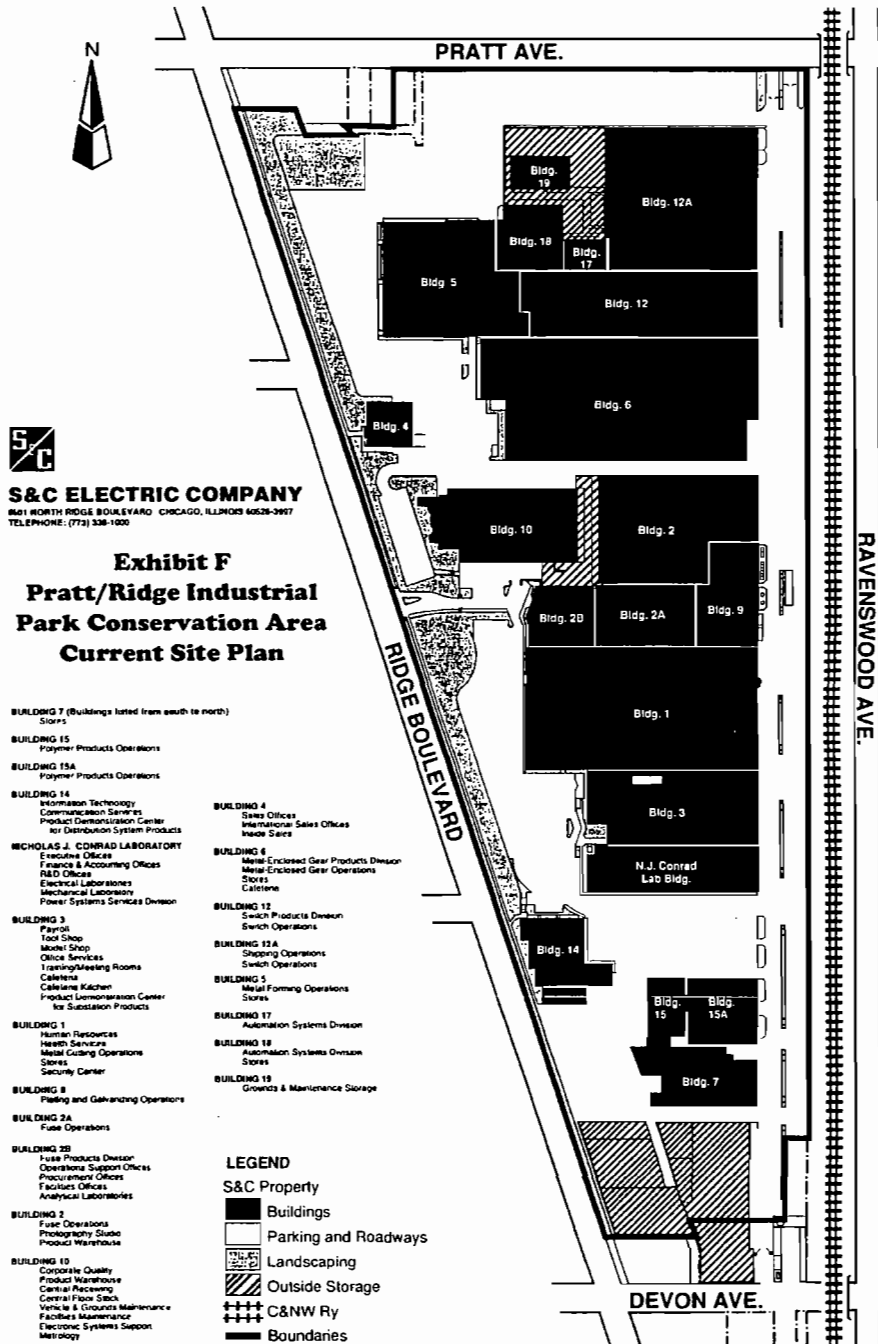
(Sub)Exhibit "E".  
(To Pratt/Ridge Industrial Park Conservation  
Area Redevelopment Plan And Project)

Current Land-Use.



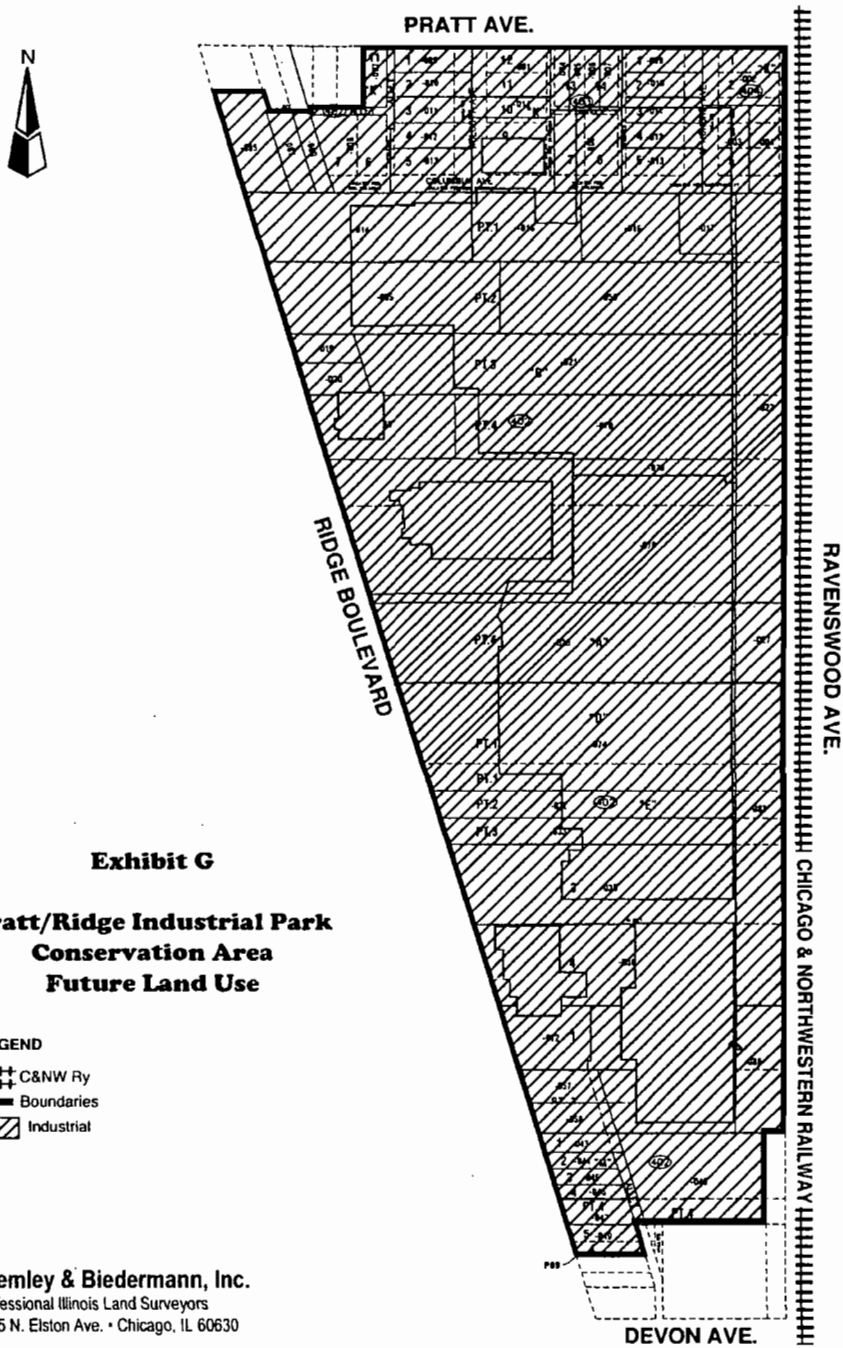
(Sub)Exhibit "F".  
 (To Pratt/Ridge Industrial Park Conservation  
 Area Redevelopment Plan And Project)

Current Site Plan.



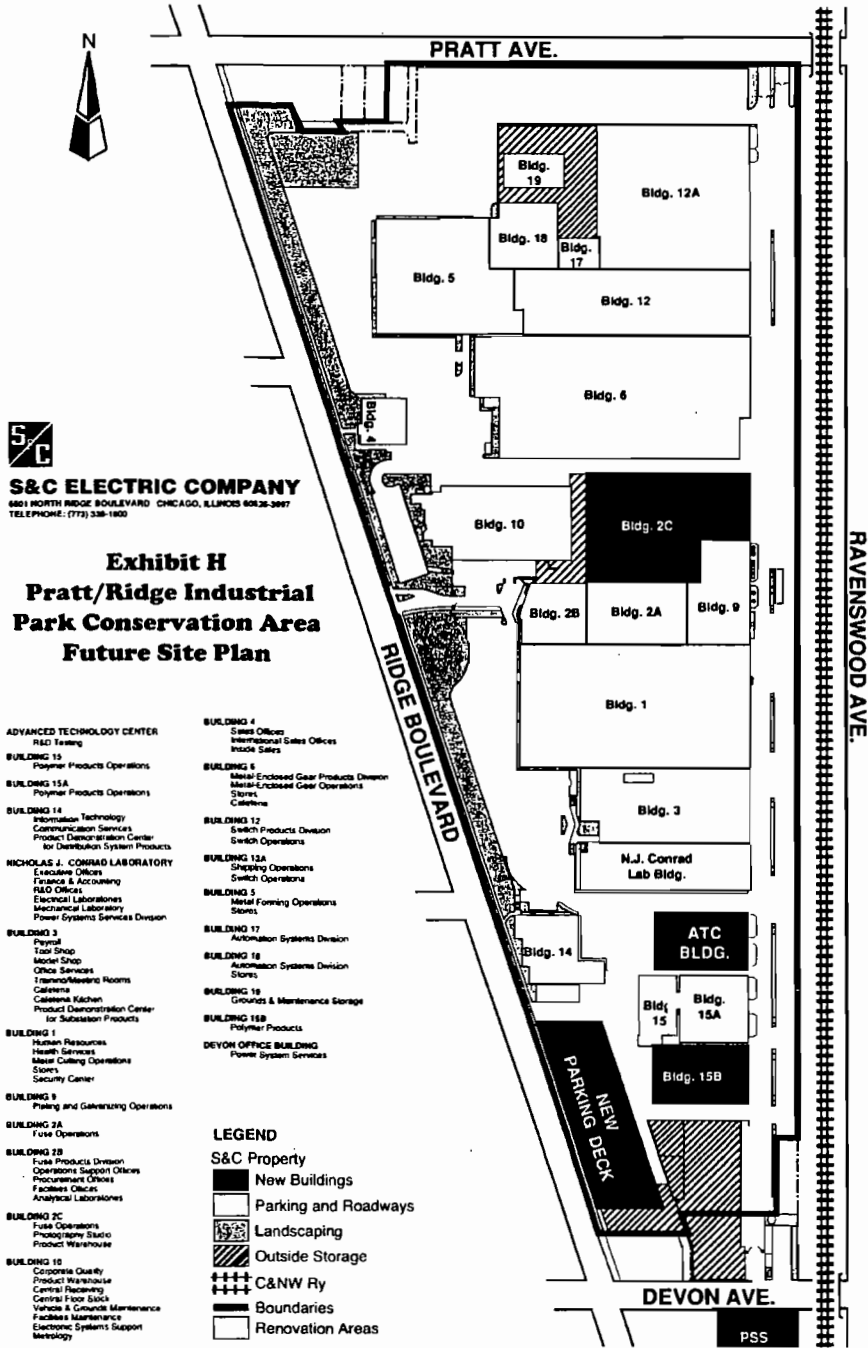
(Sub)Exhibit "G".  
(To Pratt/Ridge Industrial Park Conservation  
Area Redevelopment Plan And Project)

Future Land-Use.



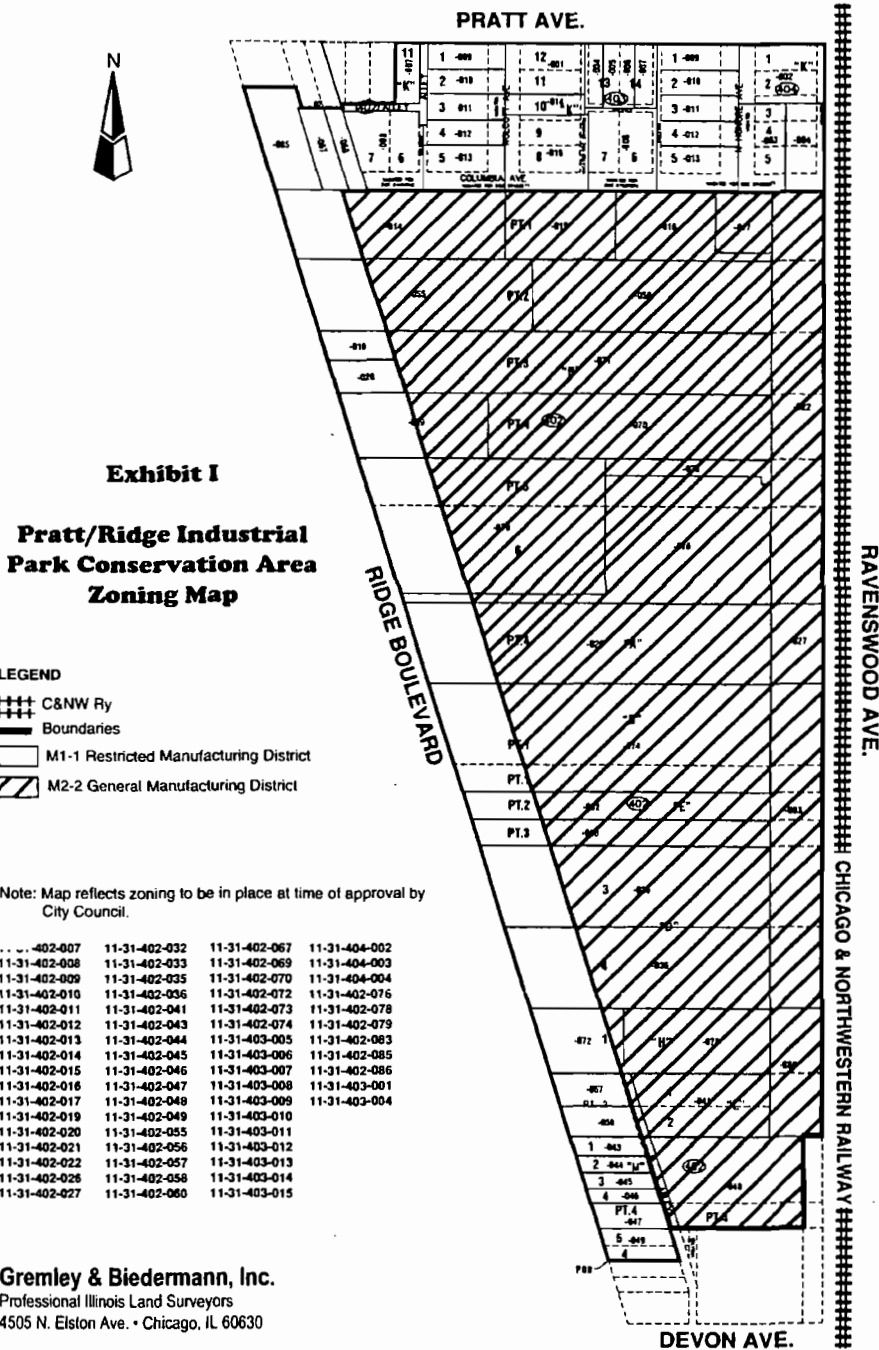
(Sub)Exhibit "H".  
 (To Pratt/Ridge Industrial Park Conservation  
 Area Redevelopment Plan And Project)

Future Site Plan.



(Sub)Exhibit "T".  
(To Pratt/Ridge Industrial Park Conservation  
Area Redevelopment Plan And Project)

Zoning Map.



*(Sub)Exhibit "J".*  
(To Pratt/Ridge Industrial Park Conservation  
Area Redevelopment Plan And Project.)

January 26, 2004.

Ms. Alicia Mazur Berg  
Commissioner, City of Chicago  
Department of Planning and Development  
121 North LaSalle Street  
Chicago, Illinois 60602

Dear Commissioner Berg:

City Colleges of Chicago is pleased to work with the City of Chicago in the City's establishment of the proposed Pratt/Ridge Industrial Park Conservation Area (I.P.C.A.) Tax Increment Financing District. To help expedite this effort, City Colleges offers its endorsement of the S&C Electric Company training program per the description provided to the City of Chicago Department of Planning and Development to prepare workers for employment and manufacturing operations at its facility. City Colleges of Chicago can also offer the following services in support of the Pratt/Ridge I.P.C.A. District and S&C Electric Company's training program:

1. Training in basic skills, English as a Second Language, and job readiness skills.
2. Over two hundred (200) occupational programs in the areas of manufacturing, information technologies, industrial maintenance, business management, electronics, security, food service, health, transportation, construction, and telecommunications. These programs lead directly to employment, and provide advance opportunities for incumbent workers.
3. Employee training services to companies. This quality, affordable training is customized to meet the needs of the employer and includes management, communication skills, manufacturing technology, basic skills, marketing, small business management and computer applications. Other services include new employee orientation, job task analysis, employee assessment and teleconferences.





*Community Development Commission*

*Resolution 04-CDC-35*

*Recommending To The City Council Of The City Of Chicago For  
The Proposed Pratt/Ridge Industrial Park Conservation  
Area 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 2-0124 of the City's Municipal Code); and

Whereas, The Commission is empowered by the Corporate Authorities to exercise certain powers enumerated in Section 5/11-74.6-15(1) of the Industrial Jobs Recovery Law of the State of Illinois, as amended (65 ILCS 5/11-74.6-1, et seq.) (the "Law"), including the holding of certain public hearings required by the Law; and

Whereas, Staff of the City's Department of Planning and Development has conducted or caused to be conducted certain investigations and studies of the Pratt/Ridge Industrial Park Conservation Area, the street boundaries of which are described in (Sub)Exhibit A hereto (the "Area"), to determine the eligibility of the Area as a redevelopment project area as defined in the Law (a "Redevelopment Project Area") and for tax increment allocation financing pursuant to the Law ("Tax Increment Allocation Financing"), and has presented to the Commission for its review the proposed Pratt/Ridge Industrial Park Conservation Area Redevelopment Plan and Project (the "Plan"); 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") and convene a meeting of a joint review board (the "Board") pursuant to Section 5/11-74.6-22 of the Law, set the dates of such Hearing and Board meeting and give notice thereof pursuant to Section 5/11-74.6-25 of the Law; and

Whereas, The Plan was made available for public inspection and review prior to the adoption by the Commission of Resolution 04-CDC-20 on March 9, 2004 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 1101; and

Whereas, Notice of the Hearing for publication was given at least twice, the first publication being on April 13, 2004, a date which is not more than thirty (30) days nor less than ten (10) days prior to the Hearing, and the second publication being on April 20, 2004, both in the *Chicago Sun-Times*, being a newspaper of general circulation within the taxing districts levying taxes on real 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 April 13, 2004, being a date not less than ten (10) days prior to the date set for the Hearing; and where taxes for the last preceding years were not paid, notice was also mailed to the persons most recently listed as the owners of such property in the office of the assessing official in whose jurisdiction the property is situated; and

Whereas, Notice of the Hearing was given by mail to the Illinois Department of Commerce and Economic Opportunity ("D.C.E.O.") and notice of the Hearing (including notice of the convening of the Board) was given by mail to the members of the Board (other than the public member), by depositing such notices in the United States mail by certified mail addressed to D.C.E.O. and all Board members, on March 24, 2004, 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 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 addressed to all taxing districts that levy taxes on real property included in the Area, on March 24, 2004, 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 May 11, 2004 at 1:00 P.M. at City Hall, City Council Chambers, 121 North LaSalle Street, 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 April 8, 2004 at 10:00 A.M. (being a date no fewer than fourteen (14) days and no greater than twenty-eight (28) days following the mailing of the notice to all taxing districts on March 24, 2004) in Room 1003A, City Hall, 121 North LaSalle Street, Chicago, Illinois, to consider its advisory recommendation regarding the 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 Commission has reviewed the 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 5/11-74.6-10(1) of the Law 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 anticipated to be developed in accordance with public goals stated in the Plan 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 is reasonably expected to create or retain a significant number of permanent full-time jobs as set forth in paragraph 3 of subsection (1) of Section 5/11-74.6-10 of the Act;

d. the Plan meets all of the requirements of a redevelopment plan as defined in the Law and, as set forth in the Plan, the estimated date of completion of the projects described therein and retirement of obligations incurred issued to finance redevelopment project costs is no later than December 31 of the year in which the payment to the municipal treasurer as provided in Section 11-74.6-35 of the Law 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 5/11-74.6-30 of the Law, no such obligation shall have a maturity date greater than twenty (20) years;

e. the Area includes only those parcels of real property and improvements thereon that area to be substantially benefitted by proposed Plan improvements, as required pursuant to Section 5/11-74.6-15(a) of the Law;

f. as required pursuant to Section 5/11-74.6-10(N) of the Law:

(i) the Area is a contiguous area that 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 an industrial park conservation area as defined in the Law;

g. the City of Chicago qualifies as a labor surplus municipality; and

h. the implementation of the Plan is reasonably expected to create a significant number of permanent full-time new jobs and, by the provision of new facilities, significantly enhance the tax base of the taxing districts that extend into the Area.

Section 3. The Commission recommends that the City Council approve the Plan pursuant to Section 5/11-74.6-15 of the Law.

Section 4. The Commission recommends that the City Council designate the Area as a Redevelopment Project Area pursuant to Section 5/11-74.6-15 of the Law.

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 City Council.

Adopted: May 11, 2004.

[(Sub)Exhibit "A" referred to in this Resolution 04-CDC-35  
constitutes Exhibit "D" to the ordinance and is  
printed on page 26665 of this *Journal*.]

*Exhibit "C".*  
(To Ordinance)

That part of the west half southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian, located in the City of Chicago, Cook County, State of Illinois, described as follows:

beginning at the east line of North Ridge Boulevard and the north line of Lot 3 of D. Schreiber's Subdivision of that part of Lots 4 and 5 lying between the Chicago and Northwestern Railway and North Ridge Road except the north 50 feet of Lot 4 of Circuit Court Partition of the south half of the south half of the southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian being Document Number 4033053; thence east along said north line of Lot 3 to the west line of the alley east of North Ridge Boulevard dedicated on Document Number 4819734; thence northwesterly along said west

line of the alley east of North Ridge Boulevard to the westerly extension of the north line of Lot 6 of aforesaid D. Schreiber's Subdivision; thence east along said north line of Lot 6 and its westerly extension to the east line of said Lot 6; thence north along the northerly extension of said east line of Lot 6 of aforesaid D. Schreiber's Subdivision to a line 371 feet north of and parallel with the north line of West Devon Avenue; thence east along said line 371 feet north of and parallel with the north line of West Devon Avenue to the west line of the Chicago and Northwestern Railway; thence north along the west line of the Chicago and Northwestern Railway to the south line of West Pratt Avenue; thence along the south line of West Pratt Avenue to the west line of Lot 11 in Block 13, in Oakside Subdivision in the northwest quarter of the southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian; thence southerly along said west line of Lot 11 and its southerly extension to the center of alley south of West Pratt Avenue; thence west along center of alley south of West Pratt Avenue and its westerly extension to a point 80.00 feet west of the west line of Oakside Subdivision, measured along said center of alley; thence northwesterly along a line parallel with the west line of Oakside Subdivision to a line 124 feet south of and parallel with the north line of the southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian, aforesaid; thence west along said line 124 feet south of and parallel with the north line of the southeast quarter of said Section 31 to the east line of North Ridge Boulevard; thence southeasterly along the east line of North Ridge Boulevard to the point of beginning.

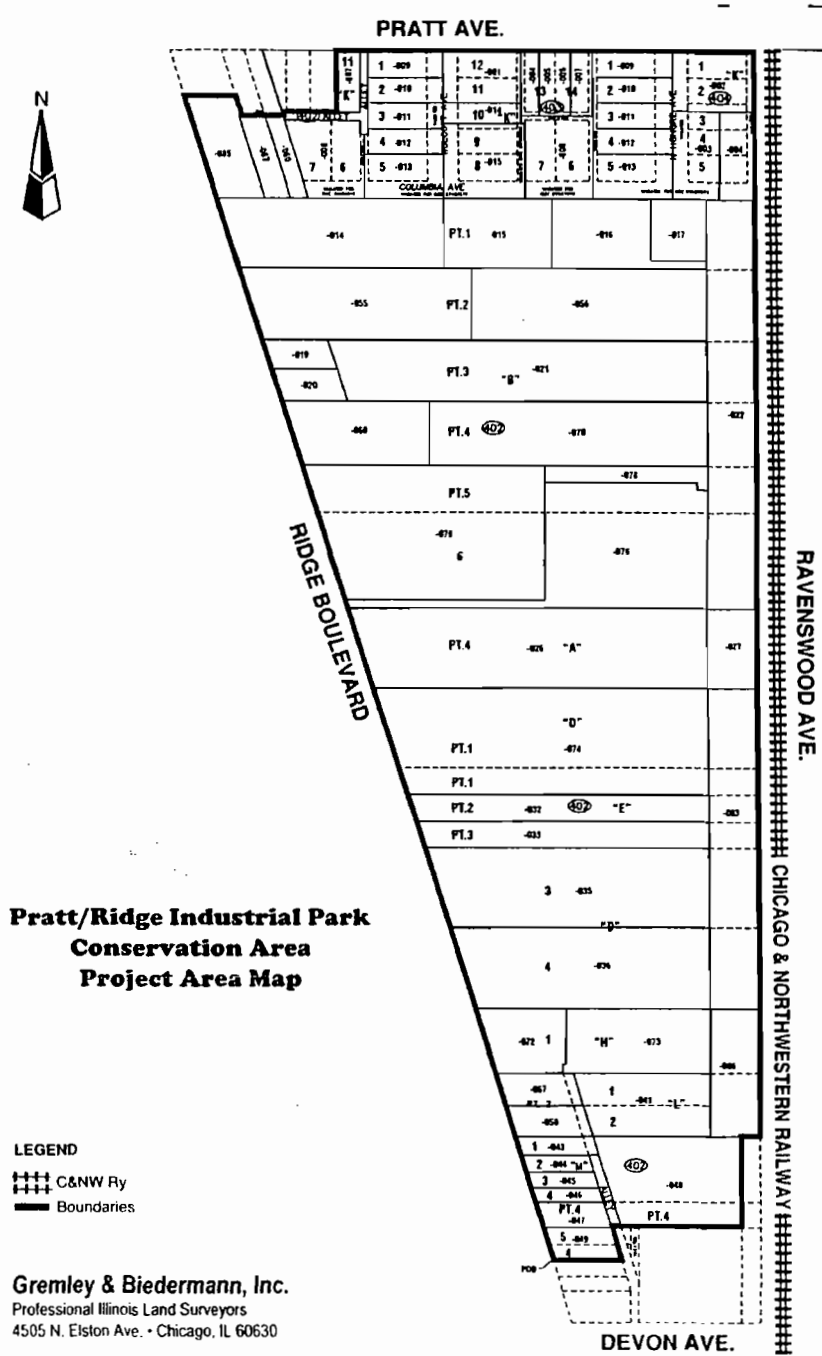
*Exhibit "D".*  
(To Ordinance)

*Street Boundary Description Of The Area.*

The area is bounded roughly by West Devon Avenue on the south, West Pratt Avenue on the north, North Ridge Boulevard to the west, and the Chicago & North Western Railway to the east.

Exhibit "E".  
(To Ordinance)

Project Area Map.



DESIGNATION OF PRATT/RIDGE INDUSTRIAL PARK CONSERVATION  
AREA AS TAX INCREMENT FINANCING DISTRICT.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

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

Your Committee on Finance, having had under consideration an ordinance authorizing designation of the Pratt/Ridge Industrial Park Conservation Area as an Industrial Park Conservation 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 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, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

*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 interests 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 Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1, et seq., as amended (the "Act"), for a proposed redevelopment project area to be known as the Pratt/Ridge Industrial Park Conservation 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, Pursuant to Sections 5/11-74.6-15 and 5/11-74.6-22 of the Act, the Community Development Commission (the "Commission") of the City, 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") called a public hearing (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 on May 11, 2004; and

WHEREAS, The Plan was made available for public inspection and review pursuant to Section 5/11-74.6-22(a) of the Act; notice of the Hearing was given pursuant to Section 5/11-74.6-25 of the Act; and a meeting of the joint review board (the "Board") was convened pursuant to Section 5/11-74.6-22(b) of the Act; and

WHEREAS, The Commission has forwarded to the City Council a copy of its Resolution 04-CDC-35, recommending to the City Council the designation of the Area as a redevelopment project area pursuant to the Act, among other things; and

WHEREAS, The Corporate Authorities have reviewed the Plan, testimony from 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; 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 Pratt/Ridge Industrial Park Conservation 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 5/11-74.6-15(a) of the Act;

b. as required pursuant to Section 5/11-74.6-10(n) of the Act:

(i) the Area is a contiguous area that 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 an industrial park conservation area as defined in the Act;

SECTION 4. Area Designated. The Area is hereby designated as a redevelopment project area pursuant to Section 5/11-74.6-15 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 26672 of this *Journal*.]

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

*Exhibit "A".*

*Pratt/Ridge Industrial Park Conservation  
Area Legal Description.*

That part of the west half southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian, located in the City of Chicago, Cook County, State of Illinois, described as follows:

beginning at the east line of North Ridge Boulevard and the north line of Lot 3 of D. Schreiber's Subdivision of that part of Lots 4 and 5 lying between the Chicago and Northwestern Railway and North Ridge Road except the north 50 feet of Lot 4 of Circuit Court Partition of the south half of the south half of the southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian being Document Number 4033053; thence east along said north line of Lot 3 to the west line of the alley east of North Ridge Boulevard dedicated on Document Number 4819734; thence northwesterly along said west line of the alley east of North Ridge Boulevard to the westerly extension of the north line of Lot 6 of aforesaid D. Schreiber's Subdivision; thence east along said north line of Lot 6 and its westerly extension to the east line of said Lot 6; thence north along the northerly extension of said east line of Lot 6 of aforesaid D. Schreiber's Subdivision to a line 371 feet north of and parallel with the north line of West Devon Avenue; thence east along said line 371 feet north of and parallel with the north line of West Devon Avenue to the west line of the Chicago and Northwestern Railway; thence north along the west line of the Chicago and Northwestern Railway to the south line of West Pratt Avenue; thence along the south line of West Pratt Avenue to the west line of Lot 11 in Block 13, in Oakside Subdivision in the northwest quarter of the southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian; thence southerly along said west line of Lot 11 and its southerly extension to the center of an alley south of West Pratt Avenue; thence west along the center of an alley south of West Pratt Avenue and its westerly extension to a point 80.00 feet west of the west line of Oakside Subdivision, measured along said center of alley; thence northwesterly along a line parallel with the west line of Oakside Subdivision to a line 124 feet south of and parallel with the north line of the southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian, aforesaid; thence west along said line 124 feet south of and parallel with the north line of the southeast quarter of said Section 31 to the east line of North Ridge Boulevard; thence southeasterly along the east line of North Ridge Boulevard to the point of beginning.

*Exhibit "B".*

*Street Boundary Description Of The Area.*

The area is bounded roughly by West Devon Avenue on the south, West Pratt Avenue on the north, North Ridge Boulevard to the west and the Chicago & North Western Railway to the east.

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ADOPTION OF TAX INCREMENT ALLOCATION FINANCING  
FOR PRATT/RIDGE INDUSTRIAL PARK  
CONSERVATION AREA.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

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

Your Committee on Finance, having had under consideration an ordinance authorizing adoption of Tax Increment Allocation Financing for the Pratt/Ridge Industrial Park Conservation 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, with no dissenting vote.

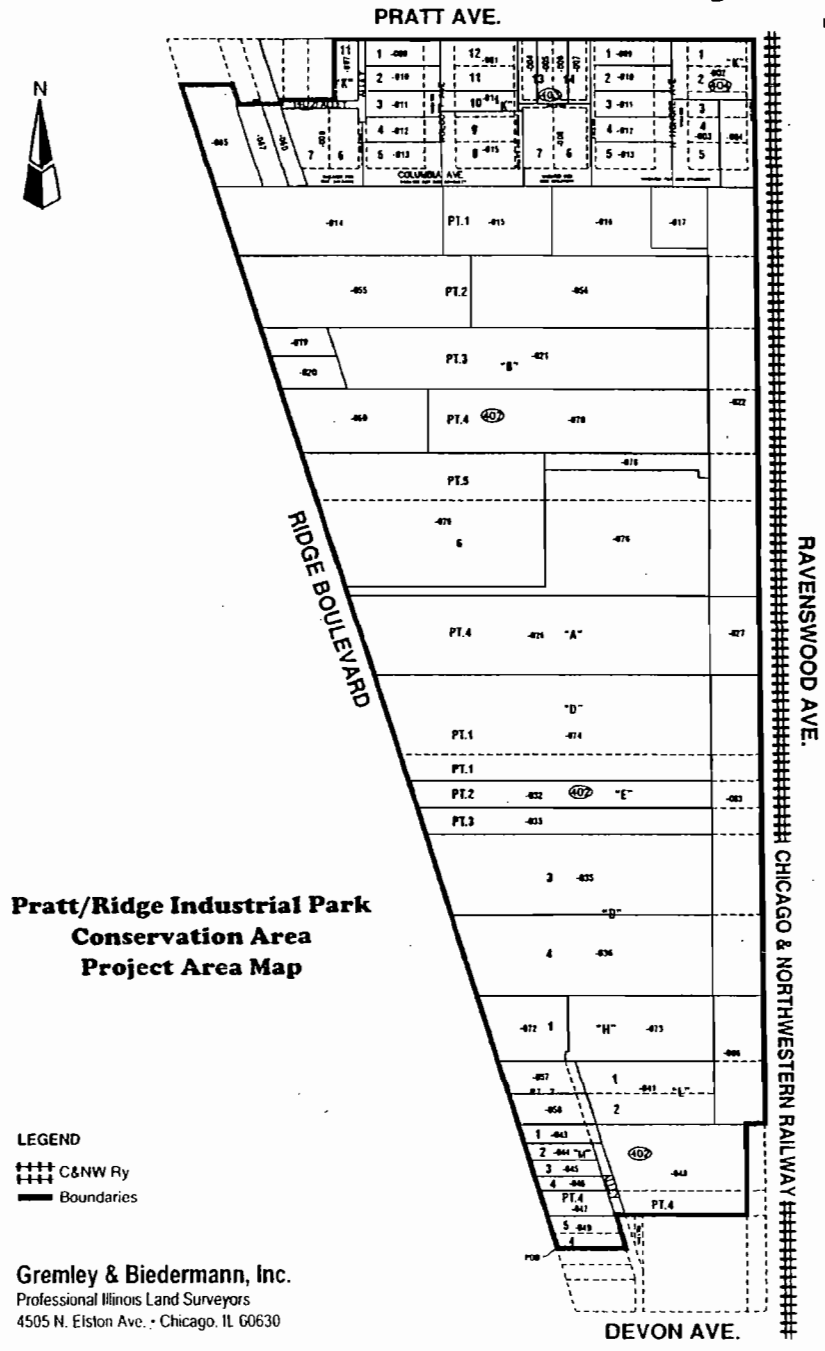
Respectfully submitted,

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

(Continued on page 26673)

Exhibit "C".

Project Area Map.



Pratt/Ridge Industrial Park Conservation Area Project Area Map

LEGEND  
 +++ C&NW Ry  
 --- Boundaries

Gremley & Biedermann, Inc.  
 Professional Illinois Land Surveyors  
 4505 N. Elston Ave. • Chicago, IL 60630

(Continued from page 26671)

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, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

*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 interests 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 Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1, et seq., as amended (the "Act"), for a proposed redevelopment project area to be known as the Pratt/Ridge Industrial Park Conservation 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 04-CDC-35, 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 Pratt/Ridge Industrial Park Conservation 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 Pratt/Ridge Industrial Park Conservation Area A Redevelopment Project Area Pursuant To The Industrial Jobs Recovery Law 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 5/11-74.6-35 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 5/11-74.6-40(b) 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 "Pratt/Ridge Industrial Park Conservation 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. 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 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 page 26677 of this *Journal*.]

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

*Exhibit "A".*

*Pratt/Ridge Industrial Park Conservation  
Area Legal Description.*

That part of the west half southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian, located in the City of Chicago, Cook County, State of Illinois, described as follows:

beginning at the east line of North Ridge Boulevard and the north line of Lot 3 of D. Schreiber's Subdivision of that part of Lots 4 and 5 lying between the Chicago and Northwestern Railway and North Ridge Road except the north 50 feet of Lot 4 of Circuit Court Partition of the south half of the southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian being Document Number 4033053; thence east along said north line of Lot 3 to the west line of the alley east of North Ridge Boulevard dedicated on Document Number 4819734; thence northwesterly along said west line of the alley east of North Ridge Boulevard to the westerly extension of the north line of Lot 6 of aforesaid D. Schreiber's Subdivision; thence east along said north line of Lot 6 and its westerly extension to the east line of said Lot 6; thence north along the northerly extension of said east line of Lot 6 of aforesaid D. Schreiber's Subdivision to a line 371 feet north of and parallel with the north line of West Devon Avenue; thence east along said line 371 feet north of and parallel with the north line of West Devon Avenue to the west line of the Chicago and Northwestern Railway; thence north along the west line of the Chicago and Northwestern Railway to the south line of West Pratt Avenue; thence along the south line of West Pratt Avenue to the west line of Lot 11 in Block 13, in Oakside Subdivision in the northwest quarter of the southeast quarter of



Section 31, Township 41 North, Range 14 East of the Third Principal Meridian; thence southerly along said west line of Lot 11 and its southerly extension to the center of an alley south of West Pratt Avenue; thence west along the center of an alley south of West Pratt Avenue and its westerly extension to a point 80.00 feet west of the west line of Oakside Subdivision, measured along said center of alley; thence northwesterly along a line parallel with the west line of Oakside Subdivision to a line 124 feet south of and parallel with the north line of the southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian, aforesaid; thence west along said line 124 feet south of and parallel with the north line of the southeast quarter of said Section 31 to the east line of North Ridge Boulevard; thence southeasterly along the east line of North Ridge Boulevard to the point of beginning.

*Exhibit "B".*

*Street Boundary Description Of The Area.*

The area is bounded roughly by West Devon Avenue on the south, West Pratt Avenue on the north, North Ridge Boulevard to the west and the Chicago & North Western Railway to the east.

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AUTHORIZATION TO ENTER INTO AND EXECUTE REDEVELOPMENT  
AGREEMENT WITH AND TRANSFER OF DONATION TAX  
CREDITS FOR LIBERTY SQUARE LIMITED PARTNERSHIP.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

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

(Continued on page 26678)